

Business Insolvency Worldwide

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The insolvency U-turn

Economic Research

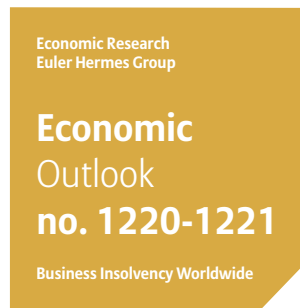


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EDITORIAL



When the BRICS hit a wall

LUDOVIC SUBRAN

This year will be remembered as a turning point: the world realized emerging markets are called emerging for a reason. After a five-year love story with the fastest-growing part of the world, time has come for a reality check.

Large current account deficits, a vulnerable private sector and a highly politicized reform agenda often mean a perfect storm for capital outflows, volatility (and nervousness), and credit risks. China, Russia, Brazil, South Africa, Turkey, Nigeria to name a few, have all been negatively affected by cheaper commodity prices, looming Fed rate hike - pressuring currencies and financing - and the overall slow growth mode. Indeed, world GDP has been growing below 3% for past five years now. High (corporate) debt levels, disinflation and disruptions are the 3Ds to overcome. In the meantime, turbulence has affected companies' payment behavior as sectors suffer from selective public support, credit crunch and lagging productivity.

As a consequence, 2016 will be the first year since the global financial crisis that insolvencies will stop decreasing globally: emerging markets are experiencing an unprecedented increase in bankruptcies.

The BRICS - if we use this term to coin important emerging markets and help the pun - have hit a concrete wall and the next couple of years will require reinforcing the base and fixing the holes. There are still substantial opportunities behind the wall, for exporters and investors out there. Turmoil

will eventually calm down and allow long-term potential to shine again.

However, construction workers seem to be less willing to filling in the cracks and pull down the strongholds. Protectionism in trade and capital flows is combined with domesticization that is a lack of interest to find growth abroad. These are like bulldozers for the private sector: rules are changing fast and disincentivizing investments.

Liquidity (the cement) is still abundant and money is flowing fast from one country to another seeking credibility and stability in returns - when it is not hoarded. Yet, any faux pas is sanctioned hard. Do not get me wrong, walls can be important too to avoid importing global mess.

Buffers have made some emerging markets stronger: Mexico, Colombia, Chile, Indonesia, Vietnam, Ethiopia, Morocco for instance. Working on your soft infrastructure and steering a global ambition with effective local policy-making will help triage countries between the Hall of Fame and the Wall of Shame. The next 18 months will certainly be quite a seismic test.

OVERVIEW

The insolvency U-turn

IRÈNE HERLEA, MAXIME LEMERLE

+3%

in 2015 in global
insolvencies compared to
the pre-crisis average

- In 2015, a steady decline in insolvencies in the U.S. and Western Europe offsets turmoil in Asia and Latin America. Overall, we note a -4% decrease in our Global Insolvencies Index.
- However 2016 will put an end to six consecutive years of decline in global insolvencies. We expect worldwide insolvencies to stabilize at 300,000 cases.
- Even in countries enjoying a strong decrease in the number of bankruptcies, the outlook for corporates is not that bright. Many companies are squeezed between sluggish demand and high debt and remain vulnerable to adverse external shocks.
- Diverging trends among countries, sectors, companies of different sizes and changes in legal frameworks are key underlying factors to identify the main pockets of risks.





Business insolvency decline will stop in midstream

The positive trend in business insolvencies starts to get out of breath. Admittedly we estimate that our Global Insolvencies Index – which takes into account the countries' weights in worldwide GDP – will stand 29% lower in 2015 compared to the 2009 peak. However, this decline is mainly due to mechanical adjustments regarding the

historically high levels of insolvencies reached during the crisis. Now that the shock has been (almost) absorbed firms need a solid macroeconomic and financial environment to turn from stabilization to growth. While these positive drivers are still lacking at a global level, new pockets of risk are emerging. Thus we do not expect a broad-based improvement in corporates' financial health to occur in 2016.

The improvement stays on course in 2015

In 2014, business insolvencies recorded their strongest decrease since the crisis. The positive trend continued in 2015, but the pace of improvement has however lost momentum. This is in line with the global economy slowdown: real GDP growth reaches only +2.5% against +2.7% last year. As a result, we estimate that our Global Insolvencies Index will decline by -4% compared to a healthy -14% decline in 2014. 25 countries out of the 43 monitored register fewer bankruptcies than a year earlier, while 18 are facing an increasing number of insolvencies and 4 are stable. These figures lead to an overall estimated number of roughly 300,000 insolvencies worldwide.

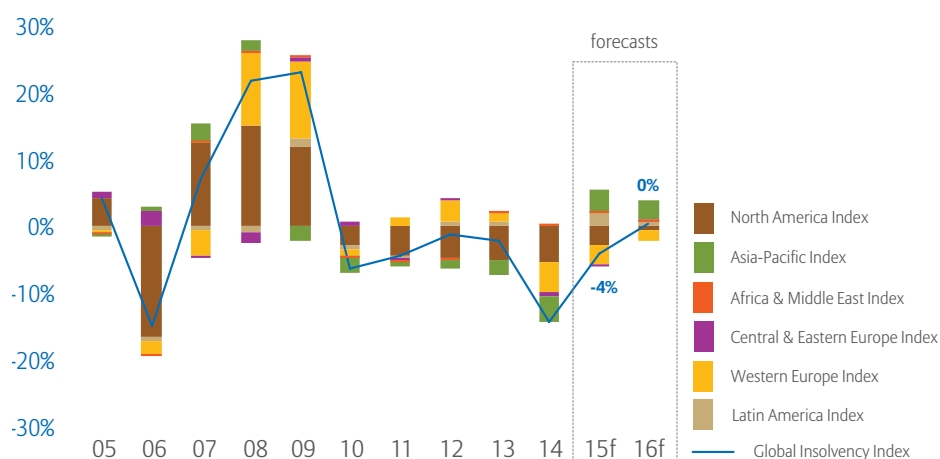
It is not fast enough to get back to low levels

2015 is admittedly the sixth consecutive year of decline in the global level of insolvencies. However, the positive trend is still not robust enough to offset the sharp hike in bankruptcies recorded between 2007 and 2009 (+50%). The Global Insolvencies Index remains higher by 3% than its pre-crisis average (2003-2007). Over half of the countries monitored still record (very) high levels of bankruptcies. This mixed outlook reflects the current state of the global economy. The attempts to boost GDP growth

Euler Hermes Global Insolvency Index and regional indices

Yearly level basis 100 = 2000

40%



Sources: National figures, Euler Hermes forecasts

1 out of 2

countries are set
to register an increase in
insolvencies in 2016

► remain too feeble to translate into a widespread improvement in corporates' financial health. Three 'D' factors underlie the opaque business environment: Demand, Debt and Disruption. First, demand remains sluggish which coupled with still high deflationary pressures imply a shrinking of the global trade in nominal terms in 2015. This makes an adequate hike in revenues out of reach for a significant number of firms. Second, high levels of both public and private indebtedness put a lid on investment outlays, in addition to the cap on demand, depriving businesses from a key asset to increase their competitiveness. Last but not least, repeated monetary shocks or political disruption stunt development in many countries. As a consequence, companies accumulate cash as a safeguard against an unknown future, instead of investing it now. Overall, these adverse factors lead to a general lack of confidence. Under these circumstances corporates find it more difficult to recover an adequate level of margins and create a virtuous business cycle that would finally strengthen their solvency profiles.

It will grind to a halt faster than expected

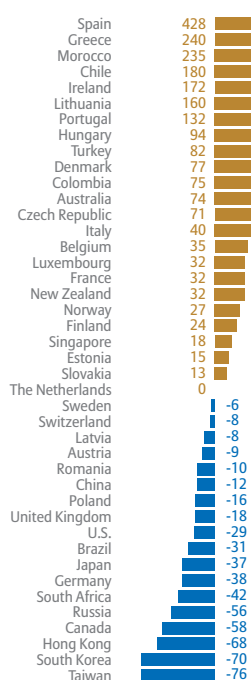
The shocks that drove up business insolvencies worldwide have not been absorbed yet. But the relative improvement will already be over by the end of the year. 2015 marks the end of the

adjustment trend that started six years ago. Indeed, we expect worldwide insolvencies to stabilize in 2016 with economic growth remaining – once again – below 3%. The reversal will also be driven by financing risks as interest rates are expected to increase in line with the FED (and potentially other central banks') monetary tightening. This major shift in the business environment will add a liquidity issue for corporates, increase awareness regarding the solvency of most leveraged companies and put their whole supply chains at risk. On top of these clouded economic prospects, mechanical adjustments will also weigh on business insolvencies dynamics. Some countries where (historically) low levels of bankruptcies have been recorded this year, such as the United States or Germany, will not be able to keep on decreasing at a fast pace and might even see an increase in the number of bankruptcies when they will have reached their "natural rate" of business extinctions. In others, the United Kingdom for example, where business demography is particularly dynamic, the sharp rise in new business creation led by the strong rebound in economic activity over the past years will also drive up the number of insolvencies. Indeed, the increasing number of firms on the market gives a larger statistical base for bankruptcies. Moreover, it also results in tougher competition and stronger price pressures, which



2015 insolvencies compared to pre-crisis average

% change



Sources: National figures, Euler Hermes forecasts

most fragile businesses (often the new born ones) cannot cope with.

