

BCC: GDP growth shows strong end to 2016 for the UK economy

Commenting on the first estimate of GDP for the fourth quarter of 2016, released today by the Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce, said:

“The first estimate of UK GDP growth for the final quarter of 2016 confirms that the UK economy enjoyed a strong end to the year – mirroring our own survey data. While there was a welcome pick-up in output from manufacturing and construction, the UK remains heavily reliant on services and consumer spending as the main drivers of growth. The yearly figure of 2.0% UK GDP growth is broadly in line with historic trends.

“However, outperforming last year’s performance in 2017 will be a challenge for the UK economy. Higher inflation and uncertainty over the implications of Brexit are expected to bear down on the UK’s near-term growth prospects. This is likely to squeeze consumer spending and dampen firm’s investment intentions, resulting in a prolonged period of materially below trend growth.

“A key priority for the UK government must be to support long-term business investment, including addressing the escalating burden of up-front taxes and costs, such as business rates, which are impeding the ability of firms to invest, recruit and grow their business.”

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

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