BCC: Mainly big business hit by cyber-attacks, but all need to improve security

BCC publishes the results from its digital survey, which shows that one in five businesses has been the victim of a cyber-attack in the past year.

One in five businesses have fallen victim to cyber-attacks in the past year, according to the results of a survey released today (Tuesday) by the British Chambers of Commerce (BCC).

The survey of more than 1,200 businesses across the UK found that 20% had been hit by a cyber-attack in the last 12 months. Big businesses are far more likely than their smaller counterparts to be victims of attacks (42% of companies with more than 100 staff, compared to 18% of companies with fewer than 99 employees).

The results indicate that businesses are most reliant on IT providers (63%) to resolve issues after an attack, compared to banks and financial institutions (12%) or police and law enforcement (2%).

The findings show that 21% of businesses believe the threat of cyber-crime is preventing their company from growing.

The survey also shows:

- Only a quarter (24%) of businesses have cyber security accreditations in place
- Smaller businesses are far less likely to have accreditation (10% of sole traders and 15% of those with 1-4 employees) than big businesses (47% with more than 100 employees).
- Of the businesses that do have accreditations, half (49%) believe it gives their business a competitive advantage over rival companies, and a third (33%) consider it important in creating a more secure environment when trading with other businesses

From May 2018, all businesses who use personal data will have to ensure they are compliant with the new General Data Protection Regulation (GDPR) legislation.

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

“Cyber-attacks risk companies’ finances, confidence and reputation, with victims reporting not only monetary losses but costs from disruption to their business and productivity. While firms of all sizes – from major corporations to one-man operations – fall prey to attacks, our evidence shows that large companies are more likely to experience them.

“Firms need to be proactive about protecting themselves from cyber-attacks. Accreditations can help businesses assess their own IT infrastructure, defend against cyber-security breaches and mitigate the damage caused by an attack. It can also increase confidence among the businesses and clients who they engage with online.

“Businesses should also be mindful of the extension to data protection regulation coming into force next year, which will increase their responsibilities and requirements to protect personal data. Firms that don’t adopt the appropriate protections leave themselves open to tough penalties.

“Companies are reporting a reliance on IT support providers to resolve cyber-attacks. More guidance from government and police about where and how to report attacks would provide businesses with a clear path to follow in the event of a cyber-security breach, and increase clarity around the response options available to victims, which would help minimize the occurrence of cybercrime.”

Ends

Notes to editors:

The British Chambers of Commerce (BCC) surveyed 1,285 business people from all regions of the UK online in January 2017 to understand how cybercrime is impacting on UK 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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[BCC Quarterly Economic Survey: Solid economic growth likely in Q1 but]()

[inflation remains a key risk]

13th April 2017

The British Chambers of Commerce (BCC) today publishes its Quarterly Economic Survey – the UK’s largest and most authoritative private sector business survey. Based on the responses of over 7,300 businesses in Q1 2017, the results show the manufacturing and services sector are reporting solid growth, with both experiencing increases in domestic and export sales since the previous quarter.

The survey shows the manufacturing sector performing strongly in the first quarter of the year, particularly in the exports market, with the number of firms reporting improved sales and orders higher than in previous quarters. However, the rising cost of overheads and raw materials are presenting as a risk to growth in the medium term.

Although the performance of the services sector has not returned to historic trend levels, it is improving from its decline in the two quarters immediately following the EU referendum.

The results of the survey found that businesses are continuing to feel inflationary pressures. The percentage of manufacturers reporting raw materials as the key driver of increased prices is at the highest since Q4 2011, and in both sectors a significant proportion of firms anticipate having to raise their own prices over the next three months.

The findings indicate that while confidence in turnover and profitability is improving, investment intentions remain low. More businesses have increased their employment expectations, although both sectors are being hampered by recruitment difficulties.

