

BCC comments on labour market and productivity statistics

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

“The historically low unemployment rate confirms that the UK’s jobs market remains in good health, however, the slight fall in employment levels suggest that a few cracks are starting to appear in an otherwise robust picture. UK labour market conditions may moderate over the next year, as a slowing economy and uncertainty over Brexit start to take their toll on jobs growth. That said, the flexibility of the UK jobs market will help limit the extent of any rise in unemployment.

“Wage growth remains sluggish meaning that the gap between pay and price growth is still substantial, and is likely to maintain the pressure on consumer spending over the near term – a key determinate of UK economic growth.”

Commenting on the productivity statistics, Suren added:

“While the pick-up in productivity in the third quarter was welcome, the longer-term trends remain subdued, particularly compared to our international competitors. UK’s productivity performance continues to be hampered by the deep-rooted problems in our economy, from skills shortages to creaking physical and digital infrastructure.

“The focus of next week’s Autumn Budget must be on boosting growth and productivity, including doing more to incentivise business investment, and improving UK mobile coverage and infrastructure.”

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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