

BCC comments on McDonnell, Starmer speeches at Labour Party Conference

Commenting on Shadow Chancellor John McDonnell's speech at the Labour Party Conference, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"Business communities around Britain will welcome Labour's recent efforts to deepen engagement on the big issues around economic growth, trade and Brexit.

"However, with the UK's departure from the EU on the horizon, businesses will be concerned by the Shadow Chancellor's proposals for widespread and deep intervention across the economy. Proposals to nationalise key industries would put business investment in the deep freeze at precisely the time that it is needed most.

"While we can agree that we want a productive and innovative economy, and better infrastructure, the role of government is to get the fundamentals of the business environment right – not to direct every aspect of economic life in the UK.

"The domestic business environment matters hugely, particularly with the economic change of Brexit still ahead of us. As we've said repeatedly across Westminster, the best Brexit deal in the world won't be worth the paper it's written on if we don't have the right policies in place here at home. Our message to the Shadow Chancellor is that a high-cost, high-tax, high-regulation UK is not a recipe for future economic success."

Commenting on the speech by Sir Keir Starmer, Shadow Brexit Secretary, Marshall added:

"Just as businesses want clarity from the government on their approach to Brexit, they want the same from the opposition. While Keir Starmer's call for a pragmatic negotiation, without arbitrary red lines, is welcome, most firms do not believe that either Labour or the Conservatives have a clear and agreed Brexit policy.

"Firms across the UK are looking for answers to their many practical questions about Brexit – but tell us that both Labour and the Conservatives are talking a lot, but saying very little.

"The priority message from business is that both major parties must strain every sinew to get a comprehensive transition deal agreed, and trade talks firmly underway, by the end of this year."

Ends

Notes to editors:

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

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[BCC comments on Prime Minister's Florence speech](#)

Commenting on the Prime Minister's Brexit speech in Florence, Dr Adam Marshall, Director General at the British Chambers of Commerce (BCC), said:

"In the world of business, the PM's Florence speech will be judged not on its rhetoric or delivery, but on whether it begins to break the stalemate that has left companies across the UK, Europe and around the world counting the cost of uncertainty.

"The Prime Minister's constructive tone and clearer offers, particularly on guarantees on EU citizens' rights and UK contributions to the EU budget, represent an important and welcome effort to break the impasse of recent months, which has preoccupied many in the world of business.

"The absolute priorities for business are to get trade talks moving, and to ensure a comprehensive transition period is in place that gives the certainty that companies need to take immediate investment and hiring decisions. It is our hope that the Prime Minister's offer will jump-start the process, and that the two sides can agree to move on to the critical issues of transition and trade as quickly as possible – and in all cases before the end of 2017.

"Given the complexity of the changes ahead, a significant majority of businesses want a transition that is longer than the two years being proposed by the Prime Minister. We will challenge both the UK government and the

European Commission over the coming months to agree a transition that lasts at least three years from the date of our formal exit from the EU, giving businesses enough time to prepare for a final deal.”

Ends

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British and Finnish Chambers in joint call to minimise potential Brexit trade barriers

On the occasion of the visit of a high-level Finnish business delegation to London, the British Chambers of Commerce (BCC), and the Finnish Chambers of Commerce (Kauppakamari) are today (14 September 2017) jointly calling for UK and EU negotiators to minimise trade barriers – and prioritise shared economic ties beyond Brexit.

There are strong commercial links between the UK and Finland: the UK imports £2.6bn of goods and services from Finland, and exports £2.7bn of goods and services to the country.

Science and Innovation are areas of very active cooperation between the two countries, with the UK and Finland working closely together on life sciences, digital, and low carbon technologies. There are a number of partnerships between the two countries, many of which are facilitated by the EU Horizon 2020 strategy.

The future of these projects, the long-term ease of trading between the UK

and Finland, as well as the future status of Finnish nationals in Britain and British nationals in Finland, are all questions where British and Finnish businesses want negotiators to deliver clarity as soon as possible.

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

“As we welcome our Finnish colleagues to London, the vibrant trade links between our countries are yet another reminder of the importance of reducing any possible future trade barriers between the UK and the EU.

“Businesses want to minimise the risk to free-flowing trade with partners like Finland, and to avoid the creation of artificial new barriers that stop companies collaborating across boundaries. The on-going Brexit negotiations must seek to provide businesses with clear answers on practical issues including customs procedures, health and safety checks, and tax rules – and guarantee the status of nationals resident on either side.

“The links between innovative British and Finnish businesses are an important reminder that the Brexit negotiations must also deliver a framework for future collaboration between the UK and the EU on science and innovation.”

Dr Risto Penttilä, CEO of Finland Chamber of Commerce, said:

“The UK has been one of Finland’s strongest allies in promoting free trade and pragmatic reforms in the EU. The objective of the Brexit negotiations must be a European wide market that includes the UK, Switzerland and the EEA countries.

“Brexit must not lead to new obstacles or increased costs for companies from the UK, Finland or other EU countries. The UK is one of our most important trading partners, and a strong British economy will benefit both Europe and Finland.

“The Brexit process has reached a point where committed political leadership is needed both in the UK and the EU. Businesses, as well as citizens, need a clear roadmap for the years to come to ensure a smooth transition.”

