

# BCC comment following PM's Business Council meeting

Following his attendance at the Prime Minister's business council meeting, Francis Martin, President of the British Chambers of Commerce (BCC), said:

"The increased tempo of engagement with business in recent weeks is welcome, as is the Prime Minister's commitment to sustain that engagement over the crucial months ahead.

"High-level discussions with the Prime Minister and her Cabinet must continue, but we also need to see sustained and structured discussion with business on the dozens of practical, real-world questions that firms face as a consequence of Brexit. Only by working together on the detail can we minimise disruption and maximise confidence for firms across the UK.

"Our research shows clear support among the business community for the UK to reach a comprehensive agreement with the EU, and for a transition period which will prevent firms facing a cliff-edge. The prospect of multiple, costly, adjustments to trading conditions is a concern for many, so starting discussions on transition arrangements as soon as possible would go a long way to boost business confidence.

"Economic growth is slowing, with Brexit-related uncertainty part of the story. As we work to get the best possible deal with the European Union, the government must not forget to underpin confidence here at home. A domestic agenda that puts the economy and business growth front and centre remains absolutely critical."

**Ends**

**Notes to editors:**

[The British Chambers of Commerce's post-election survey](#) received responses from 2,422 business people from all regions of the UK online between Monday 12 June and Wednesday 14 June 2017. Of the businesses surveyed, 91% were SMEs, 25% operate in the manufacturing sector, and 75% operate in the services sector. The results were weighted to align to the BEIS 2016 business population estimates.



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](http://www.britishchambers.org.uk)

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## **BCC: Inflation remains a risk to UK's growth prospects this year**

BCC's Head of Economics Suren Thiru comments on the inflation figure of 2.6% in June 2017.

18 July 2017

**Commenting on the inflation statistics for June 2017, published today by the Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:**

“While the fall in inflation in June will surprise many, consumer price growth is likely to resume its upward trend in the coming months, with the elevated cost of imported raw materials still filtering through supply chains. Falling prices for motor fuels were the main driver behind the fall in the inflation rate last month.

“Inflation remains a major risk to the UK's growth prospects this year, with rising cost pressures for both consumers and businesses likely to dampen overall economic activity.

“However, it remains likely that the current spell of high inflation will be relatively short lived with moderating price growth at the factory gate indicating that inflationary pressures in the supply chain are starting to ease. If this trend continues as we expect, inflation is likely to peak sooner rather than later. While still close to historic highs, the BCC's latest Quarterly Economic Survey revealed that the balance of firms expecting prices to rise over the next year did weaken in Q2.

“We currently expect that inflation will peak at 3.4% by end of the 2017, before easing back in subsequent years as the impact of the post-EU referendum slide in sterling drops out of the calculation.

“With UK economic conditions softening, it is crucial that the MPC holds its nerve on interest rates, particularly during this period of heightened political uncertainty. Raising rates too early could undermine consumer and business confidence, stifling UK growth further. More must also be done to

ease the burden of high upfront business costs which continue to impede firm's ability to invest, recruit and grow."

## **Ends**

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## **[BCC comments on HS2 announcements](#)**

Commenting on the announcements on HS2, made by the Department for Transport, Jane Gratton, Head of Business Environment at the British Chambers of Commerce (BCC), said:

"The HS2 project is intended to boost the infrastructure capacity of the UK as a whole so business communities will welcome this clarity on the routes, but will want to see action begin on all phases as soon as possible.

"Construction of the routes will spur welcome investment and job creation, many in skilled positions. As well as clear benefits for those businesses who win the contracts, many other firms across their supply chains will also feel the positive knock-on effects.

"HS2 will add much-needed capacity to the UK's rail network, improving connectivity across the country which is crucial for businesses looking to reach new markets, customers and labour supply."

**Richard Wright, Executive Director of Sheffield Chamber of Commerce said:**

"Today's decision is the best outcome for the region, and should bolster investment into Sheffield. We're pleased to see the Department for Transport connect the objectives of HS2 with Transport for the North, and the choice to

link the city centres is a sensible one. It's good that the decision has now been made but there is plenty of work still to be done between now and 2033 to maximise the potential of this project."

## **Ends**

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## **[BCC calls for NLW wage rise to help low paid manage inflation pressures](#)**

In its recommendation to the Low Pay Commission, the BCC has called for a rise in the National Living Wage to balance inflationary pressures.

**In its response to the Low Pay Commission Consultation, the British Chambers of Commerce calls for a rise in the National Living Wage (NLW) to help low paid workers deal with the consequences of inflation without pricing people out of jobs.**

The leading business organisation has recommended an increase of 2.7% in the National Living Wage to compensate for the rise in inflation.

The BCC has recommended a cautious approach to rises in the NLW to reflect the costs and pressures faced by employers and increasing uncertainty in the economy.

With firms facing mounting pressures from existing policies such as pensions auto-enrolment, the Apprenticeship Levy, and the Immigration Skills Charge,

many are struggling to absorb the rising cost of employment. The latest rise in the NLW in April 2017 increased wage bills further for businesses across a range of sectors, with the need to maintain wage differentials multiplying costs for employers.

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

“The BCC has recommended an increase in the National Living Wage to help low paid workers manage inflationary pressures which are eroding their spending power.

“Setting the National Living Wage must be done cautiously, comprehensively taking into account economic circumstances, so that people are not priced out of jobs. The Government’s current policy was set before the EU referendum and so does not reflect the uncertainty caused by Brexit.

“Businesses are facing high costs when it comes to employing staff – including the Apprenticeship Levy, pensions auto-enrolment and skills charges. The rise in the National Living Wage in April this year, brought a further increase in wage bills for business across a wide range of sectors, with the need to retain wage differentials multiplying their costs further.”

**Ends**

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**[BCC: Repeal Bill must deliver](#)**

# continuity, certainty for business and trade

Commenting ahead of the First Reading of the Repeal Bill, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Business communities across the UK tell us very clearly that they want day-one certainty and stability on the rules and regulations they will face when the UK leaves the EU.

“Continuity and equivalence are needed to prevent any disruption to British business, particularly in terms of our trade with partners and markets in Europe and beyond.

“A legislative transition of this scope has never before been undertaken. We will be keeping a watchful eye for the possibility of unintended consequences that lead to new burdens or compliance costs, whether particular firms, sectors or the economy as a whole. Our clear message to Westminster politicians is that this bill must not be amended in a way that makes the UK a more expensive or complex place to do business, which would risk undermining our future competitiveness.

“In the fullness of time, after 2019 and after a permanent Brexit deal is secured, government and business must work together to determine where it is beneficial to maintain regulatory equivalence with the EU for the long term, and where the UK needs to set its own path in the interests of competitiveness and growth. For now, though, continuity is key to business investment and confidence.”

## **Ends**

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