

BCC comments on inflation statistics for March 2018

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

Inflation slowed again in March, confirming its downward trajectory. The largest downward pressure came from clothing and footwear prices which rose by less than a year ago. The latest figures also provide further confirmation that real wage growth has returned to positive territory.

“Inflation is likely to continue easing over the near term as the impact of the post-EU referendum slide in sterling fully dissipates. The BCC’s own Quarterly Economic Survey confirms that the pressure on firms to raise prices have eased a little over recent months. That said, upward pressure from rising commodity prices could well keep inflation hovering above the Bank of England’s 2% inflation target over the short term. As a consequence, real wage growth may remain muted for some time to come.

“While interest rates are expected to rise next month, with UK economic growth likely to have slowed in the first quarter and inflation easing, the case for tightening monetary policy remains relatively weak. We’d caution against a sustained increase in interest rates as it could dampen confidence and weaken overall economic activity. More must also be done to lift confidence and growth, including addressing the escalating burden of up-front business costs.”

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](#).

Media contacts:

Allan Williams – Head of Press and Communications

020 7654 5812 / 07920583381

Orla Hennessy – Press and Communications Officer

020 7654 5813 / 07825746812