

BCC: Business can't rely on just-in-time Brexit preparation

New research by the British Chambers of Commerce, released today (Monday), in partnership with the Port of Dover, finds that over a third (36%) of traders rely on the just-in-time delivery of material and components, but that many are not preparing for changes to customs procedures after Brexit.

The survey, based on the responses of over 835 businesses from across the UK that export or import, found that delays at UK or EU ports would lead to considerable business disruption, particularly for those operating a just-in-time model.

Nearly a third (29%) of companies believe they will be impacted in terms of administration, costs or operations by delays or congestion at UK or European ports after Brexit but still aren't yet planning for it.

Crucially, with less than a year to go until Brexit, one in three (33%) businesses affected by the implementation of new customs procedures still aren't planning for checks and declarations between the UK and EU.

The sheer volume and speed of trade between the UK and EU reinforces how vital it is for both government and business to be clear on a delivery timetable for the necessary infrastructure investment and systems to be in place. The government needs to promptly define its vision for the end state relationship with the EU so that businesses have clarity, and are in a position to implement the necessary changes to their operations from the start of the transition period. In the meantime, firms should be planning for how different scenarios could impact them, and consider the implications now to minimise disruption in the future.

Around a third of the UK's trade in goods crosses the English Channel in lorries via the Port of Dover and Eurotunnel, serving the just-in-time supply chain between the UK, Ireland and the rest of the EU. Maintaining fluidity throughout the journey of trade in goods, both at ports and along the key strategic road arteries serving them, is essential. 67% of respondents say it's not likely that their business will move its operations from their existing UK port to a different UK port in the next three years, but 30% say the infrastructure leading to and from ports is not meeting their business needs.

Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"While a lot remains to be agreed about the nature of the future trading relationship with the EU, the UK government has made clear its intention to leave the Customs Union. Firms need to know what checks and declarations they will have to go through on trade with the EU – and need to start planning for

the changes ahead.

“Understandably, the lack of certainty over the terms of the final settlement with the EU makes it hard to plan with confidence, but businesses shouldn’t be complacent about preparing for new processes under different scenarios. The businesses most likely to be impacted by change at the border must start thinking through the consequences for their supply chains, freight forwarding arrangements, software requirements and budgets. Leave it too late, and firms could face even greater disruption or cost when the time comes for changes to border arrangements to be implemented.

“Business needs to look hard at how they will operate under new conditions in the future, but the same applies to the Government. If there is to be minimal friction between the UK and the Continent, then physical infrastructure such as inland clearance, IT systems for quick risk assessments, as well as agreements on no doubling up of checks between the UK and the EU, must be implemented as soon as possible.”

Richard Christian, Head of Policy & Communications of the Port of Dover, said:

“It can surely be no coincidence that the cross-Channel trade corridor with the UK’s nearest and largest trading partner, of which Dover is a major part, handles around a third of the UK’s trade in goods and that a similar percentage of British traders rely on the just-in-time delivery of material or components via fluid borders and roads serving them.

“The Port of Dover provides pan-European just-in-time supply chains with the efficiency and fluidity needed by British, Irish and European farmers, traders and manufacturers, as well as ordinary citizens.

“There is no substitutable capacity elsewhere that can handle the type and volume of goods that Dover does. For the sake of UK plc, it is vital that fluidity at Dover and throughout the supply chain is maintained, by keeping checks to a minimum and any that need to be made are done away from the Port, by bringing forward targeted road investment to key trading gateways such as A2 dualling to Dover linked to the Lower Thames Crossing which we support, and through the awareness raising of businesses.

“We need to work together to ensure the shortest, most efficient route to market stays that way so that goods continue to flow and jobs are safeguarded.”

Ends

Notes to editors:

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For more information, visit: www.britishchambers.org.uk

The Port of Dover is Europe's busiest international roll-on roll-off ferry port. It handles up to £122 billion (or 17% of the UK's trade in goods) in 2.6 million freight vehicles. Together with 2.3 million tourist vehicles and around 12 million passengers, the Port supports the rapid movement of people and goods with the UK's largest and nearest trading partner – the EU.

