

London – 05 April 2018

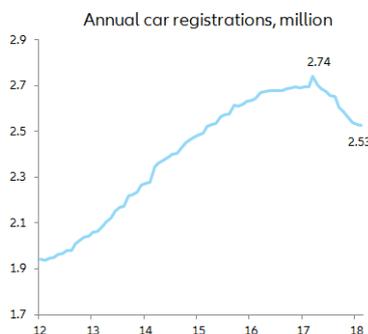
Commenting on the new vehicle sales statistics for March, Maxime LeMerle, Head of Insolvency and Sector Research at Euler Hermes, the world’s leading trade credit insurer, said:

“The expectation of further interest rate rises, Brexit uncertainty and confusion over diesel taxation and air quality regulations will continue to put the pressure on UK new car sales in 2018. We expect to see a -6 per cent drop in new vehicle registrations as confidence data for March indicates a further contraction in future major purchases amongst uncertain consumers, despite their less negative expectations for the economic situation in the next 12 months.

“However, while the UK automotive sector stalls, the EU market will continue to motor ahead with growth in new car sales expected to rise +2.2 per cent this year.”

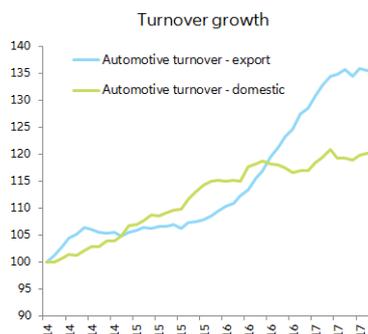
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UK AUTOMOTIVE: DEPRESSED DOMESTIC MARKET AND STILL HIGH INPUT PRICE PRESSURES



Sources: ONS, Allianz Research

New vehicle sales have been dampened by the loss in purchasing power: -8% since March 2017 to 2.53 million cars. But export demand has been a true buffer

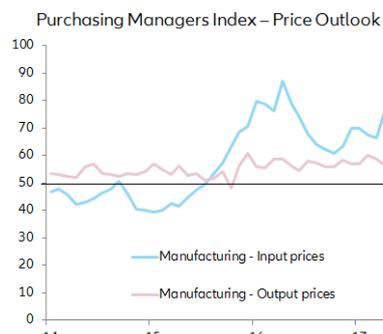


Sources: Markit, Allianz Research

Household credit conditions, risk appetite in the next 3 months

	G1 16	G2 16	G3 16	G4 16	G1 17	G2 17	G3 17	G4 17
Secured lending	0.7	-7.3	1.5	4.2	0.0	-7.7	5.7	2.0
Unsecured lending	-6.0	0.0	-0.5	-0.2	0.7	-7.0	-10.1	-14.5

NE: A positive balance indicates that more unsecured credit is available



Sources: Markit, Allianz Research

Rising input costs have been a drag on margins in 2017, but the good news is that they stand at high levels

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

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