

**BREXIT - Opportunities & Challenges for SW  
Construction Sector  
Doubletree by Hilton, Bristol  
Tuesday 19<sup>th</sup> July 2016**

Andrew Carpenter  
Chief Executive, CESW



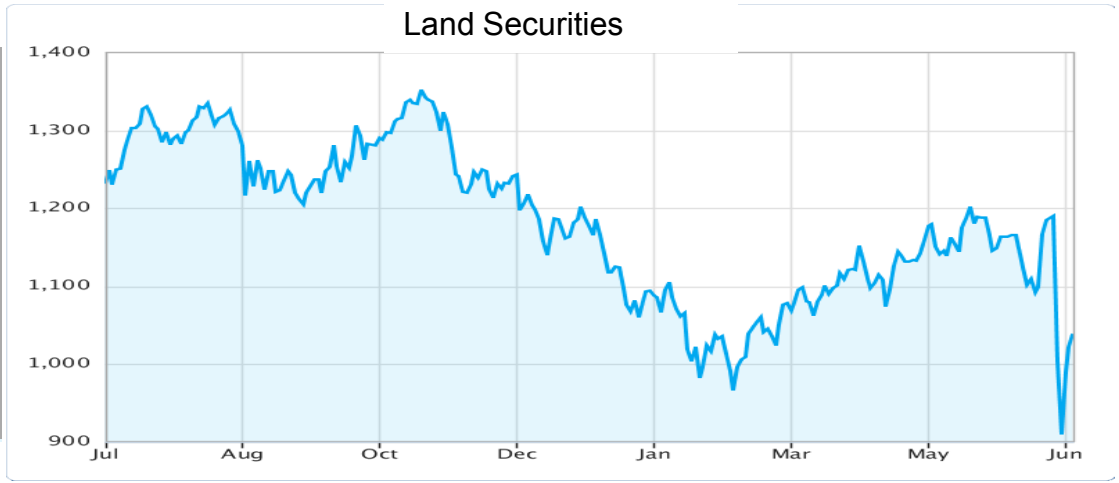
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**#CESWBrexit**

# UK Economy by Glenigan

- Private sector has led UK growth
  - Consumer expenditure & retail sales growth
  - Rising employment
  - Housing market upturn
  - Strong growth in business investment
- Post-Referendum
  - Business investment hit by political & economic uncertainty
  - UK Manufacturing
    - Short term benefit from weaker sterling
    - Reduced access to Single Market threat to exporters
  - Weaker consumer spending
  - Renewed pressure on Government finances

