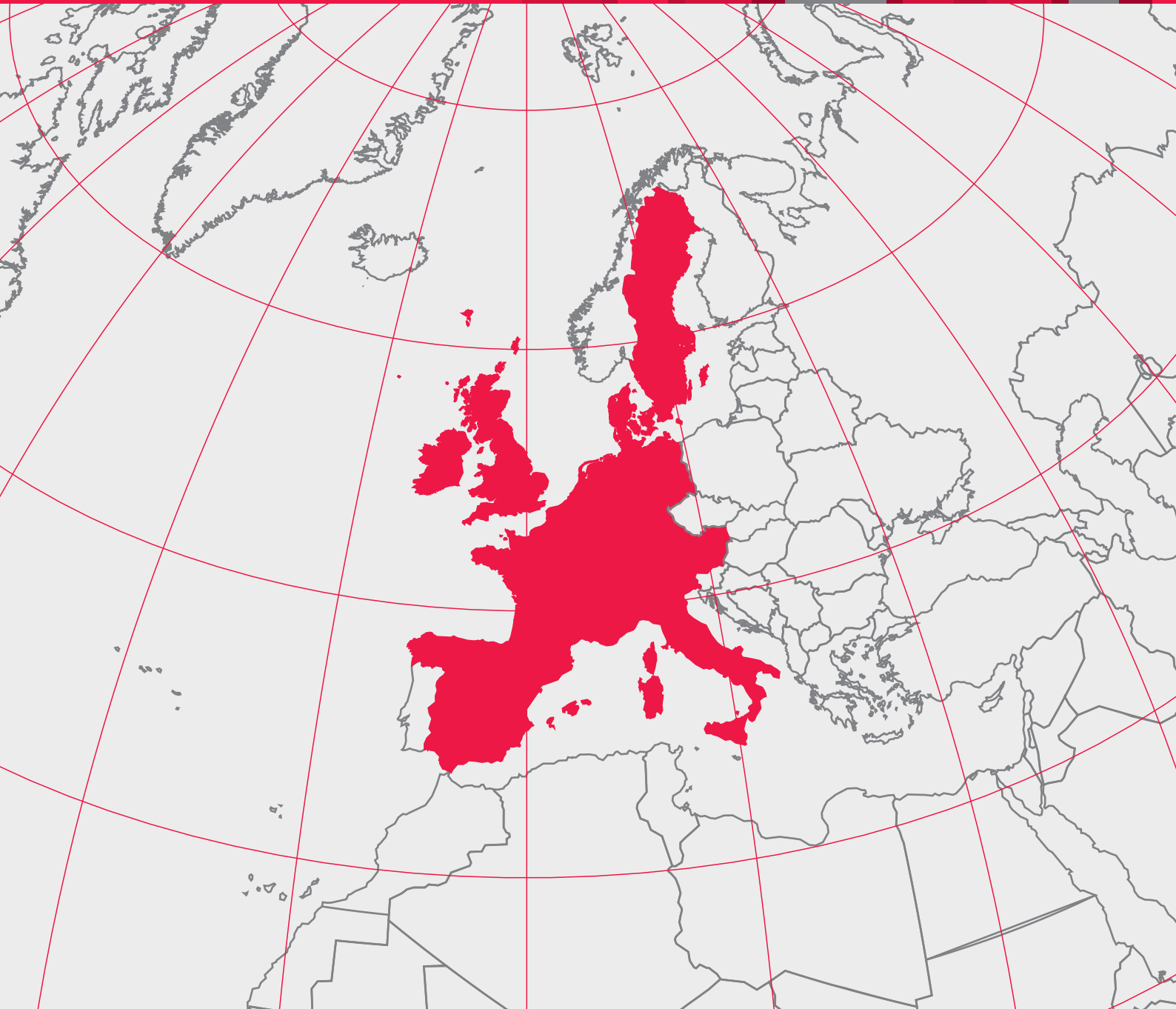


Atradius Country Report

Main Western European Markets - May 2016



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Austria

Main import sources (2014, % of total)	
Germany:	41.5 %
Italy:	6.4 %
Switzerland:	5.3 %
Czech Republic:	4.3 %
The Netherlands:	4.1 %

Main export markets (2014, % of total)	
Germany:	29.4 %
Italy:	6.3 %
USA:	5.6 %
Switzerland:	5.1 %
France:	4.8 %

Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	0.4	0.4	0.7	1.7	1.8
Consumer prices (y-on-y, % change)	2.0	0.6	0.9	1.2	1.6
Real private consumption (y-on-y, % change)	0.0	0.1	0.2	1.1	1.6
Retail sales (y-on-y, % change)	-0.6	-0.5	0.8	1.3	-0.1
Industrial production (y-on-y, % change)	0.7	-0.3	0.6	1.5	2.2
Unemployment rate (%)	7.6	8.4	9.1	8.8	8.5
Real fixed investment (y-on-y, % change)	-0.1	-0.1	0.4	2.3	2.2
Exports of goods and non-factor services (y-on-y, % change)	1.0	2.2	2.2	4.5	3.6
Fiscal balance (% of GDP)	-1.3	-2.6	-1.6	-2.0	-1.4
Government debt (% of GDP)	81.6	81.3	84.7	84.3	82.6

* forecast Source: IHS

Austrian industries performance forecast

May 2016



Excellent:
The credit risk situation in the sector is strong / business performance in the sector is strong compared to its long-term trend.



