



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

To: All MPs

27th January 2023

Dear Colleague,

Chancellor speech on UK economy

Today at Bloomberg's London headquarters, I set out my plan for long-term prosperity in the UK. I want to see the UK have world beating businesses and unlock our potential to be one of Europe's most exciting, most innovative and most prosperous economies. My speech today builds on the approach I took at the Autumn Statement to ensure that we have the right economic and financial conditions to spur economic growth.

Our country has been buffeted by recent economic headwinds, but this government has taken decisive action to protect people. We know there is more to do, as demonstrated by the Prime Minister's recent pledge to halve inflation this year, deliver sustainable growth, and start to reduce debt. Although I recognise that the path ahead is difficult, I am optimistic about the UK's prospects.

I also believe that the UK is perfectly poised to play a leading role in the growth industries that will define this century: Digital technology; Life Sciences; Green Industries; Creative Industries, and Advanced Manufacturing. The UK's track record on innovation means that we are already world-leading in many of these sectors. However, I want to make the UK the next Silicon Valley, so that anyone thinking of starting or investing into an innovation or technology-centred business does so in the UK.

The framework I announced today builds upon the "People, Capital, Ideas" themes set out by the Prime Minister in his Mais Lecture last year, and it aligns with the ambition I outlined last year in Edinburgh for the UK to be the world's most innovative and competitive global financial centre. My growth plan is centred around the Four 'E's of economic growth: Enterprise, Education, Employment, and Everywhere.

Enterprise: If we are to be Europe's most prosperous economy, we need to have its most dynamic and productive companies. So, Enterprise is at the heart of my growth plan. We must create conditions that promote competition and deliver an enterprise culture built on low taxes, reward for risk, access to capital and smarter regulation.

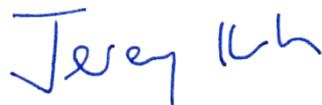
Education: The UK has made dramatic progress on Education in recent years and this government is continuing to provide the funding necessary to maintain this momentum. The Prime Minister is right when he says that a good education system is the best economic, moral, and social policy any country can have, so it is a key pillar of my plan.

Employment: Businesses can only grow if they are able to employ the staff they need. So, employment is central to my growth plan. We must address post-pandemic inactivity and ensure that work is attractive and accessible to all.

Everywhere: Finally, for this plan to be successful it is vital that we ensure the benefits of economic development are felt everywhere, not just in London and the Southeast. Improving the performance of our second cities and regions would deliver not only economic results, but social and cultural benefits too as young people would not feel that the only way to be successful is by moving south.

This government will focus on the immediate economic challenges facing our country, but we must also look ahead to the economy we want for the future. I believe that focussing on these four 'E's will enable us to unlock the UK's potential to be a technology superpower and one of Europe's most prosperous economies. I enclose a copy of my speech with this letter.

Best wishes,

A handwritten signature in blue ink that reads "Jeremy Hunt". The signature is written in a cursive, slightly informal style.

RT HON JEREMY HUNT MP
Chancellor of the Exchequer