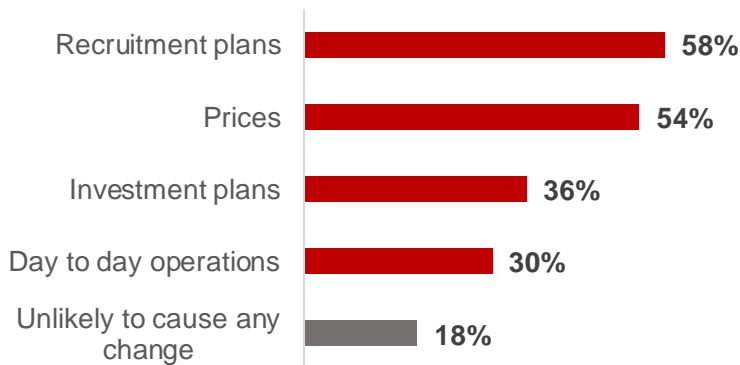


A major survey* of more than 1,200 UK businesses carried out by the British Chambers of Commerce, in partnership with AAB, has found:

- 82% of firms surveyed say the national insurance contributions rise will impact their business
- Most of the responding businesses say the NI increase will impact recruitment (58%) and prices (54%)
- Over three quarters (79%) of businesses do not feel the government has properly assessed the impact of new policies, while only 14% do.

Eight-in-ten businesses say the NICs increase will impact one of the following aspects of their business



77%...

disagree that policy changes are going at the right pace, while only 16% agree.

55%...

say they will be impacted by statutory sick pay changes, while 45% and 32% say they will be impacted by the right to switch off and zero hours contract proposals, respectively.

*1,297 participants took part in the online survey conducted by the British Chambers of Commerce Insights Unit between 20 January and 10 February. 43% of respondents were exporters, and 91% were SMEs.

Alex Veitch
Director of Policy
BCC

"The clock is ticking down to the National Insurance rise, and firms are already telling us they are sitting on a powder keg of costs."

"Most are saying they will have to raise prices and reconsider recruitment plans. That's unlikely to create an environment that fosters growth, the key priority for government. Ministers need to read the room and recognise the impact this tax hike will have."

"The government has pledged to retain the National Insurance tax position through the life of this parliament, but our new evidence should give pause for thought. We need the government to publish a wider tax roadmap for business, setting out the direction of travel for costs like national insurance and business rates"

Emma Lancaster
Chief Executive
AAB

"Bearing the burden of increased costs while maintaining profitability will be a challenge for all businesses across the UK. Our team at AAB is providing critical support for our clients, enabling them to navigate the cost challenges whilst also achieving their strategic goals."

We understand the concern businesses have in relation to the looming increase of employer National Insurance contributions, an additional challenge in an already complex trading environment. Each business will feel the impact and knowing this, it has never been more important for all businesses to invest in planning for what's coming, with sound financial data being crucial in making the best decisions."

Our clients are also closely monitoring the implications of upcoming changes to UK employment rights, with the support of AAB's HR advisory team. Staying informed and prepared for these developments should be another key focus for business owners"