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CII COMMERCIAL INSURANCE PROFILE

DID YOU KNOW?

After the historic decision to leave the EU, many economists were predicting a recession by the end of 2017. However, the recent publication of new data from several major City investment banks has marked a dramatic shift away from this doomsaying. City banks data show that, while imports fell by £300 million in July, exports increased by £800 million. And, based on this new information, Credit Suisse, a Swiss multinational financial services holding company, is now predicting that the UK economy will expand by 0.5 per cent in 2017.



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Numbers Are Down, but Business Optimism Is Up

After several tumultuous and uncertain months, UK businesses are regaining their confidence—despite poor economic numbers.

Government Announces New Flood Defence Plan

To help ensure that the nation is better protected from the potential of devastating floods, the government has announced its new flood defence plan.

Which are you: 'Fat and lazy' or Adapt and Dedicated?

While some UK politicians may fear that businesses are not doing enough to combat the economic effects of Brexit, recent reports have revealed that the economy is making a comeback. On account of the current economic climate, it would be beneficial for your company—regardless of industry—to consider marketing your goods toward international customers online.

Numbers Are Down, but Business Optimism Is Up

The economic climate in post-Brexit Britain was supposed to be harsh and unforgiving, but after several tumultuous and uncertain months, UK companies are finding the slump to be less severe than predicted. In fact, according to the latest business trends report from BDO, an international accountancy and services firm, business optimism has risen from **97.9** to **98.7**—well above the **95.0** level, which would indicate negative growth. However, despite this growing optimism, the report revealed additional, less positive indices, which offered a more complete representation of the nation's economic climate. These three indices are as follows:

1. The output index, which reflects the amount of orders for goods and services that companies are receiving, has fallen from **98.2** in July to **97.4** in August.
2. The inflation index, which measures the rate at which prices are increasing, has continued to rise, going from **99.9** in July to **101.4** in August.
3. The employment index, which quantifies firms' intentions to hire, held steady at **100.9** from July to August.

Yet, BDO is not the only organisation suggesting that this post-Brexit optimism may be slightly premature. Upon review of various key aspects of the UK economy, the British Chamber of Commerce (BCC) has changed its growth forecast for the remainder of 2016—reducing it from **2.2 per cent** to **1.8 per cent**. And, the organisation additionally reduced its growth estimate for 2017—lowering it from **2.3 per cent** to only **1.0 per cent**.

Unfortunately, there may still be discouraging economic effects from Brexit. In a different survey from the BCC, 1 in 10 UK companies have reported that their EU workers are planning to quit depending on how Brexit negotiations go.

For now, UK companies should continue to work toward bolstering their business, wait to see how Brexit negotiations shake out and stay confident.



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Govt. Announces New Flood Defence Plan

In response to the devastating floods that waterlogged the English countryside and caused an estimated £5 billion worth of damage last year, the government has announced its National Flood Resilience Review.

Before the end of the year, the scheme will help increase temporary flood defences in at-risk areas and install improved protections for infrastructure. Specifically, the scheme involves the following three key points:

1. Install £12.5 million worth of new temporary defences—including barriers and high-volume pumps—at seven strategic locations around the country, which will quadruple the number of temporary barriers.
2. Receive a commitment from utility companies to increase the flood protections of their local infrastructure—such as phone networks and water treatment works—to ensure that they would be resilient to extreme flooding.
3. Institute a new stress test in order to determine whether rivers and the sea in England are at risk of flooding.

Yet, while the government's efforts are intensive, that should not stop your company from bolstering its own flood defences. For that reason, here are a few straightforward practices to improve your flood protections:

- [Sign up](#) to receive up-to-date flood warnings or contact Floodline at 0345 988 1188 to check the flood risk level of your area.
- Write a flood risk plan, which should outline the responsibilities of each staff member and the necessary safety procedures.
- Purchase comprehensive flood insurance.

Which Are You: 'Fat and Lazy' or Adaptable and Dedicated?

At a Conservative Way Forward event, Trade Secretary Liam Fox, who was an outspoken supporter of Brexit, stated that Britain had become 'too fat and lazy' to seek out new export markets, and business leaders are more interested in going 'golfing on a Friday afternoon'. The meaning of the trade secretary's statement is clear—he believes that Britain's economic decline (exacerbated by Brexit) is a result of poor leadership among UK business leaders.

However, according to a recent economic survey, the trade secretary may be mistaken. In fact, according to the Office of National Statistics (ONS), Britain's trade deficit in goods and services fell from £5.6 billion in June to £4.5 billion in July. The driving force behind this economic improvement is the considerable boost that UK exports have seen post-Brexit—the weakened pound has made British-made exports more appealing to international customers.

On account of the current economic climate, it would be beneficial for your company—regardless of your industry—to consider marketing your goods toward international customers online. Whether your company already has an online presence or if you are interested in establishing one, here are seven general practices to help you export:

1. Research the market for any specific regulations and standards you must meet, and understand your risks.
2. Offer the option of paying with multiple types of currency.
3. Provide customers with the ability to change the language on your website.
4. Keep your shipping costs reasonable.
5. Build and maintain an online presence on several different social media platforms, such as Instagram, Twitter and Facebook.
6. Invest in search engine optimisation to ensure potential international customers can find your online shop quickly.
7. Contact the British embassy in your target country—they will have up-to-date market information.

The Proven Benefits of Exporting