Beware of these global trends

This global picture should not overshadow the large spectrum of heterogeneous situations that characterizes the current insolvencies world map. Diverging trends among countries, industrial sectors, companies' sizes as well as legal evolutions are key factors shaping this complex and bumpy terrain and to identify the main pockets of risks.

Advanced economies and emerging markets are doing the split

The divergent evolution in insolvencies between advanced economies and emerging markets is the cornerstone of the current dynamic and will continue to prevail in 2016.

This represents a major shift in worldwide insolvencies trends. While the global decline of the last five years was driven by North America and Asia-Pacific economies with Western Europe dragging its feet, the tide is finally turning. While the United States continues to register a strong decrease in bankruptcies with -10% in 2015, Western Europe has finally picked up its pace and has become the co-leader: the insolvencies index nosedived by -10% and more businesses stayed afloat. Conversely, the Asia Pacific region registers its first rise since 2008 with an inauspicious increase of +11%, only 2% less than the +13% record hike registered in 2007. This trend will continue in 2016: more Western European companies will survive, while fewer Asia Pacific companies will live to see the end of the year. Western Europe insolvencies will keep on decreasing by -5% while the Asia-Pacific ones will surge by +10%. This shift in the insolvencies' world map is emblematic for the current divergence in economic prospects. Emerging markets are slowing down (like in the case of China), or even sliding into recession (Brazil and Russia), and advanced economies are gaining momen-

turn. Moreover, it reflects the evidence of increasing financial pressures for firms in emerging markets. Their average Days Sales Outstanding (DSO) has indeed markedly risen over the past years while it remained flat in Europe and the United States. This divergence is further widening this year with the DSO of advanced economies decreasing by one day while the one of emerging markets is increasing, markedly in China and Brazil (+4 days).

The quadruple whammy of emerging markets

Four main factors explain the cloudy outlook in emerging markets:

- (i) The slowdown in Chinese growth;
- (ii) The continuing fall in commodity prices;
- (iii) The sharp depreciation of local currencies;
- (iv) The looming FED rate hike.

The first and second factors are weighing on firms revenues; the third drives costs up. Finally, increase in interest rates could limit access to financing. First, the Chinese slowdown poses a drag not only on its Asian neighbors but also on other countries dependent on Chinese demand to boost their exports. Along with commodity exporters in Asia-Pacific and South America, firms depending on the Chinese supply chain will be hit fiercely as their revenues could fall dramatically. Moreover, decreasing commodity prices are affecting revenues of firms operating in the agrifood, energy and mining sectors. Consequently, the pain might spread along whole supply chains, affecting suppliers and clients in other industries. Latin American countries appear particularly vulnerable. The ongoing currency carnage is triggered by capital outflows from emerging markets and low oil prices for net oil exporters. Depreciations reaching up to -50% in Brazil and -56% in Russia (compared to currencies' latest peak), drive up the price of imports and thus further decreases firms operating profit margins.

Last but not least a general rise in interest rates will have a particularly strong impact on those countries where businesses already face tightened credit conditions and are highly indebted in foreign currencies. Brazilian banks, for example, are now asking non-financial corporates to pay a whopping 18% interest rate on loans.

Overall, firms in emerging markets are getting squeezed between a rock and a soft place; higher costs and lower demand. In some cases, firms' problems are compounded by social and political tensions, which further hurt business confidence.

+4%
insolvencies
in emerging markets
in 2016



INSOLVENCY RISK : BEYOND THE NUMBERS

- When it comes to analyzing and understanding insolvencies, focusing on volumes is not enough to have an accurate picture of risks for creditors. How easy (or hard) it is to collect debt – i.e. the time and cost it implies – as well as the legal insolvencies framework specific to each country are crucial factors.
- The current rise in insolvencies in emerging markets appears to be much more challenging than it is in advanced economies. Based on Euler Hermes' Collection Complexity Index and the World Bank Doing Business measures, most emerging markets appear to be lagging behind.
- This is especially evident when it comes to the three heavy weights: China, Brazil and Russia rank among the worst performers. Brazil performs particularly badly when it comes to the time it takes to recover debt. On average, four years go by from the moment a company defaults until the happy occasion of a creditor being paid.
- When it comes to China and Russia, the legislative framework, which is supposed to assist businesses facing solvency struggles, is the main hurdle to overcome. In the former, the law ruling corporate insolvencies appear to be particularly complex while in the latter, insolvency procedures remain virtually unused. As a consequence, business insolvencies appear to be much more likely to i) lead to final liquidation and ii) cause a domino effect and hurt creditors in emerging markets as they do in advanced economies. ■

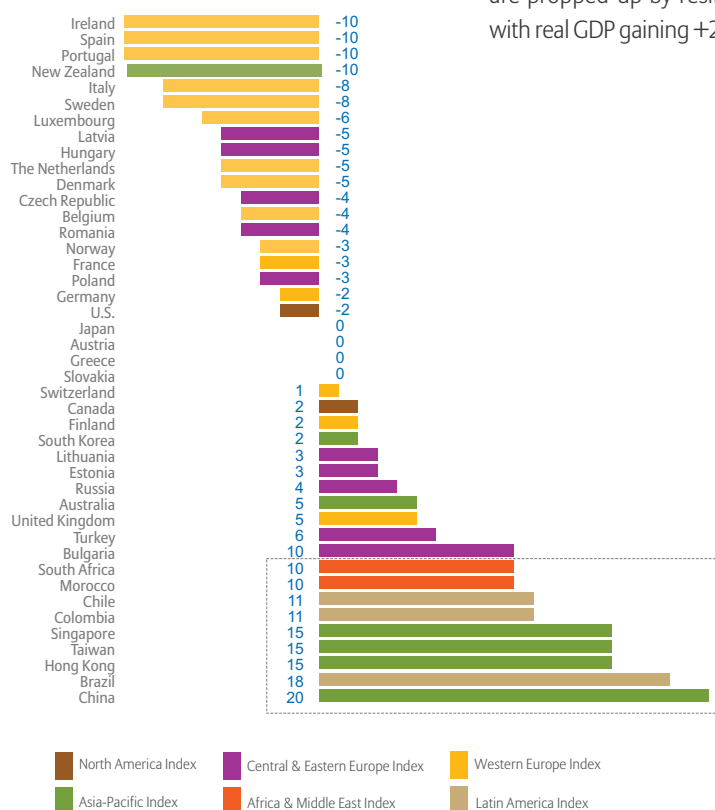
► Broken BRICS

Along with China, Brazil and Russia are not-so-shining examples of countries struggling under current circumstances, facing a surge in insolvencies in 2015 (+25% and +30%, respectively). We expect the number of bankruptcies to keep on increasing in 2016 with a rise of +18% and +4%. These figures appear to be in line with GDP which is expected to contract this year by -2.4% in Brazil and -4% in Russia. In those two countries, the four adverse external factors mentioned above go hand in hand with internal economic challenges and political turmoil. Slowing domestic demand both regarding consumption and investment is driving firms' revenues down. Besides, state support which was supposed to compensate for the lost trade through imports substitution policies and prop up the economy has proved to be less than sufficient. In that context, almost no sector is spared by the scissor effect: costs are up and results are down. Virtually all industries now face elevated and at times soaring risks impacting profits and their solvency situation. The regional contagion triggered by the fall of those two giants is very uneven. On the one hand, Brazilian struggles paired with the fall in commodity prices are heavily weighing on Latin American firms. Indeed, they generate over 40% of their total turnovers from Brazil. As a consequence, we expect insolvencies in Chile and Colombia to increase by +11% in 2016, as short-term headwinds will be curbing the structural strengths of these countries. On the other hand, Central and Eastern Europe appears relatively resilient to the Russian situation. The regional

insolvency index is slightly decreasing (-1%) this year – partly thanks to a statistical adjustment in Romania – and will increase by only +4% in 2016. Baltic countries will be the most affected by the delayed impact of the Russian crisis while Poland, the Czech Republic, Hungary and Romania will continue to register a decline of -3% to -5%.

Insolvencies in 2016

Yearly change in %



Sources: National figures, Euler Hermes forecasts

Advanced economies: Brighter perspectives

On the other side of the world insolvencies' spectrum, the United States keeps on facing fewer bankruptcies. The country has almost reached a historical low level with 24,300 insolvencies in 2015, a healthy -22% below the 2003-2007 average. In 2016, this improvement will continue, though at a slower pace, with a -2% decrease and below the 24,000 cases benchmark.

