

BCC: Practical support for businesses will help boost UK's trade performance

BCC's Head of Economics, Suren Thiru, comments on the latest trade statistics.

7th April 2017

Commenting on the UK trade figures for February 2017, published today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

"Although the UK's trade deficit widening in February is disappointing, its largely as a result of an increase in 'erratic' goods. The longer-term measures continue to point to an improvement in the UK's trade performance.

"Trading conditions for UK exporters are likely to improve over the near term as a persistently weaker Sterling, and an improving outlook for the global economy, combine to boost international demand for UK goods and services. However, the extent of the improvement is likely to be limited by the rising cost of raw materials, which together with the raft of other high input costs facing businesses, is putting pressure on their cost bases.

"Although trade's contribution to UK economic growth is set to rise over the next few years, this is unlikely to be sufficient to offset the expected slowdown in other areas of the economy, most notably consumer spending.

"As we move through the negotiating process for exiting the EU, there must be a greater focus on providing practical support for those businesses looking to export, including revitalising and expanding the trade mission programme to help firms take full advantage of growth opportunities in new markets."

Ends

Notes to editors:

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Media contacts:

Allan Williams – Senior Press Manager

020 7654 5812 / 07920583381

Orla Hennessy – Press and Communications Officer

BCC: Businesses hit by upfront costs as new tax year begins

Commenting on the start of the new tax year, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“We enter a new tax year with a raft of changes adding to the upfront cost of doing business. While corporation tax is decreasing, companies are more concerned about the escalating burden of input costs which hit firms before they even turn over a single pound.

“Companies of all sizes will now see the introduction of the Apprenticeship Levy, Immigration Skills Charge, a new National Living Wage, and pensions auto-enrolment. Such costs are likely to cause many firms to implement cost reduction measures and weigh down on firms’ ability to invest, recruit and grow their business.

“The government must do more to ease the upfront burden on businesses, and allow them to get on and invest, train their staff, and trade all over the world.”

Ends

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Orla Hennessy – Press and Communications Officer

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BCC: Great Repeal Bill promises stability – if managed carefully

Director General Adam Marshall comments on the publication of the Great Repeal Bill White Paper.

Commenting on the Great Repeal Bill White Paper, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Business communities around the UK want day-one certainty on the rules and regulations they will face when the UK leaves the EU. For that reason, the premise of stability and continuity at the heart of the Great Repeal Bill is welcome.

“A legislative transition of this size and scope has never before been implemented, and we will be watching carefully to ensure there are no unintended consequences for individual firms, for sectors or for business communities as a whole.

“The government must be exceedingly careful in its use of proposed fast-track powers, or risk blighting businesses with additional costs and burdens. As we have seen in the past, it takes only takes one poorly-drafted regulation to spark expensive court cases with wide-reaching consequences – and we are talking here about re-drafting thousands of pieces of the rule-book.

“In the fullness of time, businesses want to work with government to determine areas where maintaining equivalence with EU law is in our national economic interest, and areas where some divergence and change may be required. This will be a complex endeavour, better done right than done quickly.”

Ends

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BCC comments on the triggering of Article 50 and the start of Brexit negotiations

On the day Article 50 is triggered, Dr Adam Marshall, comments on the start of the Brexit negotiations.

29 March 2017

Commenting on the triggering of Article 50 by the Prime Minister, Theresa May, Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Now that Brexit negotiations are set to begin, businesses across the UK and their trading partners in Europe want answers to practical questions, not political posturing. A pragmatic and grown-up dialogue on the real-world issues, rather than verbal volleys between London and Brussels, would give firms greater confidence over the next two years.

“In the early weeks of the negotiation process, businesses would like to see an effort to secure simultaneous exit and trade talks. Concluding exit and trade negotiations at the same time would moderate adjustment costs for UK businesses, and enable trade between UK and EU firms to continue with less disruption.”

On business expectations beyond Brexit, Marshall added:

“It is crucial for the Prime Minister and her government to remember Brexit is not the only thing on the minds of UK businesses. Issues here at home, from the training system to sky-high business rates and up-front costs, still need to be addressed.

