

# **BCC comments on interest rate decision**

BCC comments on the Monetary Policy Committee's interest rate decision.

16th March 2017

**Commenting on today's interest rate decision by the Bank of England's Monetary Policy Committee, Suren Thiru, Head of Economics at the British Chambers of Commerce (BCC), said:**

"While the Bank of England's decision to keep interest rates on hold was widely expected, there was a surprising shift in the committee's voting pattern, with one member voting for a rate rise. This partly reflects the fact that the Monetary Policy Committee are facing a more challenging period, with inflation likely to move materially above the 2% target in the coming months. Furthermore, if US monetary policy continues to tighten as expected, it may weigh on UK rate decisions by increasing the downward pressure on Sterling, pushing UK price growth higher.

"However, with UK economic conditions likely to become more subdued over the near term, and little evidence that higher inflation is becoming entrenched in stronger pay growth, the MPC has sufficient leeway to tolerate a prolonged period of above target inflation. Therefore, while the next move in interest rates is likely to be upwards, we don't expect this to happen until the end of 2018.

"With the MPC close to exhausting the monetary policy tools available to them, the government must do more to support business confidence and incentivise investment, particularly by tackling the rising input costs faced by businesses."

**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](http://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

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## [The only way to get all of the evidence Ofcom needs to make this assessment is to go ahead with part two of the Leveson Inquiry – Tom Watson](#)

**Tom Watson MP, Labour's Shadow Secretary of State for Culture, Media and Sport,** commenting on Karen Bradley's announcement that she has today referred the Sky bid to Ofcom, said:

"Intervening in this proposed merger was the only legitimate course of action for Karen Bradley to take.

"It is right that Ofcom applies a 'fit and proper' assessment to the bid and considers any public interest test, in addition to concerns about plurality and broadcasting standards.

"But a comprehensive fit and proper test will take time, so that all of the Murdochs' failures of corporate governance during the phone hacking scandal and elsewhere can be properly investigated.

"The only way to get all of the evidence Ofcom needs to make this assessment is to go ahead with part two of the Leveson Inquiry – as David Cameron promised to the victims of phone hacking. If the Government was really committed to the fullest investigation of this bid, they would commence it immediately."

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## [Press release: UK to help businesses](#)

# step up investment in world's poorest countries

Today (16 March), International Development Secretary Priti Patel set out how the UK is making it easier for companies to invest in the world's poorest countries and urged businesses to invest at a time of unprecedented humanitarian crises.

Speaking to CEOs at Methodist Central Hall in London at the "Transforming Investment Risk" event hosted together with the President of the World Bank Group, Jim Yong Kim, Ms Patel outlined how investment from British and international companies is desperately needed to create jobs and build basic infrastructure, such as roads and ports in the world's poorest countries.

City of London businesses Lloyds of London, Aviva, Prudential, Standard Chartered and the London Stock Exchange, have already confirmed they will rise to the challenge set by Ms Patel.

This will help create more stable and prosperous economies, which will mean countries have a better chance of overcoming future crises and standing on their own two feet.

International Development Secretary, Priti Patel said:

Conflict, broken politics and instability have left the world facing an unprecedented humanitarian challenge.

The UK is giving urgent relief to help millions of people on the brink of starvation, but the fact is, without job creation and a healthy economy many of the world's poorest countries have little chance of developing the resilience needed to overcome future crises.

With one billion young people entering the job market across Asia and Sub-Saharan Africa over the next decade private investment is absolutely vital to help lift people out of debilitating poverty.

We will make it easier for companies – including British ones – to invest in these new opportunities and help build a more stable and prosperous world for us all.

World Bank President, Jim Yong Kim said:

Achieving sustainable growth is only possible if we harness the private sector's expertise, capacity to innovate, and capital. Mobilizing private investment, even in the most challenging markets, will lift people out of extreme poverty while developing

new markets, supporting economic growth and reducing the risks of violence and fragility that can cause widespread suffering. The UK is an important partner for the World Bank Group and I look forward to our continued collaboration on this and other important issues such as health, nutrition and creating jobs.

International and UK businesses have said they find it too risky to invest in developing markets because of over-regulation, poor energy supplies and a lack of access to financial services.

Ms Patel set out how the UK is cutting excessive red tape, match-making investors with specific opportunities and using the City of London's expertise to improve financial services, including insurance in these countries. This will make it easier for businesses – including British companies – to invest.