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BCC: Q1 GDP figures show UK stuck in global growth slow lane

Commenting on the GDP figures for Q1 2018, released today by the ONS, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Sadly, the latest GDP figures confirm what we have been saying for some time: the UK is stuck in the global growth slow lane, while other countries race ahead.

“Westminster politicians need to start focusing their attention on a much stronger, more proactive drive to boost growth and investment. While the ‘Beast from the East’ clearly had an impact in the first quarter, the underlying slow-growth trend is real cause for concern.

“Instead of a constant focus on Brexit, business seeks vision and a clear direction from government on UK economic growth. Businesses across the country want the Prime Minister to make a ‘Mansion House Speech’ on the domestic business environment, and what her government will do to improve it.

“All the firms I speak to want to see far more focus on fixing the fundamentals here at home. No country with faltering infrastructure, a training system in chaos and patchy digital connectivity is going to win in the global growth sweepstakes. A back-to-basics approach that delivers concrete improvements would do more to boost productivity and competitiveness than flashy new initiatives, and matters as much as any eventual Brexit deal.”

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[BCC: standards, not just customs, key to post-Brexit trade success](#)

Speaking at the British Standards Institution's BSI Standards Forum, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), will today (Thursday) warn against allowing a 'proxy war' over a Customs Union to overshadow other crucial aspects of Brexit negotiations – including the UK's future approach to standards, which will have a major impact on the competitiveness and market access of UK products after the UK leaves the European Union in 2019.

Marshall will argue that the UK must secure its long-standing influence as a standards-setter at both European and global level. Together with BSI and other organisations, the British Chambers of Commerce has called upon the UK government to act swiftly to retain the UK's place at the top table of European standards-setting bodies CEN and CENELEC, where the UK has long played a leading role in setting voluntary industrial standards.

Standards are one of a number of 'behind the border' issues that businesses highlight as crucial in the Brexit negotiations, as their complexity can present greater costs to business than some tariffs or customs procedures.

Marshall will also highlight the desire for a stronger Westminster focus on

improving the domestic business environment – where businesses feel action has stalled.

On the need to keep the UK a standards-maker, not a standards-taker, Marshall will say:

(Check against delivery)

“Various factions in Westminster still appear to be more interested in scoring points in their never-ending domestic political game, rather than working forensically to get the best possible outcome for the UK economy. The Customs Union debate currently raging is a case in point.

“Customs is far from the only issue at stake. Standards may be less high profile, but future arrangements here are just as important for business planning. As with so much else in the Brexit process, the word ‘standards’ has been repeatedly misused by politicians – who far too often do not understand the voluntary norms set by, and for, use in industries ranging from cables to cars.

“The UK needs to decide whether, after leaving the EU, it will remain a standards-maker, or if it will become a standards-taker. If we do not maintain our commitment to the single standard model – only keeping one set of standards ‘in action’ for a given product – a standards-taker is exactly what we risk becoming.

“Industry needs a clearer statement of intent from Government that the UK will stay committed to being at the forefront of global and European standards – so that UK firms can continue influencing the very standards that they must comply with.”

On the need for greater focus on improving the domestic business environment, Marshall will say:

“Business wants to see far more focus on what’s in our control, right here in the UK, over the months ahead. Instead of more set piece speeches on Brexit, I want to see bold declarations on what Government intends to do here in the UK to make our business environment second to none.

“Our industries must be competitive, our companies productive, our people enterprising if we are to succeed in the years and decades to come. For that very reason, Westminster must keep its Brexit obsession in check – and focus far more of its time and energy on fixing the fundamentals here at home.”

Ends

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BCC: Half of businesses not seeing improvement in UK mobile network

Only half of businesses believe the UK's phone network is more reliable than five years ago, according to new research by the British Chambers of Commerce (BCC) released today.

