

*For Immediate release
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To: Retail, Employment, Home Affairs, Political

LOW PAY COMMISSION LISTENS TO RETAILERS NMW FEARS

The British Retail Consortium received a positive response from the Low Pay Commission today, as they presented oral evidence on the impact of National Minimum Wage rises on the retail sector.

This follows the publication of a BRC survey, warning that another rise in the National Minimum Wage could lead to more than 20,000 jobs being lost and would cost the retail sector an extra £2.7 billion.

Presenting the evidence, BRC Director-General Kevin Hawkins pointed out changes in the current economic climate, including the fall in retail sales growth and reminded the Commission of the extra costs retailers will have to absorb in the coming months from gas, electricity and fuel price increases in addition to the £600 million extra in business rates.

The Commission took on board the suggestion to bring the NMW timetable into line with the financial planning cycle for retailers and businesses generally, so that future increases can more closely reflect the ability of businesses to pay.

BRC Director General, Kevin Hawkins, commented at the session: “The situation has changed significantly since we last appeared before the Commission two years ago. It is now clear that the two consecutive increases of 7-8% in the NMW are having a negative effect on larger as well as small retailers.

“The evidence we have submitted is by far the most detailed we have ever produced. We have quoted firm evidence of adverse effects and believe there is a strong likelihood that these will intensify over the next 12 months and beyond if economic growth, the retail marketplace and cost inflation all continue to display the same trends as are now emerging.

“You said in your fourth report that your assessment of future increases would take into account changing economic circumstances. Our case is that the current and projected changes to which I have referred must weigh heavily in your thinking.”

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