

Budget: Mid-market contribution warrants own Minister to boost exports

London, 14 March 2016 – Ahead of this week’s Budget, BLME, a leading bank to UK mid-market companies, is calling on the Chancellor to appoint a dedicated mid-market Minister to recognise the substantial economic contribution of this often unsung section of the business community. According to BLME, top of the to-do list for any new Minister should be supporting the mid-market on how it can boost the amount it exports.

BLME’s most recent mid-market research* found that four in ten mid-market firms (39%) in the UK want to export more, but are hampered by the amount of red tape (24% cited this as a barrier) and the cost of exporting (21%). This comes as the Chancellor has set the UK the target of hitting £1trillion in exports by 2020.

Jervis Rhodes, Head of Corporate Banking at BLME, commented,

“Support on exports is just one area where a dedicated mid-market Minister could fight for help that is tailored to these firms’ specific needs, which are quite different to the biggest firms above them and the smallest below.

“The Chancellor rightly recognises that healthy export numbers are key to our long term economic prosperity. But simply providing one-size-fits-all advice on this to the mid-market won’t be enough. It certainly won’t help the chances of realising the Chancellor’s ambitious export target.

“This isn’t about the mid-market getting special treatment. It’s about these firms getting the recognition they deserve. A mid-market Minister would champion this unsung sector of our business community and ensure it has its own voice in policy debates.”

According to BLME, the mid-market makes a sizeable economic contribution. HMRC figures** show that corporation tax receipts in 2014 totalled over £41bn. With separate research from the Centre for Economics and Business Research*** estimating that £10bn of that came from the mid-market, it puts the tax contribution of mid-market firms at around a quarter. At the same time, a recent report by BLME** estimates that mid-market firms added almost over 150,000 jobs to the UK economy over the last four years.

However, despite there being a Minister for Small Business (Anna Soubry MP), and despite previous calls there is currently no dedicated government representative for the mid- market.

Jervis Rhodes added:

“The UK mid-market is critical to the health of the economy. Yet too often, it finds itself squeezed out of the policy agenda. The biggest listed companies make their own news, while mid-market firms are often inaccurately grouped together with small firms. Which is illogical; a company of four hundred people faces completely different challenges to a company of ten.

“In recent weeks hard-working mid-market firms, who pay their taxes, have watched the Government cut deals with big firms like Google. At the same, time, tax breaks to aid start-ups continue. It’s easy to understand why some businesses caught in the middle might feel unloved.”

“The mid-market deserves recognition that it is taken seriously, and it is valued. The upcoming Budget is an ideal opportunity to do that.”

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About BLME

BLME is an independent wholesale Sharia'a compliant bank based in London and is a leading provider of finance to the UK mid-market. BLME received FSA authorisation in July 2007 and is the largest of its peers in Europe. BLME is led by a management team that brings together a combination of experienced international bankers and leading experts in Islamic finance, BLME has three key business areas; Wealth Management, Corporate Banking and Treasury providing a wide range of financing solutions and investment opportunities.

* *The UK Mid-Market driving growth*, November 2015: www.blme.com/media/1412/blme-2015-research-the-uk-mid-market-driving-growth.pdf

* www.gov.uk/government/statistics/hmrc-tax-and-nics-receipts-for-the-uk

**www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2015/agents-of-growth-2015.pdf