

BCC: UK economy locked onto low growth trajectory

Commenting on the preliminary UK GDP figures for Q3 2017, published today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“While GDP growth in Q3 was a slight uptick on the previous quarter, the UK’s combined economic growth performance over the first nine months of 2017 was still the weakest since late 2012, and indicates that the UK economy remains locked onto a low growth trajectory.

“The manufacturing sector was a bright spot for the UK economy in Q3, with output picking-up in the quarter. The construction sector remains an area of concern with confirmation that it has once again slipped back into recession. However, its percentage contribution to GDP means its impact on overall growth in the quarter was limited.

“While the services sector was the largest contributor to GDP growth in Q3, the latest data confirms that activity in the sector remains muted, with growth unchanged from the previous quarter. BCC’s own Quarterly Economic Survey confirms that the sector remains under pressure with almost all services indicators below their pre-EU referendum levels, particularly for consumer-focused businesses.

“With the latest GDP data confirming that the UK economy is still in a challenging period, these figures are likely to weigh on whether the MPC will raise interest rates next month. We would urge the MPC to proceed with caution on raising rates, as tightening monetary policy amid the current economic and political uncertainty could weaken growth. Crucially, the focus of next month’s budget must be on supporting business growth, including addressing the escalating burden of up-front business costs.”

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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