# CBI Strongly Opposes Labour's Proposal to Increase Windfall Tax on Oil and Gas Companies



The Confederation of British Industry (CBI) has voiced strong opposition to the Labour Party's proposal to increase the windfall tax on North Sea oil and gas companies. The CBI, representing 190,000 businesses, warned that this policy could damage investor confidence in the UK. The CBI's Director of Economic Policy, Mohammad Jamei, stated that further sector-specific taxes would negatively impact "brand Britain" as an investment destination.

Currently, a 35% levy imposed in 2022 on UK oil and gas producers, combined with other taxes, results in an overall 75% tax. Labour intends to raise this to 78%. Jamei emphasized that such measures could deter investments, not only in the oil and gas sector but also potentially across other industries. He highlighted concerns within financial services about the possibility of new sector-specific taxes.

Furthermore, the CBI's "business manifesto" calls for the next government to avoid additional sector-specific taxes and to focus on making UK tax rates competitive internationally. CBI Chief Executive, Rain Newton-Smith, underscored the importance of prioritizing economic strategies post-election to drive sustainable growth and investment.

The CBI advocates for a stable tax environment, warning that unpredictable tax policies could undermine investment decisions. The organization also stresses the need for a government strategy to enhance UK exports, secure imports, and bolster investment, particularly in light of recent economic challenges such as Brexit, COVID-19, and the global energy crisis.