

## MEDIA COMMENT – MANUFACTURING PMI (FEBRUARY)

London, 01 March 2019 – *Commenting on February’s UK manufacturing PMI figures, Shannon Murphy, assistant head of risk underwriting and manufacturing export at Euler Hermes, the world’s leading trade credit insurer, said:*

“Manufacturing is at risk of falling into recession this year due to the pressures of weakening global growth, the downturn in activity across China and Europe’s major economies and a lack of clarity on Brexit.

“Inventory building will continue until capacity is reached. But while stockpiling will help keep just-in-time supply chains moving, businesses with slow-moving stock face a greater risk to their cashflows. We’re already seeing signs of increased stress as a result, with payment terms reaching 120 days – double the average – in some cases.

“We expect the manufacturing output numbers to soften irrespective of whether a Brexit deal is agreed or not. We’re working closely with our clients to help them to protect profits and cashflow from the risk of late payments by helping them monitor the financial stability of their customers.”

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