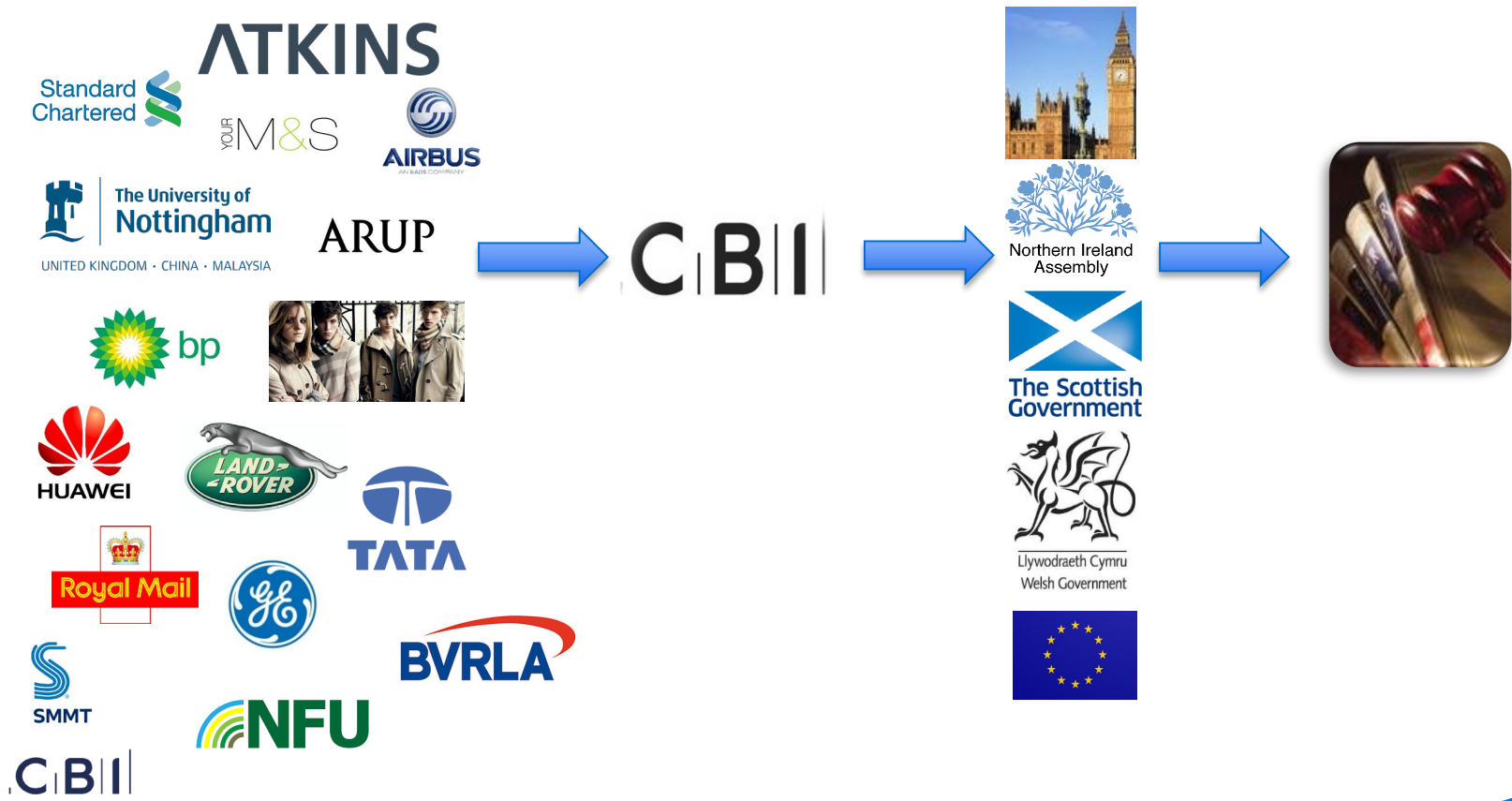


THE BIG PICTURE: UK 2020 POLITICAL OUTLOOK

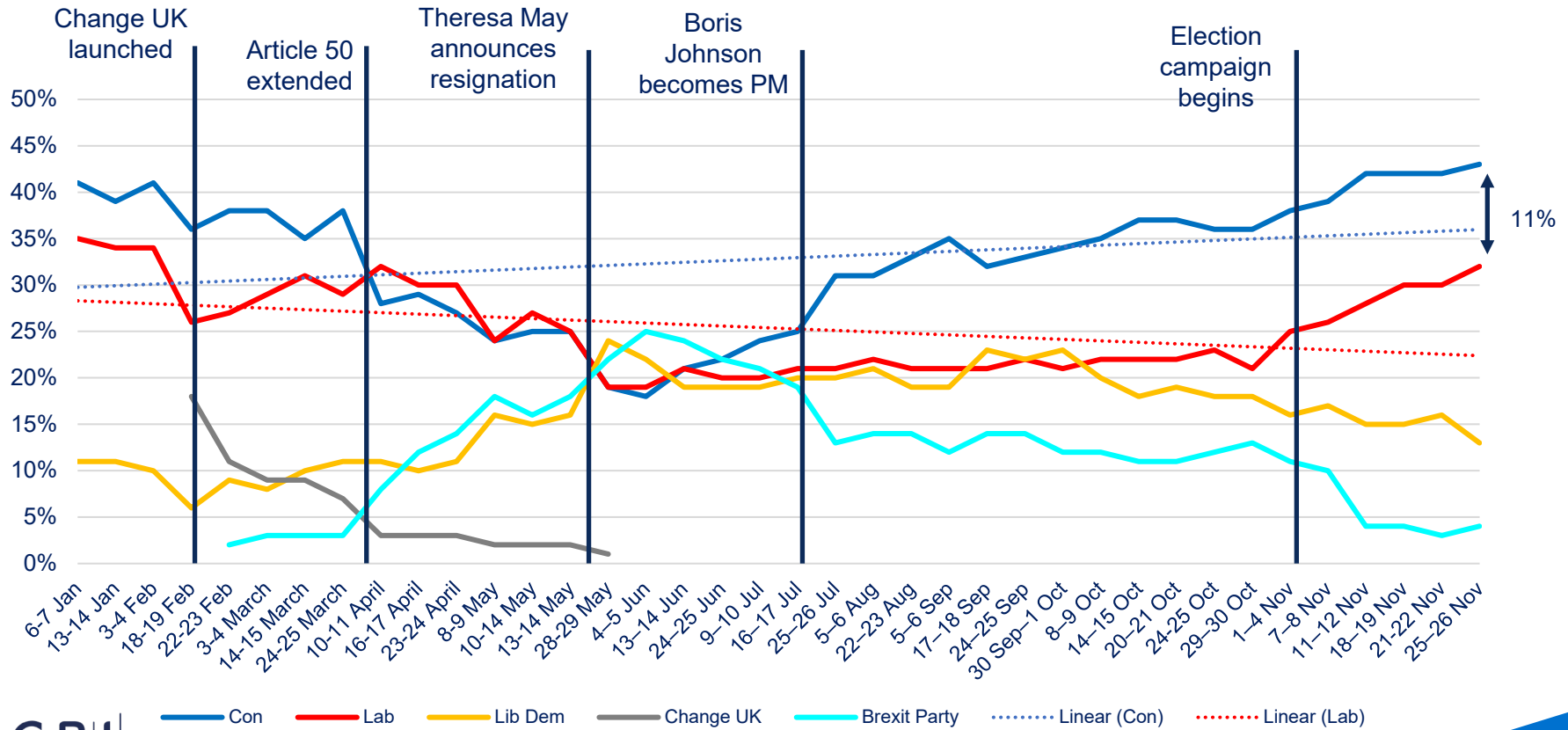
5 DECEMBER 2019



THE CBI REPRESENTS 190,000 BUSINESSES



THE CONSERVATIVES HAVE ESTABLISHED A LEAD



THE PARTIES HAVE SET OUT THEIR STALLS ON TRANSPORT



2020 WILL BE A PIVOTAL YEAR FOR BREXIT



DEC 2019

Withdrawal Act Bill returns to Parliament



JAN 2020

Ratification of Brexit deal



Begin trade talks



1 Jan 2021

Enter FTA or no deal

Transition period



JAN 2020

Request Article 50 extension



3 months

Renegotiate new Brexit deal



Legislate for second referendum



JUN 2020

Remain vs Deal referendum



Implement referendum result

6 months

PHASE 2 COULD FOLLOW A FAMILIAR PATTERN



Article 132

2020 WILL BE THE MOST IMPORTANT YEAR IN A GENERATION

**Long-term solutions
to long-term
problems**

**Unlock the UK's
competitive
advantage**

**Champion business
by backing good
practice**

**Secure a Brexit deal
that protects the
economy**



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Head of Campaigns

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Industry
Outlook
Conference

Rhys Herbert

Senior Economist, Lloyds Bank

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COMMERCIAL BANKING

ECONOMIC OUTLOOK

Entrenched uncertainty?

