

EULER HERMES MEDIA COMMENT – ONS TRADE (FEBRUARY)

London, 10 April 2019 – *Commenting on February's ONS UK trade figures, Ana Boata, senior European economist at Euler Hermes, the world's leading trade credit insurer, said:*

“One of the ongoing effects of the Brexit stalemate was February's sterling depreciation, which only started to recover towards the end of the month. This should have made British goods exports more attractive, but weakness of demand in the Eurozone and globally has been a drag on UK export performance. This comes at a time when many businesses are stockpiling at record levels.

“Any further signs of weak global trade will likely lead to even lower investment and confidence levels in the UK. Overall, we expect global trade to slow down to 3% in volume terms (from +3.8% in 2018) and to 4.2% in value terms (from 8.5% in 2018).

“We foresee a longer extension of Article 50 (possibly of 12 months) which would lead to a soft Brexit. This should be supportive for an appreciation of sterling but should continue to be a drag on investment decisions by firms. We expect the latter to contract by -1.9% in 2019, which would continue to keep UK, import growth below 2% in volume terms.”

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