

LONDON (Reuters) - Net migration to Britain fell to its lowest level in three years in the 12 months to the end of March, with more than half the drop caused by European Union citizens leaving and fewer arriving since the Brexit vote. The biggest drop in the figures came from eight eastern European countries, including Poland and Hungary, that joined the EU in 2004, leading to a migration to Britain of many eastern Europeans hoping for better-paid jobs. Net migration, which shows the annual difference between those moving to and leaving the country, has been falling since Britain's June 2016 vote to exit the European Union. According to the Office for National Statistics, it stood at 246,000 in the 12 months to the end of March, down 81,000 from the previous year and compared with the 336,000 record number that was published just before the Brexit referendum. Within the 246,000, some 127,000 were from the EU, down 51,000 to its lowest level since the 12 months ending December 2013, as emigration rose and immigration fell compared to the previous 12 months. Business leaders said the drop in net migration was a serious concern for firms worried about wage inflation and an inability to fill skills gaps with British workers. No one should celebrate these numbers, Seamus Nevin, Head of Employment and Skills Policy at the Institute of Directors, said in a statement. Given unemployment is currently at its lowest level ever (4.5 percent), without the 3 million EU citizens living here the UK would have an acute labor shortage. Signs that it is becoming a less attractive place to live and work are a concern. According to an industry survey published on Thursday, nearly half of businesses operating in Britain's food supply chain say EU employees are thinking about leaving because of uncertainty around Brexit. Nearly a third said staff had already left [nL4N1L94S1]. The government has said it is still committed to an election promise to reduce the numbers to the tens of thousands, first made in 2010 and designed to reassure Britons who were worried about the impact immigration had on public services. Many Britons cited immigration as their reason for voting Leave in the referendum. Britain has said it aims to guarantee the rights of EU citizens living in Britain and particularly important to sectors of the economy such as construction and the food and hospitality industries. But Migration Watch UK, an advocacy group which has long called for immigration to be cut, said that while Thursday's figures were a positive sign, they remained too high. This is a step forward but it is largely good fortune, said Chairman Andrew Green. This should not obscure the fact that migration remains at an unacceptable level of a quarter of a million a year with massive implications for the scale and nature of our society.