



Message from Dr Adam Marshall, Director General

As the dust settles on the general election campaign, I wanted to use this space to set out a few personal reflections on the outcome — and what it means for business.

Cast your mind back to when the election was called: Theresa May seemed unstoppable. She had calmed her party's incessant infighting, committed to a Brexit plan, and seemed on course for a large Commons majority. Our pre-election discussions with Chamber business communities were about her government's policy choices — both here at home and abroad — and whether they were the right ones for business growth and prosperity.

Six weeks later, her premiership hangs by a thread, dependent on a still-emerging 'confidence and supply' agreement with Northern Ireland's Democratic Unionist Party, on the 13 MPs of the newly-resurgent Scottish Conservatives, and on a number of other groups and factions within the Conservative Party — all with interests of their own.

Six weeks is a long time in politics, as they say. I have no doubt that journalists and political anoraks will pick over the decisive moments of the election campaign, and the actions of the main players, for many months to come.

What concerns me now, however, is the impact that the General Election and the make-up of the new UK Parliament will have on the issues that matter for Chamber business communities. I'd like to explore a few in turn.

A NEW SOURCE OF UNCERTAINTY?

While the feedback I got from business communities across the UK was that they were making a big effort to screen out the 'noise' of politics prior to the General Election — and focus on what mattered to their businesses — the potential for instability over the coming months makes politics that much harder to ignore. While our chief immediate concern is the formation of a workable administration that gives businesses confidence in basic economic management, the longevity of that government is very much an open question. Businesses may be getting more used to uncertainty after the events of the past decade, but that doesn't mean they like it — or appreciate yet another source of instability. Keeping a watchful eye on sterling, and constant reminders to the politicians that their words move markets, will be important tasks over the coming weeks.

A BETTER BREXIT FOR BUSINESS?

If the Conservative minority government manages to become established over the coming weeks, there is a very real possibility of a re-think of some of the assumptions that governed Mrs May's pre-election approach to Brexit negotiations. The increased influence of the DUP, for whom the avoidance of a hard border on the island of Ireland is crucial, and of the Scottish Conservatives, who are vocal advocates for what they call a more 'open' Brexit, open the door to a different approach. In this scenario, we could have an important opportunity to push the many practical Brexit priorities put forward by Chamber members, to ensure the most business-friendly Brexit transition possible. We will be consulting on this with Chamber members, and also working closely with other business organisations where possible, over the weeks ahead.

A GRIDLOCKED PARLIAMENT?

The new parliamentary arithmetic at Westminster will turn every piece of legislation into a political football — but this situation could cut both ways for business. On the one hand, bold policies to boost business growth are unlikely to materialise — given the chance they would be voted down. On the other, some of the more worrying propositions put forward by the parties before the election may also fail to see the light of day. Many, many businesses over the years have told me that their favourite governments are the ones that do as little as possible. This election result could mean that there will be horse-trading over the big-ticket items, like Brexit legislation and the Finance Bill, but less of the sort of constant tinkering that has increased up-front costs and so irked business over the last two decades. Don't expect too many references to the hundreds of commitments made in the Conservative manifesto over the coming weeks.

A MORE UNITED KINGDOM?

The imminent possibility of another Scottish independence referendum - a source of uncertainty affecting businesses and investment not just in Scotland, but in many areas around the UK - has receded in the wake of the election. The resurgence of the unionist parties in Scotland has, for the moment at least, taken one big business concern off the table. Ironically, a general election that has exposed so many of the fault lines in British society seems to have simultaneously lessened another.

AN OPPORTUNITY OR A SETBACK FOR DEVOLUTION AND PLACE?

A weakened central government at Westminster provides a real opportunity for local areas, regions and devolved administrations to step up a gear — and deliver a better environment for business and growth, spurred on by the civic business communities at the heart of Chambers of Commerce. Absent the controlling hand of the centre, innovation may just be able to flourish, even without major injections of new resources. At the same time, however, a cloud hangs over the devolution process, where next steps for many areas were unclear even before the election. Urgent clarification will be needed to support business communities that want to see greater local control over decision-making, as well as greater business input. Our drive to ensure that place is at the heart of government policy must continue.

REPRESENTING CHAMBER INTERESTS

Over the coming days, I would be grateful for the thoughts of Chamber leaders and Chamber members on the UK's new political landscape. My commitment remains to advocate for the real-world, practical interests of our business communities — so your feedback is absolutely essential. I look forward to [hearing from you](#).

