

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Monday 6th March

Dear Chancellor,

Building confidence among infrastructure investors - Spring Statement

The Global Infrastructure Investor Association (GIIA) represents the world's leading investors in infrastructure and their advisors. Our members are responsible for more than £1 trillion in infrastructure assets under management across 70 countries, with substantial interests in the UK. The GIIA's role is to work with governments and public bodies to help create the right policy and regulatory environments that will unlock private capital for the benefit of society and, increasingly, the environment.

Your Spring Statement is an opportunity to send signals that will further build confidence among investors that the UK continues to be a stable and attractive market. This will help the UK attract the funding that will enable the government to achieve its ambitions for infrastructure transformation and its targets for transition to net zero.

As you plan your Spring Statement, we write to highlight recent policy developments that our members have welcomed and urge further steps to be taken to unlock greater investment in the UK's infrastructure.

Electricity Generator Levy (EGL)

Whilst GIIA understood the arguments for a short term levy on extraordinary profits driven by the Ukraine crisis in order to ease the impact on consumer bills, there were elements of the EGL proposals that needed further consideration. Following recent conversations with both HM Treasury and HMRC, we have welcomed recent shifts to index link the £75/MWh benchmark, as well as to recognise a proportional relationship between exceptional profits and exceptional costs.

However, we remain concerned that whilst the separate Energy (Oil and Gas) Profits Levy made provision for a generous Investment Allowance, no such incentives were included for investors in renewables via the EGL.

The need for investment in renewable technologies has never been greater and it is imperative that the government makes competitive provisions for green investment. We believe this could be achieved through alternative incentives for renewable investment, such as reforms to the existing Capital Allowance System.

Economic Regulation

We support the government's plans to review the UK's system of economic regulation, which we understand the newly created Department for Business and Trade will lead.

We welcome the ambition to cut red tape and redefine regulatory parameters to ensure a system that works for the UK. The GIIA strongly supports a framework that is streamlined and fit for purpose, to rebuild the UK's reputation as an example of 'gold standard' regulation.

Sectors covered by economic regulation are fundamental to the UK's future infrastructure investment pipeline and ensuring that long term investment can be appropriately incentivised should be a major priority for the government. We hope that HM Treasury will play a key role in defining and implementing economic regulation frameworks and we welcome the continuing engagement that enables us to share investors' views on this vital aspect of the investment landscape..

The UK as an investment destination

The policy work we've outlined above collectively helps to form perceptions among investors of the UK's relative attractiveness as an investment destination. However, more must be done to ensure the UK restores its international reputation as a primary investment destination in an increasingly competitive global market.

We have seen fundamental shifts in both the US and EU that have sent new signals to investors, including the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA), and the Green Deal Industrial Plan (GDIP). We welcome your acknowledgement of the need for the UK to respond to these incentives.


We urge HM Treasury to review international best practice in the use of Public-Private Partnerships (PPP) and consider how this funding model could be added to the government's toolkit to bolster the UK's competitive position and stimulate investor interest in future 'greenfield' pipelines.

Foreign Influence Registration Scheme (FIRS)

We welcome the receptiveness of HM Treasury and other government departments in listening to views on the Foreign Influence Registration Scheme (FIRS). We are pleased that the government has tabled a series of amendments to the *National Security Bill*, to redefine the scope of FIRS. We are grateful to your department for taking our members' concerns on board and welcome the government's move in this area.

We look forward to a continuing constructive relationship with HM Treasury and thank you and your officials for your positive engagement over our members' views and concerns.

Yours sincerely,



Jon Phillips

Acting Chief Executive