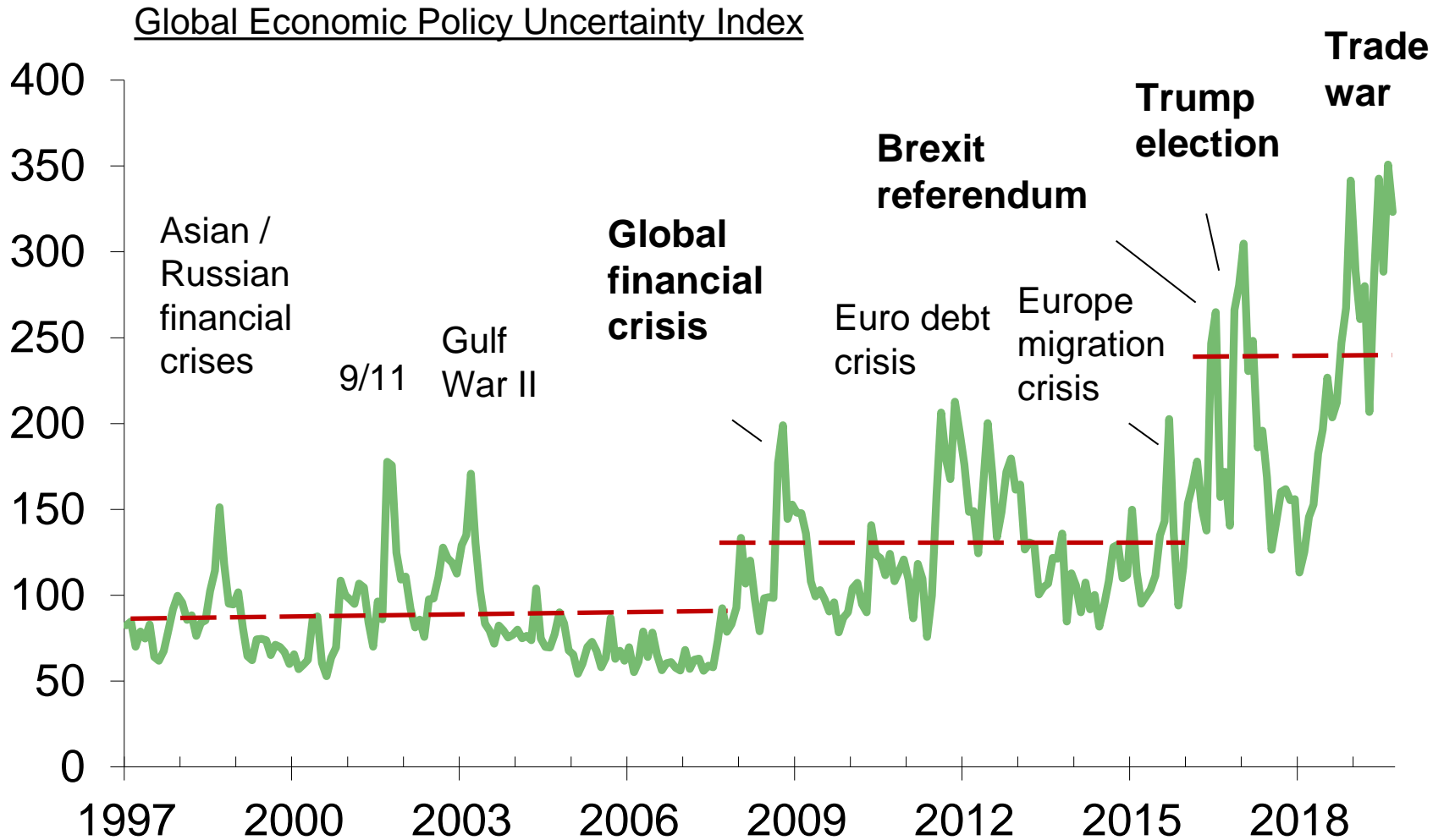
December 2019

Rhys Herbert
Senior Economist

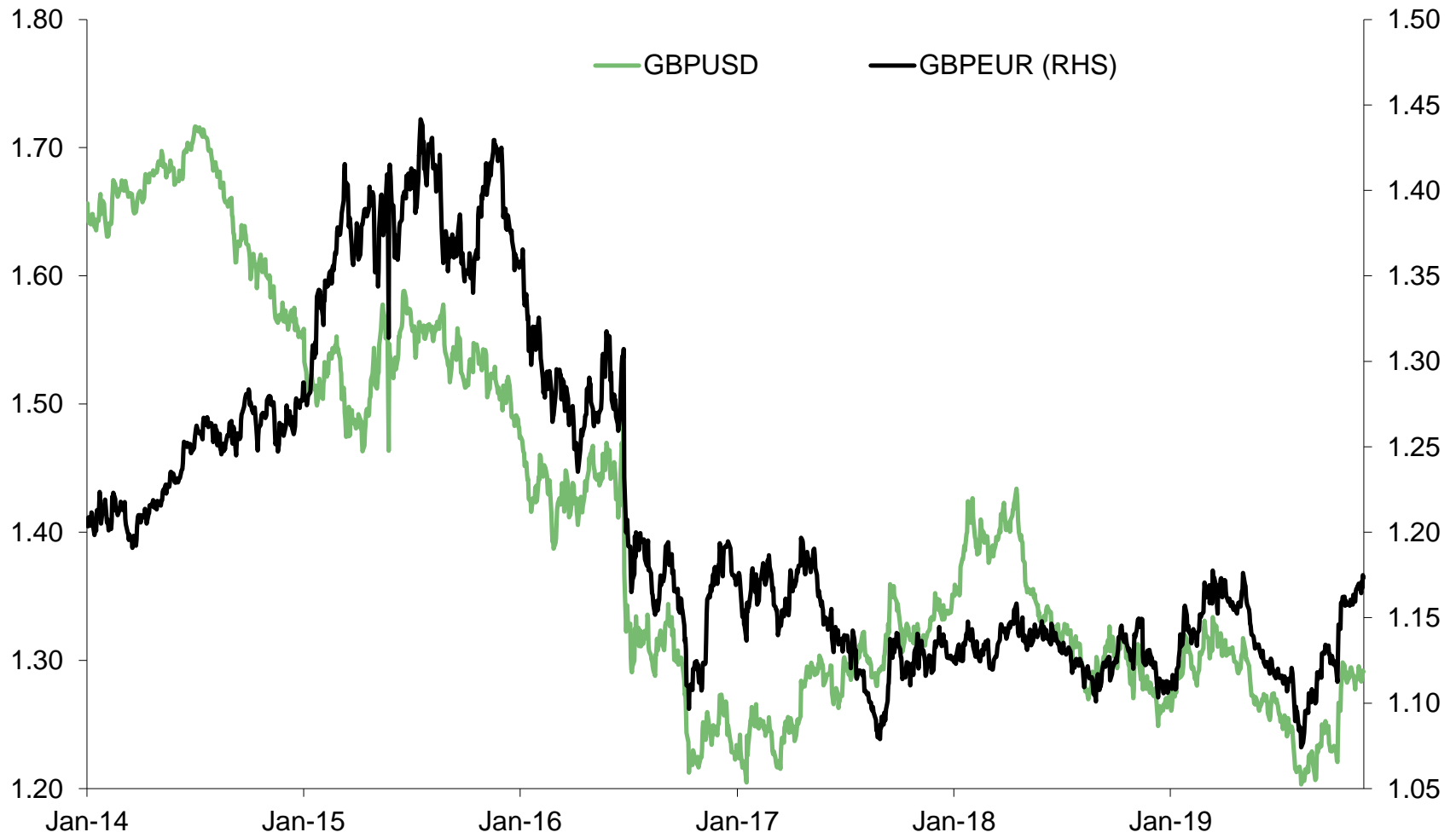


LLOYDS BANK

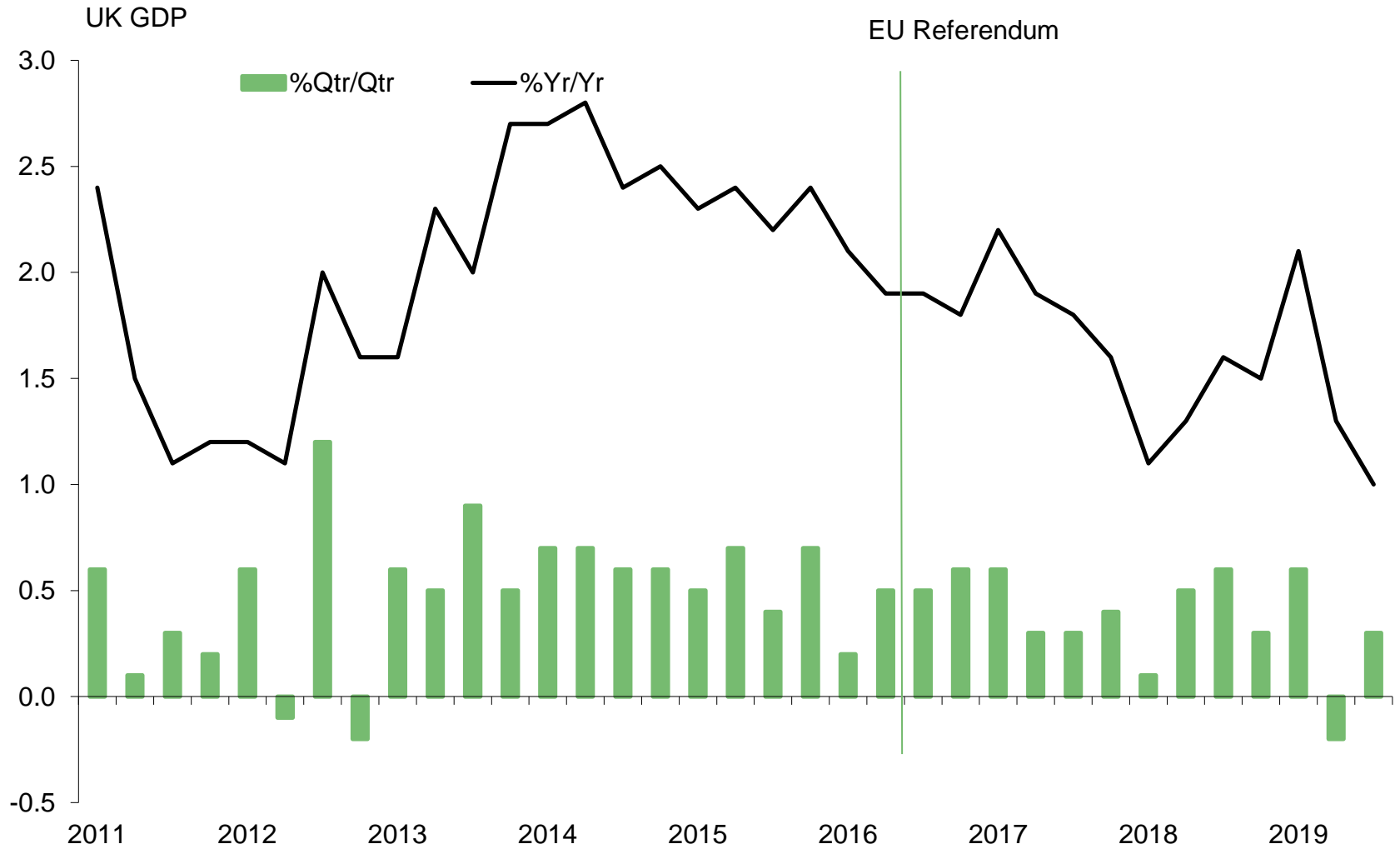
GROWING GLOBAL UNCERTAINTY



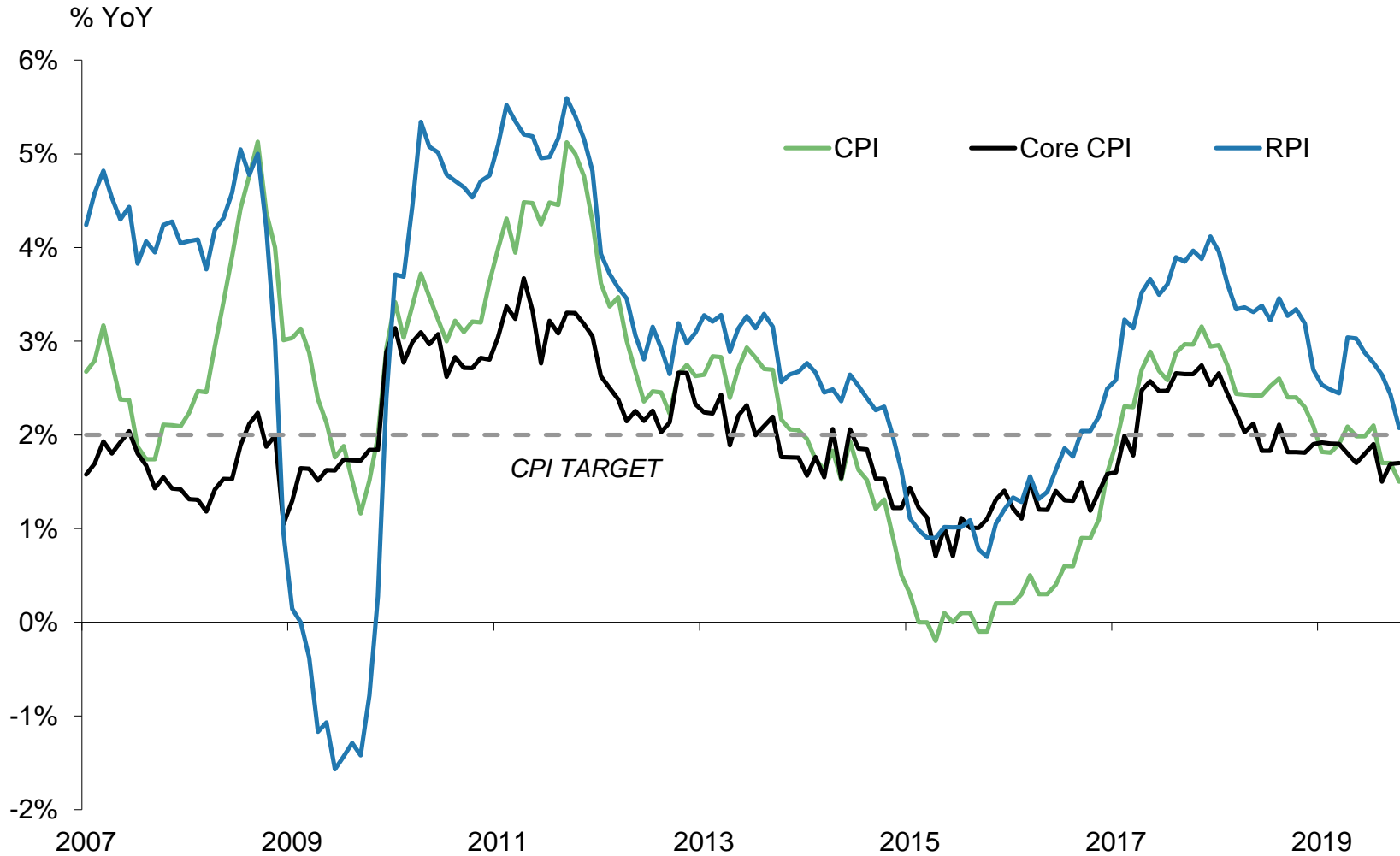
STERLING HAS BEEN IN A RANGE SINCE EARLY 2017



