# BCC: Trade mission opportunity to strengthen ties with Japan

Commenting as part of the Prime Minister's trade delegation to Japan, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"The links between British and Japanese businesses are deep and strong, and this mission is an important signal of the shared desire to see trade between our two countries grow further in the years to come.

"Japanese firms have been huge investors in the UK over the years, and their long-term commitment in towns and cities across the country is valued and celebrated. Many have put down roots, boosted local employment, forged links with local firms, and built deep UK supply chains. Our business communities have been enriched by their presence and their engagement.

"Increasing numbers of UK companies are also doing business in Japan, selling both their products and their know-how to Japanese clients.

"Boosting two-way trade between the UK and Japan is a major opportunity. Chambers of Commerce across the UK are pleased to be part of the effort to make that happen."

**Ends**

**Notes to editors:**

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# BCC and DIHK: Joint UK-German call to put shared economic interests first in Brexit negotiations

The British Chambers of Commerce (BCC), and the Association of German Chambers of Commerce (DIHK) have called for UK and EU negotiators to put a clear focus on our shared economic interests as Brexit talks reconvene in Brussels.

28th August 2017

The leading German and UK business organisations are challenging political leaders to build an atmosphere of mutual trust and constructive dialogue, to deliver clarity and certainty for trading businesses across Europe.

With the third round of Brexit negotiations underway, a number of business-critical areas that form part of the withdrawal agreement are yet to be resolved, including the rights of EU workers in the UK and UK workers in the EU27. Additionally, there are hundreds of practical and technical issues, including customs arrangements and tax procedures, that need to be negotiated as part of the future EU-UK relationship during later stages of the negotiations. Businesses in both the UK and Germany want to see talks move on to these fundamental issues – and particularly customs concerns – as soon as possible.

There is great uncertainty in the business community all across Europe. A DIHK survey has found out that the business outlook of companies that are engaged in trade with the United Kingdom is worsening, due to the expectation of cost burdens from limits on free movement of workers, taxes, tariffs and increasing bureaucratic hurdles at Europe's new borders negatively affecting business on both sides.

Meanwhile, respondents to a recent British Chambers of Commerce survey have expressed their preference for a substantial transition period, with 68% saying they seek a transition period of at least three years. Both German and British businesses also want clarity at the start on the overall shape of the final destination settlement.

The United Kingdom is the third-largest market for German goods exports; in turn, Germany is the UK's second-largest goods and services exports destination. German companies maintain about 2,500 branch offices in the UK, which employ nearly 400,000 workers. British companies have 1,200 branch offices in Germany, which employ about 220,000 workers.

**Dr Adam Marshall, Director General of the British Chambers of Commerce, said:**

"As Brexit talks continue, it's clear that companies in the UK and on the Continent all want economic issues to rise to the top of the negotiations agenda. There is real business appetite from both sides for a focus on practical, day-to-day business concerns, and a desire for clarity on future trading arrangements.

“The UK and the EU must begin work on transitional arrangements, particularly on customs, so that firms on both sides of the Channel have the confidence to make investment decisions.

“Chambers of Commerce in the UK and in Germany want to see thriving trade continue between our firms, both now and into the future. Politicians must do everything in their power to help this happen.”

**Dr Martin Wansleben, Chief Executive Officer of the Association of German Chambers of Industry and Commerce (DIHK):**

“Businesses are very concerned that Brexit will have a major negative impact. Not only it could lead to more trade barriers – additional bureaucracy, increased waiting time and stricter border controls resulting in higher costs. The terms of exit are still completely unclear. Many of our members are reporting that they are already shifting investments away from the UK in anticipation of these barriers.

“The first effects of the Brexit vote are already being observed: German exports to the United Kingdom were down by 3 percent in the first half of this year compared to the first half of last year, whilst exports to the EU increased with 6 percent in the same period.

“A transitional period would be helpful for business, but it is important to businesses on both sides that the contours of a future trading relationship are becoming clearer over the next months.”

**ENDS**

The **British Chambers of Commerce** (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing 75,000 businesses of all sizes and within all sectors, who employ 5 million people around the UK. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

The **Association of German Chambers of Industry and Commerce** (Deutscher Industrie- undHandelskammertag – DIHK) is the umbrella organisation of 79 Chambers in Germany (IHKs) and the worldwide network of 130 business representations abroad. All companies registered in Germany, with the exception of handicraft businesses, the liberal professions and farms, are required by law to join a Chamber. Thus, the DIHK speaks for more than 3.6 million enterprises: www.dihk.de

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# BCC: 4 in 5 businesses hit by rising employment costs

Today BCC, in partnership with Middlesex University London, releases its annual workforce survey, which looks at the cost implications for business of changes in employment legislation.

25 August 2017

**Around 4 in every 5 businesses have seen their costs increase this year through changes in employment legislation, according to a survey released today (Friday) by the British Chambers of Commerce (BCC).**

BCC's annual workforce survey of over 1,400 businesses, held in partnership with Middlesex University London, reveals that pensions auto-enrolment, the National Living Wage and the Apprenticeship Levy have increased the cost base of businesses, and could lead to reduced opportunities for investment and wage growth.

