



P R E S S R E L E A S E

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## **Coface gives vote of confidence to UK at conference to promote safer trading**

The UK is becoming a better place to do business according to Coface, which is upgrading its country risk assessment in the light of positive economic indicators and payment experience in the UK. The experts in credit management and trading risk analysis announced the decision at their annual Country Risk Conference in London on Thursday 5 June 2014 although Coface warned that levels of private and public debt are still too high.

After placing a positive watch on the UK in April this year, Coface has now issued a new country risk assessment of A2<sup>1</sup>. Coface now forecasts UK economic growth of 2.7% in 2014 and 2.1% in 2015 and while much of this has been driven by consumer consumption, the company believes investment in manufacturing is reviving and this will provide a second engine for growth over the next two years. Coface also notes the Bank of England's effort to prevent a property bubble by ending the funding for lending for mortgage loans and refocusing the scheme on business finance.

Coface's Chief Economist, Yves Zlotowski, commented: "The UK recovery is broadening out and British corporates are getting stronger. The improvement of the UK's country risk is in line with a global rebalancing of risks in favour of advanced economies. After the upgrade of Ireland to A3 in January 2014 and of the USA to A1 in April 2014, this is the third positive change in the assessment of an important economy, which has been hurt by the crisis but is now seeing an improvement in UK corporates' ability to pay".

Coface UK & Ireland's Head of Risk Underwriting, Grant Williams, added: "We have seen a general downward trend in UK payment incidents and there are reasons for optimism. However, there is the traditional risk of overtrading during an economic recovery which can leave companies dangerously exposed, and we have already seen an increase in default rates for small businesses during the first quarter of 2014. For this reason, we would urge businesses not to allow their confidence to overcome their caution. Coface can work with companies to manage the risk of trading domestically and overseas with a range of services, including business information, credit insurance and debt collection."



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Coface UK & Ireland's annual Country Risk Conference was held at the British Library in central London. In addition to Yves Zlotowski and Grant Williams, other speakers at the morning event included:

- **Dr Robin Niblett, Director, Chatham House** looked at how Continental Europe is recovering from recession and the implications for trade.
- **Dr Andrew Sentance CBE, Senior Economic Adviser, PwC** considered whether the UK economic recovery is sustainable and assessed the influence of the financial services sector.
- **Sam Wilkin, Head of Business Research, Oxford Economics** examined the geopolitical trends and opportunities which are currently shaping global trade, including the repercussions of the Ukraine crisis.
- **Stephen Reitman, Automobile Equity Analyst, Société Générale** presented the key issues within the automotive sector, its impact on other industries and the significance of the Chinese market.

### ENDS

#### References

<sup>1</sup> Coface's A2 assessment is defined as: Good macroeconomic and financial outlook. Generally stable political context. Overall good business climate. The average probability of default is low.

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#### About Coface

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2013, the Group, supported by its 4,440 staff, posted a consolidated turnover of €1.440 billion. Present directly or indirectly in 97 countries, it secures transactions of over 37,000 companies in more than 200 countries. Each quarter, Coface publishes its assessments of country risk for 160 countries, based on its unique knowledge of companies' payment behaviour and on the expertise of its 350 underwriters located close to clients and their debtors.

In France, Coface manages export public guarantees on behalf of the French state.

Coface is a subsidiary of Natixis, corporate, investment management and specialized financial services arm of Groupe BPCE.

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In the **UK and Republic of Ireland** Coface has been a leading provider of [credit management services](#) since 1993 - its objective being to enable businesses to trade securely at home and overseas. Operating from offices in London, Dublin, Watford, Birmingham, Manchester and Cardiff allows Coface to provide a local service.



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The company's [credit insurance](#) offer integrates credit assessment, [collection services](#) and cover for unpaid debts. Multinational businesses can protect their worldwide subsidiaries through Coface's international network.

The company also provides access to domestic and international [business information](#) and a collection network at home and overseas. Coface is also a recognised operator in the London [political risk](#) market.

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