

# Weekly policy update from the London Chamber of Commerce and Industry

*A round-up of key policy changes from the past seven days (27 March - 3 April 2025)*

---

## LCCI Statement on US Tariffs

On 3 April, Karim Fatehi OBE, Chief Executive of the London Chamber of Commerce & Industry, addressed the impact of newly announced US tariffs on UK businesses. 'President Trump's decision to impose a 10% tariff on all UK exports to the US, alongside a 25% tariff on UK car imports, is deeply concerning for the business community, in London, across the UK and more widely in Europe. 'The UK government must prioritise securing favourable trade deals to shield businesses from these damaging effects. We recognise its efforts to engage with US counterparts on this issue, and we urge the government to continue robust negotiations to protect UK businesses and maintain our historic trade ties.

[Read more](#)

---

## Prime Minister Addresses UK Business Leaders

On 3 April, Prime Minister Sir Keir Starmer addressed UK business leaders at 10 Downing Street, emphasising the government's commitment to acting in the national interest amidst recent global economic developments. He highlighted the importance of decisions guided by the interests of the economy, businesses, and working people. The Prime Minister acknowledged the potential economic impact of recent US decisions but assured that the UK is prepared and will maintain a cool-headed approach. He reiterated the government's focus on securing a fair and balanced trade relationship with the US and emphasised that any deal will prioritise national interest and economic security. The Prime Minister also stressed the need for rapid and resilient economic changes to defend the UK's national interest and provide stability for working people.

[Read more](#)

## UK Secures £10 Billion Investment from Singapore

On 2 April, the UK Government signed a partnership with Singaporean bank OCBC to unlock £10 billion of investment into key priority sectors in the UK. This agreement aims to boost UK-Asia Pacific collaboration and support energy, infrastructure, and real estate investment. The partnership follows the ratification of the CPTPP trade deal, enhancing economic growth and supporting the Government's Plan for Change. The investment is expected to drive long-term growth and create opportunities for British businesses, reinforcing the UK's position as a global hub for commerce and investment.

[Read more](#)

---

## New Minimum Wage Rates Take Effect

On 1 April, new National Minimum Wage and National Living Wage rates took effect, providing over 3 million eligible workers with a pay rise of up to £1,400 per year. This increase is part of the Government's Plan for Change, aimed at boosting productivity and ending low pay. While the new rates are expected to enhance spending on Britain's high streets and support local businesses, they also present challenges for companies, particularly SMEs, which may need to adjust to higher wage bills. Additionally, the changes include significant increases for younger workers and apprentices, contributing to improved living standards.

[Read more](#)

---

## Business Insights and Impact on the UK Economy

On 3 April, ONS's latest Business Insights and Conditions Survey (BICS) revealed several key trends affecting UK businesses. Nearly a third (32%) of companies with 10 or more employees expressed concerns about their supply chains over the next 12 months, with 53% expecting increased costs for sourcing materials. Climate change impacts were not a concern for 58% of businesses, while 18% reported using AI technology, up eight percentage points since September 2023. Confidence in meeting debt obligations remained high for 59% of companies, though 3% had low or no confidence. The survey also highlighted that 95% of businesses were trading in late March 2025, with 86% fully trading and 9% partially trading.

[Read more](#)



## CMA's 2025-2026 Annual Plan

The Competition and Markets Authority (CMA) published its Annual Plan for 2025 to 2026. The plan outlines the CMA's commitment to promoting competition, protecting consumers, and enhancing business and investor confidence. Key initiatives include supporting the UK Government's Industrial Strategy, using new powers under the Digital Markets, Competition and Consumers Act, and improving operational efficiency through the '4Ps' framework: pace, predictability, proportionality, and process. The CMA aims to unlock investment, tackle bid rigging, and enhance consumer protection, contributing to economic growth and long-term prosperity.

[Read more](#)

---

## CMA Proposes Competition Commitments in Aviation

On 2 April, the CMA proposed to accept commitments to address competition concerns on UK-US passenger routes. The commitments involve providing competitors with slots at London airports for routes to Boston, Miami, and Chicago and carrying a minimum number of passengers on the London-Dallas route. The CMA is consulting on these commitments to enhance competition and protect consumer interests in the aviation industry on these key transatlantic routes.

[Read more](#)

---

## UK Backs Taiwan Offshore Wind Deal

On 2 April, UK Export Finance (UKEF) guaranteed £184 million in financing for one of Taiwan's largest offshore wind projects, the 495 MW Fengmiao 1 offshore wind farm. This deal secures £55 million in manufacturing and service contracts for British suppliers. The project, backed by collaboration with other export credit agencies and Copenhagen Infrastructure Partners, is expected to be completed by 2027. UKEF's support aligns with the Government's Plan for Change, promoting investment in British businesses and showcasing the UK's expertise in clean growth.

[Read more](#)



## Innovation Accelerator Funding

On 28 March, Innovate UK announced £30 million in extension funding for its Innovation Accelerator programme, which focuses on locally led innovation in Glasgow, Manchester, and the West Midlands. This extension will add to the £100 million already invested in the programme, bolstering 26 regional investments. The initiative aims to drive economic growth and support local innovation, enhancing the UK's competitive edge in various sectors.

[Read more](#)

---

## EU Proposes AI Safety Act

On 28 March, EU officials, as part of the Working Party on the United Kingdom, discussed the implementation of the Windsor Framework, focusing on customs arrangements and including new EU laws in its annexe. Key proposals included incorporating the Cyber Resilience Act and Artificial Intelligence Act, with discussions to secure agreement. Additionally, the European Commission provided updates on legislative developments related to the Level Playing Field and Sustainable Development under the Trade and Cooperation Agreement. These discussions are part of ongoing efforts to manage post-Brexit EU-UK relations effectively.

[Read more](#)

---

## Consumer Trends: October to December 2024

On 28 March, the ONS released data on household final consumption expenditure (HHFCE) for Q4 2024. Household spending growth, adjusted for inflation, was positive at 0.1% compared to Q3 2024. The most significant positive contribution came from restaurants and hotels, which saw a 1.3% increase. Conversely, spending on food and non-alcoholic beverages decreased by 0.8%. Compared to Q4 2023, household spending was up by 1.2%, indicating a year-over-year growth.

[Read more](#)



## Plans to Increase Deposit Guarantee

The Bank of England proposed raising the amount of money protected by the UK deposit guarantee scheme from £85,000 to £110,000. The expected immediate cost of £44 million will increase lenders' contribution to the scheme. The central bank stated that the plan aims to "give consumers confidence that their money is safe. This reform has been on the bank's agenda since the collapse of the American Silicon Valley Bank two years ago, with the scheme paying out tens of millions to customers of failed firms.

[Read more](#)

