[Budget 2017: Welcome action on business basics – but more to do on bigger picture]

Giving his initial reaction to the Autumn Budget, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"Chamber business communities wanted the Chancellor to focus on the basics – rates, roads, and ringtones – and will be pleased that they will see some action on all three fronts.

"While more remains to be done to reduce the impact of business rates on investment and growth, the Chancellor's decisions will lessen the impact of rate rises on hard-pressed firms in many parts of the country from next April. Chambers campaigned hard for a reduction in the relentless rises of this iniquitous tax, and will be pleased that the Chancellor has listened and reduced the burden.

"Commitments to delivering road and rail infrastructure, and working to improve mobile phone signals on key transport corridors, will help support local business productivity.

"Our business communities will welcome the Chancellor's marked focus on helping places achieve their potential. The announcement of new trains for the Tyne and Wear metro, new tax arrangements for the North Sea oil industry, devolution deals for many of our major cities including Belfast, and housing growth in the Oxford-Cambridge corridor all respond directly to key local business needs. The collective, real-world impact of these and other targeted interventions could be significant.

"Despite the inclusion of a number of announcements that will support business communities in the short term, more will still need to be done over the coming months to lay the groundwork for a successful Brexit transition. Businesses will expect greater boldness from the Chancellor – and more radical support for infrastructure and investment – once a Brexit transition period is secured and the shape of a UK-EU deal becomes clearer."

Ends

Notes to editors:

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BCC: Government must provide clarity on future of UK's VAT regime

Commenting on the publication of the Taxation (Cross-border Trade) Bill, Anastassia Beliakova, Head of Trade Policy at the British Chambers of Commerce (BCC), said:

"Businesses will expect this Bill to provide continuity and alignment with the Union Customs Code, and help establish future customs cooperation with the EU. But it is also imperative that the government consults with business on how to improve our customs procedures as we leave the European Union.

"Firms tell us that they want clarity on the future of the UK's VAT regime, and what our exit from the EU will mean for cross-border liabilities. HMRC must be given more resources, and adopt a clear focus on customer service, to enable them to support exporters and importers as they navigate the UK's exit from the EU."

Ends

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BCC: Tackle broken business rates system, Chancellor

Ahead of the Budget on November 22, the BCC urges the Chancellor to freeze business rates to boost productivity.

Ahead of the Budget on November 22, the British Chambers of Commerce is urging the Chancellor to provide respite for businesses in every corner of the country by freezing business rates for the next two years.

The UK's leading business group, which represents almost 75,000 companies employing almost six million people in every region and nation of the UK, calls on the Chancellor to take real action now to boost business confidence and investment by scrapping the near 4% rise of this iniquitous tax, due in April 2018.

The rise is a kick in the teeth for manufacturers, retailers, and office tenants alike – the people the Chancellor is depending upon to boost capital investment and drive productivity growth – especially after this year's revaluations saw many firms' rates bills spiral.

The BCC proposes offsetting this by pausing further cuts in Corporation Tax from the current rate of 19% until after we leave the European Union, using the resulting headroom to help pay for an up-front business rates cut.

Mike Spicer, Director of Research and Economics at the BCC, said:

"As a share of national income, the UK has the highest commercial property taxes of any major economy, which drains firms of the cash flow needed to invest in the talent, tools and technology of the future. Higher and higher rates mean British businesses are less likely to improve their plant and premises for fear of even greater rates bills.

"It would be unconscionable for the government to slam businesses with a huge rise in rates, particularly when they already face spiraling up-front costs. A failure to act would hit the high street, manufacturers and others hard – and undermine the sort of investment we need to boost productivity.

"The Budget is a time where tough decisions have to be made. But clobbering businesses with up-front costs at a time when productivity is in dire need of a boost is not the answer. The Chancellor must raise the animal spirits of companies and take real action on business rates at the Budget."

Ends

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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

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BCC comments on inflation statistics

Head of Economics Suren Thiru comments on the latest inflation figures for October 2017.

“Inflation was surprisingly unchanged in October, as falling fuel and furniture prices helped to a keep a lid on overall UK price growth.

“It remains probable that even if inflation drifts above 3% in the coming months, it will only remain in letter-writing territory for a limited period, with slowing price growth at the factory gate suggesting that supply chain price pressures are easing. The impact of the decline in the value of sterling following the EU referendum will slip out of the calculation by the end of the year, easing the increase in UK price growth.

“With UK economic conditions expected to remain subdued for a prolonged period, it is vital that the Autumn Budget pulls out all the stops to support business growth, at a time of significant uncertainty and change, including cutting up-front business costs.”

Ends

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