



FSB Welcomes French to London

On the 28 January FSB national chairman John Wright CBE, welcomed a delegation from the Mouvement des Entreprises de France (Movement of the French Enterprises) who were on a fact-finding mission to London.

John Wright gave an account of the state of the UK economy and what the recession has meant for small businesses. With the good news that the UK is officially out the recession he insisted that we still don't know how quickly matters will get better. The UK will go to the polls in the slipstream of the worst recession since figures were first recorded in 1955. This will create considerable political uncertainty. The banks will 'wait and see' and postpone important decisions. This means that tight credit conditions will continue. Furthermore, tightening of public spending may lead to a public sector recession around 2011. A careful balance need to be struck between interest rates, inflation and the level of public spending.

John Wright told the French employers that UK businesses had flexible responses to the crises: through pay freezes, reduced hours and other flexible measures to reduce costs and to keep employees in post, so that they will be available when business picks up. The latest FSB survey results show the resilience of the small business sector. 72 per cent of members are confident about the future prospects of their business. 52 per cent of members plan to expand their businesses including taking on more staff, and 53 per cent of small businesses have continued to introduce new or improved products or services in the last 12 months. Despite all this seven pubs are closing every day in the UK.

John warned that there will still be plenty of room for surprises. Therefore, the Government should play their part in encouraging businesses to grow and employ people. The Government should freeze the National Insurance contributions for businesses with fewer than 50 staff, increase work placements, stimulate innovation and better broadband infrastructure, improve access to public procurement and encourage small businesses to realise their potential in a low-carbon economy.

The most important thing is access to finance and a sufficient level of cash flow. This is problem number one for small businesses. The FSB is working hard to mend relationships between small businesses and the banks. Small businesses can deliver a strong economic recovery if they are given the chance to grow and flourish.

In order that we stay out of the crisis, the FSB national chairman said that we have to be creative, innovative, explore new markets, or encourage businesses even more to have the audacity to set up shop on the other side of 'La Manche'. He wished the French entrepreneurs lots of success in the UK and invited them to join the FSB, because membership is not limited to businesses on this side of the Channel...

For further information please contact:

Sietske de Groot

sietske.degroot@fsb.org.uk