The bright prospects American firms are facing are propped-up by resilient economic growth with real GDP gaining +2.5% this year and +2.9%

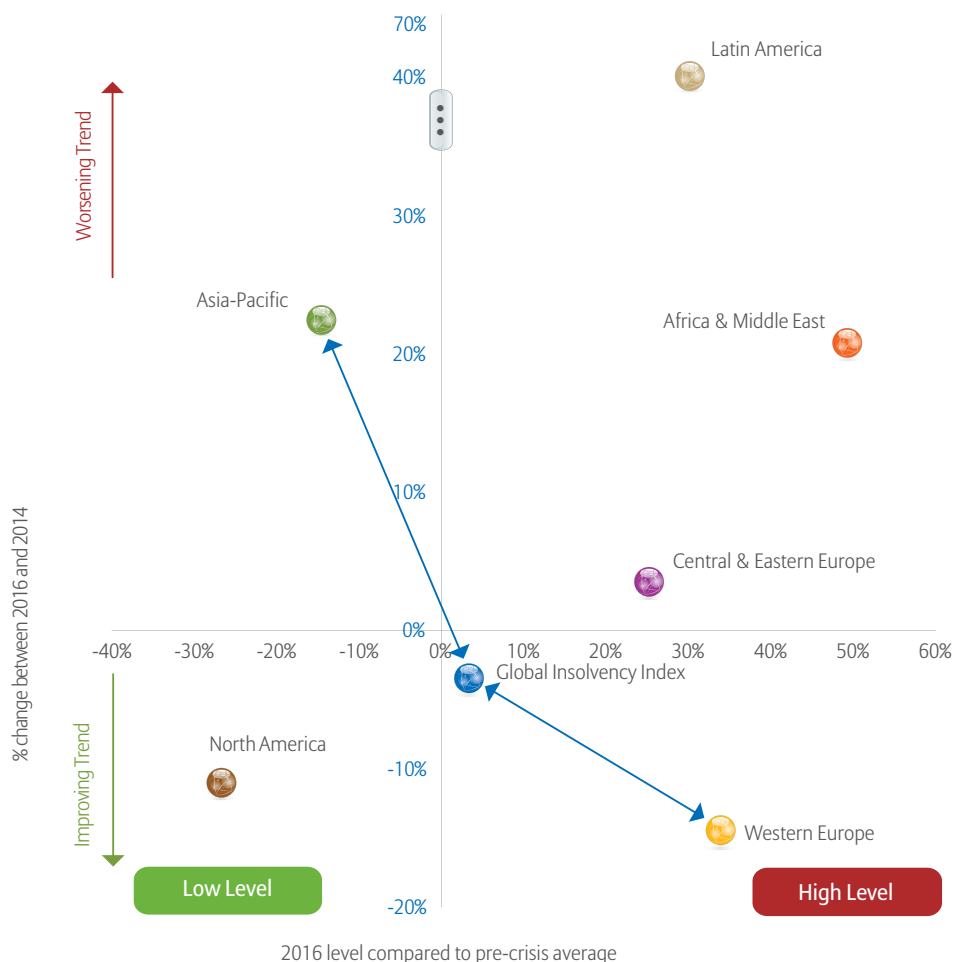
in 2016 mainly thanks to a dynamic domestic consumption. Moreover, the steady pace in insolvencies decline has been further strengthened this year by the final recovery in the construction sector, emanating from the pick-up in the housing market. This low level is also supported by Days Sales Outstanding index – with a limited average of only 49 days which loosens corporates' financial constraints. While it has long been limited to the United States, the recovery in domestic demand is now spreading around almost all advanced economies including Western Europe. This pick-up, and favorable financing conditions thanks to the loose monetary policy implemented by the ECB Quantitative Easing, are the two pillars supporting the current improvement in Western European firms' financial health.

From trends to stocks: Different stories

However, one should not get carried away by buoyant short-term figures. Despite the recent sharp rise in the number of insolvencies, they still remain at a relatively low level in most emerging markets, notably in Brazil and Russia (-46% and -28% below pre-crisis average). China also continues to report fewer insolvencies than during the 2003-2007 period. The same also applies to the whole Asia-Pacific Index which will remain -15% below this level in 2016 despite two consecutive years of steady increase.

Conversely, Western Europe Index will still be +34% above its pre-crisis average with 11 countries out of 17 recording higher bankruptcies' figures. ■

Regional insolvencies indices



Sources: National figures, Euler Hermes forecasts



-1%

insolvencies
in advanced economies
in 2016

Business Insolvency Outlook

2015

Q3 2015 — UPDATE

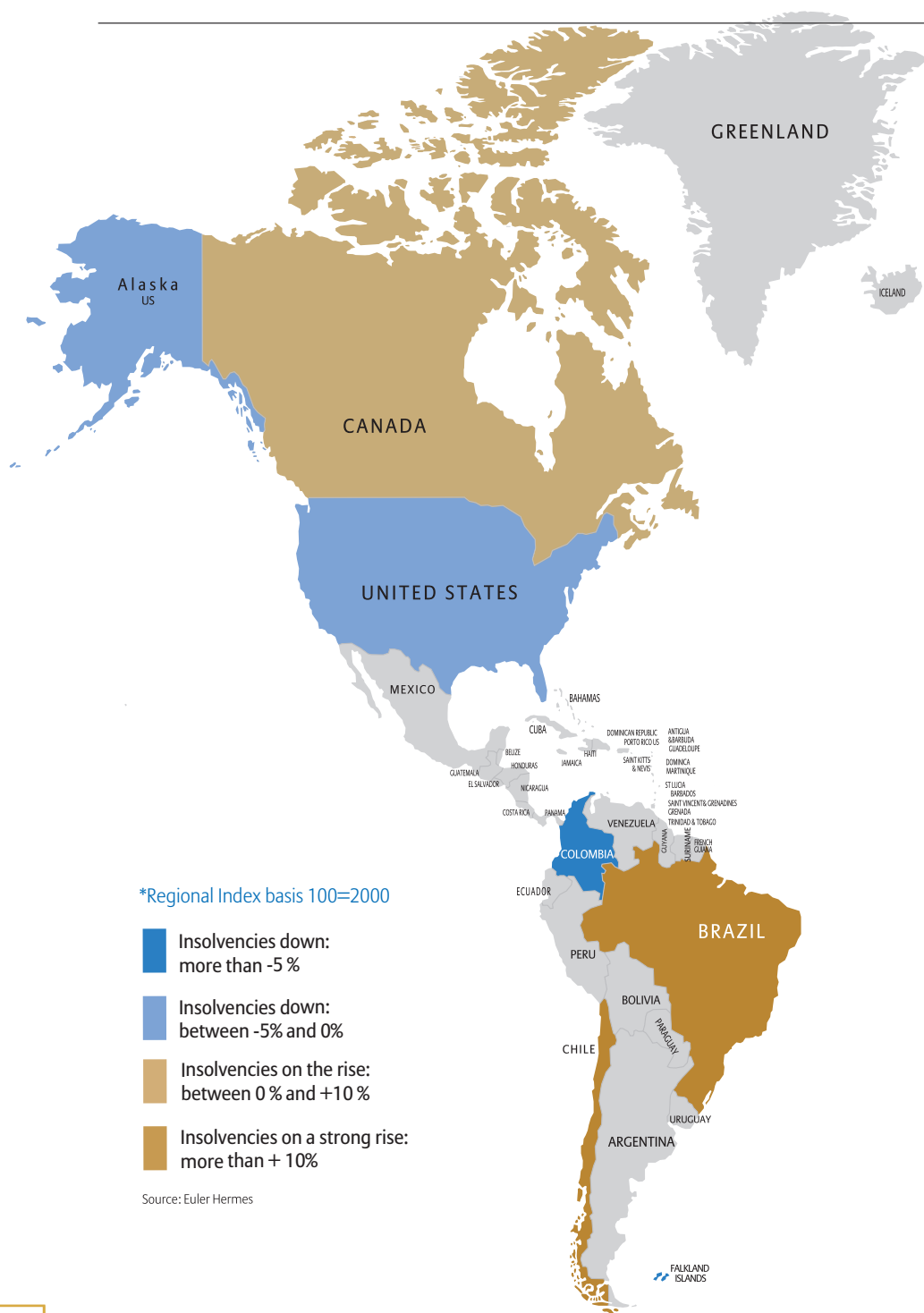
Global insolvency index

Change
in **2015f**:

-4%

Change
in **2016f**:

0%



North America

| | 2014 | | Change 2015f | Change 2016f |
|------------------------|-----------|-------------|-----------------|-----------------|
| | Number | Change | | |
| Regional Index* | 72 | -18% | -9% | -2% |
| United States | 26,983 | -19% | -10% | -2% |
| Canada | 3,116 | -2% | 5% | 2% |