ENDS

The **British Chambers of Commerce** (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing 75,000 businesses of all sizes and within all sectors, who employ 5 million people around the UK. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

The **Finland Chamber of Commerce** promotes the interests of businesses at a national level and coordinates the operations of the 19 independent regional Chambers of Commerce in Finland. The Chambers of Commerce bring together over 20,000 companies from across the country. For more information, visit: www.chamber.fi

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BCC: UK labour market resilient but challenges remain

Commenting on the labour market statistics for September 2017, released today by the Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“The continued rise in employment, coupled with falling unemployment, is further evidence that the UK jobs market remains resilient, with firms continuing to recruit despite a softening economic picture.

“That said, the labour market continues to face a number of major challenges. With pay growth unchanged, inflation continues to comfortably outpace earnings growth, which is putting the brakes on consumer spending, a major determinant of UK economic growth. However, the continued weakness in real wage growth should give the MPC sufficient leeway to keep interest rates on hold, despite the pick-up in inflation.

“It is concerning that the number of vacancies remains well above the historical average – a further indication of the continued skills shortage faced by business, which is weighing on productivity and growth prospects. Our latest research found that half of UK firms had faced skills or labour shortages over the past year.

“A key priority for the Autumn Budget must be to support firms looking to recruit and grow their business, including tackling the high up-front taxes and costs of doing business in the UK. As the Brexit process unfolds, a key focus must be on delivering a post Brexit immigration system that reflects the needs of the UK economy.”

Ends

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BCC: Firms invest in local labour but still need foreign skills to plug shortages

Today BCC and Middlesex University London release the results of our survey looking at how businesses try to plug skills and labour shortages.

13 September 2017

Half of UK businesses have faced skills or labour shortages in the last year, but only a minority are actively looking overseas to fill vacancies, according to a survey released today (Wednesday) by the British Chambers of Commerce (BCC), in partnership with Middlesex University London.

The annual workforce survey, based on the responses of over 1,400 business people, found that 48% of firms had faced skills or labour shortages over the last twelve months. Of these, most sought to address the shortages by increasing investment in recruitment (35%), training (31%) and, pay and benefits (29%). The survey found that only 8% of businesses target recruitment of non-UK nationals overseas.

According to the findings of the survey, two-in-five (40%) UK businesses have employees from other EU countries on their workforce, while 23% have employees from outside the EU. 38% of businesses say future restrictions on the rights of EU nationals to work in the UK would have a negative impact on their business.

The results challenge the myth that UK firms are ignoring local workers in favour of overseas labour. With a softening economy and slowing immigration, the BCC is calling for action to ensure business growth isn't hampered by

labour shortages. Business communities need the government to provide clarity on the process for hiring EU nationals during and after the Brexit process, and to ensure the UK's future immigration system is economically responsive, so companies have access to the skills they need.

Other key findings of the survey are:

- When trying to fill vacancies, UK companies are most likely to rely on word of mouth (51%) and posting adverts on job search websites (43%)
- 50% of businesses receive job applications from EU nationals and 30% from non-EU nationals
- Firms report that their non-UK workers have diverse skills sets: 42% skilled manual/technical, 37% professional/managerial, 35% un-/semi-skilled and 23% clerical/administrative
- 20% of businesses say they would respond to potential future restrictions on EU nationals to work in the UK by focusing recruitment on UK workers, while 15% don't know how they would respond

Jane Gratton, Head of Business Environment and Skills at the British Chambers of Commerce (BCC), said:

"Skills and labour shortages are prevalent across the economy, with half of UK businesses struggling to fill vacancies in the last year. Most companies look to fill posts locally, and through their own networks and contacts, but as that becomes increasingly difficult, businesses are now having to devote more resources to recruit and train the staff they need.

"While companies rarely target workers from outside the UK, the internet allows people from all over the world to see and apply for opportunities here. Many of our businesses benefit from having a diverse workforce with staff members from across the EU and beyond, bringing with them a range of skillsets.

"As the Brexit negotiations unfold, businesses will be paying particular attention to future agreements regarding the movement of EU nationals. A significant minority of UK firms say they will be negatively affected by restrictions to this pool of talent. As the Migration Advisory Committee looks at the UK's immigration system going forward, it must bear in mind the needs of businesses. Firms are already struggling to fill vacancies, so drawing a line in the sand purely for the sake of it, will only exacerbate the issue and slow economic growth further."

David Williams, Director of Corporate Engagement at Middlesex University London, added:

"It is essential that we get clarity around the rights of EU nationals and wider immigration policy going forward, but also support for businesses to develop, upskill and retain their workforces through schemes such as apprenticeships, to make sure the UK is able to plan now and compete internationally post-Brexit.

"EU and other international students help to give Middlesex University

graduates an international outlook that is vital as they enter a global business environment. International academics and staff add huge value to our local workforce through their diversity of knowledge and skills, and our international students spend over £13m per year in the local economy.”

Ends

Notes to editors:

Spokespeople are available for print and broadcast interviews.

The British Chambers of Commerce (BCC) surveyed 1,461 businesses from all regions of the UK online from 17 July to 1 August 2017. Of the businesses surveyed, 94% were SMEs, 29% operate in the manufacturing sector, and 71% operate in the services sector.

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