

## **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 Donald Trump has now 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.

There is also the Trump factor to take into account and his overtones to the UK with regards to a trade deal. There are other countries who are also coming out in support of the same such as New Zealand which goes to show that there is life outside of the EU.

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 that enigma who is rolling out new executive orders by the day overturning conventional thinking. The bigger question is will he do the same for the US economy, as evident in the latter part of 2016 when the phrase "Tump Bump" was coined as part of his make America great again strategy.

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.

Having considered the global picture and returning to the UK, what is comforting is that Theresa May, the prime minister, has set out a timetable for Brexit which may be aspirational but at least it provides direction. Even the recent ruling by the Supreme Court granting a parliamentary vote is less of a hurdle than anticipated. It is going to become more difficult to swim against the tide and if the country and businesses can embrace the new dawn then there are going to be opportunities open to all notwithstanding there will be winners and losers. My only hope is that the new "Industrial Strategy" set out by Theresa May is implemented. In order to do this the government and businesses will need to consider borrowing for long term commitments in respect of investment whether this be infrastructure, education, training, plant and machinery, rather borrowing for short term operational reasons. Investment in my view has always led to growth and this something I can say with experience having run my own practice for the last 11 years.

All this is good news for the "Midlands Engine" as 10% of all UK SMEs are based in the Midlands and Philip Hammond, the chancellor, has said the "Midlands Engine" will not be overlooked as there are 11 million people in the Midlands.

Regardless of the outcome of the uncertain times ahead, 2017 will prove to be an interesting year.

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