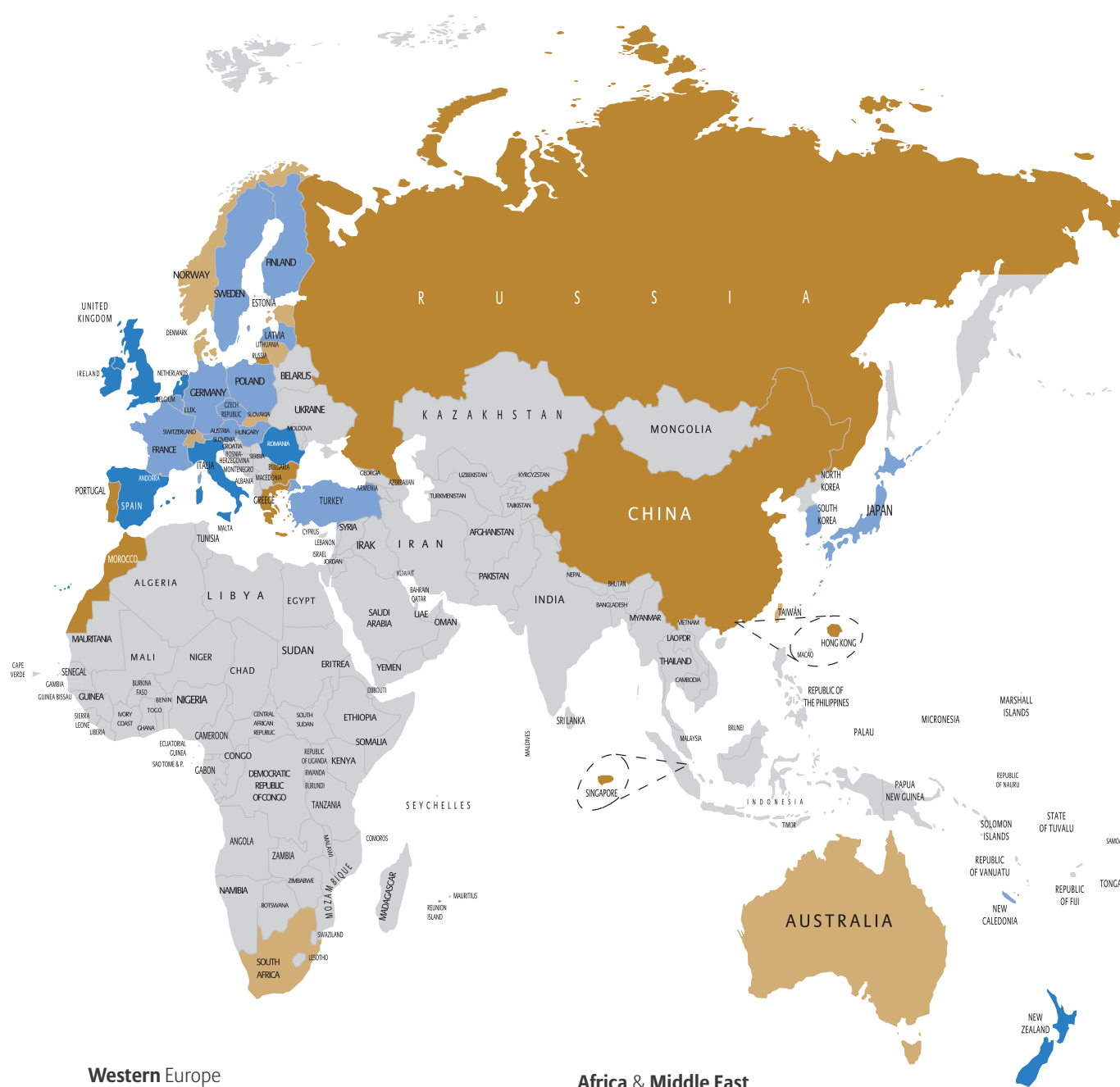
Latin America

| | 2014 | | Change 2015f | Change 2016f |
|------------------------|-----------|-----------|-----------------|-----------------|
| | Number | Change | | |
| Regional Index* | 48 | 5% | 46% | 14% |
| Brazil | 1,734 | 3% | 25% | 18% |
| Colombia | 359 | 1% | -7% | 11% |
| Chile | 167 | 18% | 169% | 11% |

Central & Eastern Europe

| | 2014 | | Change 2015f | Change 2016f |
|------------------------|------------|------------|-----------------|-----------------|
| | Number | Change | | |
| Regional Index* | 248 | -3% | -1% | 4% |
| Russia | 9,113 | 1% | 30% | 4% |
| Turkey | 15,822 | -9% | -5% | 6% |
| Poland | 822 | -11% | -5% | -3% |
| Czech Republic | 2,403 | 8% | -4% | -4% |
| Romania | 20,696 | -30% | -45% | -4% |
| Hungary | 17,250 | 29% | -4% | -5% |
| Slovakia | 1,402 | 6% | 3% | 0% |
| Bulgaria | 656 | -22% | 22% | 10% |
| Lithuania | 1,684 | 8% | 7% | 3% |
| Latvia | 960 | 19% | -1% | -5% |
| Estonia | 428 | -7% | 0% | 3% |

worldwide in 2015



Western Europe

| | 2014 | | Change | Change |
|------------------------|------------|-------------|-------------|------------|
| | Number | Change | 2015f | 2016f |
| Regional Index* | 176 | -16% | -10% | -5% |
| Germany | 24,085 | -7% | -3% | -2% |
| France | 62,614 | 0% | -1% | -3% |
| United Kingdom | 23,098 | -9% | -9% | 5% |
| Italy | 15,654 | 11% | -7% | -8% |
| Spain | 6,378 | -28% | -22% | -10% |
| The Netherlands | 7,621 | -19% | -20% | -5% |
| Switzerland | 4,240 | -7% | 4% | 1% |
| Sweden | 7,154 | -7% | -7% | -8% |
| Norway | 4,803 | 5% | 0% | -3% |
| Belgium | 10,736 | -9% | -3% | -4% |
| Austria | 5,423 | -1% | -5% | 0% |
| Denmark | 4,049 | -19% | 5% | -5% |
| Finland | 3,464 | -6% | -3% | 2% |
| Greece | 1,590 | 3% | 15% | 0% |
| Portugal | 4,019 | -33% | 19% | -10% |
| Ireland | 1,164 | -15% | -16% | -10% |
| Luxembourg | 876 | -19% | -2% | -6% |

Africa & Middle East

| | 2014 | | Change | Change |
|------------------------|------------|-----------|------------|------------|
| | Number | Change | 2015f | 2016f |
| Regional Index* | 111 | 6% | 10% | 10% |
| South Africa | 2,064 | -13% | 0% | 10% |
| Morocco | 5,044 | 15% | 15% | 10% |

Asia Pacific

| | 2014 | | Change | Change |
|------------------------|-----------|-------------|------------|------------|
| | Number | Change | 2015f | 2016f |
| Regional Index* | 56 | -13% | 11% | 10% |
| China | 2,613 | 2% | 25% | 20% |
| Japan | 9,731 | -10% | -4% | 0% |
| Australia | 6,625 | -18% | 10% | 5% |
| South Korea | 841 | -16% | -5% | 2% |
| Taiwan | 132 | -37% | 0% | 15% |
| Singapore | 160 | 27% | 25% | 15% |
| Hong Kong | 271 | -1% | 22% | 15% |
| New Zealand | 285 | -24% | -30% | -10% |

ASIA-PACIFIC
FOCUSFacing a **3D** wall?

MAHAMOUD ISLAM

- 2015 leads to the first increase in Asia-Pacific business insolvencies since 2008 with a rise of +11%.
- The surge is driven by China (+25%) as the country is suffering from a difficult rebalancing.
- The deterioration will further go on in 2016 with +10%.
- The region faces significant headwinds, especially lower growth in global demand, elevated deflationary pressures and increasing private debt issues.

The 3D wall

Asia-Pacific companies struggle and will be affected by lower (external) Demand growth, lower prices (Disinflation) and high private Debt. These 3Ds will cause an increase in insolvencies in 2015 and 2016.

Lower global demand is weighing on exports and industrial production

Exports account for 31% of Asia-Pacific GDP. Asian factories have seen a strong decline in this component in Q2-Q3 and new orders are weak.

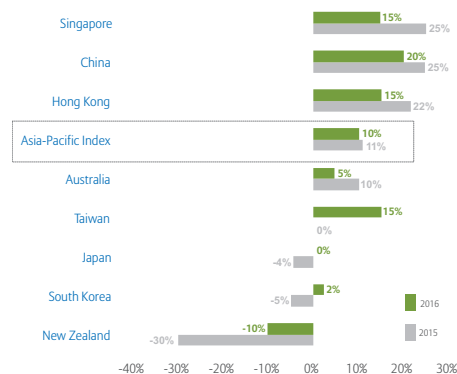
Solid domestic demand fundamentals including low unemployment rate and favorable income growth helped keep growth in positive territory in the first half of the year, but the momentum is fading in the second half.

Weak business confidence suggests low investment growth in the short run. While the policy mix has become more accommodative, recently announced measures are taking time to produce discernible results on the ground and in balance sheets. Following this slowdown, Euler Hermes expects GDP growth to recover gradually in 2016.

of the year in order to prop up GDP growth. However, the impact on the real economy has not yet been significant. In particular, demand for credit is limited cyclically by slower growth in market opportunities and structurally by a high level of private debt. In this context, the private sector tends to be more cautious. Companies postpone and are being more selective on investment, which in turn limits the scale of the rebound in demand.

Who can jump over the wall?

China and trade sensitive countries see high risk of non-payment, New Zealand is spared.

2015 and 2016 insolvencies forecasts
% change compared to previous year

Sources: National figures, Euler Hermes forecasts

Businesses have to deal with strong deflationary pressures

Producer prices extended their declines in Q3 for most of the economies. Primary producers (Australia) continued to suffer from lower commodity prices. Intermediate goods and final goods producers had to revise their prices downward due to lower growth in demand and higher competition within the region (e.g. South Korea and Singapore).

High private debt is acting as a drag

Most of the largest central banks (e.g. China, South Korea and Australia) in the region have eased their monetary policy since the beginning

In China, insolvencies will increase significantly, by +25% in 2015 and +20% in 2016

With activity slowing down, GDP growth is set to decelerate to +6.8% in 2015 and +6.5% in 2016. Price pressures are still elevated for companies with a decrease in producer prices for 43 months in September (-5.9% y-o-y).

Companies' fundamentals continue to show signs of weakness: corporate debt is high (161% GDP in Q1 2015) and industrial profits for large companies remain on a downward trend (-1.9% YTD, y-o-y Jan-August). Construction, metals

+10%
insolvencies
in Asia-Pacific
in 2016

and mining, low-end manufacturing and export-related industries are the sectors that might be impacted the most. Euler Hermes also expects a surge in China days sales outstanding this year (+4 days). This can further worsen firms' financing struggles and have significant effects along the supply chains.

In Japan, bankruptcies will stabilize in 2016 while risks are tilted to the downside

Companies continue to benefit from (i) favorable financing conditions as the BOJ monetary policy will remain highly accommodative and (ii) a supportive tax environment - the government has on its agenda a decrease in the corporate tax rate to about 30% by 2017 (in FY2014, corporate tax rate was 34.62).