Good:
The credit risk situation in the sector is benign / business performance in the sector is above its long-term trend.



Fair:
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Bleak:
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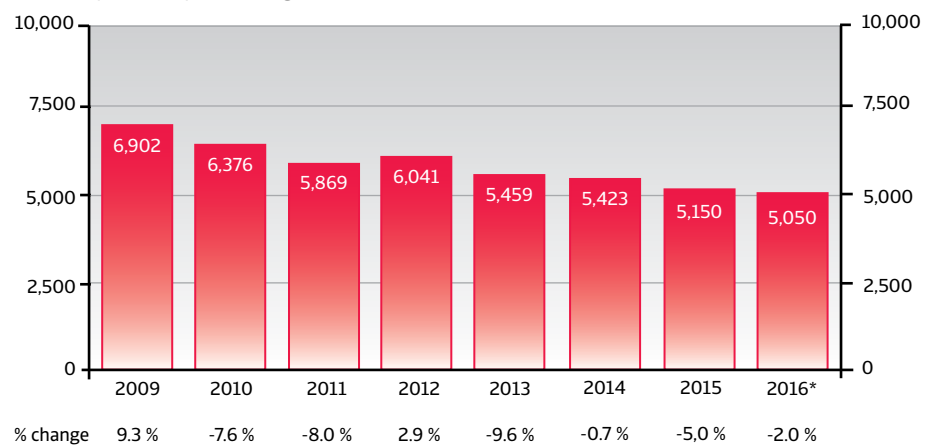
Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
Metals	Paper	Services	Steel	Textiles

The insolvency environment

Pace of corporate insolvency decrease expected to slow down in 2016

Austrian business insolvencies decreased by 5% in 2015. However, this positive trend is expected to slow down in 2016, with insolvencies forecast to decline just 2%.

Austrian business insolvencies (year-on-year change)

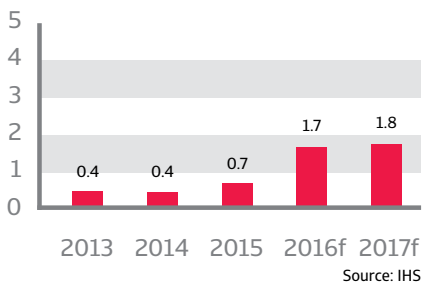


*forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

Real GDP growth (y-on-y, % change)

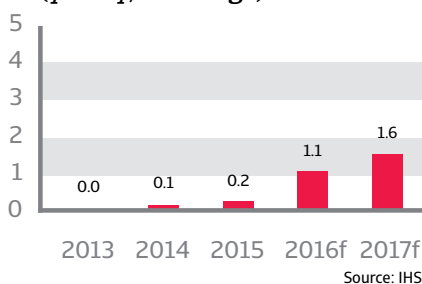


Higher growth expected in 2016

The Austrian economy recorded modest growth of 0.7% in 2015, sustained by rising investments and exports. With an increase of only 0.2%, private consumption growth remained subdued hampered by increased unemployment (9.1%) and lower wage growth.

In 2016, GDP growth is expected to accelerate to 1.7%, as domestic consumption is expected to pick up again. Private consumption is forecast to increase 1.1% due to an income tax reform in place since January 2016 and slightly decreasing unemployment. Investments are also expected to pick up this year.

Real private consumption (y-on-y, % change)



Belgium

Main import sources (2014, % of total)

The Netherlands:	20.1 %
Germany:	13.2 %
France:	10.3 %
USA:	7.4 %
United Kingdom:	4.9 %

Main export markets (2014, % of total)

Germany:	17.0 %
France:	16.0 %
The Netherlands:	12.0 %
United Kingdom:	8.5 %
USA:	5.5 %

Key indicators

	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	0.0	1.3	1.4	1.7	1.8
Consumer prices (y-on-y, % change)	1.1	0.3	0.6	1.3	1.7
Real private consumption (y-on-y, % change)	0.9	0.4	1.3	1.3	1.8
Retail sales (y-on-y, % change)	-0.1	0.0	-0.2	1.1	1.0
Industrial production (y-on-y, % change)	1.0	0.9	-0.1	1.9	1.9
Unemployment rate (%)	8.4	8.5	8.3	7.9	7.7
Real fixed investment (y-on-y, % change)	-1.7	7.0	2.0	0.1	3.0
Exports of goods and non-factor services (y-on-y, % change)	1.6	5.4	3.4	3.5	4.4
Fiscal balance (% of GDP)	-2.9	-3.2	-2.6	-2.0	-1.8
Government debt (% of GDP)	104.4	106.7	106.8	106.7	105.7