# Markets expectations by Glenigan



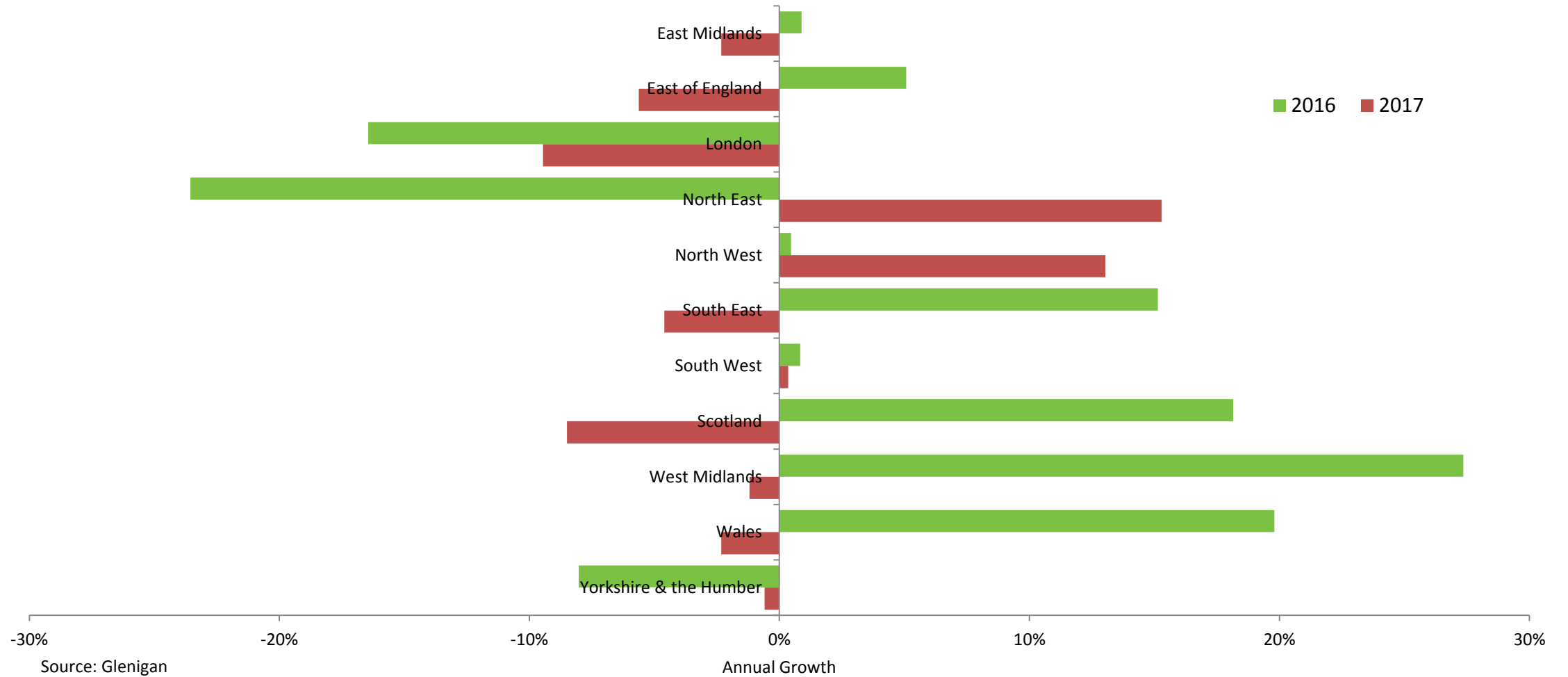
# Construction Prospects by Glenigan

- EU referendum uncertainty prolonged by Brexit vote
- Slower UK economic growth
- Government has looked to private sector to lead the recovery
  - Business investment hardest hit by Brexit
  - Consumer confidence also vulnerable
- Weak housing market growth during 2016 & 2017
- Retail property facing structural change
- Office development pipeline vulnerable
- Industrial starts lower
- Civil infrastructure activity dampened by cost reviews, shift in energy policy & political prevarications
- Construction back in recession – falls in project starts & output

# Private sector drives recovery

Change on previous year	2014	2015	2016f	2017f
Private Housing	13%	12%	5%	2%
Social Housing	-1%	-6%	-7%	-21%
Industrial	49%	4%	-10%	-2%
Offices	20%	9%	-5%	-5%
Retail	8%	-11%	-12%	5%
Hotel & Leisure	20%	2%	-18%	7%
Education	10%	5%	-4%	6%
Health	8%	-27%	6%	13%
Community & Amenity	-6%	-17%	17%	5%
Infrastructure	6%	-27%	13%	29%
Utilities	-3%	7%	-5%	-6%
<b>Total</b>	<b>10%</b>	<b>0%</b>	<b>-2%</b>	<b>1%</b>

# Regional Growth



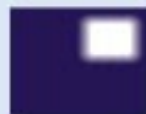
Source: Glenigan

# A few comments from Helen Baker about procurement



- For the moment the UK remains a member of the EU
- In the short term unlikely to have major implications for public procurement
- Long term could bring more flexibility
- Don't wait – speak to your supply chain about the implications
- Find out where your supply chain is and from where they operate
- Don't 'jump ship' from your suppliers
- Prepare for the worst!
- OJEU has been quoted as the biggest obstacle to collaborative working for 20+ years – will this change now? (My words!)

## **Our Mission and Strategy**

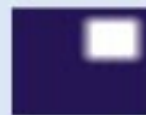


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**To  
improve the  
performance of  
the UK construction  
industry through  
collaborative  
working**



## Our Reach

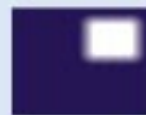


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## Our Activities

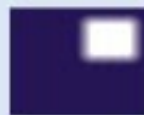


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# Our Themes

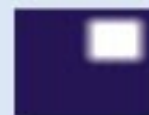


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## Our Thought Leadership Forums



