

BCC comments on Bank of England's Super Thursday

Commenting on today's interest rate decision and inflation report by the Bank of England's Monetary Policy Committee, Dr Adam Marshall, Director General at the British Chambers of Commerce (BCC), said:

"The Bank of England's decision to keep interest rates unchanged is unsurprising, and reflects the more subdued levels of growth we have seen in UK business communities over recent months.

"In our view, the Bank of England's forecasts are still slightly optimistic about the near-term outlook for the UK economy. We expect inflation to rise by more than the central bank is currently predicting, peaking at 3.4% this year. Businesses continue to report rising prices at factory gates, which are squeezing profit margins and investment intentions.

"Our Quarterly Economic Survey shows business investment is likely to remain relatively stagnant in the near-term, as inflation and the escalating burden of upfront costs weigh on the growth prospects of firms.

"Monetary policy can only do so much. This autumn, it is time for the government to act as well, both to reinforce business confidence and encourage investment. Action to reduce the many up-front costs that UK companies face would be an important first step in ensuring firms have the best possible environment to invest and grow."

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