* forecast Source: IHS

Belgian industries performance forecast

May 2016



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Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/Engineering
Metals	Paper	Services	Steel	Textiles

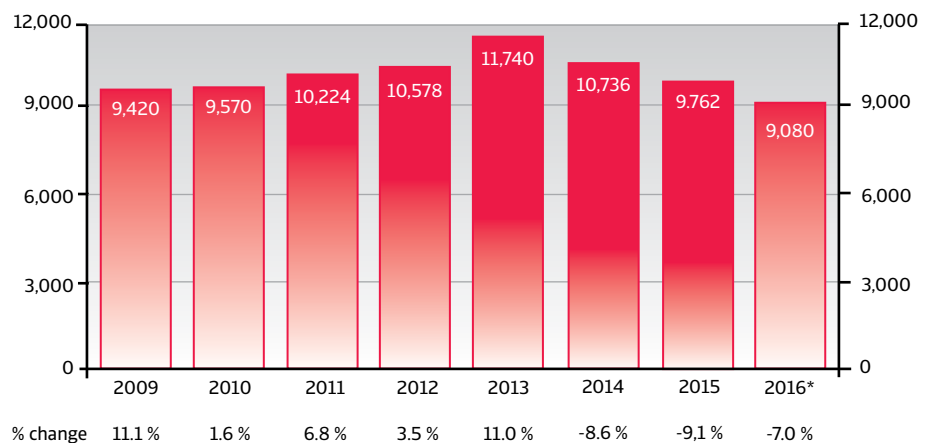
The insolvency environment

The level of corporate insolvencies remains high

Belgian corporate insolvencies recorded yearly increases in the years 2007-2013. In 2014 business failures started to decrease again, and these are expected to decline by 7% in 2016. With about 9,000 cases forecast, the number of insolvencies will still be higher than the levels seen before the start of the global credit crisis in 2008 (see chart below).

Belgian business insolvencies

(year-on-year change)

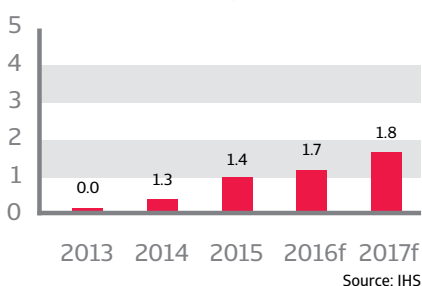


*forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

Real GDP growth (y-on-y, % change)

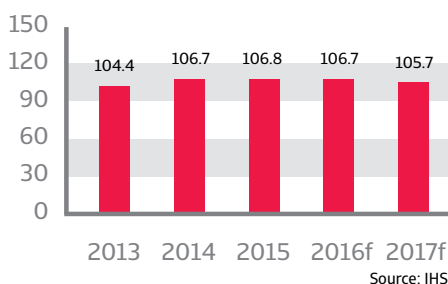


The slow rebound is set to continue in 2016

Belgian economic growth accelerated to 1.3% in 2014 after two years of weak performance, and this improvement continued in 2015, with 1.4% growth. In 2016 the economy is expected to increase 1.7%, with net exports contributing positively to Belgium's economic performance and industrial production increasing. As Belgium is an export-driven economy, its balance of trade should be structurally positive.

Private consumption growth is expected to remain subdued in 2015. While unemployment is forecast to decrease, household spending is expected to be restrained by the on-going fiscal consolidation and wage restraining measures. It is anticipated that consumer price inflation will accelerate slightly in 2016, and reach 1.3%.

Government debt (% of GDP)



The yearly fiscal deficit is expected to decrease further in 2016, supported by on-going austerity measures. However, public debt will remain one of the highest in the European Union in terms of government debt-to-GDP ratio.

Denmark

Main import sources (2014, % of total)	
Germany:	20.8 %
Sweden:	12.6 %
The Netherlands:	7.8 %
China:	7.1 %
Norway:	6.9 %

Main export markets (2014, % of total)	
Germany:	18.3 %
Sweden:	11.9 %
United Kingdom:	8.0 %
Norway:	6.9 %
USA:	6.8 %
















Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	-0.2	1.3	1.2	1.4	1.7
Consumer prices (y-on-y, % change)	0.8	0.6	0.5	0.7	1.7
Real private consumption (y-on-y, % change)	-0.1	0.5	2.1	1.3	1.7
Retail sales (y-on-y, % change)	-2.1	-0.4	0.9	1.2	0.4
Industrial production (y-on-y, % change)	0.4	0.9	1.0	1.7	1.7
Unemployment rate (%)	7.0	6.5	6.2	5.9	6.1
Real fixed investment (y-on-y, % change)	1.1	3.4	0.8	2.3	4.2
Exports of goods and non-factor services (y-on-y, % change)	0.9	3.1	-0.9	3.0	3.6
Fiscal balance (% of GDP)	-0.9	1.5	-2.4	-1.4	-1.0
Government debt (% of GDP)	45.1	44.6	43.0	43.9	43.1

