



# Economic Appraisal, Impact Assessment and Evaluation

Cross sector specialist economic analysis

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**KPMG has extensive experience of delivering high quality, compelling economic option appraisal, cost-benefit analysis, economic impact analysis and economic evaluation.**



Our economic analysis is tailored to support our clients' individual requirements.

**Our economic analysis can help you to engage effectively with key stakeholders, including regulators and policymakers, on issues affecting your interests. It can also help you to develop your business strategies. We also help governments to analyse the impacts of proposed or actual policies.**

In the face of changing business and regulatory environments, businesses increasingly need to demonstrate the economic contribution they make, understand the impact of policy changes affecting them, and appraise the trade-offs between different project options. This requires robust economic analysis, grounded in a deep understanding of the specific issues affecting your sector.

Whether your industry, or organisation specifically, is facing new regulations, you want to push for regulatory or policy changes, or you wish to evidence the economic contribution you make, our team can provide the economic analysis to examine a wide range of business issues. We can help you to engage with policymakers and stakeholders on the basis of robust and objective analysis.



Our analysis and advice is grounded in a deep understanding of the economics of both the market and your business.





Using tested methodologies and techniques, and presenting economic evidence in a clear and targeted way, we are well placed to develop analysis that is designed to resonate with policy and decision makers.



## Economic option appraisal



**Our economic option appraisal provides a means of developing the economic rationale for a specific project or policy, and identifying and appraising the range of options available to address it.**

We work to ensure that the problem or opportunity is properly diagnosed by working with you to fully understand the market in which you operate, and the key objectives for the policy or project you wish to implement. This can also include an assessment of market failures.

We apply a range of economic techniques to analyse the issue and identify a range of suitable options available to meet our clients' objectives. We undertake economic appraisal of each option in order to review and assess the relative merits of each. This analysis is subsequently used to inform our clients' own internal decision making processes.

## Cost-benefit analysis



**Our cost-benefit analysis provides a means of objectively comparing options. It is a tool commonly used by both government and private sector decision makers to determine whether to proceed with a project or policy, such as a regulatory or taxation change, or a new investment.**

Through obtaining a thorough understanding of the project or change in policy we develop a detailed framework of the associated costs and benefits and who they fall to. We are then able to measure and quantify these, based on primary and secondary research and data collection. Our analysis measures the range of costs and benefits in quantitative and qualitative terms, including taking in to account those that cannot be easily costed, where there is no market value.

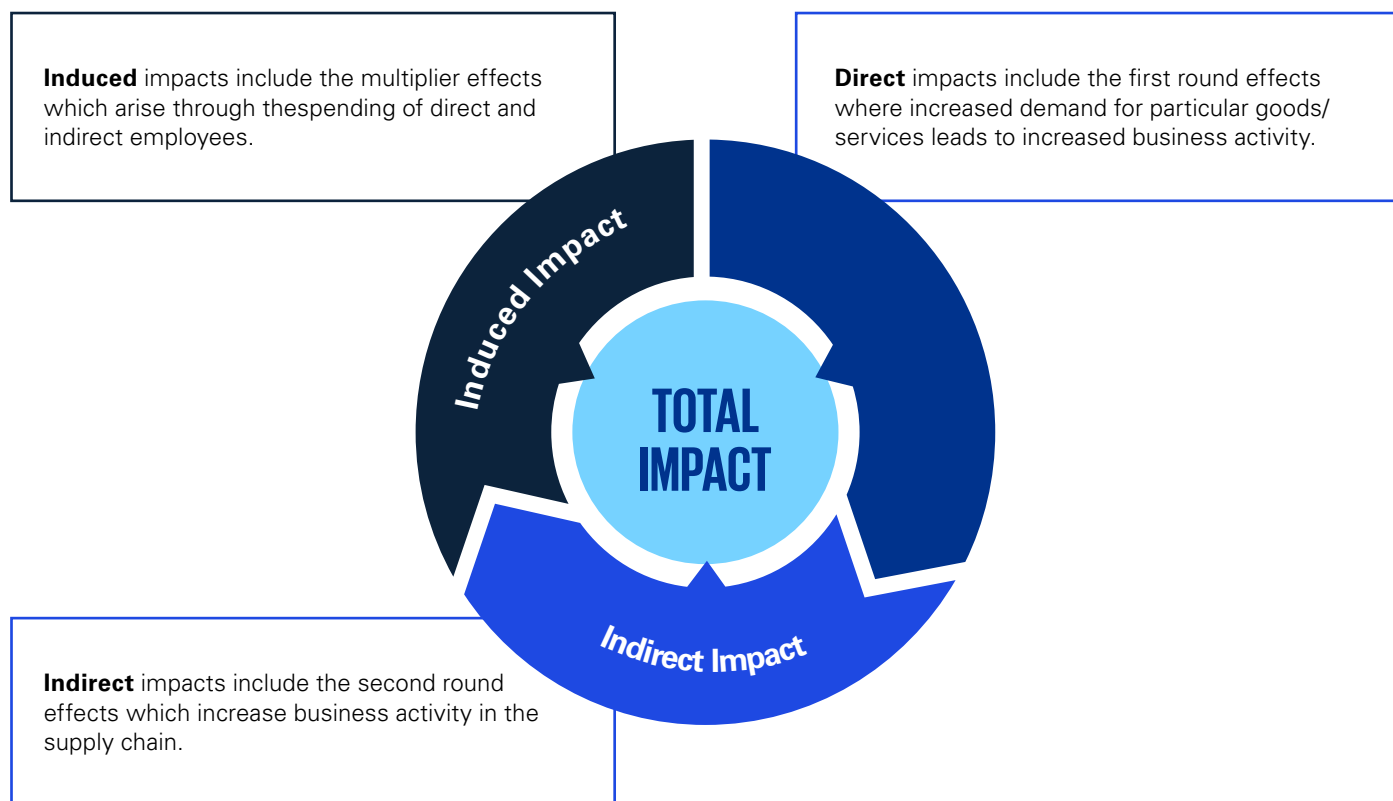
We measure costs and benefits over time, applying an appropriate discount rate. Our analysis can also account for uncertainty about the future, using sensitivity and scenario analyses. This gives you a detailed insight in to the potential balance between the costs and benefits of your project/policy.

