NEWS RELEASE

SEEDA WELCOMES 'BUDGET FOR BUSINESS'

23 April 2009

Budget 2009 will help support business through the recession and into the future says the South East England Development Agency (SEEDA).

Most important is £5bn this year for a top up trade credit insurance scheme to help businesses whose cover is reduced. South East businesses and SEEDA had called for this to enhance private schemes that cover the risk of customers defaulting on payment. Consultation on export insurance is also welcome.

The budget will also help key South East sectors invest for long term growth:

- The construction and housing industry will be able to access part of the national £500m cash injection to kick start housing projects affected by the downturn, while measures to stimulate mortgage lending and encourage more energy efficient homes will give the market a further boost.
- The car industry will receive a much-needed stimulus from plans to give a £2000 credit to drivers changing older cars for new cars.
- Green industries – for example wind power and advanced green manufacturing – will have access to a substantial package of new support, including a £750m Strategic Investment Fund to support advanced industries such as digital, life sciences and low carbon.

Other financial help available includes:

- A temporary doubling of capital allowances to 40% for companies investing in plant and machinery.
- It is estimated that 21,000 South East businesses will be able to reclaim taxes paid on profits in the last three years if they face short term losses during the recession.
- The ability to spread payment of business rate increases over three years, estimated to allow South East businesses to defer costs of £90m.

SEEDA Chairman Jim Brathwaite said: "This package is good news for businesses in the South East. The measures will help with both short-term cash flow and the long term investment that is needed to drive the upturn. Coupled with existing Government programmes and SEEDA's targeted support for businesses in the region, there is now more help for businesses across the South East to weather these turbulent economic times, and emerge stronger as the growth engine of the UK economy."

…ENDS…

Notes to editors

- A full copy of the **2009 Budget** can be found on the Treasury website. A summary of its affect on the South East can be found here.

- A summary of **SEEDA's support for businesses** through the downturn can be found here.

- **SEEDA, the South East England Development Agency,** is the Government-funded agency responsible for the sustainable economic development of the South East of England – the driving force of the UK's economy. Through supporting businesses, encouraging innovation, developing skills and engaging with public and private partners, we aim to create a successful, sustainable future for the region.

- **SEEDA's support helped deliver the following** over the period 2005-2008:
    - 17,500 jobs created or safeguarded
    - 32,500 people helped to get work
    - 10,000 businesses created or attracted to region
    - 137,500 businesses assisted
    - £638m investment, 45% levered from private sector
    - 200ha Brownfield land remediated
    - 148,500 people assisted in skills development

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