* forecast Source: IHS

Danish industries performance forecast

May 2016

- 
Excellent:
 The credit risk situation in the sector is strong / business performance in the sector is strong compared to its long-term trend.
- 
Good:
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Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
				
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
				
Metals	Paper	Services	Steel	Textiles
				

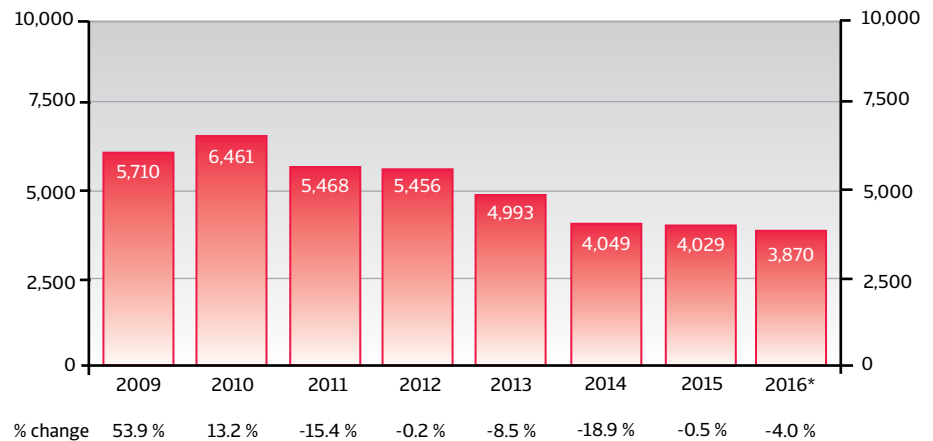
The insolvency environment

Corporate insolvencies expected to decrease again in 2016

Danish business insolvencies decreased sharply in 2013 and 2014, but this positive trend has slowed down since 2015. In 2016 a decrease of 4% is expected, bringing insolvency cases to around 3,900.

Danish business insolvencies

(year-on-year change)

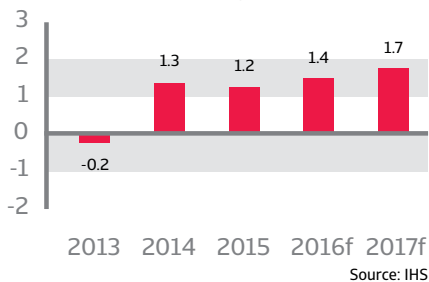


*forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

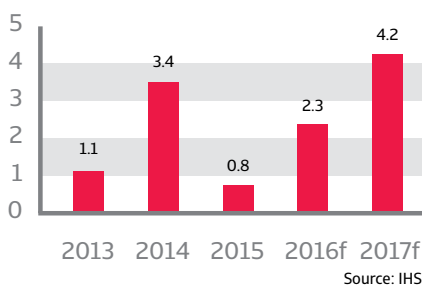
Real GDP growth (y-on-y, % change)



Exports and investment expected to pick up

The Danish economy is expected to grow 1.4% in 2016 spurred by improved investment and growing exports. Externally, the Danish economy has regained some of its international competitiveness due to structural reforms that addressed the issue of high labour costs. Avoiding a major appreciation of the krone against the euro helps Danish firms remain competitive in their eurozone export destinations. Danish exporters will also benefit from rising demand as a result of a devalued euro. However, private consumption growth will remain subdued in 2016.

Real fixed investment (y-on-y, % change)



France

Main import sources (2014, % of total)	
Germany:	19.6 %
Belgium:	11.2 %
Italy:	7.7 %
The Netherlands:	7.6 %
Spain:	6.6 %

Main export markets (2014, % of total)	
Germany:	16.9 %
Belgium:	7.5 %
Italy:	7.3 %
Spain:	7.3 %
United Kingdom:	7.2 %
















Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	0.7	0.2	1.1	1.3	1.4
Consumer prices (y-on-y, % change)	0.9	0.5	0.0	0.4	1.4
Real private consumption (y-on-y, % change)	0.5	0.7	1.4	0.9	1.5
Retail sales (y-on-y, % change)	0.2	0.8	2.8	2.5	1.7
Industrial production (y-on-y, % change)	-0.5	-1.1	1.3	1.5	1.8
Unemployment rate (%)	10.3	10.3	10.3	10.2	9.6
Real fixed investment (y-on-y, % change)	-0.4	-1.2	-0.2	1.4	2.6
Exports of goods and non-factor services (y-on-y, % change)	1.8	2.4	6.1	2.5	3.1
Fiscal balance (% of GDP)	-4.1	-4.0	-3.7	-3.5	-3.2
Government debt (% of GDP)	93.5	95.0	96.1	96.8	95.1

