

BCC comments on inflation figures for May 2018

Commenting on the inflation statistics for May 2018, published today by the Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“Inflation held steady for the first time since January 2018, with the upward pressure from fuel prices in May offset by weaker outturns in several categories. That said, the marked pick-up in producer price growth does point to increased inflationary pressures further down the supply chain.

“It is possible that inflation may start to drift upwards in the coming months as the recent spike in oil prices filters through supply chains and into higher consumer prices. However, any pick-up in inflation would be relatively short-lived, with price growth likely to resume its downward path later in the year as the pressure from oil prices eases.

“With inflation unchanged and a number of other economic indicators pointing to a weakening economy, the prospect of an August rate hike is looking more remote. Indeed, the case for raising interest rates at all this year continues to look limited at best.

“With economic conditions becoming more sluggish, more needs to be done to incentivise business investment, including addressing the burden of upfront costs and taxes faced by UK business, as well as tackling longstanding issues such as the skills gap and the chronic underinvestment in the UK’s digital and physical infrastructure.”

Ends

Notes to editors:

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 53 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](#).

Media contacts:

Allan Williams – Head of Press and Communications

020 7654 5812 / 07920583381

Orla Hennessy – Senior Press and Communications Officer

020 7654 5813 / 07825746812