

News Release

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GRANTS TO SUPPORT JOB CREATION

GOVERNMENT SUPPORT TO HELP COMPANIES BEAT THE GLOBAL DOWNTURN

Around 1,000 jobs will be created or safeguarded with support from Regional Selective Assistance (RSA), Jim Mather said today.

The Enterprise Minister said the latest quarterly report demonstrates the Scottish Government's commitment to help businesses of all sizes through the problems caused by the global economic downturn as part of the Scottish Economic Recovery Plan.

The report shows 25 businesses in Scotland accepted RSA totalling over £8 million in the third quarter of 2008. This relates to planned investment of almost £37 million and includes manufacturing, design and wind turbine sales and servicing projects.

Mr Mather said:

“During the global economic slowdown, every extra pound spent in our economy could protect a job or save a business.

“Regional Selective Assistance not only helps safeguard jobs, it encourages investment in new ventures which will help to position Scotland for a faster and stronger recovery.

“The Scottish Government has already set out a six point plan to help both householders and businesses which we will build on across government throughout the weeks and months to come.

“RSA complements other Scottish Government initiatives to create the more competitive business environment Scotland needs – including slashing and scrapping rates for small business, planning reform and accelerating investment in affordable housing.

“We have also recently increased aid limits for ‘Tier 3’ assistance to help more small and medium sized firms that are investing in their business at this important and challenging time in the business cycle.

“We want to see the benefits of increased sustainable economic growth felt in all communities, so it is pleasing to see so many companies in different areas benefit from RSA grants.”

NOTES FOR NEWS EDITORS

1. RSA is the Scottish Government’s main national scheme of financial assistance to industry. It is aimed at encouraging investment and job creation in the Assisted Areas (AAs) of Scotland. It also encompasses support available to Small Medium-sized Enterprises in other areas (referred to as Tier 3).

2. Payments of RSA are made in instalments, typically over years, provided that job and project expenditure targets are met. The amounts quoted here and in the report represent the maximum grant potentially available if the project is satisfactorily completed, and not the amount actually paid to date. All job numbers are based on firms' forecast figures at the time a grant is offered and are subject to change, depending on future economic conditions and other factors affecting the business concerned.

3. Following the introduction of the new Assisted Areas map in 2007, the Scottish Government introduced a new support scheme, Tier 3, for SME investment that extends RSA type grant coverage, albeit at reduced levels of intensity, to SMEs in areas of need outwith the new map. Following a review by the European Commission, Ministers have now approved an increase to the aid intensity levels - up to 10 per cent (from 7.5 per cent) for medium-sized companies and 20 per cent (from 15 per cent) for small companies.

4. The report can be viewed at: www.scottishbusinessgrants.gov.uk

5. The Government’s six point plan includes:

Re-shaping our capital expenditure

Intensifying our activity and support for Homecoming 2009, to boost tourism

Ensuring all government activity, including on planning and regulation, supports economic development

Intensifying our work around energy efficiency & fuel poverty

Increasing advice to businesses and individuals

Improving financial advice to vulnerable individuals

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