

PRESS RELEASE

SCDI COMMENTS ON UK OFFSHORE OIL AND GAS REPORT

29 June 2009

The Scottish Council for Development and Industry (SCDI) has welcomed a new report by the House of Commons Energy and Climate Change Committee into UK offshore oil and gas.

Ian Armstrong, SCDI North East Manager, said:

“This is a powerful report which rightly identifies that security of energy supply and maximising the recovery of domestic reserves should be the key priority for the UK Government from which its oil and gas policies flow. The Committee has got to the heart of the challenges facing the industry, especially investment, and clearly made the case for how Government can and should make a difference.

“The finding that Ministers must articulate a strategy setting out how production levels are to be maintained is especially timely and the report should inject greater urgency into the Government thinking.

“SCDI welcomed the modest tax incentives announced in the Budget as a first step, but we strongly endorse the Committee’s conclusion that their impact is likely to be limited and the Government should now be prepared to take bolder action towards a fair and sustainable fiscal regime. Nothing would stimulate long-term investment in the North Sea and west of Shetland more than the reduction or the removal of the supplementary charge on corporation tax.”

SCDI hosted a breakfast briefing meeting between the Committee and more than fifty individuals working in the oil and gas sector or in related businesses on its visit to Aberdeen.

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