* forecast Source: IHS

French industries performance forecast

May 2016

- 
Excellent:
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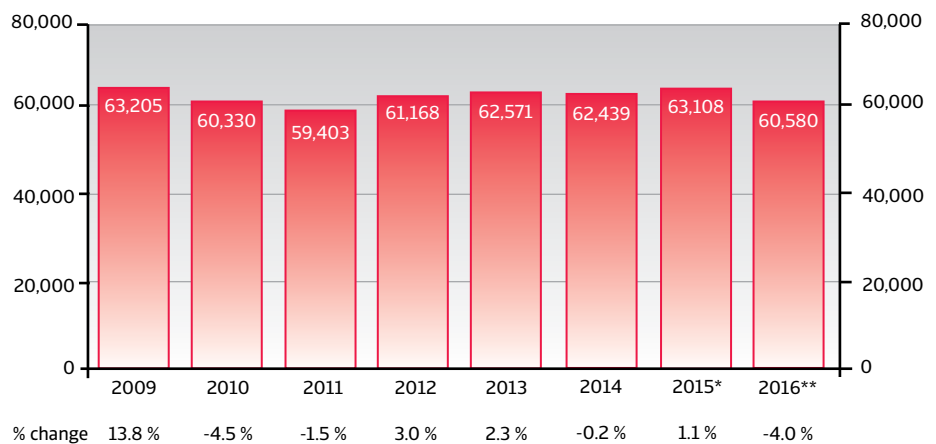
Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
				
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
				
Metals	Paper	Services	Steel	Textiles
				

The insolvency environment

Only a modest decrease in insolvencies expected in 2016

French business insolvencies increased again in 2015. According to the French Central Bank, business failures of very small businesses increased 2.1%, while mid-sized and larger companies registered decreases (5.8% and 16.4% respectively). In light of the modest economic rebound expected in 2016, business failures are expected to decrease 4%. However, with more than 60,000 cases expected, the number of business insolvencies would still be about 10% higher than in 2008.

French business insolvencies (year-on-year change)

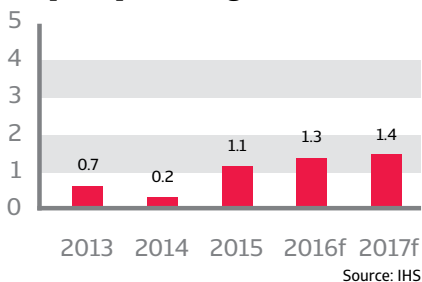


*estimate **forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

Real GDP growth (y-on-y, % change)

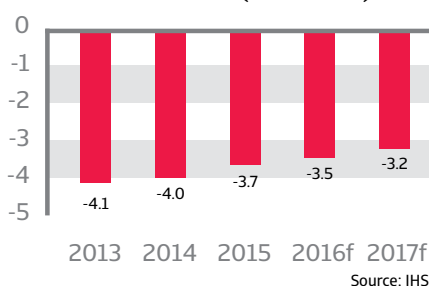


Growth expected to remain below eurozone average

After several years of feeble GDP increases below 1%, in 2016 the French economy is expected to grow 1.1% as private consumption, manufacturing and exports improve. However, this growth rate remains below the eurozone average of 1.5%.

In 2016 economic growth is expected to increase 1.4%, driven by a rebound in investment and industrial production. However, productivity remains an issue in the French manufacturing sector. Private consumption, traditionally a major contributor to French economic growth is sustained by persistent low energy prices. At the same time, the high unemployment rate of more than 10% still hampers household consumption expansion.

Fiscal balance (% of GDP)



The 2008 credit crisis, subsequent government stimulus measures, and France's only modest recovery have led to a sharp increase in public debt in recent years, up to 96% of GDP in 2015 from 66.7% of GDP in 2008. The French government has repeatedly missed meeting the Maastricht deficit threshold of 3% of GDP. Despite some austerity programmes, more measures to curb public spending are required, as public spending in France is the highest in the eurozone.

Germany

Main import sources (2014, % of total)	
The Netherlands:	13.8 %
France:	8.0 %
China:	6.6 %
Belgium:	6.3 %
Italy:	5.4 %

Main export markets (2014, % of total)	
France:	9.6 %
USA:	7.9 %
United Kingdom:	6.9 %
The Netherlands:	6.9 %
China:	5.8 %
















Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	0.4	1.6	1.7	1.9	2.0
Consumer prices (y-on-y, % change)	1.5	0.9	0.2	0.6	1.7
Real private consumption (y-on-y, % change)	0.8	1.0	1.9	2.1	1.8
Retail sales (y-on-y, % change)	0.2	0.9	2.6	1.7	0.1
Industrial production (y-on-y, % change)	0.1	1.5	0.5	2.2	1.9
Unemployment rate (%)	6.9	6.7	6.4	6.2	6.5
Real fixed investment (y-on-y, % change)	-1.3	3.5	1.7	4.1	3.0
Exports of goods and non-factor services (y-on-y, % change)	1.8	3.9	4.8	2.1	3.6
Fiscal balance (% of GDP)	-0.1	0.3	0.6	0.1	0.1
Government debt (% of GDP)	77.4	74.9	71.0	68.0	66.4

* forecast Source: IHS

German industries performance forecast

May 2016

- 
Excellent:
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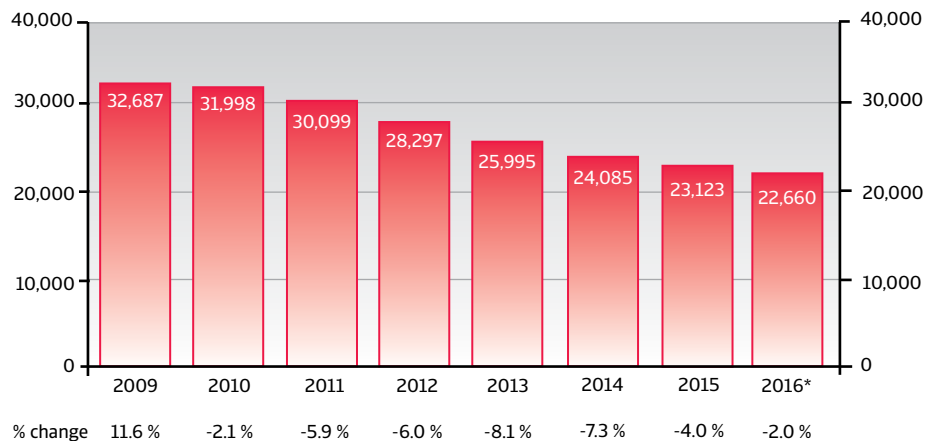
Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
				
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
				
Metals	Paper	Services	Steel	Textiles
				

The insolvency environment

Pace of decrease in insolvencies expected to slow down in 2016

As a consequence of Germany's robust economic performance since 2010, the number of business failures decreased annually. In 2015 business failures decreased by 4.0%, to 23,123 cases. In 2016 it is expected that the annual decrease will slow down to 2%.

German business insolvencies (year-on-year change)

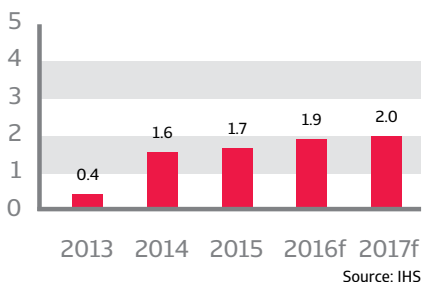


*forecast

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Economic situation

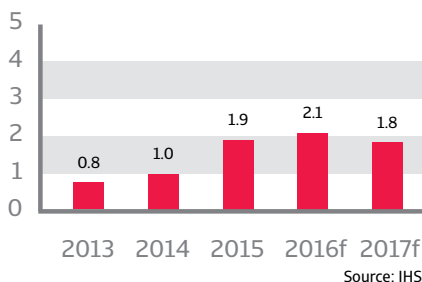
Real GDP growth (y-on-y, % change)



Private consumption remains a key driver of growth in 2016

The German economy recorded a solid growth rate of 1.7% in 2015. In contrast to previous years, when economic growth was mainly driven by exports, household consumption became a key driver in 2015, increasing 1.9%. This trend is expected to continue in 2016 with household consumption expected to increase 1.9%, still driven by low oil prices, rising wages and a further decrease in unemployment.

Real private consumption (y-on-y, % change)



At the same time, government expenditures are forecast to increase, especially for the sharply increased number of migrants. While business investment and industrial production are expected to record higher growth rates than in 2015, export performance will be affected by a more sluggish global demand. Overall, a GDP increase of 1.9% is expected in 2016.

The federal government has achieved slight budget surpluses since 2014, largely due to higher tax revenues and lower government transfer payments for unemployment. In 2016 and 2017 the budget surplus is expected to decrease again due to increased expenses in order to cope with the high number of migrants.

