

As poor economic data is released, the Forum of Private Business warns of perfect storm brewing and puts the blame on the Government's single-minded Brexit focus

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The Forum of Private Business is advising members to have a survival plan in place as the UK goes through the Brexit negotiations.

Reacting to today's poor Productivity and Trade data, which show that the UK's total trade deficit widened by £2 billion between May and June of this year, the Forum is expressing concern that the eyes of both the Government and Business are too heavily focused on Brexit and not enough on getting Britain trading.

Ian Cass, the Chief Executive of the Forum of Private Business, explained: "The latest data covering manufacturing, productivity and trade, together with the Bank of England's Inflation Report are all telling us that businesses are likely to face difficult economic times in the coming two years. Yet the Government appears to have just one thing on its agenda...Brexit. Many businesses have the impact of increased business rates to contend with, but the Government website to help with appeals is not working.

Additionally, many businesses are facing upheaval to comply with the new Data Protection requirements, which are being rushed through to align with European rules, but with no clarity on how they will affect them."

Today's data, released by the Office for National Statistics, makes poor reading for the production sector, with output and manufacturing reportedly falling in the second quarter of this year.

The Forum highlights three key aspects that need addressing.

- Stable conditions
- Opportunities
- Skills

Commenting, Ian Cass said: "Of course we all recognise that there will be uncertainty around Brexit, but the Government is giving insufficient guidance to businesses on other day-to-day issues that would make their lives easier.

"Whilst we have a weak pound the best opportunity that many businesses have to expand is through exporting, which is why we have launched our Get Britain Trading campaign. Businesses need additional support now from Government with the assurances that target markets will still be there after Brexit."

The Forum is most concerned about skills though.

“The impact of Brexit on the pool of skills available to businesses is of course an issue to be addressed in the negotiations, but Brexit or no Brexit, feedback from Forum members tells us that the skills shortage remains the biggest blocker to growth, and the continued lack of focus on this from Government is disappointing”, says Ian Cass.

“If we take the deteriorating trading data, together with the additional regulatory burdens on business, continued uncertainty in the economy, and the worsening skills picture, there is a serious risk that the SME community will find itself struggling to survive, whilst the Government’s sole agenda is Brexit negotiations. We would ask those in power to balance their business priorities if we are to avoid a perfect and painful storm.”

For more information on today’s ONS data visit

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/shorttermindicatoreconomiccommentary>
and <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/uktrade/june2017>

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