However, demand risk is still high. At the domestic level, a strong and continued recovery in wages that could have triggered sustainable growth in private consumption and investment remains subdued. Externally, weaker demand from China is clouding the outlook.

Meanwhile, trade sensitive countries will probably experience a higher risk of non-payment.

Singapore (+25% increase in 2015 and +15% in 2016) and Hong Kong (+22% and

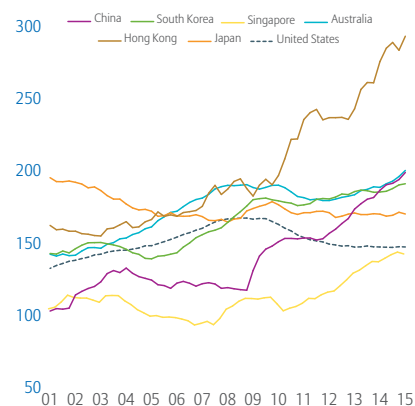
+15% resp.) will be at the forefront. Both countries are highly exposed to global trade (exports represent more than 150% of GDP) and are dependent on Chinese demand. Domestic private demand will not be sufficient to compensate for lower exports growth.

While governments act, and policy support is set to increase, it will take place at a moderate pace due to external and domestic constraints. Because of its currency regime, Hong Kong's monetary policy will likely have to remain aligned with the U.S. central Bank which suggests a more hawkish stance in the next quarters. In Singapore, an easing of the exchange rate-based monetary policy could bring domestic interest rates higher as investors can ask for higher yields as they hold a currency with lower value. In South Korea (-5% in 2015 and +2% in 2016) and Taiwan (+0% in 2015 and +15% in 2016), more domestic buffers (higher share of domestic consumption and strong policy responses) would allow a better adjustment. The South Korean and Taiwan authorities have adopted a clear accommodative stance in both monetary and fiscal policy.

Australia and New Zealand would see diverging trends

In Australia, insolvencies would grow by +10% in 2015 and +5% in 2016. The mining sector

Private non-financial sector In percentage of GDP, all sectors, market value



Source: BIS

(8.5% GDP) is still adjusting to lower prices and lower demand growth especially from China. Non-mining sector activity is picking up but at a moderate pace supported by improving financing conditions, and lower AUD. In New Zealand, bankruptcies would decrease in 2015 (-30%) and in 2016 (-10%) benefiting from resilient demand and improving financing conditions. Companies are holding strong amid global demand slowdown but the balance of risks are skewed to the downside. They stem from fragile recovery in dairy prices and possible external demand slowdown. ■

WESTERN EUROPE
FOCUS

All good things come to an end... but so do bad ones

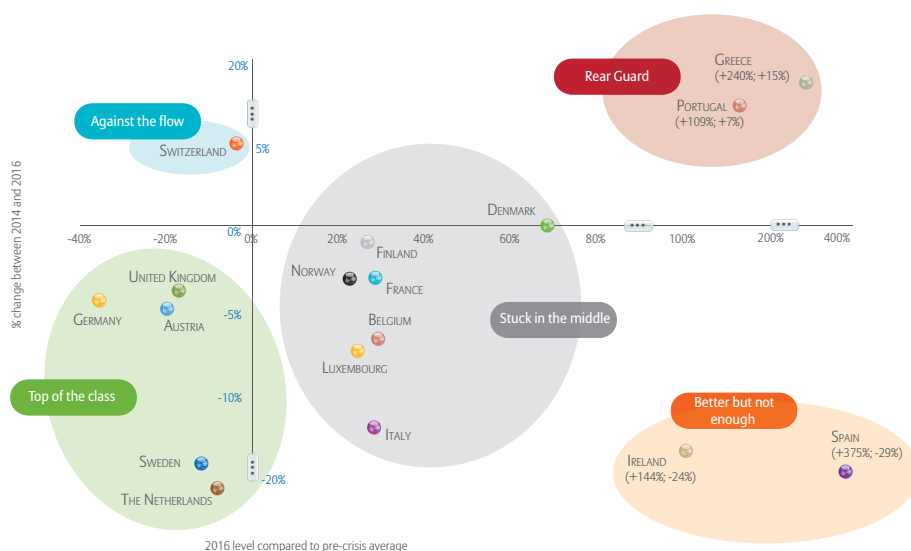
FRÉDÉRIC ANDRÈS, ANA BOATA

- Western Europe insolvencies will decrease by -10% in 2015 and by -5% in 2016 in line with brighter economic prospects and improving financing conditions for companies.
- Despite this broad-based improvement, insolvencies still remain 34% above their pre-crisis level and the regional picture hides very heterogeneous local circumstances.
- The construction sector still concentrates on average 20% of insolvencies in the region.

2 out of 3 countries

remain above
pre-crisis average
for insolvencies

Western Europe insolvencies overview



Sources: National figures, Euler Hermes forecasts

Winning trifecta

Thanks to the combination of lower oil prices, a lower Euro and a more accommodative monetary policy stance from the ECB to be announced by early 2016, Eurozone's growth forecasts have not been revised downwards. We expect a moderate steady recovery to go on and to lead to a GDP growth of +1.4% in 2015 (up from +0.8% in 2014) and +1.6% in 2016.

The pronounced slowdown in emerging markets' growth is certainly not good news for Europe, but we remain confident that this will be positively offset by domestic drivers and increased monetary support. Intra-regional trade flows should also pick-up and help exports grow, although in some countries (like Ireland, Spain and Portugal) more than in others.

The recovery will however remain slow given (i) the high levels of indebtedness in both private and public sectors ; (ii) the state of the labor market and (iii) the non-finalized structural reforms in some countries (Italy, France, Belgium). Moreover one important piece is still missing in the recovery puzzle: private and public investment. Both are still lagging behind in some



countries, notably in core European countries. Even though companies' confidence has picked up, the global environment still weighs on business prospects. Moreover given still strong deflationary pressures, nominal growth remains anemic which ultimately puts a lid on turnovers' growth. Despite the broad-based improvement the regional picture hides very heterogeneous local circumstances. We can thus distinguish between 5 groups of countries:

■ 'Top of the class'

Countries such as Germany and the UK, where insolvencies already are at a low level and will keep on decreasing, bolstered by a strong macroeconomic backdrop. In addition to external challenges, those countries will have to absorb a more dynamic trend of firms' creation in a good economic environment. They will also need to tread lightly when the times are good in order to avoid a surge in insolvencies for the most fragile sectors of activity further down the line.

■ 'Stuck in the middle'

Countries such as Italy and France where insolvencies are decreasing but not fast enough.

Consequently, the level of insolvencies remains much above pre-crisis levels. This is because growth in those countries has not reached 'escape velocity', i.e., it is not strong enough to give rise to a self-sustained recovery that would lower unemployment and permit a fast reduction in business insolvencies.

■ 'Better but not enough yet'

Countries such as Spain or Ireland, where insolvencies are decreasing rapidly but still remain at very high levels. Within these countries, reforms have borne their fruits regarding firms' competitiveness. However, due to the quick pace of adjustment of unit labor costs, consumers' purchasing power was slow to pick up and the benefits on firms' revenues are only starting to be felt.

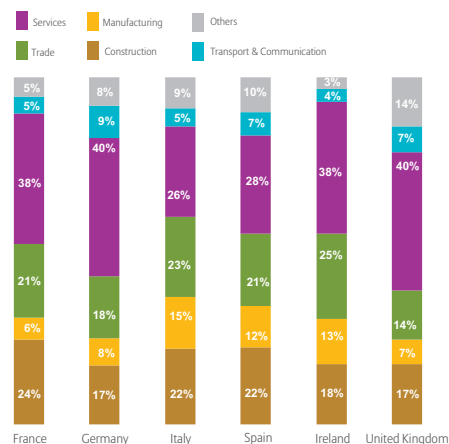
■ 'Rear Guard'

Countries where insolvencies remain at a high level and continue to increase. Greece, which faces high political uncertainties, is the main concern. The rise recorded in Portugal is mainly due to statistical issues.

■ 'Against the flow': Switzerland

The country records fewer insolvencies than before the crisis but faces an increase (+4%) in 2015 due to the sudden rise in its exchange rate which undermines firms' export competitiveness. ►

Insolvency split by sector for selected countries *
% of total



*Based on available data for 2015
Sources: National figures, Euler Hermes forecasts



The UK

Reversing gears

A favorable economic environment continues to drive business insolvencies downwards in 2015 by -9%. The decrease in the number of bankruptcies is mostly due to a sharp decline during the first half of the year (-15%), as a change in legislation is accelerating bankruptcies declaration in the autumn.

This positive trend is however coming to an end and we expect a rebound of +5% in bankruptcies in 2016 led by:

(i) Slowing GDP growth (+2.2% after +2.9% in 2014 and +2.5% in 2015) and long-lasting low inflation weighing on firms' turnovers; (ii) Rising wages and the strengthening of the GBP which

will trigger a loss in companies' competitiveness; (iii) Beginning of the BoE rate hike cycle expected in Q2 2016 or even later in the year; (iv) Strong rise in new business creation since 2012; and (v) Increasing uncertainty surrounding the "Brexit" question (the referendum on the EU membership expected in 2016) which impacts foreign direct investments but also softens domestic confidence.

Companies' payment behavior already shows signs of deteriorating with Days Sales Outstanding expected at 56 days in 2015 (+2 days compared to 2014 and one week longer compared to 2011).