## Economic impact analysis



Our economic impact analysis is developed to provide an effective way of demonstrating the economic contribution an organisation, industry, or specific project makes to a given geographical area, be that a country or region.

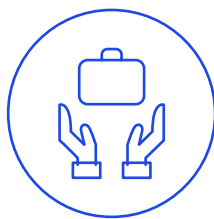
Our analysis typically quantifies three main categories of impacts – direct, indirect and induced. In addition we provide insights on the impacts you have in the wider economy – the enabling effects on productivity, efficiency, investment and innovation and the social contributions that you make.



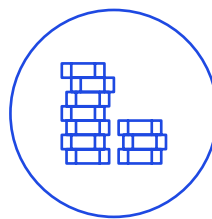
**Economic Growth**



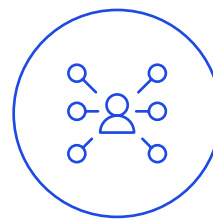
**Contributions to public finances**



**Job creation and skills improvements**



**Investment**



**Wider spillover effects**

Our independent economic impact analysis is often used to engage with government policymakers and regulators to demonstrate the role businesses play in the economy. Our analysis can also be used to demonstrate how your economic contribution may be affected by policy, regulation or taxation changes.

## Economic evaluation



**Our economic evaluation is used to assess the outturn of a policy, programme or project against its stated objectives. It is designed to ensure that lessons are learned and fed back into our clients' decision-making processes, in order to improve policy and programme design.**

A key feature of a high quality evaluation is a robust assessment of what would have happened in the absence of the policy or programme going ahead (the counterfactual). Our team are able to design an evaluation drawing on some of the latest thinking in economic evaluation methodology in order to achieve a reliable insight into the impact of the policy or programme. We will typically draw on a range of research methods, using both qualitative and quantitative analysis, in order to provide a comprehensive view as to what has worked and why.

### We have recently provided economic analysis to clients in the following sectors:



Communications  
and Media



Defence



Financial  
Services



Government  
and  
Infrastructure



Health (public  
and private)



Retail and  
Consumer  
Goods



Transport  
and Leisure



**Our economic analysis draws upon in-depth knowledge of regulators' and policymakers' practices, combined with sector expertise drawn from the breadth and depth of the wider KPMG network, to produce compelling reports.**



## KPMG's wider sector expertise

Our team is able to draw on the broader sector expertise from across the KPMG global network of member firms. These experts have deep knowledge of key sectors and wide ranging experience advising both public and private sector organisations. We also have access to highly skilled commercial and finance experts across the UK firm who have advised FTSE 100 companies on the commercial challenges facing a wide range of markets.

- We believe that our wider access to industry insights, business intelligence and market data sets us apart. It helps to ensure that our economic analysis is reflective of the specific challenges and issues faced by your industry.
- Our sector insights and market knowledge, underpin our analysis and allows us to hit the ground running.



## Economic analysis

Our economists have academic credentials from a number of top universities. In addition to considerable economic consulting experience, members of our team have worked in central government as economists. We have considerable experience of conducting economic analysis to the requisite government standard, lending extra credibility to our work.

- We help you to build an evidence base founded on robust economic analysis.
- We understand the policy making process and how to engage effectively with regulators, policymakers and Government ministers.
- We help you to develop more coherent and persuasive arguments designed to resonate with your target audience.



## Compelling reporting

We understand that successful engagement is not only about getting the technical economics right. A key element of undertaking economic analysis is to ensure that it delivers the key messages effectively to those stakeholders you are seeking to engage with. The consulting and public sector experience of our team helps to give us an excellent perspective of what analysis works and how to pitch it appropriately.

