

PESTLE EXTERNAL ENVIRONMENT ANALYSIS

<p>Political (stability, bureaucracy, policies, federal, state, local)</p> <ul style="list-style-type: none"> • Brexit – Harm to business confidence within the industry in the UK and to a lesser extent across Europe • Brexit – Legal issues associated with UK operations • Brexit – Potential for more “exiteers” from the EU. • US/China trade war impacting exchange rates and potential to impact tariffs on products into US • Potential change in government and/or minister creates some uncertainty 	<p>Social (wealth, education, support, attitudes, life-style)</p> <ul style="list-style-type: none"> • Drought affecting rural communities • Increased consumer awareness of product provenance – this has up and down sides • Market looking for more technically enhanced product 	<p>Legal (regulations – social, tax, trade, regional, foreign)</p> <ul style="list-style-type: none"> • Brexit will cause renegotiating of trade deals globally – potential impacts on tariffs • China/US trade war could impact other trading blocks • Developing changes to tax legislation globally has potential to impact tax imposts
<p>Economic (strength, outlook, costs, infrastructure, geography, industries, cycles)</p> <ul style="list-style-type: none"> • Impact of drought • Workforce again being drawn away to mining – pressure on wages • Chinese middle-class growth is slowing and less discretionary income • Volatility in global exchange rates 	<p>Technical (infrastructure, current, emerging, trends, adaptation, R&D)</p> <ul style="list-style-type: none"> • Performance in outdoor market is a strong positive trend • Product innovation, in particular in manufacturing processes, is producing some results • Technology to reduce costs is showing strong potential • Ability to commercialise innovations continues to look promising 	<p>Environmental (impacts, legislation drivers, compliance, trends)</p> <ul style="list-style-type: none"> • International legislation regarding environmental impacts of production • Continuing use of some industry practices has the potential to derail the provenance story and result in a sharp decline in profit margin