[BCC: UK labour market in good health]

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

“Overall, with employment levels rising and unemployment still falling, the latest figures confirm that the UK jobs market is in good health.

“It remains likely that even if economic conditions become more subdued over the near-term, the underlying resilience of the UK’s jobs market will help ensure that we don’t see a marked deterioration in recruitment. Our own survey data suggests that hiring expectations have improved, although firms continue to report considerable difficulties in recruiting the right staff.

“With pay growth slowing slightly, the differential between price increases and wage growth continues to close. If this trend persists earnings in real terms could be squeezed, stifling consumer spending, which is an important determinant of UK growth.

“A key priority for the upcoming Budget must be to support firms looking to recruit and grow their business. This includes tackling the high up-front taxes and costs of doing business in the UK, which weigh heavily on companies regardless of their stage in the economic cycle, performance or ability to pay.”

Ends

Notes to editors:

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BCC: Inflationary pressures intensifying for businesses

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

“While the rise was slightly less than expected, UK inflation remains firmly on course to breach the 2% inflation target, possibly as early as next month.Although most categories of goods and services contributed to the increase, it was primarily driven by rising food and fuel prices.

“The continued rise in factory gate prices confirms that inflationary pressures in the supply chain are intensifying, and a sustained period of materially above target inflation looks increasingly probable. However, the uncertainty over future economic conditions is likely to limit the extent to which the expected higher inflation becomes embedded in stronger wage growth. This means that consumer spending power is likely to come under increasing pressure in the coming months.

“Higher inflation is a major headache for businesses as it increases their cost base and weighs on investment decisions. Therefore, next month’s Budget must be used to ease the burden of up-front costs faced by firms including further, more fundamental reform of business rates.”

Ends

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BCC: UK exporters put in strong performance in final quarter of 2016

Commenting on the UK trade statistics for December 2016, released today by the Office for National Statistics, Mike Spicer, Director of Economics at the British Chambers of Commerce (BCC), said:

“The narrowing in the UK’s trade deficit in the final months of last year is a welcome improvement from the weaker performance in the previous quarter, and reflects a growing number of goods being exported to non-EU countries. As Brexit dominates the headlines, the results are an important reminder that UK companies take advantage of trading opportunities in every part of the world.

“This performance comes despite the mixed reaction of exporters to the depreciation in Sterling – which our research has found is hurting as many as it is helping. Looking ahead, the continued weakness of the pound and the expected slowdown in economic growth will likely dampen demand for consumer imports.

“In order to keep UK businesses trading with the world, companies need more direct support from government such as more investment in trade show access. But with margins under pressure, we need to see action at the Budget to reduce the upfront costs of doing business, particularly business rates. This will free up resource for businesses to invest in people and product development – absolutely necessary to taking full advantage of the growth opportunities in overseas markets.”

Ends

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BCC: Dash for housing must not sacrifice business land

Commenting on the release of the housing white paper by the Communities Secretary, Sajid Javid, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Business communities around England want to see housebuilding on the rise – as it supports construction and property businesses locally, and increases confidence across the board. The government’s renewed commitment to raising our poor record on housebuilding is to be welcomed. So too is a drive to build homes for rent, as well as homes for sale, as they represent an important mix in many areas where businesses are seeking staff.

“Yet a dash for housing that leaves no room in our towns and cities for offices, depots, laboratories, workshops and factories would be a huge mistake. Ministers must ensure there are enough well-connected sites for commerce and industry across England, where far too much prime business land has been sacrificed to housing development in recent years. Building homes without leaving room for workplaces would be a mistake that takes a generation to correct.”

Ends

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BCC Budget Submission: Action needed on business rates burden sapping businesses

Ahead of the Chancellor's Spring Budget on March 8, the British Chambers of Commerce (BCC) is urging the government to take action on delivering real reform to the business rates system.

The business group is calling on the Chancellor to use his last Spring Budget to support long-term business investment by taking action to deliver real reform to the business rates system. As it stands, the system creates a number of perverse incentives for business location, property improvement, and plant and machinery investment.

BCC seeks four key measures on business rates from the Spring Budget:

- **Abandon the fiscal neutrality principle in business rates reform** – an unacceptable barrier to fundamental reform of the business rates system that is unique to that tax
- **Bring forward the switch from RPI to CPI, currently planned for April 2020, to April 2017**
- **Removal of all plant and machinery from the valuation of property for business rates purposes**
- **Drop proposals to restrict the ability of the Valuation Tribunal for England to order changes to business rates liabilities**

Dr Adam Marshall, Director General of the BCC, said:

"The current rates system is broken, and despite attempts by successive governments to introduce marginal reforms, the fundamental unfairness of business rates remains.

"We're calling for steps to be introduced which would help alleviate some of the excessive pressure put on businesses by rates. The policy of fiscal neutrality means there are winners and losers across the country from reforms, but limits the government's scope to bring about fundamental change to the system. Excluding plant and machinery from valuations would remove a perverse incentive for investment, and businesses should be allowed to appeal valuations through a simpler and fairer process.

"Businesses from across the Chamber network of all sizes, sectors and locations, lament the burden of this high up-front cost, which they are forced to pay before making even a penny of profit."

ENDS

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