The rise in the National Living Wage (NLW) in April of this year has increased employment costs for one-in-two companies (50%) in the UK. There appears to be a North/South divide, with firms in the North of England (55%) and the Midlands (51%) more likely to be impacted by the National Living Wage than firms in the South (43%).

For the UK to remain an attractive and competitive environment going forward, action is needed to prevent unsustainable rises to the cost of doing business. The BCC is calling on the government to ensure no new upfront costs or taxes – which sap investment, growth and recruitment potential – are imposed on business for the remainder of this parliament.

**Key findings of the survey are**:

- Three quarters (75%) of respondents report an increase in costs as a result of pensions auto-enrolment, with nearly a quarter (23%) indicating a significant increase
- A fifth (20%) of businesses have seen costs increase from the introduction of the Apprenticeship Levy, and 8% from the Immigration Skills Charge
- Based on the forecast that the National Living Wage will increase to £8.75 per hour by 2020, 38% of respondents said in response that they would raise prices of products and services, with a further 25%

expecting to reduce pay growth

- Consumer-facing industries were particularly affected by the rise in the NLW, with 73% of B2C sector firms – including wholesale, retail, accommodation and foods sectors – seeing an increase in costs. In comparison, 56% of manufacturers and 41% of B2B services report higher costs
- 25% of businesses say they would respond to future planned increases to NLW by reducing pay growth for staff, 21% by reducing staff benefits and 20% by scaling back recruitment

**Jane Gratton, Head of Business Environment and Skills at the British Chambers of Commerce (BCC), said:**

“Businesses are under increasing pressure from the burden of employment costs, and this will influence the choices they make and outcomes for employees. Higher employment costs impact on the bottom line and reduce the resources available to invest in the business and its people.

“Our survey shows that two thirds of businesses will need to take action in response to proposed increases in the National Living Wage over the next three years.  Firms are most likely to respond by raising prices or adjusting employee pay growth and wider benefits.  Increasingly, manufacturers are looking towards greater use of technology and automation. There comes a point at which rising employment costs can no longer be absorbed through reduced profits.

“At a time when employers across the country are facing acute skills shortages, it is vital that they have the resources and flexibility to invest in their workforce and the future needs of the business.

“Employment is just one element of the high upfront cost of doing business in the UK.   It is the cumulative impact of all of these changes, and the pace at which they are being introduced, that causes the greatest concern and poses the biggest risk.  There is little scope for firms to absorb any further costs without there being damaging effects on competitiveness, growth and opportunities for people in the workforce. The government must ensure that there are no upfront further costs or taxes on businesses and entrepreneurs for the remainder of this parliament.”

**David Williams, Director of Corporate Engagement at Middlesex University London, added:**

“Businesses are facing the challenge of maintaining profitability while remaining price competitive. This is a tough balance to achieve during what is an uncertain period, and we are seeing many start to tighten their belts and pull back investment.

“We need to up our productivity to enable us to compete globally in a post-Brexit Britain, so it is important when making difficult choices, the development, upskilling and retention of the workforce is high on the list of investment priorities, and that businesses get the support they need to do this.”

**Ends**

**Notes to editors:**

The British Chambers of Commerce (BCC) surveyed 1,461 businesses from all regions of the UK online from 17 July to 1 August 2017. Of the businesses surveyed, 94% were SMEs, 29% operate in the manufacturing sector, and 71% operate in the services sector.

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# BCC comments on position paper on enforcement and dispute resolution

Director General Adam Marshall comments on the latest position paper from the government on enforcement and dispute resolution.

“Legal certainty is fundamental to the ability to conduct business. Companies rely on the rule of law to uphold contracts, and to seek redress if one side falls short of the bargain.

“Throughout the EU’s history there have been thousands of disputes pursued throughout the courts relating to cross-border trade. For businesses, both in the UK and EU, to trade confidently with their partners, they need clarity on how these issues will be resolved in the future.

“Firms on both sides benefit from a shared dispute framework across borders, so future procedures should be as stream-lined as possible to prevent unnecessary obstacles or bureaucracy.”

**ENDS.**

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# BCC comments on government position paper on continuity in availability of goods

BCC Director General, Adam Marshall, comments on the position paper released today by the Department for Exiting the EU on continuity in the availability of goods.

21 August 2017

**Commenting on the position paper for continuity in the availability of goods for the EU and the UK, Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:**

“Businesses here in the UK as well as on the Continent will welcome the British government’s desire to maintain maximum continuity in the way goods are traded when the UK withdraws from the EU.

“UK goods will be fully compliant with EU regulations, product standards and safety checks at the time of the UK’s exit from the EU, and vice versa. Trading companies should not have to get new product approvals, or be subject to duplicate safety checks, for existing products. Related services should also be able to be sold as well.

“As the negotiations continue, both sides should commit to avoid unnecessary compliance checks for businesses, both at the time of the UK’s exit from the EU, and in future wherever the UK and the EU agree to maintain close regulatory alignment.

”A ‘no deal’ scenario, which would see heaps of extra red tape imposed on goods traders on both sides of the Channel, must be avoided – as it’s in no one’s interests.”

**Ends**

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