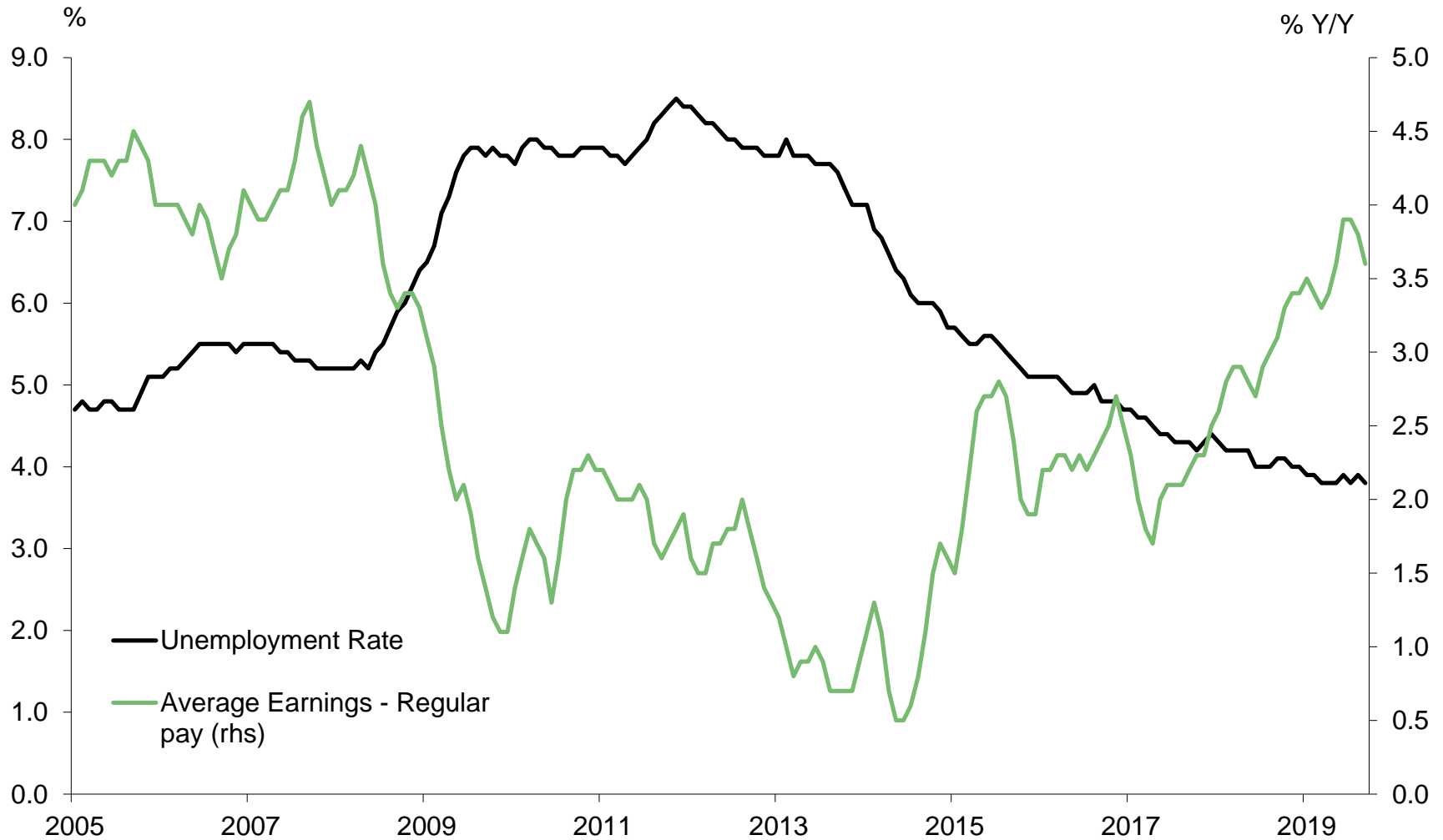
OVERALL UK GROWTH IS SLUGGISH



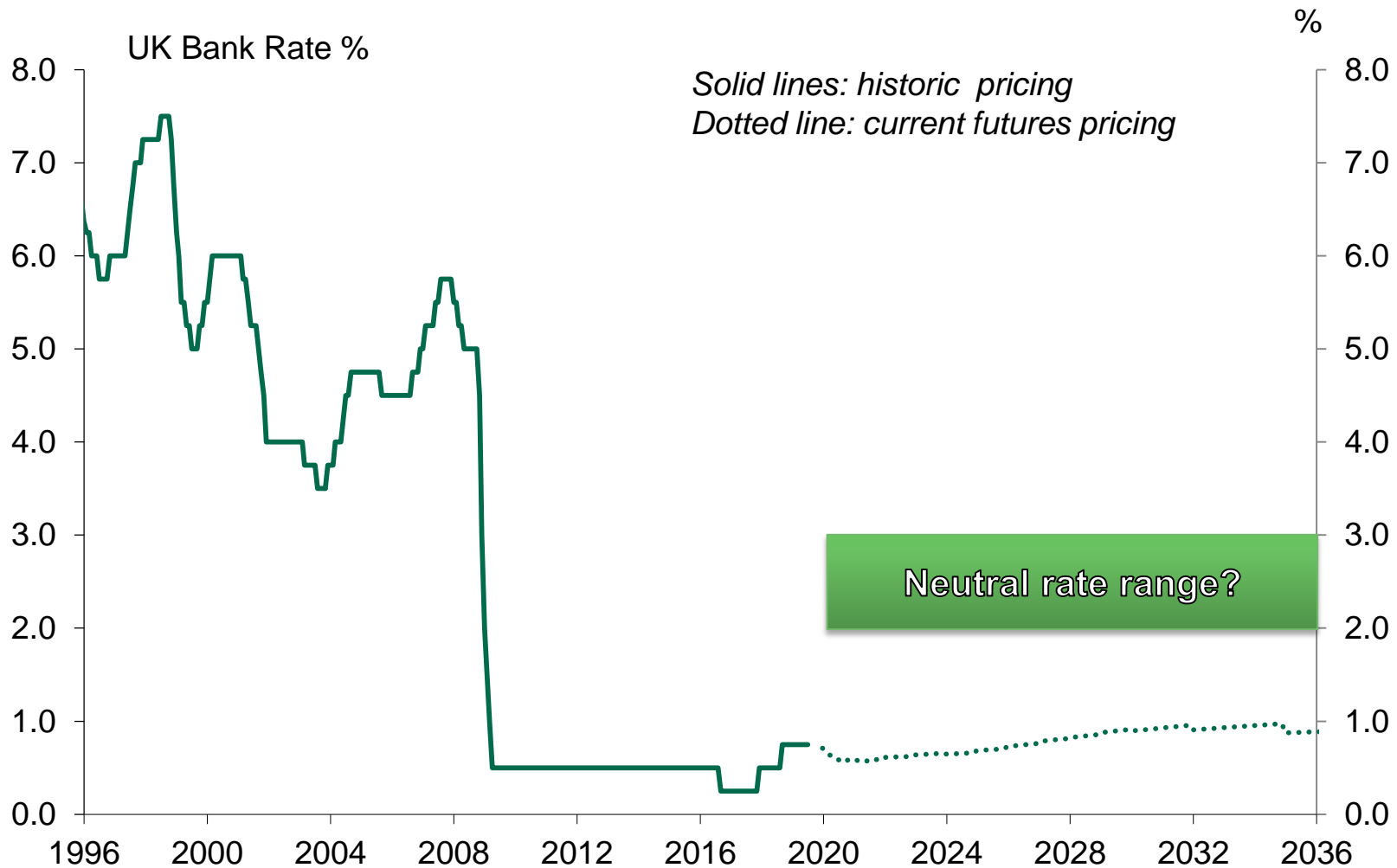
UK INFLATION IS NOW BELOW TARGET



THE LABOUR MARKET IS A CONCERN FOR THE BOE



MARKETS EXPECT UK POLICY INTEREST RATES TO REMAIN LOW



SUMMARY