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**BIM**

**Construction Clients' Group**

**G4C**

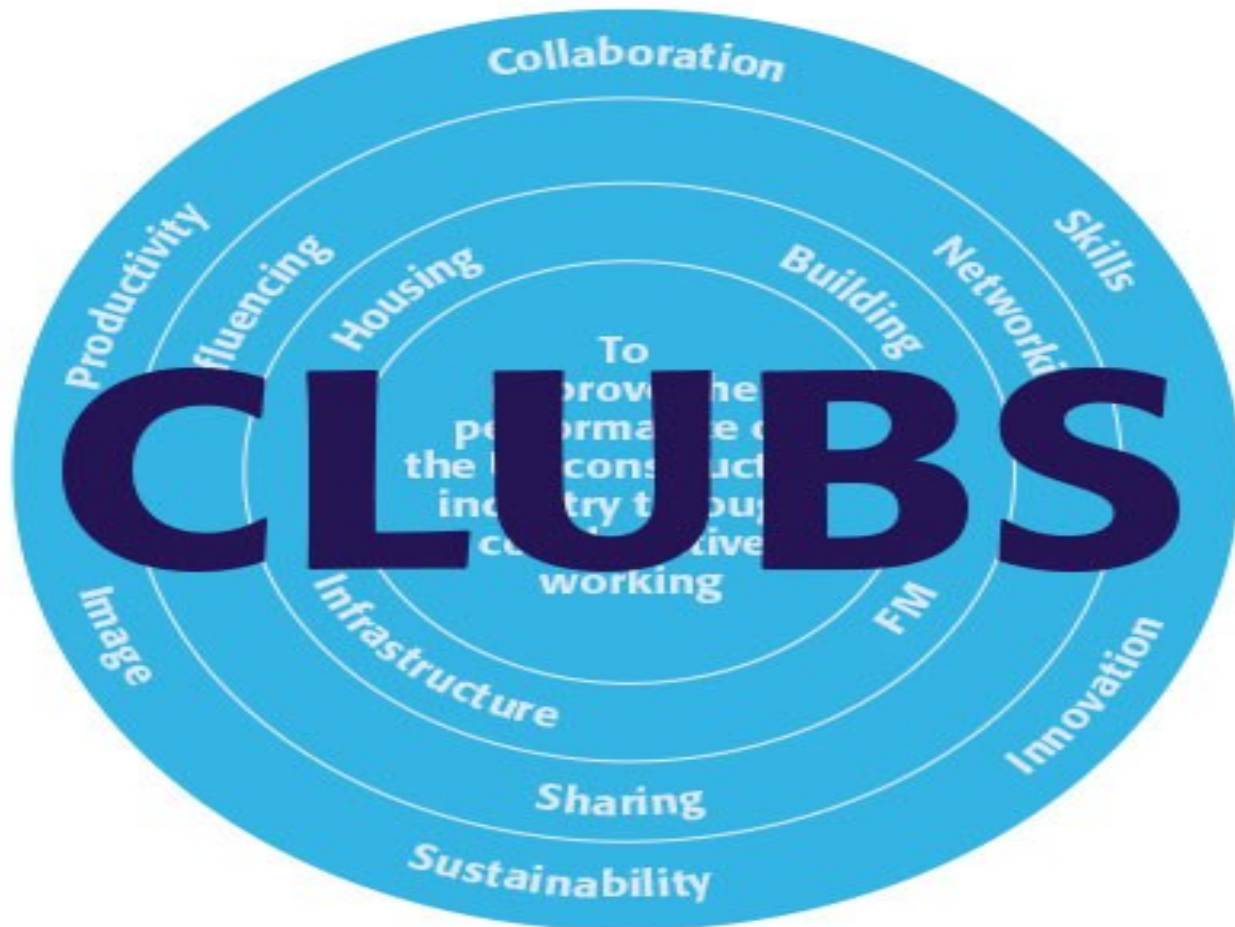
**Lean**

**Marketing and Communications**

**Procurement**

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## Our Clubs



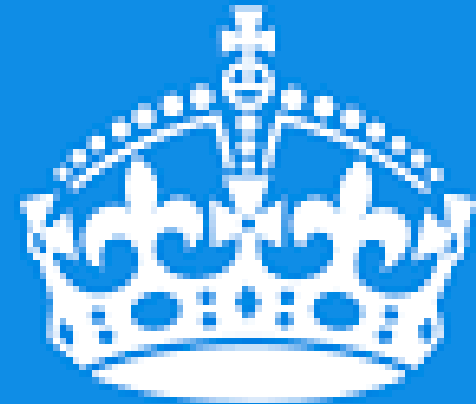
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Dorset  
Gloucestershire  
Plymouth  
Somerset  
Swindon and Wiltshire**

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AND  
CARRY  
ON**