- We work with our clients to understand who they want to engage with and what they want to achieve. We tailor our analysis based on these objectives and prepare bespoke reports accordingly.
- Complex analysis and messages need to be presented to non-economists in an understandable and compelling way. We understand this and adapt the level of technical detail in our reports to your intended audience.
- Our reports are authored to be persuasive and engaging, professionally produced and carry the KPMG brand.



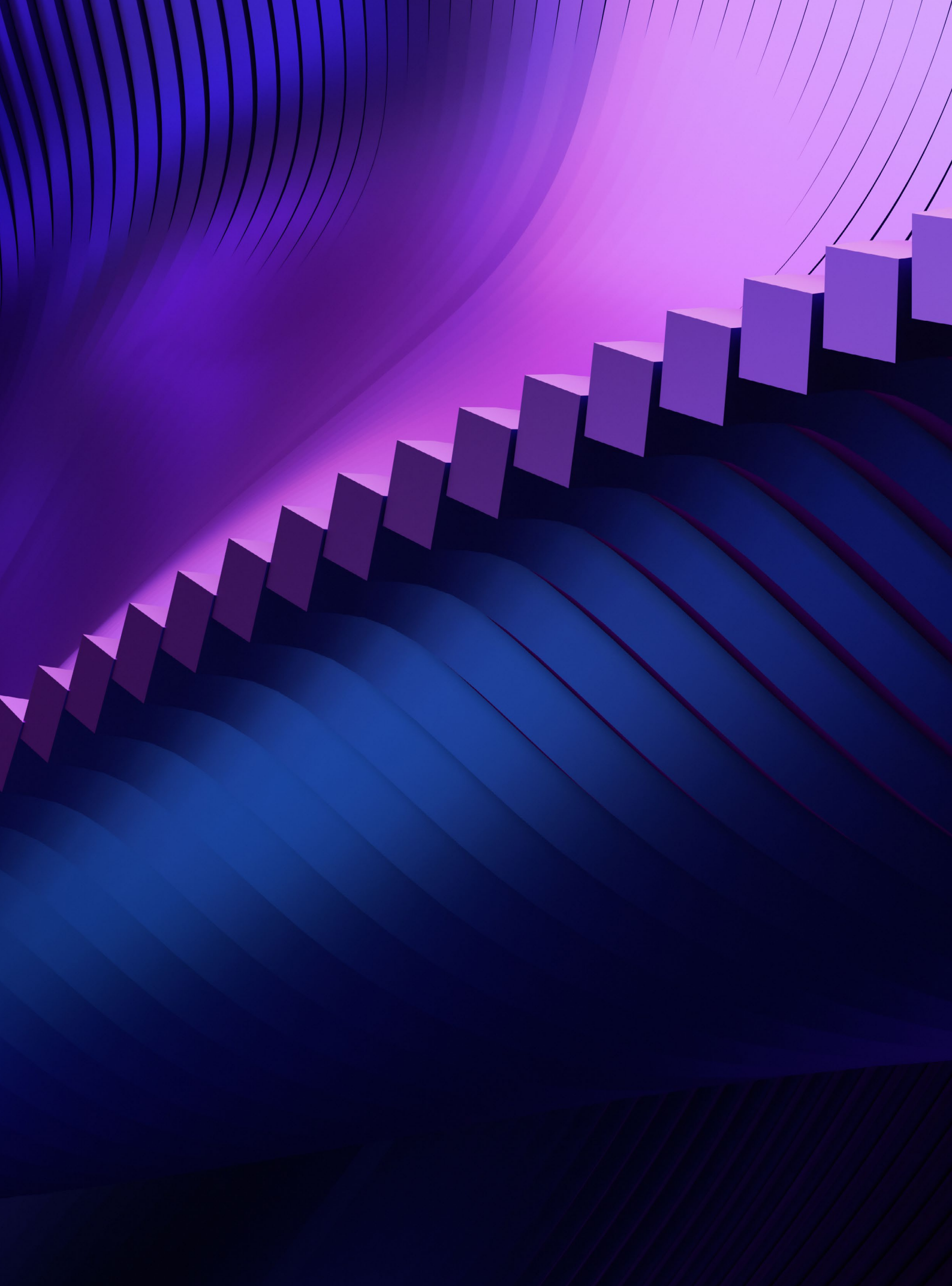


**Our team sits within KPMG's global Economics and Regulation Practice. Our economists, regulatory specialists and competition experts are trusted by many governments, regulators and corporates globally to help you safely navigate today's fast-paced business landscapes.**



We benefit from having all of the skills and experience one would expect to see in a leading niche economic consulting firm, combined with the broader sector expertise we are able to draw on from across KPMG's global network of member firms. We believe that our wider access to industry expertise, insights, business intelligence and market data sets us apart.





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