

2016: A year to remember

We have now started 2017, are there any certainties for this year?

We know for certain that Article 50 will be triggered and that there will be elections in France and Germany, and that Donald Trump will become the American President.

I remember at the beginning of 2016, both the UK and global economy was surrounded by gloom. However, at the end of 2016 the economic environment of the UK and rest of the world began to look brighter.

No predictions can be made for 2017 in respect of the UK economy due to the uncertainty posed by triggering Article 50, one of the main areas of impact being the financial services sector. Inflation has caused the UK economy to suffer which means that the government is unlikely to change monetary or fiscal policy. Only time will tell if UK businesses and consumers can defy the negative predictions of some economists, by using the cushion of cheaper currency to give the UK a competitive advantage.

As I say to my clients, now is the time to prepare and gear up to exploit the opportunities that will become available in 2017. When there are uncertainties, businesses which can be nimble and have available capital, are able to move into the spaces created by the less capitalised and slower moving businesses. I therefore predict that those businesses which are prepared, can be confident in 2017.

When looking at these opportunities globally, it is important to look at America as Donald Trump is the enigma which turns convention on its head and he may do the same for the US economy, as evident in the latter part of 2016. We will therefore need to wait to see what his views are of fair trade as opposed to freetrade.

As for the European markets, there is improved growth and inflation which has narrowly avoided a deflation road block. In respect of France, it has demonstrated an interest in business friendly candidates which is good news for the French economy provided France avoids the nationalism wave in its election.

Regardless of the outcome of the uncertain times ahead, 2017 will prove to be an interesting year. For further information and/or advice please contact Colin Rodrigues on crodrigues@hawkinshatton.co.uk or 01384 216840.