

ENGINEUNITY TUTORIAL



The Global Economy



The Global Economy

As well as being based in the UK, the company is operating potentially worldwide, and **information is available about the wider global economy** to enable an effective business strategy to be formed.



The Global Economy

UK: "AFTER STAGNANT GROWTH IN 2023, IT COULD BE ANOTHER DIFFICULT YEAR IN 2024"

2023 proved to be another turbulent year for the UK. Food and energy prices rose sharply, caused largely by global supply chain disruptions and the effects of Russia's full-scale invasion of Ukraine, resulting in a Cost of Living crisis in the UK, and the Bank of England were forced to increase interest rates many times to combat rising inflation, with resulting growth of only around 0.4% in the whole of 2023.

Hopes were growing towards the end of 2023 that 2024 could see some green shoots of recovery, with interest rates reaching their potential peak. However, many observers are sceptical with the upcoming general election, and a likely change of Government expected to prolong the uncertainty for businesses and delay investment, and growth is expected to fall to 0.3% in 2024.



REST OF THE WORLD: "SLOWER GROWTH IN 2024, WITH MANY OBSTACLES TO OVERCOME"

Global real GDP grew by around 2.9 percent in 2023, but is expected to slow to 2.5 percent in 2024, weighed down by high inflation and continued monetary policy. Forecasts for 2024 are generally strongest in emerging Asian economies, and weakest in Europe.

The outlook is not helped by the Russia invasion of Ukraine, and the Israel invasion of Palestine in the Middle East.

The **Economic outlook** is given for the UK and the Rest of the World for the foreseeable future.

Knowledge of the global economic outlook is important in helping the management team to form an effective strategy for the future growth of the business.



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CONSTRUCTION

When a management buyout rescued the struggling Atlas Corporation in the late 1990s, few could have foreseen the affect that the newly formed Phoenix Horizons would have on the construction industry in the UK and globally.

Phoenix Horizons have improved the profitability of jobs in the transport sector, in which they specialise, for numerous construction contractors by reducing risk costs across contracts of all size and complexity, and attract a lot on external inverstment as a result.



POLITICAL

In a speech at the end of 2022 at the Mansion House in London to members of the Confederation of British Industry, Prime Minister Rishi Sunak was in an upbeat mood, and confident that despite the current problems gripping the country, with strikes, inflationary pressures, rising interest rates and the cost of living crisis, the UK would emerge in a much better position at the end of 2023.



CONSTRUCTION

FIFA North America 2026, the bork... rished in 2021 to oversea the delivery of... FIFA World Cup, are about to reveal plans... modifications to the MetLife Stadium on the... of Rutherford, New Jersey in the United States... table contractors will be invited... work in the second quarter of 2023.



ECONOMIC

Although the rate of inflation in the UK is beginning to slow, the Bank of England are still expected to raise interest rates further in the next few months.



CONSTRUCTION

Rumours on social media suggest that the Chota Nagpur Group, based in India, and now operating worldwide in the commercial and real estate sector, are considering bidding for the 16m construction of a new regional distribution warehouse near Peterborough in the United Kingdom for Saintesc Foods, and based on past experience they are expected to be very competitive on price.



As pr... 2024 Olympics in Paris... generating in the... ers in the next 6... the shortfall

Information is critical for re-evaluating business strategy, and to reflect this world news, based upon current and future world events, is available from **ENN**, the **ENGINUIITY NEWS NETWORK** each period.



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Country information

Navigate to "Main menu/Industry information/Country information"

Id	Name	Subcontract cost
AUS	Australia	1,500
CAN	Canada	1,500
CHI	China	1,000
FRA	France	1,200
IND	India	500
IRQ	Iraq	500
JAP	Japan	1,000
LEB	Lebanon	500
NZ	New Zealand	1,500
QAT	Qatar	1,000
SA	South Africa	750
SYR	Syria	500
UAE	United Arab Emirates	1,000
UK	United Kingdom	1,200
US	United States	1,500



Australia is a country in the Southern Hemisphere comprising the mainland of the Australian continent, the island of Tasmania and numerous smaller islands in the Indian and Pacific Oceans.

The population is approximately 22.6 million, with approximately 60 per cent concentrated in and around the mainland state capitals of Sydney, Melbourne, Brisbane, Perth and Adelaide. The nation's capital city is Canberra.

A developed country, Australia is the world's thirteenth largest economy, and ranks highly in many international comparisons of national performance such as human development, quality of life, health care, life expectancy, public education, economic freedom and the protection of civil liberties and political rights. Australia is a member of the United Nations, G20, Commonwealth of Nations, ANZUS, OECD, APEC, Pacific Islands Forum and the World Trade Organization.

