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**EMBARGOED: 19 September**

**Rural Economy: A Sleeping Giant Worth £19 Billion**

As the new government prioritises economic growth, a landmark report published today reveals the enormous potential of the rural economy, which could generate billions of pounds annually in additional tax revenues.

The report shows that with the right policy framework, the rural economy could increase productivity significantly, leading to an additional £9 billion to £19 billion per year in tax revenues. This growth would not only support rural communities but also have far-reaching benefits for the national economy, helping to fund essential public services and drive broader economic initiatives. The Treasury stands to gain substantially from an invigorated rural economy, making this an opportunity too significant to ignore.

**Unlocking the untapped potential of rural England: A new era for economic growth**

Commissioned by [The Rural Coalition](https://acre.org.uk/rural-coalition/) and developed by [Pragmatix Advisory](https://www.pragmatixadvisory.com/), the report highlights the critical need for focused investments and policy changes to bridge the productivity gap between rural and non-rural areas. This is a crucial step to ensure that rural England contributes fully to the nation's economic recovery and growth.

**Chronic underinvestment: A barrier to rural prosperity**

For years, rural England has faced chronic underinvestment, resulting in a widening productivity gap with non-rural areas. Currently, the productivity of the rural economy stands at just 82% of its non-rural counterpart, and without intervention, this figure could drop to 79% by 2040. The report calls for immediate action to reverse this trend, warning that failure to address these disparities could have severe consequences for the national economy.

**A call for action: Time for change**

The report advocates for a comprehensive policy overhaul that addresses the unique challenges faced by rural communities. Key recommendations include targeted investments in rural infrastructure, ensuring fair funding for rural councils and other public services, and empowering local governance. With the right policies in place, rural England has the potential to contribute far more significantly to the UK’s economic future. The time for action is now, and the report highlights that these changes are not just beneficial but essential for national prosperity.

The report builds on the Rural Coalition roadmap, [A Better Future for Rural England: an Opportunity for Change,](https://acre.org.uk/a-better-future-for-rural-england/) which sets out nine policy principles to address the structural inequalities and weaknesses facing rural areas and the people who live and work in rural England.

The findings of this report serve as a powerful reminder of the untapped potential within rural England. As the government seeks to drive economic growth, it must recognise the critical role that rural areas can play in the nation’s prosperity. The Rural Coalition’s call for action is clear: with the right support, rural communities can flourish, contributing billions to the economy and enhancing the quality of life across the UK. The time for change is now.

**Margaret Clark, Chair of the Rural Coalition said,** *“This report shows, once and for all, that rural areas are part of the solution to the growth of the nation.  It makes economic sense to invest in improving rural infrastructure and tackling existing inequalities.  But there is no silver bullet.  It requires concerted action across government and a policy framework that recognises that ‘thinking rural’ and tailoring policies and programmes to meet rural circumstances will reap positive benefits for us all.”*

**Mark Pragnell of Pragmatix Advisory said,** “*By examining nations like Norway, Sweden, Finland and Denmark, whose rural areas share key similarities with England’s, our analysis reveals the scale of opportunity available. The report shows that if the foundations for rural growth matched these Scandinavian countries, it could generate an additional £50 billion annually for the national economy and £19 billion extra in taxes for the Chancellor.* “

***ENDS.***

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**About The Rural Coalition**

The Rural Coalition is an alliance of twelve national organisations, each with its own perspective and expertise, but who share a vision of a living, working countryside in England and work together in common cause.

**Members of the Rural Coalition**

[Action with Communities in Rural England](https://acre.org.uk/)

[Arthur Rank Centre](https://arthurrankcentre.org.uk/)

[CPRE – The Countryside Charity](https://www.cpre.org.uk/)

[National Association of Local Councils](https://www.nalc.gov.uk/)

[National Centre for Rural Health and Care](https://www.ncrhc.org/)

[National Farmers Union](https://www.nfuonline.com/)

[National Housing Federation](https://www.housing.org.uk/)

[Plunkett UK](https://plunkett.co.uk/)

[Royal Institution of Chartered Surveyors](https://www.rics.org/)

[Royal Town Planning Institute](https://www.rtpi.org.uk/)

[Rural Services Network](https://www.rsnonline.org.uk/)

[Town and Country Planning Association](https://www.tcpa.org.uk/)

**About Pragmatix Advisory Limited**

[Pragmatix Advisory Limited](https://www.pragmatixadvisory.com/) is a leading socioeconomic research firm dedicated to providing comprehensive analysis and strategic insights to drive effective policy and investment decisions, particularly in the context of rural and regional development.