

BCC: Inflationary pressures continue to mount for business

BCC's Head of Economics, Suren Thiru, comments on the inflation statistics out today which show inflation rose to 2.9% in May 2017.

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

"Inflation rose for the second successive month, confirming that price growth is firmly on an upward trend. The rise in May mostly reflects increasing prices for recreational and cultural goods and services in the month.

"The continued increase in factory gate prices suggests consumer price growth is likely to maintain its current upward trend for some time to come. Significantly, if the current political uncertainty persists, this is likely to increase the downward pressure on sterling's value, pushing inflation even higher over the next year.

"Higher inflation is a key business concern as it squeezes margins and weakens their ability to invest, particularly during this time of heightened political uncertainty. The BCC's Quarterly Economic Survey confirms that businesses continue to feel the inflationary pressures, with a significant proportion of firms struggling to absorb the rising cost of raw materials and other overheads – a task made more challenging by the myriad of upfront costs imposed on businesses.

"A key focus of the new government must therefore be on easing the current pressure on firms' cost base by tackling the burden of upfront costs and taxes associated with doing business in the UK. It is also imperative that the MPC provides monetary stability during this period of political instability by continuing to 'look through' the expected increases in inflation and keep interest rates on hold."

Ends

Notes to editors:

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BCC reaction to General Election result 2017

BCC comments on the result of the General Election.

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

“After two long years of elections, referenda and wider uncertainty, many businesses were doing their best to ignore the noise of politics – up until today.

“The electorate’s split decision generates further uncertainty for business communities, who are already grappling with currency fluctuations, rising costs, and the potential impacts of Brexit.

“The formation of a workable administration that can give voters and businesses confidence around economic management must be the immediate priority.

“Whilst companies have for many months done their best to screen out political noise in order to focus on their own operations, this result will prove much harder for UK businesses to ignore. The swift formation of a functioning government is essential to business confidence and our wider economic prospects.

“Businesses are adept at forming alliances and coalitions when important interests are at stake. We should expect the same of our politicians.”

On the timetable for Brexit negotiations, which are scheduled to begin in less than a fortnight, Dr Marshall said:

“No business would walk into a negotiation without clear objectives, an agreed starting position, and a strong negotiating team. It is hard to see how Brexit negotiations could begin without answers on these important questions.”

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Notes to editors:

Dr Adam Marshall is in Belfast meeting members of the business community and is available for print and broadcast interview from there.

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[UK Government urged to drive Unitary Patent ratification](#)

BCC and Eurochambres have written to Business Secretary Greg Clark calling on the UK government to drive ahead with the ratification of the Unitary Patent Court Agreement.

30th May 2017

Prior to discussions on the Unitary Patent at the 29-30 May Competitiveness Council, EUROCHAMBRES and the British Chambers of Commerce have urged the UK Government to do everything within its powers to facilitate the completion of the complex and lengthy ratification process, regardless of the general election and Article 50 negotiations.

The UK has a pivotal role to play in the ratification process as one of the leading countries involved when it comes to patent applications/validations. The current UK Government confirmed that it would proceed with ratification of the Unified Patent Court Agreement at the November 2016 Competitiveness Council, despite the outcome of the UK referendum on EU membership. However, this process has now been thrown into doubt by the announcement of a snap general election and dissolution of parliament.

In a joint letter to Greg Clark, the UK Business Secretary, whose department is responsible for intellectual property, EUROCHAMBRES and the British Chambers of Commerce (BCC) call on the Government to continue to play a

positive and proactive role in the process in any way it can.

“The UK has been a strong proponent of the Unitary Patent for decades, so now that this process is so close to completion, we want the Government to go the extra mile in ensuring that the Unified Patent Court Agreement is ratified swiftly. What better way to demonstrate a constructive and business oriented attitude to the negotiations on Article 50 and post Brexit relations?”, said Arnaldo Abruzzini, CEO of EUROCHAMBRES.

Adam Marshall, Director General of the British Chambers of Commerce, said: “Ratifying the Unified Patent Court Agreement is a no-brainer, as it would allow UK firms to protect their intellectual property in over two dozen countries with a single application, and reduce practical barriers to trade and export. As a longtime proponent of a Unified Patent, the UK government should commit to ratifying the agreement as soon as possible – and explore all avenues for the UK to continue to participate in the Unified Patent system after the UK leaves the EU.”

Link to joint EUROCHAMBRES / British Chambers of Commerce letter:

<http://bit.ly/2rMLMu4>

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EUROCHAMBRES, the Association of European Chambers of Commerce and Industry, represents over 20 million enterprises in Europe – 98% of which are SMEs – through members in 43 countries and a European network of 1700 regional and local Chambers.

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[BCC: Businesses must take action to prepare for new data protection responsibilities](#)

The BCC is urging businesses to prepare for the introduction of the General Data Protection Regulation which comes into effect next year.

25 May 2017

With a year to go until the General Data Protection Regulation comes into law, the British Chambers of Commerce (BCC) is urging businesses to start preparing to ensure that they are compliant with the legislation when it comes into force.

From 25 May 2018, all businesses that hold personal data will have to guarantee that their data procedures are fit for purpose and compliant with the new regulation.

While the GDPR is an EU-initiative, the UK government has already made it clear that the legislation will still take effect in the UK after Brexit. Businesses that are found to be non-compliant risk potential fines of up to €20 million or 4% of annual worldwide turnover.