Key findings in the Q1 2017 survey:

- Overall, the figures for both sectors indicate continued expansion. While the services sector has not yet returned to historic trend levels, it is moving towards it
- The percentage balance of manufacturing firms expecting the price of their goods to increase over the next three months remains at historic highs, despite falling slightly from last quarter from +52% to +47%. In the services sector, the balance of firms expecting prices to rise increased from +30% to +32%
- 76% of manufacturers report an increase in the price of raw materials (up from 65%), while this held steady for services at 17%. 38% of manufacturers report an increase in the cost of other overheads (up from 23%), while 28% of services did (up from 24%)
- In the manufacturing sector, the balance for firms reporting increased domestic sales rose from +15% to +20%, and orders rose from +7% to +16%. The balance of firms reporting improved export sales rose from +16% to +26%, and the balance of export orders also increased from +13% to +22%

- In the services sector, the balance of firms reporting improved domestic sales rose from +15% to +22%, and orders from +13% to +19%. Exports remained broadly steady, with the balance for sales rising from +8% to +10%, and export orders falling slightly from +6% to +5%
- The percentage of businesses in both sectors trying to recruit grew in the last quarter, standing at 86% in manufacturing (up from 77% in the last quarter) and 59% in services (up from 53%). However, both sectors continue to experience high levels of recruitment difficulties, with the percentage standing at 74% in manufacturing (previously 76%) and growing to 58% in services (previously 51%)
- Confidence remained fairly steady among both sectors in Q1. The balance of manufacturers confident that turnover would improve over the next 12 months rose from +43% to +44%, and the balance for services firms rose from +35% to +39%. The balance of manufacturing firms confident that profitability would increase rose from +22% to +32%, and from +21% to +28% in services

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

“In the here and now, many businesses are resilient and experiencing solid growth. Many firms tell us their short-term expectations are strong, but that the medium-term picture is far from clear.

“The rise in inflation seen since last year’s EU referendum is the biggest immediate pressure facing most firms. While manufacturers have enjoyed a good quarter, they are facing higher costs at the factory gates, which increasingly translates into companies having to raise their own prices. With inflation already above the Bank of England’s target, this squeeze on firms looks set to continue in the medium term.

“The myriad of upfront costs imposed by government – including business rates, Apprenticeship Levy, National Living Wage and insurance premium tax – are all adding to the overhead costs of firms and the pressure on prices.

“Businesses also continue to report recruitment difficulties, and while we’d like to see greater investment in training across the board, without access to a sufficient talent pool, companies are restricted in their development ambitions.

“Our survey, with deep participation all across the UK, demonstrates the fact that there are longstanding structural issues here at home that we need to tackle to sustain success in the future. The competitiveness of firms depends on a bold domestic economic policy – not just a good Brexit deal.”

Suren Thiru, Head of Economics at the BCC, said:

“Our latest survey suggests that the UK economy put in a solid performance in the first quarter of the year, with businesses remaining resilient.

“The services sector continues to rebound from its initial shock in the months immediately after the EU referendum, and while growth has not yet returned to historic levels, it remains a key driver of the UK economy.

“Manufacturers’ export sales are at their highest levels in recent years, with the decline in Sterling and an improving outlook for the global economy helping a number of firms who export. However, if the sector is to sustain this growth in the long-term, there must be action on the difficulties facing it, including chronic underinvestment in the UK’s infrastructure and shortages in the labour market.

“Inflation is a key risk to the UK’s growth prospects, with businesses having to manage rising costs and the pressure to raise their prices. If higher inflation squeezes consumer spending as we expect, the current strength in business activity may not be enough to prevent a period of more muted economic growth.”

Ends

Notes to editors:

The BCC Q1 2017 QES is made up of responses from 7,300 businesses across the UK, and is the largest private business survey in the country. Firms were questioned between 20 February and 13 March 2017 on a wide range of business issues, including: domestic sales and orders; export sales and orders; employment prospects; investment prospects; recruitment difficulties; cashflow; confidence; and price pressures.

Spokespeople are available for interview and a full QES is available from the press office.

How are balances calculated?

QES results are generally presented as balance figures – the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is a plus it indicates expansion of activity and if the figure is a minus it indicates contraction of activity. A figure above 0 indicates growth, while a figure below 0 indicates contraction.

For example, if 50% of firms told us their sales grew and 18% said they decreased the balance for the quarter is +32% (an expansion).

If 32% told us their sales grew and 33% said they fell the balance is -1% (a contraction).

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BCC comments on Lower Thames Crossing announcement

BCC and Chambers from the network comment on the Lower Thames Crossing announcement made today by the Minister for Transport.

