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Speech

Chancellor of the Exchequer, Rishi Sunak on COVID19 response

The Chancellor announces further support in economic response to coronavirus.

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From:

HM Treasury (<https://www.gov.uk/government/organisations/hm-treasury>) and The Rt Hon Rishi Sunak MP
(<https://www.gov.uk/government/people/rishi-sunak>)

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17 March 2020 (Transcript of the speech, exactly as it was delivered)



Good afternoon everyone.

The coronavirus pandemic is a public health emergency. But it is also an economic emergency. We have never, in peacetime, faced an economic fight like this one.

I know that people are deeply worried. I know that people's anxiety about the disease itself is matched only by their anxiety about their livelihoods.

Last week, I set out an initial economic response in the Budget.

I promised to do whatever it takes to support our economy through this crisis – and that if the situation changed, I would not hesitate to take further action. That is what I want to begin doing today.

This struggle will not be overcome by a single package of measures, or isolated interventions. It will be won through a collective national effort. Every one of us, doing all we can to protect families, neighbours, friends, jobs.

This national effort will be underpinned by government interventions in the economy on a scale unimaginable only a few weeks ago. This is not a time for ideology and orthodoxy. This is a time to be bold. A time for courage.

I want to reassure every British citizen, this government will give you all the tools you need to get through this.

We will support jobs, we will support incomes, we will support businesses, and we will help you

protect your loved ones. We will do whatever it takes.

In the Budget last week, I set out the first stage of our economic response with a £30 billion package of support for people and businesses.

But I also said in the Budget that as the situation evolves, we would take further action.

And as the Prime Minister set out yesterday, we're now approaching the fast growth part of the upwards curve. He has set out the next stage of our public health response.

So I wanted to update everyone on the next stage of our economic response.

First, the government will stand behind businesses small and large.

I can announce today an unprecedented package of government-backed and guaranteed loans to support businesses to get through this.

Today, I am making available an initial £330 billion of guarantees – equivalent to 15% of our GDP.

That means any business who needs access to cash to pay their rent, the salaries, suppliers, or purchase stock, will be able to access a government-backed loan, on attractive terms.

And if demand is greater than the initial £330 billion I'm making available today, I will go further and provide as much capacity as required.

I said whatever it takes –and I meant it.

That support will be delivered through two main schemes:

- to support liquidity amongst larger firms, I have today agreed a new lending facility with the Governor of the Bank of England to provide low cost, easily accessible commercial paper
- to support lending to small and medium sized businesses, I am extending the new Business Interruption Loan Scheme I announced at the Budget last week, so that rather than loans of £1.2 million, it will now provide loans of up to £5 million, with no interest due for the first six months

Both of these schemes will be up and running by the start of next week.

And I am also taking a new legal power in the Covid Bill to offer whatever further financial support I decide is necessary.

Some sectors are facing particularly acute challenges. In the coming days, my colleague the Secretary of State for Transport and I will discuss a potential support package for specifically airlines and airports.

And yesterday, I asked my Cabinet colleagues to urgently convene meetings over the coming days with business leaders and representatives in the most affected sectors, to identify other specific opportunities to support them and their industries, including possible regulatory forbearance.

I repeat: we will do whatever it takes.

Second, as well as access to finance, businesses need support with their cashflow and fixed costs.

Following the changed medical advice yesterday, there are concerns about the impact on pubs,

clubs, theatres and other hospitality, leisure and retail venues.

Let me confirm that, for those businesses which do have a policy that covers pandemics, the government's action is sufficient and will allow businesses to make an insurance claim against their policy.

But many of those businesses don't have insurance – so we will go further.

I announced last week that for businesses in the retail, hospitality and leisure sectors, with a rateable value of less than £51,000, they will pay no business rates this year.

Today, I can go further and provide those businesses with an additional cash grant of up to £25,000 per business – to help bridge through this period.

Additionally, I also am today extending the business rates holiday to all businesses in those sectors, irrespective of their rateable value.

That means every single shop, pub, theatre, music venue, restaurant - and any other business in the retail, hospitality or leisure sector – will pay no business rates whatsoever for 12 months, and if they have a rateable value of less than £51,000, they can now get a cash grant as well.

I also announced last week that we would be providing £3,000 cash grants to the 700,000 of our smallest businesses.

In light of the new circumstances, and to support their cash flow, today I can increase those grants to £10,000.

Taken together, on top of the unlimited lending capacity I have already announced, this is a package of tax cuts and grants, in this financial year, worth more than £20 billion.

That comes on top of the existing multi-billion-pound package I set out at Budget, which included reimbursing small and medium sized companies for the cost of statutory sick pay.

Local authorities in England will be fully compensated for the costs of these measures, and the devolved administrations will receive at least £3.5 billion in additional funding as a result to provide support to businesses in Scotland, Wales and Northern Ireland.

I repeat again: we will do whatever it takes.

Third, I will strengthen our support for peoples and individuals.

At Budget last week, I committed £1 billion to support the financial security of vulnerable people, through a half billion boost to the welfare system, and a half billion pound Hardship Fund for Local Authorities.

Following discussions with industry today, I can announce that for those in difficulty due to coronavirus, mortgage lenders will offer at least a three month mortgage holiday – so that people will not have to pay a penny towards their mortgage while they get back on their feet.

And in the coming days, I will go much further to support people's financial security. In particular, I will work with trade unions and business groups to urgently develop new forms of employment support to help protect people's jobs and incomes through this period.

As I said last week, this is first and foremost a public health emergency. And I reiterate today our commitment that whatever resources the NHS needs, it will get.

Let no one doubt our resolve. When I said in the Budget that we will do everything we can to keep this country, and our people, healthy and financially secure – I meant it.

The measures I have announced today are part of a comprehensive, coordinated and coherent response to what is a serious and evolving economic situation.

These are only the first steps – I will set out the next stage of our response in the coming days.

We have never faced an economic fight like this one. But we are well prepared. We will get through this. And we will do whatever it takes.

Thank you.

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