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# Brexit: Opportunities and challenges for the SW Construction Sector

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# Brexit: opportunities and challenges for the SW Construction Sector

- Introduction
- Topics to be covered
  - Brexit: the mechanics of leaving
  - Brexit: different implications for different sources of EU law
  - The impact of Brexit
  - Brexit: threat or opportunity?
- Any questions?

# Brexit: the mechanics of leaving

- Article 50 Treaty on the Functioning of the European Union
  - two years notice of intention to leave
  - period of negotiation
  - finality
- European Communities Act 1972
  - repeal/amend?
  - need for saving provisions?
  - a myriad of areas affecting construction industry may be impacted by the “political” solution

# Brexit: different implications for different sources of EU law

- EU Treaties and regulations
  - do not require national legislation for implementation
  - would cease to apply in the UK if the UK were to leave EU or EEA
- EU Directives
  - do not automatically apply in the UK
  - implemented through statutory instruments adopted under the ECA 1972

# Brexit: different implications for different sources of EU law (cont.)

- European Court of Justice decisions
  - would no longer apply automatically following Brexit
  - risk of conflicting judgments?
  - interpretation decisions from the ECJ disappear
- European Commission Guidance
- Consider:
  - labour
  - materials
  - health and safety
  - procurement

# The impact of Brexit

- In the immediate aftermath
  - UK will still be a member of the EU
  - UK will still be bound by EU Law and therefore will need to
    - ensure the TFEU is followed
    - continue to give effect to Directives through existing Statutory Instruments
    - continue to give effect to decisions of ECJ
    - have regard to EC Guidance?
- The landscape will remain unchanged and therefore broadly stable until:
  - the exit option is decided

## The impact of Brexit (cont.)

- the negotiations are concluded:
    - with the EU?
    - with other interested parties?
  - the ECA 1972 has been repealed/amended
  - subordinate/subsidiary legislation dealt with
- 
- Some of the exit options mostly likely would not give rise to as much need for change to the current regime
  - Other arrangements do or will

# Brexit: Threat or Opportunity?

- The Brexit “process”
  - will not be as quick as we would like
  - will throw up surprises
- We have..... uncertainty, therefore
- Construction... was struggling pre-referendum?
  - ONS survey
  - CIPS survey
  - CPA projections
- Some threats/clouds
  - materials?
  - labour supply?



# Brexit: Threat or Opportunity? (cont.)

- pipeline? Due to:
  - tightening credit
  - falling consumer demand
  - house price deflation
  - cuts to public sector capital spending
  - less foreign direct investment
- Some responses/opportunities
  - confidence
  - relationships

# Brexit: Threat or Opportunity? (cont.)

- realism
  - innovation
  - collaboration
- 
- Any questions?

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