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Tax burden could lead to more departures

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Unilever has become the latest multinational to threaten to quit Britain. Is the tax and regulatory burden too much? How can we make the UK a better place to live and work in?

"We have choices over where we put research laboratories, choices for manufacturing facilities, and choices where we put our senior management," says Paul Polman, chief executive of Unilever.

Polman says that with his company already being hit by consumers spending less money, why should he also deal with a difficult tax environment?

"If on top of that we would get an additional tax environment that would make us non-competitive, that would be unfortunate for the UK," he explains. "Any responsible businessman needs to continue to assess that within an ever-changing global environment."

Polman's views seem to echo what Britain's entrepreneurs feel: it is increasingly becoming difficult to justify staying in the UK.

The new 50 per cent tax on high earners, rising corporation tax, and the huge regulatory burden are all stymieing entrepreneurship. So much so that ten per cent intend on leaving, according a recent poll by Investec Specialist Private Bank and the Entrepreneurs' Organization. A further ten per cent also intend on shifting their business operations abroad.

"We should be very concerned. Is the UK going to be a good place to be?" asks Peter Selkirk, chief executive of Egbert H Taylor and Company, Britain's largest manufacturer of commercial waste and recycling containers. "This country won't satisfy our growth aspirations, so we have to look abroad."

If Unilever were to leave the UK, it would be the largest company to do so over the growing tax burden. Others who have left the UK recently include Experian, the credit reference agency, publishing groups Informa and United Business Media and pharmaceutical group Shire.

The fact that technology has made it much easier for entrepreneurs to run their businesses from abroad also makes it more appealing to move, says Michael Conway, founder of high-street clothing importer Quayside Group. "If measures aren't taken to encourage people to stay, there are so many other places which are more attractive."

What do you think? Are you thinking of moving abroad? Leave your comments below.

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