

BCC comments on labour market statistics March 2018

Commenting on the labour market figures for March 2018, published today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“The strong rise in employment, together with the unemployment rate dropping back to 4.3%, confirms that the labour market remains a major bright spot for the UK economy.

“The pick-up in wage growth is welcome, and coupled with slowing inflation, means that the squeeze on household spending is easing. While regular real wage growth is now likely return to positive territory sooner rather than later, the extent to which pay growth can be kept sustainably above price growth will largely be determined by the UK’s ability to deliver sustainable increases in productivity. Notably, the rise in wage growth also increases the likelihood of an interest rate rise this year.

“It is concerning that the number of vacancies remains at a record high, a further indication of the chronic skills shortage. This mirrors the BCC’s quarterly economic survey, which confirms that recruitment difficulties for UK firms are at historically high levels.

“More must be done to support firms looking to recruit and grow their business, including easing upfront business costs and delivering a future immigration regime that supports the needs of the UK economy.”

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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