The UK is:

- improving national electricity systems and attracting investment in infrastructure across Africa and South Asia;
- drawing on expertise from the City of London's insurance sector to help businesses and governments get better access to insurance against natural disasters;
- continuing to support the work of CDC to create jobs in riskier markets;
- working with other UK government departments to increase UK Export Finance's ability to guarantee exports in local currencies – to help protect against currency fluctuation;
- working closely with the City of London to help it become the go-to location for development finance – helping businesses from developing countries to issue bonds in London; and
- creating skilled workforces for industrial parks, like Hawassa in Ethiopia, to help encourage investors to set up their factories in developing countries.

The additional financing needed to achieve the UN Global Goals by 2030 is estimated at \$2.5 trillion every year, but current investment levels are less than half of that.

The private sector is a key part of this – it has the expertise to make innovative investments in challenging markets, and DFID's first Economic Development Strategy sets out how private sector investment will help developing nations speed up their rate of economic growth, trade more and industrialise faster, and ultimately lift themselves out of poverty.

Group Chief Executive Officer of Aviva Plc Mark Wilson said:

Private capital has the power to transform the lives of those most in need. We must turn the current trickle of private capital into a torrent, unleashing trillions of pounds to deliver tangible and lasting change. DFID's Economic Strategy recognises just that and Aviva commends it.

Head of Innovation at Lloyds of London Trevor Maynard said:

The changing nature of risk and the persistent levels of underinsurance in developing and emerging economies mean communities around the world are increasingly vulnerable to catastrophic disasters. Lloyd's believes the insurance industry and other financial services can play a key role in mitigating this risk and building global resilience.

I therefore welcome DFID's Economic Development Strategy, which sets a clear ambition for the City to demonstrate global leadership and cement the UK's position as the leading financial centre for the developing world. The City of London can and must play a leading role in financing growth in the developing world, creating jobs and ending the dependence on aid.

CEO of London Stock Exchange Group Xavier Rolet said:

London Stock Exchange Group is delighted to partner with the Department for International Development to support investment into the developing world's most productive sectors and fast-growing companies, driving job creation and economic growth.

Working in partnership with African exchanges, we are developing robust, efficient and transparent capital markets to raise finance for African companies and encourage increased investor participation in Africa's growth story.

Regional Chief Executive of Europe and Americas for Standard Chartered Tracy Clarke said:

Standard Chartered supports the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. We will continue to partner with DFID, the World Bank's International Finance Corporation and others to deliver innovative and blended finance solutions for our markets.

Chief Executive Officer of Prudential Africa Matt Lilley said:

The City of London and the UK's financial services sector is a unique asset, with an unrivalled concentration of capital and expertise, and truly global reach. We are pleased to join DfID and the World Bank in discussing how companies like Prudential can help drive growth in emerging African economies, reaching more customers, creating jobs, strengthening capital markets and investment, and supporting the long term transition from aid

dependence.

- The Secretary of State of International Development Priti Patel and World Bank President Jim Kim are hosting a joint UK-World Bank Group event for UK and international businesses on 16 March 2017. The event is taking place at Methodist Central Hall, Westminster, London, SW1H 9NH.

The UK is making it easier for businesses to invest in developing countries by:

- improving national electricity systems and attracting investment in infrastructure across Africa and South Asia; as unreliable and unaffordable energy is a significant barrier to economic growth. Power outages reduce GDP in Sub-Saharan Africa by 2% and reduce sales of businesses by 6%;
- drawing on expertise from the City of London's insurance sector to help businesses and governments get better access to insurance against natural disasters so they can prepare for potential emergencies and recover more quickly;
- reducing the financing risks associated with essential projects to make commercial lenders like Banks more willing to provide additional finance to initiatives that bring jobs to developing regions;
- continuing to support the work of CDC, which makes pioneering investments with clear development impact, for example in places including the Democratic Republic of Congo, Afghanistan and Sierra Leone, creating jobs and opportunities for growth;
- working with other UK government departments to increase UK Export Finance's ability to guarantee exports in local currencies – to help protect against currency fluctuation;
- working closely with the City of London to help it become the go-to location for development finance – helping businesses from developing countries to issue bonds in London. For example, the London Stock Exchange and IFC have had tremendous success in building a market for Masala Bonds, with Indian companies now able to access rupee finance through London. This will make sure investments can be made free of the fear that fluctuations in currency markets will result in bankruptcy; and
- creating skilled workforces for industrial parks, like Hawassa in Ethiopia, to help encourage investors to set up their factories in developing countries.

