

BCC: UK's trade position weakened by rise in imports

Commenting on the trade statistics for December 2017, released today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“The sharp deterioration in the UK's net trade position in December was disappointing and means that trade is likely to have been a drag on UK growth in the final quarter of the year. This deterioration reflects a significant increase in imports in the quarter, more than offsetting the rise in exports.

“Although there was a surprise pick-up in construction output, the sector remains a concern and together with the widening in the UK's trade deficit and weakening industrial output indicates that economic conditions are becoming more sluggish. While many exporters are benefiting from stronger growth in key trading markets, imports continue to grow at a solid pace with businesses continuing to report little in the way of import substitution despite their high cost. If this trend continues as we expect, the contribution of net trade to UK GDP growth over the near term is likely to be limited at best.

“As we move through the Brexit process more needs to be done to provide clarity on what the future trading relationship with the EU will look like. Action is also needed to address the longstanding issues, from the UK's skills gap to our creaking digital and physical infrastructure, that continue to undermine the UK's trade performance.”

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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