

FINANCIAL SERVICES

## UK luxury trade lobby Walpole comments on first budget from PM Johnson's new finance minister

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*The United Kingdom's first budget under new chancellor of the exchequer Rishi Sunak is a mixed bag for British luxury brands. Image credit: Walpole*

By LUXURY DAILY NEWS SERVICE

British luxury trade organization Walpole has reacted to the first budget from Rishi Sunak, new chancellor of the exchequer, and what it means for the country's luxury brands.

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Here is the London-based **Walpole's** statement in its entirety:

Walpole welcomes the measures set out in the Spring budget specifically the temporary actions on business rates, emergency funds and loans which will be helpful to a number of the SMEs which make up 60 percent of the British luxury sector and whose cash-flow vulnerability put them at risk in situations such as the current coronavirus outbreak.

However, many London-based retailers will not see any benefit from the business rate freeze as they pay well in excess of 51,000 per annum in rent.

The fundamental review of business rates promised for later in the year is good news for all, particularly if larger retailers are also set to benefit from a fairer system.

The continued freeze on excise duty on spirits is welcomed, but at a time when Single Malt whiskies are facing 25 percent tariffs imposed by the U.S. in a trade dispute between aircraft manufacturers, a reduction in duty would have been preferable.

The chancellor announced 1 million to promote Scottish food and drink overseas a welcome move in light of tariffs and 10 million to help distilleries go green.

As British luxury is highly export focused with 80 percent of what it produces destined for overseas markets, the increased support announced for UK exporters, by way of a 2 billion increase in the U.K. Export Finance Direct Lending Facility, is positive for the sector.

There was a lack of mention of skills and the Apprenticeship Levy, which we would like to see reformed to improve access for employers and apprentices alike.

An overall simplification of what is widely regarded to be a complex and inflexible system currently to ensure that British luxury businesses are able to plug the skills gap, particularly in hands-on making roles is desperately needed.

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