In this week's update:

BCC Meeting Activity

BCC Economic Forecast

Business and Education Summit

Health and Wellbeing Award

LSEG winner regional events

Media highlights

Economic update

News and events

- **BCC Meeting Activity**

Last week, Adam met Terry Scuoler, Chief Executive of the EEF, and attended the ICAEW President's Lunch. The BCC Board met in Belfast.

This week, members of the BCC team will visit Essex, Liverpool and Wirral Chambers. Adam will also attend the Wakefield Business Conference.

- **BCC Economic Forecast**

Please note that in light of the General Election result, the BCC is delaying the publication of its Economic Forecast for Q2, which was originally intended to be Friday 16th June. We will update the network, and send a draft of the release, as soon as a new date is confirmed.

- **Add value to your membership by bringing them along to the [Business and Education Summit](#) – book your place now!**

What is best practice for partnerships between schools and businesses?

Hear from Castle School Education Trust, winners of the 2016 Education and Business Partnership Chamber award, on the many initiatives they run to raise aspirations, inspire enterprise and foster employability among their pupils. Take part in an interactive breakout session run by F1 in Schools, an organisation that aims to increase awareness of STEM careers by running an annual competition in schools that sees students design, build and race miniature racing cars. Network with other Chamber members, businesses and educators interested in the skills agenda and make new connections across the country.

Add value to your existing membership or reward a long-term premier member by bringing them along to this fantastic event with our special ticket offer: **buy three tickets, get two free. Buy five, get five free.**

Time is running out so [book now](#) to secure your place.

- **Health and Wellbeing Award**

Many Chamber member businesses actively encourage their employees to participate in health and wellbeing activities, and others implicitly promote general employee engagement. For those that do, the Health and Wellbeing category at the Chamber Business Awards is a must.

Perhaps they provide staff with health insurance or an employee assistance programme. Or subscribe to a cycle to work scheme, have an on-site gym, or arrange lunchtime walking groups. They may also arrange wellbeing workshops, health checks or occupation health services.

Whatever your members do to promote health and wellbeing in their workforce, they could be in with a chance of winning one of the British Chambers of Commerce regional awards, national awards, or even Business of the Year. Visit the [website](#) to find out more, and make sure they enter before 30 June 2017.

- **1,000 Companies to Inspire – Winner Event**

The London Stock Exchange Group recently launched their 1,000 Companies to Inspire Britain [report](#), which included many Chamber members. To celebrate these inspiring businesses the LSEG is hosting a number of events around the regions for the management teams of companies profiled in this year's report. Events will be taking part in the following locations:

London – London Stock Exchange, 14 June 2017

Bristol – Leigh Court, 20 June 2017

Birmingham – The Cube, 21 June 2017

Manchester – Venue TBC, 27 June 2017

Please feel free to pass the event details and [online](#) registration forms on to your winning members.

BCC national media highlights this week

- Last week the BCC had letters published in the Telegraph and the Financial Times on the disappointing rhetoric around business during the campaign, and the need for the new government to focus on getting the business environment right here at home.
- BCC reaction to the General Election result received widespread coverage including [BBC News](#), [the Independent](#), Telegraph, Financial Times and Times. Adam spoke to LBC and Bloomberg Radio, and Suren Thiru spoke to [Bloomberg](#) and Reuters.

- Adam spoke to the [Sunday Times](#) about the need for Brexit to be about the practical issues for business.

Economic update

Total [industrial production](#) in April 2017 rose by 0.2% on the month but was down by 0.8% on the year. Manufacturing output in April 2017 increased by 0.2% on the month, but was flat in annual terms. Output from the [construction](#) sector fell by 1.6% in April. The UK [trade](#) deficit in goods and services was £2.1 billion in April 2017, a widening of £1.8 billion from March.

The second official estimate for Q1 2017 [Eurozone](#) economic growth stood at 0.6%, up from the previous estimate of 0.5%. [Japan](#), the world's third-largest economy, grew 0.3% in Q1 2017, revised down from the previous estimate of 0.5%.

For more information, please contact [Suren Thiru](#).

Coming up

- Jun 13** ONS publishes statistics on inflation
 - Jun 14** ONS publishes statistics on unemployment
 - Jun 15** Bank of England publishes MPC decision
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