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# Economy Minister Warns UK Growth Set to Slow as Tax Relief Looms

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The United Kingdom is facing a slowdown in economic growth, with Treasury forecasts predicting sub—2 per cent Gross Domestic Product (GDP) expansion next year. Chancellor Rachel Reeves has urged tax cuts to stimulate activity, warning of risks from escalating U.S. tariffs under President Donald Trump that could dent UK exports.

The Treasury now anticipates that real GDP growth will dip below 2 per cent during the next forecast period, well down from recent figures, risking stagnation in output and investment. Chancellor Reeves described the slowdown as “a serious warning sign” requiring fiscal action.

She signalled that tax relief should be considered to alleviate the burden on households and small firms, where over—regulation and rising business costs threaten growth. Reeves emphasised that targeted tax cuts could kick—start consumption and support enterprise during a fragile recovery.

Economic concerns are compounded by potential external threats. Reeves highlighted the risk posed by U.S. tariffs under President Trump’s administration, which could be applied to key UK export sectors, such as food and automotive manufacturing. A tariff escalation, similar to past steel duties, would hit exporters hard, potentially weakening sterling and reducing profitability.

The Office for Budget Responsibility (OBR), the UK’s independent fiscal watchdog, recently published revised forecasts showing growth at just 1.4 per cent next year, significantly lower than previously anticipated. OBR analysis pointed to weak business investment and high borrowing costs as major headwinds.

From a centre—right viewpoint, careful tax cuts could provide a welcome boost to consumer confidence and small businesses without adding to structural deficits. More efficient government spending, coupled with sensible deregulation, would deliver better value and foster enterprise, without turning to extensive public borrowing.

Even with the global economy wobbling, the UK has tools at its disposal, from fiscal levers to regulatory reform, to counteract slow growth. A measured, growth-oriented agenda focused on setting tax thresholds, aiding the self—employed, and easing business burdens could be a decisive step in restoring momentum.

Time is tight. With forecasts indicating prolonged low growth and external trade risks gathering, the Treasury must act decisively to nurture recovery and shield Britain’s economy from further shockwaves.