

Technological investment in the UK is seen as slow behind other forms of investment in the UK. Robotics is one area that may become particularly useful in the future for increasing UK manufacturing competitiveness, medical advances, and more. However in the USA, technological investment is 10 times than the UK, and is 5 times as much in China. Funding for engineers and developers in the UK is needed to allow them to develop their ideas in the UK. On the other hand, aerospace investment in the UK is at its highest since the early 1960's, and is second only to the USA. This level of investment in the robotics industry could ensure that the UK makes the most of its intellectual capacity. Some families feel the recovery is occurring as more and more extra disposable income is becoming available. However other people are not feeling these same effects as their living standards are dropping as the economy recovers.

9. **Anticipate** 3 measures in this budget and show how they will affect the economy. Reflect on growth, unemployment and deficit/debt in particular

In the 2014 budget measures to support a steady economic recovery may be set out, such as a rise in tax rates for the wealthy in order to help costs of living of the poorer, and to help reduce the budget deficit. Also, workplace savings schemes may be bettered as the BBA are requesting, so that it is easier for employees to save regularly. In addition, the Chancellor may increase taxes on alcohol/cigarettes in order to decrease demand and reduce the extent of the externalities caused by excessive drinking and smoking.

10. **Homework – Report on this year's budget. Identify the main proposals and their likely effect on the economy, linking to indicators such as growth, unemployment and deficit/debt especially**

The 2014 Budget is said to be set to help build a resilient economy for makers, doers and savers. Tax alterations in the budget come in the form of a rise in the 40% income tax threshold from £41,450 to £41,865 in April, and then to rise by another 1% to £42,285. Also alcohol duty will rise with inflations, except duty of scotch whiskey and ordinary cider – which has been frozen. Beer duty will however be cut by another 1%. Duty on tobacco will continue to rise at 2% above inflation in the next parliament. These changes in taxes will be likely to lead to a reduction in consumption for some alcoholic products due to tax increases. Also the increase in the income tax 40% threshold will make the income tax system fairer for some top earners as the tax burden will be evident on less people, and therefore the risk of 40% income tax becoming the base rate is reduced.

Savings regulations have been amended so that the tax free limit for ISA's has been increased to £15,000, which may increase incentives for saving by consumers. Furthermore, tax restrictions on access to pension funds have been removed so people have access to their money, and also have access to impartial advice. These changes may help the UK economy to become more sustainable because saving is being encouraged, however may lead to growth slowdown if consumer spending is altered too much.

With respect to property and infrastructure - The Help to Buy scheme has been extended to 2020 rather than previously being set to end in 2016. \$140 million has been added to the budget for flood repairs, which will help to return the UK to its former infrastructural state