“Businesses would not look kindly on a government that treats Brexit as its only job. Getting the fundamentals right here in the UK is as important, if not more important, than any eventual Brexit deal.”

Ends

Notes to editors:

The British Chambers of Commerce have published a [Business Brexit Priorities](#) report. The key recommendations in the report are:

- On the **Labour Market**, the government should provide certainty for businesses on the residence rights of their existing EU workers, provide clarity on hiring from EU countries during the negotiation period, and avoid expensive and bureaucratic processes for post-Brexit hires from the EU
- On **Trade**, the government should aim to minimise tariffs, seek to avoid costly non-tariff barriers, grandfather existing EU free trade agreements with third countries, and expand the trade mission programme
- On **Customs**, the government should develop future customs procedures at the UK border in partnership with business, seek to maintain the UK's position as an entry point for global businesses to Europe
- On **Tax**, the government should guarantee that HMRC is appropriately resourced to help businesses through the transition process, and provide clarity on whether VAT legislation will continue to mirror current core VAT principles
- On **Regulation**, the government should ensure stability by incorporating existing EU regulations into UK law and maintaining these for a minimum period following Brexit, and ensure that product standards are aligned with, and recognised by, the EU to keep UK products competitive
- On **EU funding**, the government should maintain UK access to the European Investment Bank, and ensure there is no funding 'cliff-edge' for areas in receipt of EU funding
- On **Northern Ireland**, the government must avoid any return to a hard border, so that businesses can move people and goods as freely as possible.

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[BCC: Action needed on poor broadband, especially in rural areas and for](#)

small firms

Today the BCC launches results from a digital survey on broadband connectivity for businesses in the UK.

27th March 2017

Businesses across the UK, particularly in rural areas, are still without reliable broadband connections, despite companies saying the availability of fully functional broadband is extremely important to their operations, according to the results of a survey released today (Monday) by the British Chambers of Commerce (BCC).

All companies surveyed (99%) say a reliable broadband connection is important, (82% say extremely so), yet nearly one in five (18%) suffer from unreliable connections (11% not very reliable; 7% not at all reliable).

The findings also show that firms in rural areas are at least twice as likely to have unreliable connections (30%) as those in towns (15%), inner cities (13%), and suburban areas (12%).

Smaller businesses are the most likely to suffer from unreliable broadband, with nearly a quarter (24%) of sole traders and 21% of micro-businesses reporting problems.

The survey suggests that more reliable connections would allow businesses to do more. Nearly half of businesses (48%) say if the reliability of their broadband connection was improved it would allow them to use more applications, particularly cloud-based services (24%), transfer of large files (22%), remote server access for employees (15%).

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

“Business communities across the UK still report that our digital infrastructure is not fit for purpose. Throughout the country, significant numbers of companies of every size and sector lack reliable internet connectivity – a basic requirement for businesses to operate efficiently in today’s world.

“Unreliable connections stunt productivity, causing needless delays, costs and frustration. While businesses in every corner of the UK are affected, our research shows that it’s rural areas and small businesses that are most likely to suffer. An unreliable connection acts as an obstacle to growth, and puts those firms most in need of support at a competitive disadvantage.

“We’ve been calling on both providers and on government for years to fund the necessary upgrades required to deliver superfast broadband to business communities. Regulators, too, must ensure that firms actually get the quality and speeds of connection they are promised. While we welcome recent ministerial announcements about investing in 5G technology and efforts to

build a world-class digital infrastructure in the UK, there is still a long way to go in getting the basics right. The immediate focus must be on providing all companies with connections that are reliable and of sufficient speed, which would boost business confidence and encourage firms to maximise opportunities for growth, trade and investment.”

Ends

Notes to editors:

The British Chambers of Commerce (BCC) surveyed 1,465 business people from all regions of the UK online in January 2017 to understand how businesses rate the overall reliability of their broadband connections, and how a more reliable connection could help their businesses. Of the businesses surveyed, 96% were SMEs, 22% operate in the manufacturing sector, and 78% operate in the services sector.

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