Australia has a market economy with high GDP per capita and low rate of poverty. The Australian dollar is the currency for the nation. After the 2006 merger of the Australian Stock Exchange and the Sydney Futures Exchange, the Australian Securities Exchange is now the ninth largest in the world.

The service sector of the economy, including tourism, education, and financial services, accounts for about 70 per cent of GDP. Rich in natural resources, Australia is a major exporter of agricultural products, particularly wheat and wool, minerals such as iron-ore and gold, and energy in the forms of liquified natural gas and coal. Australia's largest export markets are Japan, China, the US, South Korea, and New Zealand. Australia is the world's fourth largest exporter of wine, in an industry contributing \$5.5 billion per annum to the nation's economy.

There are differing opinions based on evidence as to whether or not Australia had been one of the few OECD nations to avoid experiencing a recession during the late 2000s global financial downturn. Six of Australia's major trading partners had been in recession which in turn affected Australia, and economic growth was hampered significantly over recent years.

The **Country information** describes the countries in which the country may be able to identify work, including country-specific settings, such as subcontractor cost per period.



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Client information Navigate to "Main menu/Industry information/Client information"

Name	Base country	Type	Current relationship	Procurement restrictions		Payment terms		
				From period	Minimum relationship required to continue bidding	Retention	Late completion penalty	Early completion bonus
AeroPower	United States	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Al Mahran Developments	United Arab Emirates	Private sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
American Steel Corporation	United States	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Amrail	United States	Public sector	No relationship	15	fairly good	1.0 %	1.2 %	0.5 %
ANZ Water	New Zealand	Private sector	satisfactory	13	fairly good	1.2 %	1.3 %	0.6 %
Auckland City Developments	New Zealand	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Australian Sport Institute	Australia	Public sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
AustRoads	Australia	Public sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Beijing Development Group	China	Public sector	No relationship	14	fairly good	1.0 %	1.3 %	0.5 %
Breeze Energy	United Kingdom	Private sector	No relationship		no restriction	1.4 %	1.6 %	0.7 %
Cane and Beet Sugars	United Kingdom	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Chicago City Developments	United States	Public sector	No relationship	16	good	1.0 %	1.2 %	0.5 %
Crawford Petrochemicals UK	United Kingdom	Private sector	No relationship	13	fairly good	1.4 %	1.6 %	0.9 %
Dales Water Services	United Kingdom	Public sector	satisfactory		no restriction	1.2 %	1.3 %	0.6 %
Devon and Cornwall Water	United Kingdom	Public sector	satisfactory		no restriction	1.2 %	1.3 %	0.6 %
Doha Development Group	Qatar	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
Dubai Holdings Plc	United Arab Emirates	Private sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
East Coast Rebuild	United States	Public sector	No relationship		no restriction	1.0 %	1.2 %	0.5 %
East Midlands County Council	United Kingdom	Public sector	fairly good	10	good	0.8 %	1.0 %	0.4 %
Electragen	United Kingdom	Public sector	No relationship	14	fairly good	1.4 %	1.6 %	0.7 %
Emirates Energy	United Arab Emirates	Private sector	No relationship		no restriction	1.5 %	1.7 %	0.9 %
English Waterways	United Kingdom	Public sector	satisfactory		no restriction	1.0 %	1.2 %	0.5 %
Fenlands County Council	United Kingdom	Public sector	No relationship		no restriction	0.8 %	1.0 %	0.4 %
FIFA North America 2026	United States	Public sector	satisfactory	9	fairly good	1.5 %	1.6 %	0.7 %
First Wind USA	United States	Public sector	No relationship	12	good	1.4 %	1.6 %	0.8 %

AEROPOWER
 AeroPower is a US-based aerospace manufacturer with global operations in 20 countries, and is a subsidiary of United Technologies (UT). Its aircraft engines are widely used in both civil and military aviation. Its headquarters are in Houston, Texas.
 As one of the major aero-engine manufacturers, AeroPower has formed joint ventures with General Electric, Pratt & Whitney and Rolls-Royce, although it has also formed joint ventures with all of these

The **Client information** lists the clients with whom the company may be able do work for, depending upon which sectors and locations their marketing effort is directed.

For each client an indication is also given of the :-

- Current relationship level with the client
- The future relationship that may be needed with the client in the future in order to be able to bid for work with them
- The client's payment terms if work is secured with the client