Germany

Normalizing

In 2014, insolvencies in Germany have reached their lowest level since 1995 with 24,000 cases. However, the trend is now slowing down with forecasts of -3% in 2015 and -2% in 2016 (compared to -7% in 2014). Insolvencies in the manufacturing sector have barely decreased over the first six months of 2015 while they had fallen by -28% in 2014.

This trend will have to be monitored closely as Germany's growth could be derailed by China which accounts for 7% of the country's exports, with a focus on capital goods. The impact has so far been limited, even though latest factory orders figures were quite disappointing, falling -1.8% in August, with orders from outside the Euro area decreasing -3.7%. Domestic demand however remains the key driver for GDP growth thanks to solid wage increases, low oil prices and low inflation.

+5%

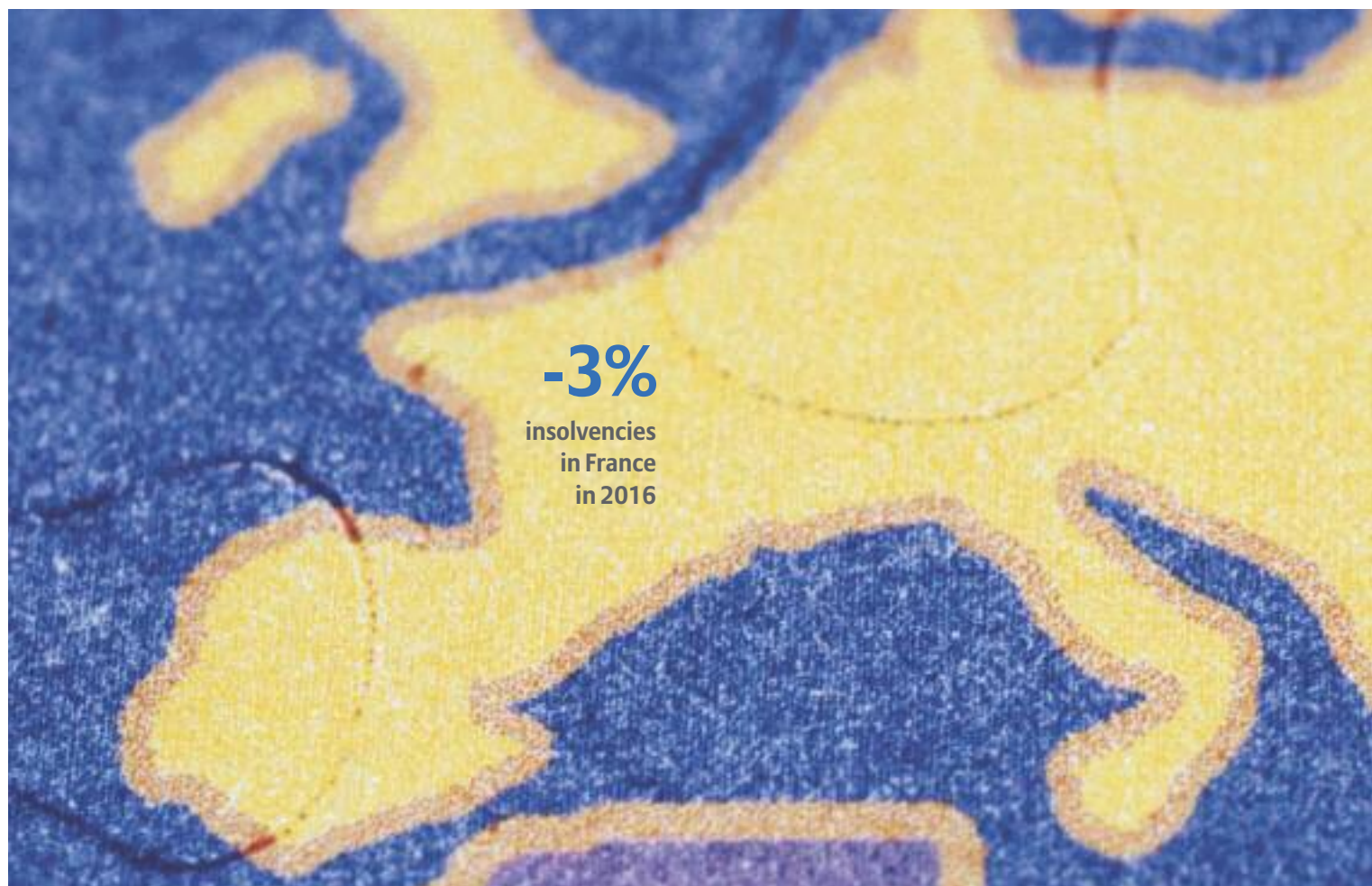
insolvencies
in the UK
in 2016

-2%

insolvencies in Germany
in 2016, slowest decrease
since 2009

-3%

insolvencies
in France
in 2016





France

Keep patience

France is forecast to grow at +1.2% in 2015 and +1.5% in 2016. After 3 years of c. +0.4% p.a. on average, this is indeed an acceleration. Up to now, it has primarily been driven by consumption, which translates into retail sales rising +3.4% in July, and a strong fall in the number of insolvencies in the retail trade sector (-4%).

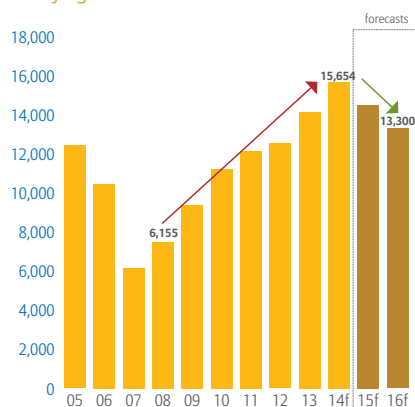
However, corporate investment is rising at a meagre +1.4% y-o-y whereas residential investment has fallen for 8 consecutive quarters and remains -18% below 2008 levels.

As such, the construction sector is one of the very few sectors that have not yet seen a decrease in the number of insolvencies (+0.2% in August). Residential investment should bottom out at the turn of the year but the positive impact on insolvencies will not be felt immediately.

At 31.1% (and even if they are still 2.4pp below the 2007 peak), corporate margins have picked up strongly from their 2014 lows thanks to lower oil prices and the CICE. In combination with a pick-up in turnovers' growth (+1.3% y-o-y in the manufacturing sector) and ample credit availability, corporate investment should accelerate in 2016.

Corporate insolvencies in Italy

Yearly figures



Sources: National figures, Euler Hermes forecasts



Italy

2015: First decrease

in insolvencies since 2007

The economic environment is finally becoming supportive for company turnovers, profitability and insolvencies which will decline by -8% in 2016 after -7% in 2015.

Following 3 years of recession, Italy will grow (at last), but will still remain the Eurozone's turtle (+0.7% in 2014 and +1.1% in 2015). Corporate investment should return to moderate positive growth in 2015, for the first time in 7 years. The increase in goods exports, improving domestic demand and easier financing conditions for firms continues to support investment in machinery and equipment which has been following a positive trend since Q4 2014.

However, the low speed of the recovery (at slightly above 1% on average in the medium-term) and the low inflation in the coming years (below 2%) will limit turnover growth. Profitability rates should improve by 1-2pp to 42% in the coming quarters in part thanks to low oil prices but will remain below the long term average of 45%.

The declining unemployment rate and a slight rise in households' purchasing power on the back of low inflation is now bolstering private consumption, which rose at a fast +3.5% clip in Q2. As such, insolvencies in the retail trade sector are now falling -25.5%, whereas they were still rising at the beginning of 2014.

Some of the current growth drivers should however fade in 2016 as the Euro and oil prices will not fall further. In addition, the elections scheduled for December 20th, could represent a risk: first, to investors' confidence, and then because public spending will probably contract post-elections. This will lead to a slowdown in the pace of insolvencies reduction to -10%. The number of insolvencies will remain four times above pre-crisis levels.



Ireland

Overachiever

In 2015, Ireland will experience its second consecutive year of above 5% growth. In line with these bright economic perspectives, business insolvencies continue to decline at a strong pace with -16% in 2015 and -10% in 2016.

Past competitiveness adjustments and the lower euro have helped exports grow quite strongly and triggered a recovery in investment. Turnovers are experiencing a positive trend and now stand 20% above 2008 levels as increasing volumes are compensating for the downside pressures on prices. Firms' margins (56.3% of the value added) benefitted from rising revenues but also from lower oil prices, and reached levels above the long term average of 55.5%. The improvement is most striking in the construction sector. While it accounted for 25% of the country's total insolvencies in 2013, this level has fallen to 17% in the first half of 2015. ■



Spain

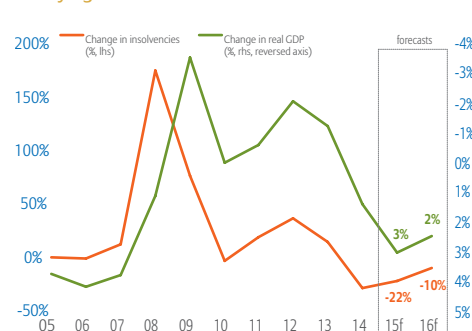
Brighter outlook for all sectors

Spain is currently the Eurozone's roaring engine of growth and insolvencies declined by -22% in 2015 while GDP growth reached +3%.

The recovery first rested upon exports (+6% y-o-y in Q2) and investment (+6.1%). Investment in construction has now expanded for 5 consecutive quarters leading to a fall in insolvencies in the construction sector of -37% over 1 year.