Chambers of Commerce around the country are urging their members to start taking the necessary preparations to ensure they are ready for the regulation.

Steps for businesses to take include:

- Document what personal data the company holds, where it came from and who it is shared with. Firms may want to consider organising an information audit or speaking to a data expert
- Review current privacy notices and plan for any necessary changes needed before the implementation deadline
- Check procedures to ensure that they cover all the rights individuals have under the new rules, including how to delete personal data or provide data electronically if needed
- Review how the company seeks, obtains and records consent from individuals, and whether any changes are necessary
- Ensure the right procedures are in place to detect, report and investigate a personal data breach
- Determine whether a Data Protection Officer is required, and designate one if so, to take responsibility for data protection compliance and assess how the role will sit within the organisation.

For more steps on preparing for the General Data Protection Regulation, businesses should revert to the Information Commissioner's Office [checklist](#).

David Riches, Executive Director at the British Chambers of Commerce (BCC), said:

“Businesses need to be proactive about ensuring they are ready for the new data protection regulations when they come into force this time next year, and not leave preparations until the eleventh hour. Those firms that don't fulfil the necessary responsibilities leave themselves vulnerable to tough penalties, not to mention public scrutiny.

“With twelve months to go, there are a number of procedures businesses should be reviewing to determine what changes may need to be introduced to be compliant. Businesses that are already vigilant about their data protection

responsibilities, won't be unduly burdened by the new legislation.

"The General Data Protection Regulation is intended to reflect modern working practices in the digital age, and will strengthen consumer trust and confidence in businesses. It will establish a single set of rules across Europe, which will make it simpler and cheaper for UK companies to do business across the continent, even after we leave the EU."

Ends

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BCC/DHL: Exporter confidence remains high, but exchange rates a concern

The British Chambers of Commerce (BCC), in partnership with DHL, today (Friday) publishes its latest Quarterly International Trade Outlook, which shows that confidence among UK exporters remains strong.

19th May 2017

The number of businesses reporting improved export sales increased in the first quarter of 2017. Businesses in both manufacturing and services are also more confident that their turnover and profitability would increase in the coming 12 months.

The BCC/DHL Trade Confidence Index, which measures the volume of trade documentation issued by accredited Chambers of Commerce, rose by 5.5% on the quarter – and is up 9.06% from the same quarter last year – standing at its second highest level on record.

The results show that businesses are continuing to trade despite political uncertainty, however currency fluctuations remain a concern. 52% of manufacturers and 25% of services firms say exchange rates are more of a concern to their business than three months ago.

To maintain momentum, and to help UK firms succeed beyond Brexit, the government should develop an expanded trade mission and fairs programme, help businesses build links with key trade partners and underpin deals, and expand funding for front-line assistance to exporters. Businesses will be looking for the next government to secure frictionless future trade arrangements with the EU, crucial to both importers and exporters, as well as to broker new relationships with emerging markets.

Key findings from the report:

- The BCC/DHL Trade Confidence Index, a measure of the volume of trade documentation issued nationally, rose by 5.5% on the quarter. The Index now stands at 126.55 –up 9.06% on Q1 2016 – and is the second highest level since records began in 2004
- The balance of manufacturers reporting improved export sales rose from +16% to +26%. Looking at services, the balance of firms reporting improved export sales rose from +8% to +10%
- The balance of manufacturers reporting improved export orders rose from +13 to +22 in Q4 2016, while in services it fell slightly from +6% to +5%
- Looking at expectations of turnover over the next 12 months, the balance of manufacturers confident of an increase held fairly steady, rising from +43% to +44%. In services this rose by four points from +35% to +39%
- Confidence that profitability would improve rose to +28% for services companies – up from the +21% in Q4 2016. The balance of manufacturers jumped by ten points, from +22% to +32%

Commenting on the findings, Dr Adam Marshall, BCC Director General, said:

“Confidence among exporters is strong, which is a timely reminder that businesses are doing their best to ignore the cacophony of political noise around them and focus on the success of their own operations.

“While confidence among UK exporters is high, rising costs, recruitment difficulties, and concerns around currency fluctuations could temper their growth if allowed to continue unchecked. Alleviating the burden of upfront costs and addressing the skills gap would increase productivity, investment and growth.

“For UK exporters to succeed in the long-term, the next government must deliver not only a Brexit deal which allows for frictionless trade with Europe, but also pragmatic and practical support for businesses looking to develop lasting links with new customers and markets around the world.”

Ian Wilson, CEO DHL Express UK and Ireland, said:

“Despite the many unanswered questions about what a post-Brexit Britain will look like, this latest Quarterly International Trade Outlook demonstrates that UK exporters remain optimistic about what the future holds.

“As a facilitator of international trade, we’ve seen our customers embrace the short term benefits that came with the fall in the value of the pound. However, this report demonstrates that whilst businesses are confident, they are not complacent – with currency fluctuations a lingering concern for exporters. In these uncertain times, there is an even greater imperative to expand the portfolio of markets businesses trade with to help spread the risk across multiple currencies.”

Ends

Notes to editors:

The Trade Confidence Index is a measure of trade documents issued by Accredited Chambers of Commerce for goods to overseas markets where documentation is required.

Spokespeople are available for interview and a full QITO report is available from the press office.

Balance figures are the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is a plus it indicates expansion of activity and if the figure is a minus it indicates contraction of activity. A figure above 0 indicates growth, while a figure below 0 indicates contraction.

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