- Global economic growth has softened led by manufacturing
- Means that interest rates have moved down
- UK growth has slowed and drivers of growth have fluctuated .
- Inflation after picking up markedly through 2017 is now back below target.
- But concerns about a tight labour market persist.
- Bank of England's has raised interest rates twice.
- But now on hold as it assess current uncertainties.

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Industry
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Conference

Justin Benson

UK Head of Automotive, KPMG

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Its all about pace

BVRLA

—
5th December 2019



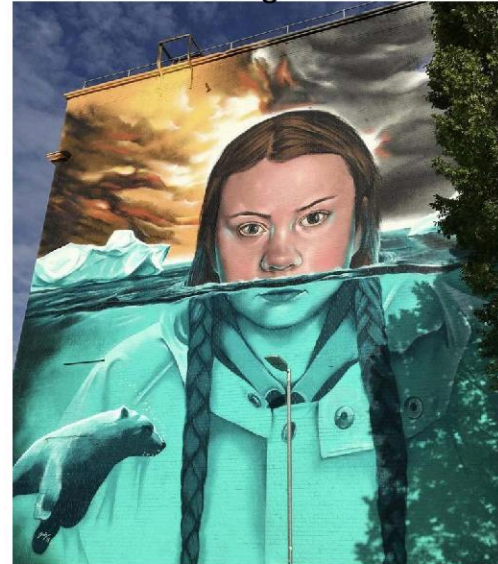
ISSUES

- **Diesel (UK -21%; -140k)**
- **UK -3%**
- **China**
- **US/China trade**
- **Brexit**
- **Mobility disruption**
- **Global demand “softening”**

Key drivers

- **Climate change**
- **Emissions standards**

Greta Thunberg



But... if you're making ev's...

All...

37%

132,000 V 181,000

9%

BEV only...

125%

12,555 V 28,259

1.4% V 0.5%



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