# London firms warn proposed immigration rules risk £7bn economic setback



A significant majority of London-based firms have voiced opposition to the UK government's recent immigration proposals, citing concerns over the potential adverse effects on economic growth and business operations. The government's white paper, unveiled in July, outlined plans to tighten immigration controls by increasing the salary threshold for skilled worker visas and raising application costs. However, according to a survey conducted by the London Chamber of Commerce and Industry (LCCI), only 14% of business leaders believe these measures would benefit the economy, while 81% emphasised the critical importance of access to international talent for London’s corporate landscape.

The LCCI's findings highlight widespread anxiety over the proposed tougher restrictions, especially within the tech sector, which relies heavily on highly skilled migrants. The chamber noted that over a third of the UK's fastest-growing companies have founders born outside Britain, underscoring the vital role of international talent in driving innovation and economic expansion. Karim Fatehi OBE, the LCCI’s chief executive, warned that curtailing access to skilled workers risks hampering growth, weakening London's competitive edge, and ultimately damaging the city’s standing on the global stage. He urged the government to collaborate with the business community to create immigration policies that balance public concerns with sustainable economic development.

Beyond skilled visas, business leaders have also expressed concerns about the impact of restrictions on short-term worker visas. These are crucial for sectors such as hospitality, construction, and environmental services, which often face acute recruitment challenges. The LCCI has called for an increase in short-term worker visa allocations and for streamlining the business visa process to better support London’s diverse economy. Their quarterly economic survey revealed optimism among company executives about growth prospects and workforce expansion, emphasising that restrictive immigration rules could undermine this positive momentum.

The economic risks linked to tightening immigration controls are supported by research commissioned by the LCCI. A ComRes survey identified that more than half of London businesses believe a reduction in immigration would harm economic growth, with many favouring prioritising economic expansion even if it involves increasing immigration levels from EU countries. The LCCI’s report 'Points, Permits and Visas' projected that immigration limitations could lead to a £7 billion decline in economic output and a £2 billion shortfall in tax revenues by 2020.

London’s distinct needs have been particularly highlighted in response to the government’s proposal to set a £30,000 salary threshold for skilled workers. Industry leaders argue this threshold is too high and fails to reflect the wide range of skills necessary across various sectors, including the NHS, education, and care services. The LCCI advocates for a more flexible immigration system tailored specifically to London’s status as a global business hub. This position is echoed by a poll indicating strong support among London councillors, business leaders, and residents for the positive contributions immigration has made to the city’s economy over the last decade. The survey also underscored concerns about the complexity of current immigration rules, urging reforms to make the system more efficient.

A broader ongoing debate involves calls for devolving immigration decision-making power to London authorities. Recent polling commissioned by the LCCI shows that significant segments of the business community and public support allowing London to set its own immigration targets to better align with local economic needs. The chamber argues that such devolution would enable more nuanced, responsive policies that address London's specific challenges post-Brexit, including skill shortages and recruitment difficulties in key sectors.

The LCCI has specifically appealed to Home Secretary Suella Braverman to take London’s unique circumstances into account during the current immigration review. It highlights that the complexity of immigration rules is hampering businesses' ability to fill critical recruitment gaps, threatening sectors vital to the city's economy. Advocates stress the importance of maintaining London's global connectivity and competitive position by ensuring immigration policies support rather than constrain its economic prosperity.

In summary, London’s business leaders are united in their call for an immigration system that facilitates access to both skilled migrants and essential short-term workers, supports sustainable growth, and accommodates the city's distinctive economic landscape. The prevailing message to government is clear: restrictive immigration policies risk undermining London’s economic future and its position on the global stage.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.uktech.news/news/government-and-policy/london-firms-oppose-uk-immigration-proposals-research-finds-20250805), [[4]](https://www.londonchamber.co.uk/news-insights/news/press-releases/london-chamber-reacts-to-the-immigration-white-paper/)
* Paragraph 2 – [[1]](https://www.uktech.news/news/government-and-policy/london-firms-oppose-uk-immigration-proposals-research-finds-20250805), [[4]](https://www.londonchamber.co.uk/news-insights/news/press-releases/london-chamber-reacts-to-the-immigration-white-paper/)
* Paragraph 3 – [[2]](https://www.standard.co.uk/news/politics/visas-for-shortterm-workers-vital-for-key-parts-of-londons-economy-warn-business-chiefs-b1186564.html), [[7]](https://www.londonchamber.co.uk/news-insights/news/press-releases/home-secretary-urged-to-think-of-london-in-immigration-review/)
* Paragraph 4 – [[3]](https://www.londonchamber.co.uk/news-insights/news/press-releases/growing-evidence-for-business-support-for-immigration-in-london/), [[1]](https://www.uktech.news/news/government-and-policy/london-firms-oppose-uk-immigration-proposals-research-finds-20250805)
* Paragraph 5 – [[4]](https://www.londonchamber.co.uk/news-insights/news/press-releases/london-chamber-reacts-to-the-immigration-white-paper/), [[5]](https://www.londonchamber.co.uk/news-insights/news/press-releases/new-poll-london-makes-views-on-immigration-very-clear/)
* Paragraph 6 – [[6]](https://www.londonchamber.co.uk/news-insights/news/press-releases/the-right-immigration-system-seen-as-key-to-london%E2%80%99s-post-brexit-future/)
* Paragraph 7 – [[7]](https://www.londonchamber.co.uk/news-insights/news/press-releases/home-secretary-urged-to-think-of-london-in-immigration-review/)
* Paragraph 8 – [[1]](https://www.uktech.news/news/government-and-policy/london-firms-oppose-uk-immigration-proposals-research-finds-20250805), [[4]](https://www.londonchamber.co.uk/news-insights/news/press-releases/london-chamber-reacts-to-the-immigration-white-paper/), [[7]](https://www.londonchamber.co.uk/news-insights/news/press-releases/home-secretary-urged-to-think-of-london-in-immigration-review/)

