

BCC: Strong employment figures but key challenges remain

Suren Thiru, Head of Economics, comments on the labour market statistics for June 2017.

14 June 2017

Commenting on the labour market statistics for June, released today by the Office for National Statistics, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:

“With employment continuing to rise and unemployment falling, the UK jobs market remains on a firm footing.

“However, the strong headline figures mask some significant concerns. The gap between pay and price growth is now significant, and if inflation continues to rise as we expect, this could push UK growth materially lower by slowing household spending – a driver of UK economic growth. Employment levels may also moderate over the near term as the escalating burden of upfront business taxes and costs, and political uncertainty, dampen firms’ hiring intentions.

“The continued rise in the number of vacancies is further evidence of the growing skills shortage. While employment levels are high by historic standards, businesses report that they are increasingly struggling to find staff with the right skills, which is constraining investment and productivity.

“The new government must make it a priority to tackle the UK’s chronic skills shortage, including easing the burden of upfront business costs to help firms recruit and train staff, and deliver a future immigration regime based on the needs of the UK economy.”

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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