

Quoted Companies Alliance launches Manifesto 2015

The Quoted Companies Alliance has launched a campaign to remove – or at least reduce – the obstacles it believes are hampering the UK's *engines of growth* in their ability to create wealth and employment.

The independent membership organisation today issues its *Manifesto*, calling on politicians and regulators to address a unique combination of disadvantages that are curtailing the potential of small to mid-size quoted companies.

The policy document, *Fuelling the Engines of Growth*, calls on whoever wins the May general election to:

- Create a minister for equity finance;
- Enhance tax incentives for equity and entrepreneurs;
- Make small and mid-size quoted companies a distinct economic category;
- Simplify the process of raising public equity;
- Have a time-out on new business regulations; and
- Foster a long-term equity culture.

While welcoming the return of growth, strengthened consumer confidence and falling unemployment, the Quoted Companies Alliance says serious flaws and imbalances in the economy must be addressed to create more stable, sustainable growth.

Public equity markets are often seen as a place for huge, multinational businesses. Yet Britain's 2,000 small and mid-size quoted companies make up the majority of those accessing public equity financing, representing 80% of all quoted companies in the UK.

In the EU, of some 23 million SMEs, only 6,000 are quoted on a stock market or trading facility, with most raising finance through debt. With bank finance in short supply, governments in Whitehall and Brussels must allow companies to access public and private equity markets to fund their growth.

Britain has a high proportion of small to mid-sized quoted companies, worth approximately £351 billion in aggregate, with a combined turnover of some £180 billion and employing about 1.6 million people – 6.3% of private-sector jobs.

Tim Ward, CEO of the Quoted Companies Alliance, said: "Britain is a pioneer of equity funding, a long-established mechanism that remains highly effective today. Investing in shares nurtures great businesses,

encourages innovation, provides employment and creates prosperity, limiting the need for public expenditure.

“We are launching this manifesto so that politicians and others will better understand equity funding and promote the conditions in which it can thrive.”

The Quoted Companies Alliance believes that having a government minister to champion equity markets could help create a permanent equity culture in the UK, as in the US; that bank finance is temporary and Government efforts to encourage lending have failed; and that tax rules should be changed to address the long-standing anomaly whereby loan interest is tax deductible while raising equity funding is penalised.

Tinkering with regulations damages the economy and rules concerning public markets must not be ‘one-size-fits-all’, says the Quoted Companies Alliance. Meanwhile, pupils should learn how stock markets work, their history and the risks and rewards of capitalism.

“The business and financial sectors need to be more aligned with private investors and society as a whole,” said Tim Ward.

- The Manifesto is available at www.theqca.com/manifesto

- Ends -

Contact:

The Quoted Companies Alliance:
Tim Ward, CEO

+44 (0)20 7600 3745

Media enquiries:

Peter Curtain, Allerton Communications:

+44 (0)20 3137 2500

Notes to editors:

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information please visit www.theqca.com.