

CAVENDISH

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Weekly Monitoring
Friday 24th October



EIA Update

We are continuing engagement off the back of the launch of our Economic Impact Study for 2024 and event at Labour Conference earlier this month. Stakeholder support for the findings as been positive, including from key Parliamentary champions Jo Platt MP (Culture, Media and Sport Committee) and Martin Rhodes MP (Vice-Chair Events APPG).

Political Update

With the sun now set on Party Conference season, political and media attention is turning to the Autumn Budget on Wednesday, 26 November.

The Treasury faces a difficult balancing act this November: reassuring markets about fiscal credibility while supporting the Government's pro-growth agenda. Recent figures show public borrowing reached a five-year high of £20.2 billion in September and nearly £100 billion for the first half of the financial year - well above forecasts - making it increasingly likely that tax rises will be on the table. The Chancellor herself has begun to acknowledge this reality with the latest news being that of potential changes to rules around national insurance contributions to 'close the loophole' for limited liability partnerships (LLPs).

The Chancellor will be pleased by the news this week that inflation stayed at 3.8%, confounding expectations of a rise and that businesses are feeling more positive about the state of the UK economy (more details on both of these below).

Meanwhile, the by-election in Caerphilly on Thursday saw Labour lose the seat for the first time ever, coming in third behind Plaid Cymru and Reform – intensifying doubts about how Labour will perform in the Welsh elections next year. The Government has also been under increasing scrutiny this week over its handling of the grooming gang inquiry after four survivors quit the panel and called for Safeguarding Minister Jess Phillips to resign. The PM has insisted he has confidence in the Minister.

News

Business Secretary calls for Investment, Innovation, and Regional Prosperity

Business Secretary Peter Kyle spoke at the Regional Investment Summit in Birmingham this week. He argued that economic growth requires a focus on pro-business policies, including a competitive tax system, smart regulation and investment inducing policies. He also said that growth is reliant on securing free and fair global trade, notably by strengthening the UK's trade relationships with Europe, the USA and Asia, to allow British businesses to export and grow. He noted the importance of harnessing investment in high-growth sectors by tirelessly implementing the modern Industrial Strategy, arguing that the Government was prioritising manufacturing and clean energy sectors, among others, as these sectors are the engines of economic growth.

China positions itself as global hub for business events

An article in the Independent, sponsored by China Daily, outlined how "China's fast-growing meetings, incentives, conferences and exhibitions, or MICE, industry is drawing renewed attention worldwide." The Chinese mainland hosted 3,844 economic and trade exhibitions last year, maintaining steady growth from the previous year, according to industry figures. The article notes that the figures show a steady recovery of China's business events sector after the pandemic, backed by strong policy support and a surge in international engagement.

Business condition 'starting to improve' in UK

The latest poll of purchasing managers at British firms has found that growth is picking up after the lull in September. Data firm S&P Global reports that the UK private sector economy "regained some momentum in October", with stronger output growth underpinned by another modest upturn in the service economy and the first expansion of manufacturing production for 12 months.

UK inflation stays at 3.8%

UK inflation was unchanged last month at 3.8%, confounding expectations of a rise, in welcome news for the Chancellor, Rachel Reeves, as she plans for her Budget next month. City expectations had pointed to a 4% reading but the ONS said upward pressure from transport prices was offset by cheaper food and a slowdown in inflation for "recreation and culture", including live music tickets.

UK attends global business meeting to showcase digital trade leadership

Trade Minister Chris Bryant attended one of Europe's premier economic forums to champion UK leadership in digital trade this week. The Berlin Global Dialogue convenes heads of state, global CEOs and academic leaders, providing a key platform to promote the UK's Trade and Industrial Strategies on the world stage. The Minister used the visit to seek to enhance UK-Germany economic ties.

**Parliament
House of Commons**

[Ministerial Statement on post-16 Education and Skills Strategy](#)

The Secretary of State for Education, Bridget Philipson, gave a statement to the House on the Government's plans to reform higher education following the publication of the Government's [post-16 education and skills White Paper](#). She outlined her vision for a post-16 education as a skills system that drives growth and is more balanced, more responsive and more reflective of the evolving world of work. She stated that the Government would "fill gaps and meet needs, through our new foundation apprenticeships or through shorter courses in priority sectors, which from April will be funded by the growth and skills levy."

She concluded:

"The White Paper delivers on that promise to our young people to give them the skills that they need, but the task of revitalising our skills system is not the isolated work of one Department or another. It is the collective undertaking of local and national leaders, together with our workforces, businesses and trade unions"

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