

BCC: Labour market robust but firms hampered by skills gap

BCC's Suren Thiru comments on the labour market statistics released by the ONS today.

17 May 2017

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

"With unemployment continuing to fall and employment levels rising, conditions in the UK labour market remain robust.

"However, labour market indicators often lag behind the wider economy and it remains likely that employment growth will start to soften over the near-term, as more subdued economic conditions and the rising cost of doing business in the UK stifle firms' ability to recruit. The BCC's Quarterly Economic Survey shows the proportion of firms reporting recruitment difficulties remains close to a record high, which is undermining their productivity and growth.

"With increases in regular pay slowing again, earnings growth is now comfortably trailing behind inflation. If the disparity between pay and price growth continues to increase as we predict, household spending is likely to slow further, weakening overall economic activity.

"The next government must do more to close the skills gap, including improving the transition from education to work by guaranteeing universal experience of work in all schools for under 16s, and delivering a future immigration regime based on economic need, rather than an arbitrary migration target. This will help firms compete on the global stage, boosting UK productivity and growth."

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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BCC comments on Labour manifesto

BCC responds to the Labour Party manifesto.

16 May 2017

Commenting on the Labour Party Manifesto, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“High personal taxation, sweeping nationalisation and deep intervention in business decision-making are not the hallmarks of an ambitious and enterprising society. Taken together, some of the headline propositions in the Labour Party manifesto will give business communities across the UK real cause for concern.

“There are some bright spots in Labour’s manifesto, notably clear and specific commitments to reform Britain’s broken business rates system, which successive governments have failed to implement. The party is right to propose an immediate guarantee for EU nationals currently in the UK, which is a top priority for the many thousands of firms that employ them, as well as more flexibility for businesses to use the apprenticeship levy to train people here at home. Labour’s proposals to strengthen and ring-fence practical international trade support for SMEs deserve careful consideration.

“While Labour are making some specific and targeted propositions that could boost the growth prospects of small- and medium-sized firms, these will be largely eclipsed by their proposals for higher personal and business taxes in the eyes of business leaders around the UK.”

Ends

Notes to editors:

The BCC’s Election Manifesto, [Brexiteer and Beyond](#), called for, among others:

- Radical reform of the UK’s business rates system, including the switch

from RPI to CPI

- Giving firms flexibility over the use of the Apprenticeship Levy to support other forms of training
- Giving 100% of companies access to super-fast broadband and reliable mobile connectivity
- Revitalise trade support programmes

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[BCC: Inflation continues to bite as price pressures mount](#)

BCC comments on the inflation statistics for April 2017.

16th May 2017

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

“As expected, inflation resumed its upward trend in April, after holding steady in March. April’s increase was largely due to higher air fares, which were pushed up by the timing of Easter falling during the month.

“While factory gate costs have moderated a little in recent months, businesses continue to report that the substantial increases in the cost of raw materials and other overheads over the past year are still filtering through the supply chain, and are therefore likely to lift consumer prices higher in the coming months. Our own Quarterly Economic Survey confirms that the pressure on firms to raise prices remains significant. Higher inflation is likely to be a drag on UK GDP growth over the coming quarters, as it erodes consumer spending power and dampens business activity and investment.

“However, it remains probable that the current period of above target inflation is transitory in nature, with little evidence that higher price growth is becoming entrenched in higher pay growth. This should give the Bank of England sufficient scope to keep interest rates on hold for some time yet, despite their recent warning.

“Nonetheless, with the UK economy entering a weaker period as inflation continues to bite, more must be done to support growth and investment, including addressing the mounting burden of up-front taxes and costs faced by firms.”

Ends

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[BCC comments on Conservative Party pledge on employment rights](#)

Commenting on Conservative Party pledge on employment rights, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“While there is little appetite in the business communities I represent for a roll-back of employment rights as the UK leaves the EU, businesses worry about the prospect of costly or bureaucratic new obligations, no matter how well-intentioned.

“We will be watching closely as more detail emerges on these proposals, to ensure that they do not give rise to expensive new obligations or unintended

consequences – especially for the hundreds of thousands of civic-minded businesses who already do everything in their power to engage, support, train and reward their workforce.

“In the past, we have seen campaign-season promises on workplace rights create unrealistic expectations, and undermine relationships that have been painstakingly built up between firms and employees over many years. That must not be allowed to occur if some, or all, of these proposals become the law of the land.”

ENDS

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BCC: Businesses across the UK hobbled by mobile ‘not-spots’

Today the BCC releases the results of its digital survey on mobile connectivity.

12 May 2017

Businesses in all parts of the UK, particularly rural areas, are experiencing full or partial ‘not-spots’ in their mobile coverage according to the results of a survey released today (Friday) by the British Chambers of Commerce (BCC).

The survey of over 1,400 businesses, found that 70% of firms experience mobile 'non-spots', areas of no mobile coverage by any operator, or 'partial not-spots', where there is some coverage but not from all networks, in their local area.

The findings show the proportion of companies based in rural areas which report such issues (91%) is considerably higher than those in inner cities (56%).

The results also show that 29% of businesses have unreliable mobile internet connections, with the figure rising to 54% in rural areas. The survey found that a considerable proportion of UK businesses are not accessing the highest connection speed, with only 42% of businesses reporting a 4G connection.

Other key findings of the survey are:

- 6% of companies still typically obtain a 2G connection and 25% a 3G connection
- Inner city firms (54%) are more likely to have 4G than those based in rural areas (25%)
- Big businesses are more likely to report 4G connections (57% of businesses with more than 500 employees) than their smaller counterparts (41% with 1-4 employees)

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

"All across the country businesspeople complain about patchy mobile coverage and unreliable internet connections in their local areas. Time and again, I hear from frustrated businesspeople who can't use their mobiles or access the internet when they need to – basic requirements for companies to work on the move, trade online, and connect with customers and suppliers.

"Rural businesses are particularly affected by poor mobile coverage and connectivity, but our research shows that 'not-spots' are prevalent across the UK. It's incredible to hear that in this day and age there are even places in the City of London where businesses can't get reliable coverage.

"Some of the solutions are obvious. Relaxing planning laws to allow for taller masts would be a quick win for the next government to help improve mobile coverage.

"As the regulator, Ofcom must do more to hold providers to account for the services advertised to business customers, and put in place remedies that are as strong for business users as they are for individual consumers. According to their rules, virtually all UK premises must receive 4G signal by the end of the year, but the results of our research suggest that we're a long way off achieving that target.

"It's clear that the UK is lagging in the delivery of access to a world-class digital infrastructure. While there have been welcome announcements to roll out 5G in the future, it's clear that getting all businesses access to 4G first remains a top priority. The Chamber Network's election manifesto specifically calls for these issues to be rectified, and for the next

government to provide all businesses with super-fast and reliable broadband and mobile connectivity to boost confidence and productivity.”

Ends

Notes to editors:

The British Chambers of Commerce (BCC) surveyed 1,465 business people from all regions of the UK online in January 2017 to understand how businesses rate the overall reliability of their broadband connections, and how a more reliable connection could help their businesses. Of the businesses surveyed, 96% were SMEs, 22% operate in the manufacturing sector, and 78% operate in the services sector.

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