12th April 2017

Commenting on the announcement made today by the Transport Secretary, Chris Grayling, on the Lower Thames Crossing, Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"This long-overdue decision is crucial both to local business communities and to national connectivity.

"A new Thames Crossing has long been needed to increase road capacity, ease congestion and shorten travel times, making it easier for businesses to connect with staff, consumers and markets. The project will also create work for the construction sector, and its supply chains.

"Business communities will want to see work begin on the new crossing without delay, as it will give a shot in the arm to the construction sector and its supply chains, as well as confidence to business more generally. This should be just one of many major infrastructure projects given the green light over the coming months – to boost business confidence and procurement opportunities during a period of uncertainty and change."

Leading accredited Chambers of Commerce, representing business communities to be connected by the new Lower Thames Crossing, have also commented:

Denise Rossiter, Chief Executive of Essex Chambers of Commerce and Industry, said:

"We are pleased the decision has at last been made and urge the Government to proceed with construction as soon as possible.

"With international trade growing in importance with Brexit, it is essential that we have first class links between our ports and the rest of the UK."

Jo James, Chief Executive of Kent Invicta Chamber of Commerce, said:

"This decision sends the strongest possible message to business that the Government recognises the importance of investing in our strategic infrastructure in order to build a strong national and regional economy. We need to work with government to ensure smooth transition through the planning process."

Colin Stanbridge, Chief Executive of London Chamber of Commerce and Industry, said:

"We welcome the decision to press ahead with a new Lower Thames Crossing and urge that it is built as soon as practical to ease the pressure on, and improve the resilience of, the road network.

"We need to ensure that there is continued investment in infrastructure in London and the South-East to maintain the region as an attractive place to work, live and do business."

Ends

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BCC: Inflation weakening UK growth

BCC's Head of Economics, Suren Thiru, comments on the inflation statistics for March 2017.

11th April 2017

Commenting on the inflation statistics for March 2017, released today by the

Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“Although the inflation rate was unchanged in March it is still above the Bank of England’s 2% target. The continued elevation in costs at the factory gate suggests that consumer prices are likely to resume their upward trend in the coming months.

“Businesses say they are facing an uphill struggle to absorb the increasing cost of imports – a task made more difficult by the raft of additional upfront costs imposed on businesses at the start of the new tax year. As a result, the rising price of imported raw materials are expected to increasingly filter through into higher prices, stifling consumer spending, a key driver of UK growth.

“It is probable that rising inflation helped weaken UK GDP growth in the first quarter of 2017, with growth likely to have slowed to 0.4%, from 0.7% in the previous quarter. The UK’s growth prospects are expected to remain subdued over the near term, as higher inflation continues to squeeze consumers and businesses.

“Against this backdrop, it is vital that government does more to ease the cost pressures facing firms by tackling the burden of upfront costs and taxes associated with doing business in the UK. The MPC must also continue to ‘look through’ the expected rises in inflation and opt for an extended period of monetary stability. This will help businesses to continue to invest, recruit and support the wider economy.”

Ends

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BCC: Practical support for businesses will help boost UK’s trade performance

BCC’s Head of Economics, Suren Thiru, comments on the latest trade statistics.

7th April 2017

Commenting on the UK trade figures for February 2017, published today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“Although the UK’s trade deficit widening in February is disappointing, its largely as a result of an increase in ‘erratic’ goods. The longer-term measures continue to point to an improvement in the UK’s trade performance.

“Trading conditions for UK exporters are likely to improve over the near term as a persistently weaker Sterling, and an improving outlook for the global economy, combine to boost international demand for UK goods and services. However, the extent of the improvement is likely to be limited by the rising cost of raw materials, which together with the raft of other high input costs facing businesses, is putting pressure on their cost bases.

“Although trade’s contribution to UK economic growth is set to rise over the next few years, this is unlikely to be sufficient to offset the expected slowdown in other areas of the economy, most notably consumer spending.

“As we move through the negotiating process for exiting the EU, there must be a greater focus on providing practical support for those businesses looking to export, including revitalising and expanding the trade mission programme to help firms take full advantage of growth opportunities in new markets.”

Ends

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