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## Bibliography

1. <https://www.uktech.news/news/government-and-policy/london-firms-oppose-uk-immigration-proposals-research-finds-20250805> - Please view link - unable to able to access data
2. <https://www.standard.co.uk/news/politics/visas-for-shortterm-workers-vital-for-key-parts-of-londons-economy-warn-business-chiefs-b1186564.html> - Business leaders in London have expressed concerns over proposed immigration policies that could restrict access to short-term workers, which they argue are vital for key sectors of the city's economy. The London Chamber of Commerce and Industry (LCCI) has called for increased provision of short-term worker visas and accelerated business visa processes to support economic growth and employment in the capital. The LCCI's quarterly economic survey highlights rising optimism among company bosses, with many anticipating economic growth and an increase in workforce size over the next 12 months.
3. <https://www.londonchamber.co.uk/news-insights/news/press-releases/growing-evidence-for-business-support-for-immigration-in-london/> - A ComRes survey commissioned by the London Chamber of Commerce and Industry (LCCI) reveals that 52% of London businesses believe a decrease in immigration would negatively impact economic growth. Additionally, 57% of businesses support prioritising growth, even if it means increasing immigration from EU states. The LCCI's report, 'Points, Permits and Visas,' highlights the potential economic consequences of restricting immigration, including a £7 billion negative impact on economic output and a £2 billion loss in direct tax contributions by 2020.
4. <https://www.londonchamber.co.uk/news-insights/news/press-releases/london-chamber-reacts-to-the-immigration-white-paper/> - The London Chamber of Commerce and Industry (LCCI) has responded to the government's Immigration White Paper, expressing concerns over the proposed £30,000 salary threshold for skilled workers. LCCI argues that such a threshold could be damaging to London's economy, as workers of all skill levels are needed across various sectors, including the NHS, care professions, and education. The LCCI advocates for a more flexible immigration system that reflects London's unique needs and supports its position as a global business hub.
5. <https://www.londonchamber.co.uk/news-insights/news/press-releases/new-poll-london-makes-views-on-immigration-very-clear/> - A recent poll by the London Chamber of Commerce and Industry (LCCI) indicates that 91% of London councillors, 66% of business leaders, and 68% of Londoners agree that immigration has had a positive impact on the city's economy over the past ten years. The survey also highlights concerns about the complexity of the immigration system and its impact on businesses' ability to hire staff from overseas. The LCCI calls for a more streamlined and effective immigration system to support London's economic growth.
6. <https://www.londonchamber.co.uk/news-insights/news/press-releases/the-right-immigration-system-seen-as-key-to-london%E2%80%99s-post-brexit-future/> - London businesses and the public have expressed the need for the capital to set its own immigration targets for skilled workers to ensure post-Brexit success. A poll by the London Chamber of Commerce and Industry (LCCI) shows that 46% of councillors, 56% of businesses, and 47% of the public support allowing London to set its own immigration targets. The LCCI also advocates for devolved immigration decision-making to City Hall to better address London's unique needs and challenges.
7. <https://www.londonchamber.co.uk/news-insights/news/press-releases/home-secretary-urged-to-think-of-london-in-immigration-review/> - The London Chamber of Commerce and Industry (LCCI) has urged Home Secretary Suella Braverman to consider London's specific needs in the ongoing immigration review. LCCI highlights challenges faced by businesses in filling recruitment gaps due to complex immigration rules and calls for a more flexible system to address skill shortages in sectors such as hospitality, construction, and environmental businesses. The Chamber emphasizes the importance of London's global status and the need for immigration policies that support its economic prosperity.