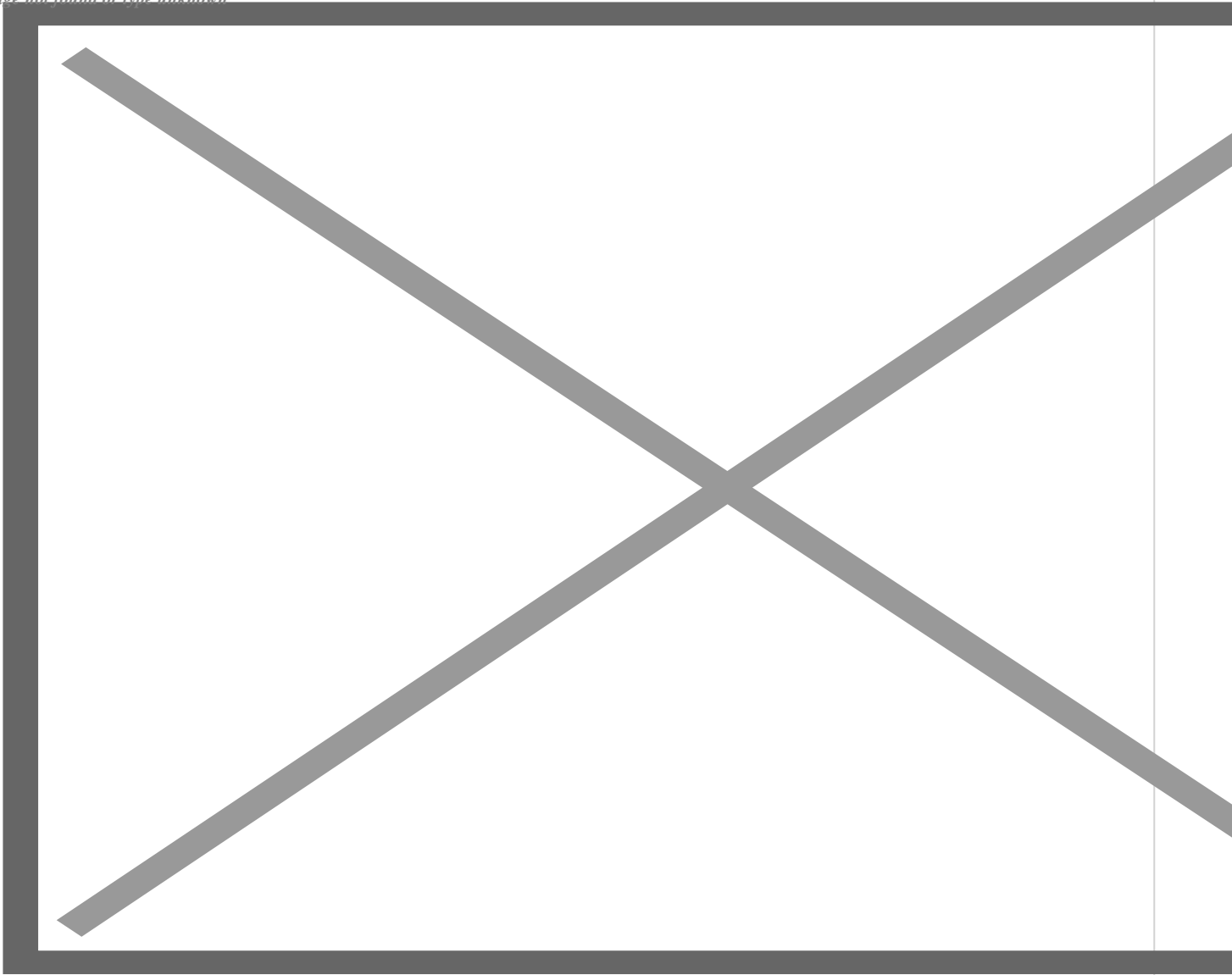


British firms call for \$10.3 billion in urgent COVID-19 aid

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London, January 20 (RHC)-- British firms have asked for another 7.6 billion pounds (\$10.3 billion) of emergency government help, saying they cannot wait until finance minister Rishi Sunak's March budget to learn if they will get more pandemic support.

With the United Kingdom back under lockdown and companies adjusting to life after Brexit, firms are making big decisions about jobs and investment and need to know if their financial lifelines will be extended, the Confederation of British Industry (CBI) said.

"We just have to finish the job. Now would be a very odd time to end that support," CBI Director-General Tony Danker said in a statement on Tuesday.

Sunak has extended his support measures several times already and has said his response to the pandemic will cost 280 billion pounds (\$379.8 billion) during the current financial year, pushing the national debt above 2 trillion pounds (\$2.7 trillion) for the first time. Sunak has repeatedly warned the current level of expenditure is not sustainable in the long term.

But he is facing calls on many fronts to spend yet more including from legislators, some from his Conservative Party, who want an emergency welfare benefit increase to be prolonged.

The CBI said Sunak should extend until June his broad job retention scheme, which is scheduled to expire in April and then follow it up with targeted support for jobs in sectors facing a slow recovery such as aviation.

He should give firms more time to pay back value-added tax which was deferred last year, grant a similar deferral for early 2021 and extend a business rates tax exemption for companies forced to close by the lockdown as well as their suppliers. "The rule of thumb must be that business support remains in parallel to restrictions and that those measures do not come to a sudden stop," Danker said.

The CBI said its longer-term priority was an overhaul of the business rates system that it said was an outdated and discouraging investment in low-carbon energy.

If more support is added before the budget, the CBI wants Sunak to use the event to lay out plans for the transition to net-zero emissions to be used to drive the UK's economic recovery, reform the business rate system and incentivise more spending on innovation and skills.

Danker said it was too soon to start raising the UK's corporation tax rate, one of the lowest among rich economies after The Times newspaper report that Sunak was drawing up plans to increase it to start fixing the public finances. "It would be wrong to raise business taxes when we don't have a recovery," Danker said.



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