

BCC: Action needed to sustain increases in real wages

Commenting on the labour market figures for April 2018, published today by the ONS, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“The continued rise in employment, coupled with a further drop-in the unemployment rate, is further evidence that the UK jobs market remains in good shape, with firms continuing to recruit despite sluggish economic conditions. However, the rising number of hours worked indicates that the recent pick-up in UK productivity is likely to be short lived.

“The end of a prolonged squeeze on real wage growth is an important moment, although maintaining positive real wage growth could prove challenging without sustained increases in productivity and relieving the high upfront costs which restrict pay increases. The return to positive real wage growth is unlikely to translate into materially stronger spending in the near term with consumers expected to remain under pressure from uncomfortably high debt levels, particularly if interest rates rise further.

“Against this backdrop, ministers must do more to support firms looking to recruit and grow their business, including easing upfront business costs and plugging the growing skills gaps. Working with businesses to deliver meaningful reform to the Apprenticeship Levy, so it works better for everyone, would be a good place to start.”

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

The BCC has launched a campaign aimed at eradicating not-spots for mobile voice coverage. Add your not-spot [here](#).

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