A survey by the BCC of over 1,100 businesses, found that while 53% of firms believe the reliability of the UK's mobile phone network has improved compared to five years ago, 30% believe there has been no change and 16% say that it is less reliable.

Despite welcome investment and progress in the rollout of mobile coverage, businesses across the country still report problems with accessing reliable mobile coverage. In response to the frustration of business communities, last month the BCC launched its No More Not Spots campaign to end not spots for voice coverage where UK phone users live, work, travel and play.

As part of the campaign, business communities have been identifying gaps in UK mobile coverage by logging them [online](#). In one month, over 500 not spots have been identified across the country.

Not spots, and areas of partial not spots, undermine the connectivity and productivity of UK businesses. The recent survey also found that 21% of businesses don't believe the UK's mobile phone network meets their needs in accessing new and existing customers, suppliers and employees.

Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"A reliable mobile signal is a basic everyday requirement for businesses.

“Despite big investments in the mobile network in recent years, nearly half of businesses say they haven’t seen improvements – so there’s clearly still work to do to translate upgrades into a better real-life experience for users. That’s why Chambers of Commerce are campaigning for improvements all across the UK.

“In just one month, phone users have already identified over 500 not spots, areas across the UK where they can’t get mobile signal. Not spots generate understandable frustration, and undermine firms’ productivity and their ability to connect with customers, suppliers and employees. Our campaign is bringing together business communities, industry and government to resolve these issues locally.

“Better mobile coverage is part of getting the basics right, so that business can drive growth across the UK. Ministers must pay more attention to delivering a great environment for growth here at home, not spend all their time on the twists and turns of Brexit. A reliable national mobile network must be high on the list – so that we can take advantage of new technologies like 5G in future.”

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Notes to editors:

Businesses and individuals can log a not spot on [the BCC website](#).

The British Chambers of Commerce (BCC) surveyed 1,208 businesses from all regions of the UK online from 29 January to 14 February. Of the businesses surveyed, 94% were SMEs, 30% operate in the manufacturing sector, and 70% operate in the services sector.

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BCC: Reform needed to make Apprenticeship Levy fit for purpose

Speaking today (Thursday) at the Apprenticeships Conference in London, Jane Gratton, Head of Skills at the British Chambers of Commerce (BCC), will warn about the need for reform of the Apprenticeship Levy to make it workable for business.

One year after the introduction of the Apprenticeship Levy, the leading business organisation is calling for reform of the system which is causing confusion and frustration among the UK business community and acts as a brake on skills development.

Many firms are finding it difficult to engage with the system due to its complexity, and regard it as another tax, rather than a useful tool for moulding and training the skills needed for the future.

Statistics from the Department of Education show that since the introduction of the Levy in April 2017, the number of apprenticeship starts has decreased significantly. The latest figures show a 25% drop compared to the same time last year.

Addressing the conference, Jane Gratton will say:

(Check against delivery)

“Today most sectors and regions of the UK are facing skills shortages, and our research shows recruitment difficulties across the economy stand near record highs. In this environment, and with virtually full employment, plugging the skills gap must be at the forefront of the government’s agenda.

“Businesses recognise that apprenticeships are a crucial tool in shaping the skills of tomorrow, but the current restrictions and inflexibility of the system make it unfit for purpose. For many levy payers it feels like a tax, or redirects funds set aside for other forms of workplace training. At the other end of the spectrum, the funding rules mean that SMEs are facing higher recruitment costs, and are unsure how and where to access quality training providers.

“The aim of the Apprenticeship Levy is laudable, but its structure and implementation are obstacles to training the talent of tomorrow. The government needs to urgently engage with business and training providers to make it work for everyone. More support for SMEs accessing apprenticeship funding, more time for firms to source apprenticeship training and allowing more Levy funding to be passed down the supply chain, are all steps in the right direction that could be easily and promptly implemented.

“Once the necessary reforms are made, a period of stability in the UK’s training system is needed to give businesses the certainty and confidence to

engage and invest in the long-term.”

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