

BCC: Businesses hit by upfront costs as new tax year begins

Commenting on the start of the new tax year, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“We enter a new tax year with a raft of changes adding to the upfront cost of doing business. While corporation tax is decreasing, companies are more concerned about the escalating burden of input costs which hit firms before they even turn over a single pound.

“Companies of all sizes will now see the introduction of the Apprenticeship Levy, Immigration Skills Charge, a new National Living Wage, and pensions auto-enrolment. Such costs are likely to cause many firms to implement cost reduction measures and weigh down on firms’ ability to invest, recruit and grow their business.

“The government must do more to ease the upfront burden on businesses, and allow them to get on and invest, train their staff, and trade all over the world.”

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

Media contacts:

Allan Williams – Senior Press Manager

020 7654 5812 / 07920583381

Orla Hennessy – Press and Communications Officer

020 7654 5813 / 07825746812

BCC: Great Repeal Bill promises

stability – if managed carefully

Director General Adam Marshall comments on the publication of the Great Repeal Bill White Paper.

Commenting on the Great Repeal Bill White Paper, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Business communities around the UK want day-one certainty on the rules and regulations they will face when the UK leaves the EU. For that reason, the premise of stability and continuity at the heart of the Great Repeal Bill is welcome.

“A legislative transition of this size and scope has never before been implemented, and we will be watching carefully to ensure there are no unintended consequences for individual firms, for sectors or for business communities as a whole.

“The government must be exceedingly careful in its use of proposed fast-track powers, or risk blighting businesses with additional costs and burdens. As we have seen in the past, it takes only takes one poorly-drafted regulation to spark expensive court cases with wide-reaching consequences – and we are talking here about re-drafting thousands of pieces of the rule-book.

“In the fullness of time, businesses want to work with government to determine areas where maintaining equivalence with EU law is in our national economic interest, and areas where some divergence and change may be required. This will be a complex endeavour, better done right than done quickly.”

Ends

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[BCC comments on the triggering of Article 50 and the start of Brexit negotiations](#)

On the day Article 50 is triggered, Dr Adam Marshall, comments on the start of the Brexit negotiations.

29 March 2017

Commenting on the triggering of Article 50 by the Prime Minister, Theresa May, Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Now that Brexit negotiations are set to begin, businesses across the UK and their trading partners in Europe want answers to practical questions, not political posturing. A pragmatic and grown-up dialogue on the real-world issues, rather than verbal volleys between London and Brussels, would give firms greater confidence over the next two years.

“In the early weeks of the negotiation process, businesses would like to see an effort to secure simultaneous exit and trade talks. Concluding exit and trade negotiations at the same time would moderate adjustment costs for UK businesses, and enable trade between UK and EU firms to continue with less disruption.”

On business expectations beyond Brexit, Marshall added:

“It is crucial for the Prime Minister and her government to remember Brexit is not the only thing on the minds of UK businesses. Issues here at home, from the training system to sky-high business rates and up-front costs, still need to be addressed.

“Businesses would not look kindly on a government that treats Brexit as its only job. Getting the fundamentals right here in the UK is as important, if not more important, than any eventual Brexit deal.”

Ends

Notes to editors:

The British Chambers of Commerce have published a [Business Brexit Priorities](#) report. The key recommendations in the report are:

- On the **Labour Market**, the government should provide certainty for businesses on the residence rights of their existing EU workers, provide clarity on hiring from EU countries during the negotiation period, and

avoid expensive and bureaucratic processes for post-Brexit hires from the EU

- On **Trade**, the government should aim to minimise tariffs, seek to avoid costly non-tariff barriers, grandfather existing EU free trade agreements with third countries, and expand the trade mission programme
- On **Customs**, the government should develop future customs procedures at the UK border in partnership with business, seek to maintain the UK's position as an entry point for global businesses to Europe
- On **Tax**, the government should guarantee that HMRC is appropriately resourced to help businesses through the transition process, and provide clarity on whether VAT legislation will continue to mirror current core VAT principles
- On **Regulation**, the government should ensure stability by incorporating existing EU regulations into UK law and maintaining these for a minimum period following Brexit, and ensure that product standards are aligned with, and recognised by, the EU to keep UK products competitive
- On **EU funding**, the government should maintain UK access to the European Investment Bank, and ensure there is no funding 'cliff-edge' for areas in receipt of EU funding
- On **Northern Ireland**, the government must avoid any return to a hard border, so that businesses can move people and goods as freely as possible.