Corporate insolvencies in Spain

Yearly figures



Sources: National figures, Euler Hermes forecasts

ANNEX

Major insolvencies worldwide in Q1-Q3 2015*

SOURCE:
EULER HERMES

* A chronology (non exhaustive, in descending order) of the biggest insolvencies in terms of annual turnover identified by Euler Hermes in 2015 in the following countries: Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Ireland, Japan, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

| Date | Country | Company | Last known turnover (in EUR millions) | Activity |
|-----------|----------------|--|---------------------------------------|---|
| SEPTEMBER | United States | Quiksilver, Inc. | 1400 | Retail sale of textiles, clothing, footwear and leather goods |
| | Japan | Daiichi Chuo Kisen Kaisha | 1128 | Sea and coastal freight water transport |
| | United States | Samson Resources Corporation | 1052 | Extraction of crude petroleum |
| | United Kingdom | Imtech Uk Ltd | 645 | Construction of utility projects |
| | Germany | Heinz Kettler GmbH & Co. Kg | 194 | Manuf. of structural metal products |
| | Turkey | Yapkim Yavuzlar Plastik | 175 | Other specialised wholesale |
| | France | Sarl Central/Vet | 115 | Retail sale of textiles, clothing, footwear and leather goods |
| | Austria | Fmt Industrieholding GmbH | 114 | Installation of industrial machinery and equipment |
| | Spain | Construcciones Arranz Acinas Sa | 78 | Construction of residential and non-residential buildings |
| | Spain | Agrupaejido, Sa | 76 | Growing of non-perennial crops |
| | Turkey | Akbel Sut Ve Sut Urunleri | 66 | Manuf. of dairy products |
| | Austria | Norbert Schaller GmbH | 58 | Wholesale of other machinery, equipment and supplies |
| | Switzerland | Its Companys Ag | 50 | Retail sale of textiles, clothing, footwear and leather goods |
| | Japan | Kyowa Sangyo Co.,Ltd | 42 | Manuf. of basic chemicals, fertilisers, plastics and synthetic rubber |
| | Switzerland | Wta-X Travel Ag | 38 | Support activities for transportation |
| | South Africa | Chemical Specialities Ltd | 38 | Manuf. of other chemical products |
| AUGUST | Netherlands | Royal Imtech N.V. | 3898 | Financial service activities |
| | United States | Alpha Natural Resources, Inc. | 3848 | Mining of lignite |
| | Singapore | Tankoil Marine Services Pte Ltd | 1500 | Other specialised wholesale |
| | Brazil | Rede Eletrosom Ltda | 205 | Retail sale of other household equipment |
| | Canada | Magasin Laura (P.V.) Inc | 168 | Retail sale in non-specialised stores |
| | Turkey | Eyüboğlu | 148 | Manuf. of abrasive products and non-metallic mineral products n.e.c. |
| | Austria | Hb Austria | 87 | Wholesale of household goods |
| | Romania | Straco Grup Srl | 68 | Construction of roads and railways |
| | Poland | Service4 S.Z.O.O. | 65 | Freight transport by road and removal services |
| | China | Shenzhen Petrochemical Plastics Co., Ltd | 53 | Manuf. of basic chemicals, fertilisers, plastics and synthetic rubber |
| | Poland | Q9 S.Z.O.O. | 47 | Other specialised wholesale |
| | China | Shashi Hunan Construction Eng. Co., Ltd | 41 | Building completion and finishing |
| | Japan | World Stream Co.,Ltd | 39 | Travel agency and tour operator activities |
| | Ireland | Mothercare Ireland | 35 | Retail sale of textiles, clothing, footwear and leather goods |
| | Romania | Apolodor Com Impex Srl | 26 | Construction of other civil engineering projects |
| JULY | United States | Walter Energy, Inc. | 1260 | Mining of hard coal |
| | Italy | Oleificio Medio Piave S.P.A. | 210 | Manuf. of grain mill products, starches and starch products |
| | Russia | Skehnergija Ooo | 198 | Construction of residential and non-residential buildings |
| | Italy | Coopca | 145 | Retail sale in non-specialised stores |
| | Brazil | Guerra Sa Implementos Rodoviários | 90 | Manuf. of transport equipment n.e.c. |
| | Denmark | Andresen Towers A/S | 67 | Manuf. of structural metal products |
| | Sweden | Anero Invest Ab | 59 | Activities of head offices |
| | Bulgaria | Indgenio Eood | 56 | Wholesale of information and communication equipment |
| | Brazil | Royal Quimica Ltda | 49 | Manuf. of other chemical products |
| | Austria | Biso Schrattecker GmbH | 44 | Manuf. of agricultural and forestry machinery |
| | South Korea | Shin Pyeong Co., Ltd | 44 | Manuf. of basic iron and steel and of ferro-alloys |
| | Romania | Condماغ Sa | 39 | Other specialised construction activities |
| | Poland | Cempol S.Z.O.O. | 33 | Sale of motor vehicle parts and accessories |
| | Australia | Carmichael Builders Pty Ltd | 33 | Construction of residential and non-residential buildings |
| | Russia | Slavjanka Oao | 662 | Real estate activities on a fee or contract basis |
| JUNE | Russia | Gruppa E4 Oao | 420 | Electrical, plumbing and other construction installation activities |
| | Russia | Imperiya-Farma Zao | 326 | Wholesale of household goods |
| | Italy | Stefana S.P.A. | 293 | Manuf. of basic iron and steel and of ferro-alloys |
| | France | Nextiraone France | 250 | Repair of computers and communication equipment |
| | Japan | Kurita Shuppan Hanbai Co., Ltd | 244 | Publishing of books, periodicals and other publishing activities |
| | Portugal | Cofanor | 244 | Wholesale of household goods |
| | United Kingdom | Longcross Construction Ltd | 240 | Construction of residential and non-residential buildings |
| | France | Groupe Gerard Darel | 200 | Retail sale of textiles, clothing, footwear and leather goods |
| | Spain | O W Bunker Spain Sl | 153 | Wholesale on a fee or contract basis |
| | Netherlands | Oskomera Group B.V. | 152 | Construction of residential and non-residential buildings |
| | Turkey | Denizati Petrokimya Urunleri Yapi | 91 | Manuf. of refined petroleum products, chemicals and chemical products |
| | Turkey | Praktiker Yapi Marketleri | 81 | Retail sale of other household equipment |
| | China | Dewang Fluid (Suzhou) Co. Ltd | 73 | Manuf. of other fabricated metal products |
| | Turkey | Bulutoglu Gida | 70 | Event catering and other food service activities |
| | Brazil | Darom Moveis Ltda | 53 | Retail sale of other household equipment |
| | Ireland | Irish Pride Bakeries | 50 | Freight transport by road and removal services |
| MAY | Romania | Dafora Sa | 45 | Extraction of crude petroleum |
| | Poland | Biogenis S.Z.O.O. | 44 | Other specialised wholesale |
| | Japan | Jow Corporation | 39 | Construction of residential and non-residential buildings |
| | Austria | Success-Marketing | 35 | Wholesale of food, beverages and tobacco |
| | Sweden | Chilli Ab | 35 | Retail sale of other household equipment |
| | Austria | Etransa Expeditions Ag | 31 | Support activities for transportation |
| | Sweden | Game Stores Group Sweden Ab | 29 | Retail sale of information and communication equipment |
| | Russia | Ik Finansovaja Strategija Ooo | 1798 | Activities of holding companies |
| | United States | Corinthian Colleges, Inc. | 1400 | Higher education |
| | United States | Patriot Coal Corporation | 1300 | Mining of lignite |
| | Russia | Investstroj-15 Zao | 282 | Construction of residential and non-residential buildings |
| | Italy | Adriaoil S.P.A. | 235 | Other specialised wholesale |
| | Spain | O.W. Bunker Canary Islands S.A. | 188 | Other specialised wholesale |
| | China | Shenzhen Ruihua Construction Co., Ltd | 167 | Building completion and finishing |
| | France | Omnio France | 155 | Retail sale of non-food products (including fuel) |
| | Canada | Nelson Education Ltd | 128 | Retail sale in non-specialised stores |
| APRIL | Canada | Travelbrands Inc | 108 | Travel agency and tour operator activities |
| | Germany | Solar-Fabrik Aktiengesellschaft | 84 | Wholesale of other machinery, equipment and supplies |
| | China | Well Spring Paper Industry Co., Ltd | 81 | Manuf. of pulp, paper and paperboard |
| | Spain | Sa Hullera Vasco Leonesa | 78 | Mining of hard coal |
| | Spain | Española De Montajes Metalicos Sa | 68 | Electrical, plumbing and other construction installation activities |
| | China | Anhui Tec Tower Co.,Ltd | 65 | Manuf. of fabricated metal products, |
| | Slovakia | Bio Oil S.R.O. & Co., K.S. | 39 | Waste collection |
| | Denmark | Bodilsen Totalbyg A/S | 20 | Construction of residential and non-residential buildings |
| | Japan | Emori Group Holdings Co., Ltd | 1664 | Manuf. of basic chemicals, fertilisers, plastics and synthetic rubber |
| | Italy | M. Business S.R.L. | 493 | Retail sale in non-specialised stores |
| | Russia | Apk Akcept Ooo | 374 | Non-specialised wholesale trade |
| | United Kingdom | Robert Horne Group Ltd | 281 | Printing and service activities related to printing |
| | United Kingdom | The Paper Company Ltd | 272 | Printing and service activities related to printing |
| | Germany | Weserwind GmbH Offshore | 254 | Manuf. of structural metal products |
| | Spain | Transhotel | 247 | Travel agency and tour operator activities |
| | Canada | Armtec Infrastructure Inc | 239 | Manuf. of articles of concrete, cement and plaster |

