

BCC: UK labour market resilient but challenges remain

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

“The continued rise in employment, coupled with falling unemployment, is further evidence that the UK jobs market remains resilient, with firms continuing to recruit despite a softening economic picture.

“That said, the labour market continues to face a number of major challenges. With pay growth unchanged, inflation continues to comfortably outpace earnings growth, which is putting the brakes on consumer spending, a major determinant of UK economic growth. However, the continued weakness in real wage growth should give the MPC sufficient leeway to keep interest rates on hold, despite the pick-up in inflation.

“It is concerning that the number of vacancies remains well above the historical average – a further indication of the continued skills shortage faced by business, which is weighing on productivity and growth prospects. Our latest research found that half of UK firms had faced skills or labour shortages over the past year.

“A key priority for the Autumn Budget must be to support firms looking to recruit and grow their business, including tackling the high up-front taxes and costs of doing business in the UK. As the Brexit process unfolds, a key focus must be on delivering a post Brexit immigration system that reflects 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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