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[BCC: Action needed on poor broadband, especially in rural areas and for small firms](#)

Today the BCC launches results from a digital survey on broadband connectivity for businesses in the UK.

27th March 2017

Businesses across the UK, particularly in rural areas, are still without reliable broadband connections, despite companies saying the availability of fully functional broadband is extremely important to their operations, according to the results of a survey released today (Monday) by the British Chambers of Commerce (BCC).

All companies surveyed (99%) say a reliable broadband connection is important, (82% say extremely so), yet nearly one in five (18%) suffer from unreliable connections (11% not very reliable; 7% not at all reliable).

The findings also show that firms in rural areas are at least twice as likely to have unreliable connections (30%) as those in towns (15%), inner cities (13%), and suburban areas (12%).

Smaller businesses are the most likely to suffer from unreliable broadband, with nearly a quarter (24%) of sole traders and 21% of micro-businesses reporting problems.

The survey suggests that more reliable connections would allow businesses to do more. Nearly half of businesses (48%) say if the reliability of their broadband connection was improved it would allow them to use more applications, particularly cloud-based services (24%), transfer of large files (22%), remote server access for employees (15%).

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

“Business communities across the UK still report that our digital infrastructure is not fit for purpose. Throughout the country, significant numbers of companies of every size and sector lack reliable internet connectivity – a basic requirement for businesses to operate efficiently in today’s world.

“Unreliable connections stunt productivity, causing needless delays, costs and frustration. While businesses in every corner of the UK are affected, our research shows that it’s rural areas and small businesses that are most likely to suffer. An unreliable connection acts as an obstacle to growth, and puts those firms most in need of support at a competitive disadvantage.

“We’ve been calling on both providers and on government for years to fund the necessary upgrades required to deliver superfast broadband to business communities. Regulators, too, must ensure that firms actually get the quality and speeds of connection they are promised. While we welcome recent ministerial announcements about investing in 5G technology and efforts to build a world-class digital infrastructure in the UK, there is still a long way to go in getting the basics right. The immediate focus must be on providing all companies with connections that are reliable and of sufficient speed, which would boost business confidence and encourage firms to maximise opportunities for growth, trade and investment.”

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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[BCC: Inflation a key risk to UK growth prospects](#)

BCC comments on the inflation and public sector finances for February 2017.

21st March 2017

Commenting on the inflation and public sector finance statistics for February 2017, published today by the Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce, said:

“With inflation now surpassing the Bank of England’s 2% target for the first time since 2013, there is further confirmation that UK price growth is firmly on an upward trajectory.

“The decline in the value of Sterling, together with rising oil and other commodity prices, is likely to maintain the upward pressure on consumer prices in the coming months. We currently forecast that inflation will remain persistently above the Bank of England’s 2% target over the near term,

peaking at close to 3% in the second half of 2018.

“Rising inflation is a key risk to the UK’s growth prospects. Businesses continue to report that the rising cost of raw materials are squeezing margins, forcing many firms to raise their prices. Higher inflation is also likely to materially squeeze consumer spending in the coming months as price growth increasingly outpaces earnings growth.

“While government has little direct influence on currency movements or global commodity prices, it must do more to ease the burden of up-front costs and taxes faced by businesses, which is weighing heavily on investment decisions and growth.

On the Public finances, Suren Thiru added:

“The latest public finances data show that the government remains on course to meet the Office for Budget Responsibilities forecast for 2016/17 made in the Spring Budget, with public borrowing declining again in February. However, if UK economic growth becomes more subdued as we expect, the UK is likely to face an uphill struggle to achieve meaningful deficit reduction in the coming years as the government’s ability to generate tax receipts comes under greater pressure.”

Ends

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