The UK has stepped up to give urgent relief to millions of people who are at risk of starvation in South Sudan, Somalia, North East Nigeria and Yemen, and continues to lead the global response to the ongoing crises in Syria. Our humanitarian support has included:

- Providing emergency health services for 1.7 million people in Somalia.
- Food for over 500,000 people in South Sudan and life-saving nutritional support for 27,500 children.
- Life-saving support to the 650,000 South Sudanese refugees who have fled to Uganda.

- Life-saving aid to Yemen and North East Nigeria which provided food, medical supplies, water and emergency shelter to over two million people in 2016.
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## Research and analysis: Identifying where existing EIAs/HRAs can/should inform new assessments

### **Requirement R062**

To categorise assessments submitted as part of a marine licence application to the Marine Management Organisation (MMO) and improve accessibility to these assessments, where appropriate.

Review associated licence conditions and monitoring to ensure consistency of decision making.

#### **Requirement detail**

The MMO requires knowledge of which assessments submitted in support of license applications should and could be made publically available, and how this should be done.

Currently, a significant number of assessments such as Environmental Impact Assessments (EIA) and Habitats Regulations Assessments (HRA), Water Framework Directive Assessments and Marine Conservation Zone (MCZ) assessments are undertaken in English waters to support marine licence decision making.

The MMO also requires a review of the conditions and monitoring used for granting licence applications over time. This is to ensure mitigation measures are continuing to provide appropriate environmental protection, ensuring the MMO is making evidence based decisions and mitigation is effective, facilitating proportionate evidence requests and improving transparency and access to data. The work should also include a mechanism of iterative review such that MMO could ensure a refresh of advice where necessary.

#### **MMO use**

Marine Licensing: Provide an overview of previous license assessments that might be useful for future applications and licensing decision making and improve discoverability and accessibility to this information

Marine Conservation: Provide information for conducting habitats regulations assessments for European marine sites and impact assessments for management

measures for MPAs and understand the effect of new designations and the effectiveness of their management.

### **External interest**

Natural England, Environment Agency, Cefas, developers, statutory licensing advisors

### **Delivery target**

2019, Q4

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## **[Press release: Warning for landowners over dumping illegal waste](#)**

Almost a third (30%) of agricultural businesses and rural land owners across the North East, Yorkshire and Humber have had illegal waste dumped on their land in the last three years, according to new research commissioned by [‘right Waste, right Place’](#).

The research follows a warning from the Environment Agency not to be duped into storing waste on their land after a spate of incidents across the region. Just last month, waste criminals [dumped 600 bales](#) of general waste on private land in Tow Law, County Durham.

Businesses, particularly those in rural areas, are targeted by criminals looking to dispose of waste illegally by dumping it in warehouses, mills and open spaces. These criminals can be persuasive, convincing landowners to give them access to property, which they then fill with waste and abandon, leaving the landowner with an expensive clearance bill.

According to the research, more than half of those in the North East, Yorkshire and Humber who have been affected by fly-tipping in the last three years disposed of the waste themselves. Just 16 percent called the police.

Jamie Fletcher, Environment Manager at the Environment Agency, said:

Landowners can take steps to protect themselves, such as carrying out suitable checks and due diligence before allowing anyone to use their buildings or property. And if they do fall prey I would urge them to report it.

Waste criminals can cause serious pollution and put communities at risk. The more information we have about these criminals and where

the waste comes from, the more likely we can find and prosecute those responsible.

Waste stored inappropriately can create issues for neighbours through smells and pests. It can also have a detrimental effect on the environment and impact on rivers and streams. There is a high risk of waste fires due to the waste not being stored in the correct manner.

The Environment Agency is working with landowners, the fire service, local councils and the Police to ensure the waste is removed safely, minimising the risk of fire and impact on people, and bringing culprits to justice.

Anyone suspicious of any illegal activity, approached to store such waste or currently storing such waste is urged to contact the Environment Agency's 24 hour incident hotline 0800 807060. Alternatively they can contact Crimestoppers anonymously on 0800 555 111.