



## Budget June 2010

The Chancellor George Osborne delivered his first budget to parliament on June 22. The budget was focussed on taking action in three areas- deficit reduction, enterprise and fairness. Action that was needed, he said, as the current 'government inherited the largest deficit in Europe, with the exception of Ireland'. He went on to state that this budget would 'deal with our country's debts' and 'give confidence to our economy'. In order to control debts the Chancellor announced additional spending reductions of £30 billion on top of those outlined by the previous Government. These spending cuts, added to tax increases worth around £8 billion, will mean a total of £113 billion of consolidation in public finances by 2014-15.

Mr Osborne maintained the Government's pledge to protect health and international development spending, explaining this would result in budget cuts of around 25 percent in all other departments. The specific detail for each department will be announced in the Spending Review on 20 October.

ABHI recognises how important it is for the large number of SMEs in our sector to be able to gain access to finance. We will be monitoring Government policy in relation to support mechanisms and bring any concerns we have to the attention of Government officials and relevant Ministers.