| Date | Country | Company | Last known turnover (in EUR millions) | Activity |
|----------|----------------|--|---------------------------------------|--|
| APRIL | Russia | Belyj Veter Cifrovij Ooo | 227 | Retail sale of information and communication equipment |
| | Netherlands | Etam Group Retail B.V. | 218 | Retail sale of non-food products (including fuel) |
| | Bulgaria | Corporate Commercial Bank | 192 | Monetary intermediation |
| | United Kingdom | Tullis Russell Papermakers Ltd | 161 | Manuf. of pulp, paper and paperboard |
| | Netherlands | Aremzo B.V. | 121 | Other specialised wholesale |
| | United Kingdom | Howard Smith Paper Ltd | 118 | Printing and service activities related to printing |
| | Germany | Oil Trading Rostock Gmbh | 106 | Other specialised wholesale |
| | Germany | Wellmöbel Gmbh | 97 | Manuf. of furniture |
| | China | Leshan Electronic Tianwei Co., Ltd | 88 | Manuf. of electronic components and boards |
| | France | Soc Des Petroles Et Carburants Landais | 87 | Other specialised wholesale |
| | Spain | Esabe Vigilancia S.A. | 84 | Security systems service activities |
| | Australia | Stl Holdings | 82 | Renting and leasing of motor vehicles |
| | Germany | Rudolf Flender Gmbh & Co. | 80 | Manuf. of tubes, pipes, hollow profiles and related fittings, of steel |
| | Canada | Labrador Iron Mines Holdings Ltd | 65 | Mining of iron ores |
| | Austria | Papernet Gmbh | 46 | Other specialised wholesale |
| | Finland | Forssan Kirjapaino Oy | 36 | Printing and service activities related to printing |
| | China | Judger Group Co., Ltd | 33 | Manuf. of wearing apparel, except fur apparel |
| | United States | Chassis Inc | 1000 | Manufacture of plastics products |
| MARCH | Brazil | Galvao Engenharia S/A | 793 | Construction of other civil engineering projects |
| | Belgium | Kaai 12 | 641 | Other specialised wholesale |
| | Netherlands | Mexx Lifestyle B.V. | 453 | Retail sale of non-food products (including fuel) |
| | United Kingdom | Gb Building Solutions Ltd | 261 | Construction of residential and non-residential buildings |
| | Canada | Comark Inc | 243 | Retail sale in non-specialised stores |
| | Russia | Uk Stps Zao | 219 | Support services to forestry |
| | Italy | Pvb Fuels S.P.A. | 213 | Other specialised wholesale |
| | Germany | Adlw Abwicklungs Gmbh | 168 | Manuf. of tanks, reservoirs and containers of metal |
| | Belgium | Goemaere | 101 | Wholesale of food, beverages and tobacco |
| | Belgium | Belgo Metal | 88 | Manuf. of structural metal products |
| | Germany | Topaz Textilhandels Gmbh | 88 | Wholesale of household goods |
| | Sweden | Mobile Living (Koncern) | 76 | Sale of motor vehicles |
| | Poland | Hydrobudowa Gdańsk S.A. | 66 | Construction of other civil engineering projects |
| | Turkey | Cvs Makina Insaat | 65 | Manufacturing n.e.c. |
| | Finland | Tecnotree Oy | 64 | Computer programming, consultancy and related activities |
| | Poland | Nfc Polska North S.Z.O.O. | 55 | Manuf. of prepared animal feeds |
| | Sweden | Dannemora Mineral (Koncern) | 54 | Mining of iron ores |
| | Belgium | K.B.A. | 50 | Construction of residential and non-residential buildings |
| | Finland | Kvl-Tekniikka Oy | 50 | Demolition and site preparation |
| | Japan | Marruhon Industry Co., Ltd | 45 | Manuf. of other general-purpose machinery |
| | Norway | Scana Steel Stavanger As | 41 | Casting of metals |
| | Netherlands | Van Halteren Infra Beheer B.V. | 33 | Construction of other civil engineering projects |
| | Czech Republic | Inrex.Cz S.R.O. | 32 | Wholesale of information and communication equipment |
| | Netherlands | Sok Beheer B.V. | 30 | Electrical, plumbing and other construction installation activities |
| FEBRUARY | United States | Radioshack Corp | 3020 | Retail sale of information and communication equipment |
| | United States | Altegrity Inc | 1240 | Security systems service activities |
| | China | Xiake Color Spinning Co., Ltd | 316 | Manuf. of other textiles |
| | Turkey | Beyteks Tekstil | 268 | Preparation and spinning of textile fibres |
| | France | Moryglobal | 250 | Freight transport by road and removal services |
| | United Kingdom | Aylesford Newsprint Ltd | 179 | Manuf. of pulp, paper and paperboard |
| | Slovakia | Slovakia Steel Mills, A.S. | 169 | Manuf. of basic iron and steel and of ferro-alloys |
| | Italy | Rdb S.P.A. | 169 | Manuf. of articles of concrete, cement and plaster |
| | Italy | Cadla S.P.A. | 165 | Wholesale of food, beverages and tobacco |
| | France | Sas Aristophil | 165 | Retail trade not in stores, stalls or markets |
| | Italy | Sanac S.P.A. | 147 | Manuf. of refractory products |
| | Turkey | Denge Enternasyonel Ayakkabıcılık | 103 | Retail sale of textiles, clothing, footwear and leather goods |
| | Germany | Metz-Werke Gmbh & Co | 94 | Manuf. of consumer electronics |
| | Netherlands | Megagroup Holding B.V. | 79 | Wholesale of other machinery, equipment and supplies |
| | Spain | Assyce Fotovoltaica S.L. | 76 | Electrical, plumbing and other construction installation activities |
| | Poland | Skok Wołominie | 75 | Monetary intermediation |
| | Portugal | Mmcworld, S.A. | 70 | Wholesale on a fee or contract basis |
| | Bulgaria | Zora-Mes Eood | 66 | Processing and preserving of meat and production of meat products |
| | Norway | Technocean Subsea As | 62 | Support activities for petroleum |
| | Poland | Składywęglu.PI S.Z.O.O. | 60 | Other specialised wholesale |
| | Norway | Totaltek As | 45 | Electrical, plumbing and other |
| | Japan | Sk K.K. | 41 | Construction of residential and non-residential buildings |
| | Denmark | Mse A/S | 40 | Construction of roads and railways |
| JANUARY | United States | Caesars Entertainment Operating Co | 7527 | Hotels and similar accommodation |
| | Italy | Ilva S.P.A. | 6026 | Manuf. of basic iron and steel and of ferro-alloys |
| | Canada | Cliffs Quebec Mine De Fer Ulc | 970 | Mining of iron ores |
| | Canada | Target Canada Co. | 942 | Retail sale in non-specialised stores |
| | Japan | Skymark Airlines Inc. | 637 | Freight air transport and space transport |
| | Canada | Co-Op Atlantic | 456 | Retail sale of food, beverages and tobacco |
| | South Korea | Sts Semiconductor & Telecom. | 441 | Manuf. of other special-purpose machinery |
| | France | Air Mediterranee | 410 | Passenger air transport |
| | France | Groupe Gadol Optic 2000 | 300 | Other specialised wholesale |
| | France | Aim Groupe | 250 | Processing and preserving of meat and production of meat products |
| | Russia | Ic Ehnergo Ooo | 216 | Construction of residential and non-residential buildings |
| | South Korea | Wooyang Hc Co Ltd | 161 | Manuf. of tanks, reservoirs and containers of metal |
| | United Kingdom | Bank Fashion Ltd | 152 | Retail sale of textiles, clothing, footwear and leather goods |
| | Hong Kong | Dsc Holdings Limited | 140 | Retail sale of other household equipment |
| | Slovakia | Vamax - X, S.R.O. | 121 | Retail sale in non-specialised stores |
| | Canada | Gasfrac Energy Services Inc | 117 | Extraction of crude petroleum |
| | United Kingdom | West Coast Capital (Usc) Ltd | 100 | Retail sale of textiles, clothing, footwear and leather goods |
| | Germany | Mt-Energie Gmbh | 99 | Manuf. of other general-purpose machinery |
| | Netherlands | Source Food B.V. | 85 | Wholesale of agricultural raw materials and live animals |
| | Netherlands | Sr li B.V./Schoenenreus | 80 | Retail sale of non-food products (including fuel) |
| | South Korea | Yk038 Co., Ltd | 77 | Manuf. of wearing apparel, except fur apparel |
| | South Korea | Time Construction Co., Ltd | 76 | Construction of residential and non-residential buildings |
| | Romania | Succes Nic Com Srl | 74 | Retail sale of food, beverages and tobacco |
| | Belgium | G & G International | 63 | Manuf. of structural metal products |
| | Romania | Bio Fuel Energy Srl | 56 | Manuf. of basic chemicals, fertilisers, plastics and synthetic rubber |
| | Portugal | Socitrel | 48 | Mining of iron ores |
| | South Korea | Jsb Inc. | 48 | Other specialised construction activities |
| | South Korea | Wonil Co., Ltd | 37 | Construction of residential and non-residential buildings |
| | Belgium | Diam Source | 33 | Other specialised wholesale |



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