# Criticism arises over Chancellor Jeremy Hunt's handling of Royal Mail's parent company sale



Chancellor Jeremy Hunt has encountered criticism for his approach to the potential sale of Royal Mail's parent company, International Distribution Services (IDS), to Czech billionaire Daniel Kretinsky. The sale, expected to involve transferring £1.7 billion of debt and adding another £2.3 billion of bank-financed debt, has raised concerns about the impact on investments and the Royal Mail service.

Critics argue that the sale could lead to significant job cuts, reduced investment, and asset disposal, including Royal Mail's property portfolio. This mirrors past controversies surrounding UK assets sold to foreign investors, such as Arm's sale to Japan's Softbank in 2016.

In political developments, Labour's Shadow Chancellor Rachel Reeves has pledged not to increase income tax, national insurance, or VAT, aligning with Hunt's promises. This promise is part of a broader fiscal debate between the main political parties, each accusing the other of planning tax hikes to cover spending pledges.

The Office for Budget Responsibility projects a 20% rise in income tax receipts by maintaining frozen tax thresholds. Both parties promise not to increase VAT but may close loopholes to raise revenue. Capital gains and dividend taxes are other potential areas of adjustment, though neither Hunt nor Reeves have committed to specific changes.

Rachel Reeves has identified private school fees for VAT imposition and hinted at tackling carried interest tax discrepancies as part of her fiscal strategy. The discussions underscore the ongoing fiscal policy debate as both parties navigate promises to manage public finances responsibly.