

Media comment

27 April 2018

Milo Bogaerts, Chief Executive of Euler Hermes UK and Ireland, comments on the UK Company Insolvency Statistics for January-March 2018:

“Insolvency data will inevitably fluctuate from quarter to quarter, but our forecast is that the UK (+8%) will record the largest rise in business failures of any of the major global economies except China (+50%) this year.

“We are seeing signals which appear to support this prediction. The past six months have seen an increase in overdue payment reporting, claims submissions and collection placements, and the signals are all the same: things are getting worse.

“This is evident in most sectors of the UK economy but particularly in construction, food wholesale and retail. Overdue, claims and collections activity in these sectors is currently running at a higher rate than any time since the global financial crisis. Uncertainty about Brexit, rising oil prices and higher financing costs, thin margins and cautious consumer spending all appear to be key factors.

“The concern has to be that the increase in overdue or non-payments will lead to greater insolvencies and create a domino effect on the cashflow of smaller suppliers throughout supply chains, especially in the light of some of the large corporate failures we’ve seen recently. Businesses need to monitor payment behaviour closely to spot early warning signs of distress.”

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Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

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