Ireland

Main import sources (2014, % of total)	
United Kingdom:	49.1 %
USA:	11.1 %
Germany:	8.6 %
The Netherlands:	6.2 %
China:	4.2 %

Main export markets (2014, % of total)	
USA:	22.6 %
United Kingdom:	15.3 %
Belgium:	13.5 %
Germany:	6.5 %
Switzerland:	6.0 %

Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	1.4	5.2	6.8	4.3	3.3
Consumer prices (y-on-y, % change)	0.5	0.2	-0.3	0.6	1.5
Real private consumption (y-on-y, % change)	-0.3	2.0	3.2	3.1	3.0
Retail sales (y-on-y, % change)	-0.6	3.9	5.4	7.5	2.7
Industrial production (y-on-y, % change)	-2.6	21.0	17.3	3.1	1.4
Unemployment rate (%)	13.1	11.3	9.4	8.0	7.2
Real fixed investment (y-on-y, % change)	-6.2	14.1	25.9	5.2	1.9
Exports of goods and non-factor services (y-on-y, % change)	2.5	12.1	12.3	3.6	3.2
Fiscal balance (% of GDP)	-5.7	-4.0	-1.6	-0.9	-0.3
Government debt (% of GDP)	121.4	110.6	97.4	89.6	85.4

* forecast Source: IHS

Irish industries performance forecast

May 2016



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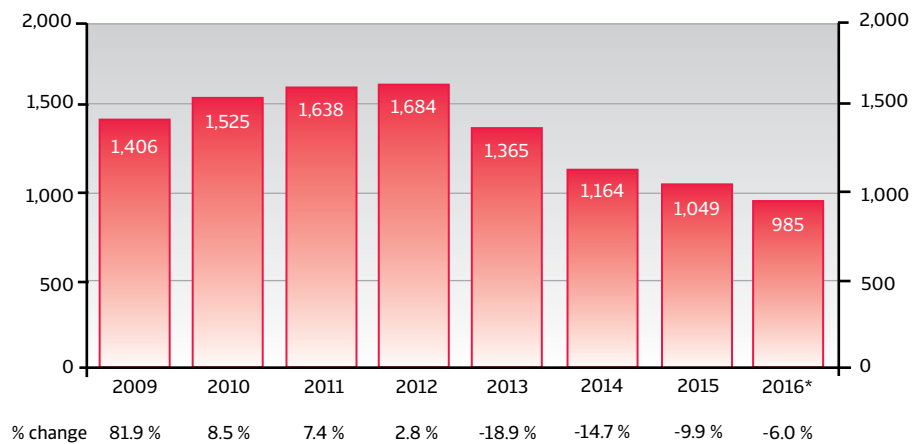
Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
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Metals	Paper	Services	Steel	Textiles

The insolvency environment

Decrease in corporate insolvencies continues

After six years of increases, Irish business insolvencies finally started to decline in 2013. This trend is expected to continue in 2016 as economic growth is forecast to remain robust.

Irish business insolvencies (year-on-year change)

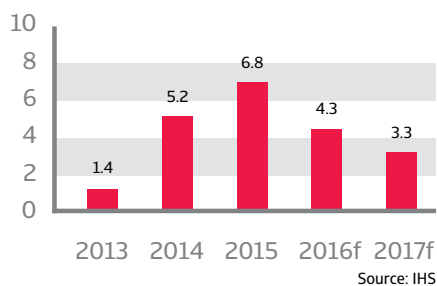


*forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

Real GDP growth (y-on-y, % change)

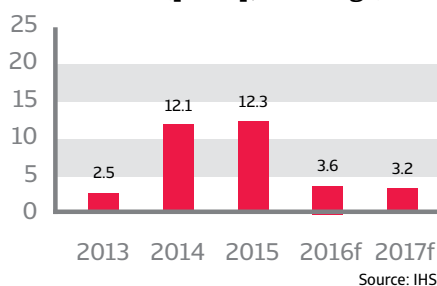


Growth slows down, but remains robust

The Irish economy grew 5.2% in 2014 and 6.8% in 2015 – a particularly strong performance compared to the rest of the eurozone. The rebound was mainly due to a sharp increase in exports of goods and services, triggered by a reduction in wages, but also because of a drop in domestic demand for imports. Investments also recorded a major surge.

In 2016 the economic rebound is expected to continue, although at a slower pace (up 4.3%). Investments and exports continue to rise, while private consumption is expected to grow again above 3%. Unemployment continues to decrease, to an expected rate of 8% in 2016.

Exports of goods and non-factor services (y-on-y, % change)



International investors seem to appreciate the efforts of the government to reduce the public deficit and have regained new trust in the (long-term) sustainability of public finances.

Italy

Main import sources (2014, % of total)	
Germany:	15.6 %
France:	8.8 %
China:	7.2 %
The Netherlands:	5.6 %
Spain:	4.9 %

Main export markets (2014, % of total)	
Germany:	12.9 %
France:	10.8 %
USA:	7.7 %
United Kingdom:	5.4 %
Switzerland:	4.9 %

Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	-1.8	-0.4	0.6	0.9	1.0
Consumer prices (y-on-y, % change)	1.2	0.2	0.0	0.3	1.4
Real private consumption (y-on-y, % change)	-2.6	0.4	0.9	1.1	1.0
Retail sales (y-on-y, % change)	-3.3	-1.4	0.7	0.7	0.8
Industrial production (y-on-y, % change)	-3.1	-0.5	0.8	1.6	1.5
Unemployment rate (%)	12.1	12.6	11.9	10.9	10.3
Real fixed investment (y-on-y, % change)	-6.6	-3.4	0.5	0.6	1.7
Exports of goods and non-factor services (y-on-y, % change)	1.0	2.8	3.9	1.6	2.4
Fiscal balance (% of GDP)	-3.0	-3.0	-2.6	-2.6	-2.3
Government debt (% of GDP)	128.4	132.5	134.2	133.2	132.8

* forecast Source: IHS

Italy industries performance forecast

May 2016



Excellent:
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Good:
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Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
Metals	Paper	Services	Steel	Textiles

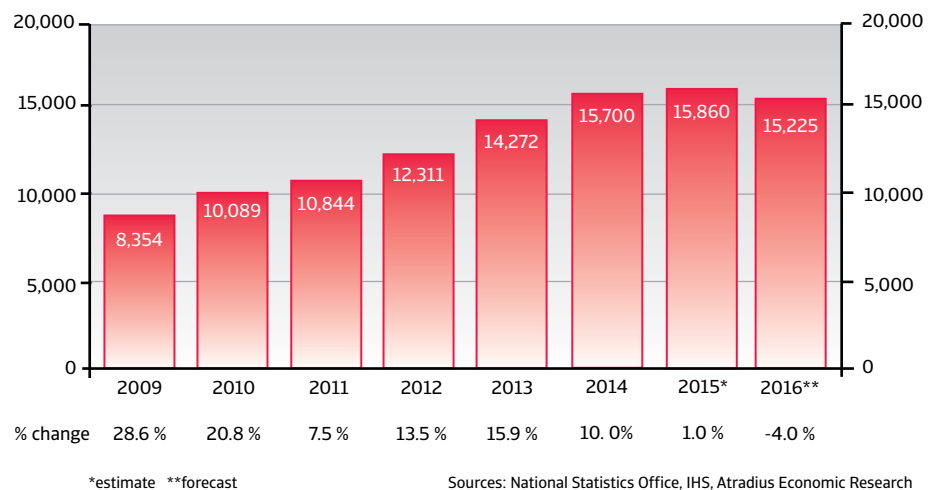
The insolvency environment

Only a modest insolvency decrease in 2016 after years of steady increases

In line with Italy's weak economic performance over the past years, corporate insolvencies have registered annual increases since 2008, up to nearly 16,000 cases in 2015. In 2016 a slight decrease is expected, in line with a modest economic rebound.

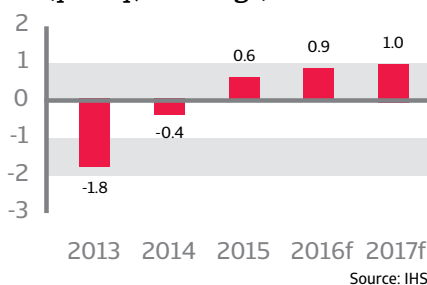
Liquidity problems of Italian businesses are exacerbated by continuing poor payment behaviour, especially by the public sector. Moreover, Italian companies compared to their Western European counterparts, show a higher average gearing – especially short-term gearing. Many businesses suffer from the still restrictive loan policies of many banks.

Italian business insolvencies (year-on-year change)



Economic situation

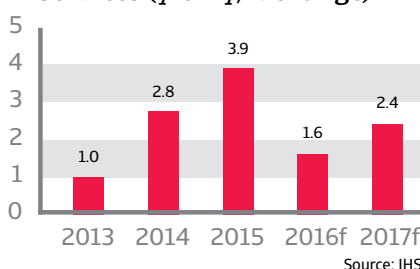
Real GDP growth (y-on-y, % change)



A modest rebound is underway

After yearly contractions recorded in the years 2012-2014, the Italian economy experienced a modest rebound of 0.6% in 2015. In 2016 GDP is expected to increase 0.9%. Domestic demand is expected to stabilise further in 2016 as investments slowly pick up and growth in household consumption accelerates to a forecast 1.1%. However, despite a decrease in 2015, this year the unemployment level is forecast to remain stubbornly high, at 10.9%.

Exports of goods and non-factor services (y-on-y, % change)



Export growth is expected to slow down in 2016. Italy has lost nearly 20% of its share in its export markets over the last couple of years – particularly in 3.Euro-
pean markets. That said, Italy's productivity is expected to recover further. The Italian banking sector remains under pressure, and, in particular, loan provisions to smaller businesses remain constrained.

Despite some efforts for fiscal consolidation, the government debt-to-GDP ratio remains high, at more than 130%. In order to decrease the debt ratio substantially a nominal annual growth rate of 3% would be required.

The Netherlands

Main import sources (2014, % of total)	
Germany:	14.6 %
China:	13.0 %
Belgium:	8.5 %
USA:	6.8 %
United Kingdom:	6.1 %

Main export markets (2014, % of total)	
Germany:	25.3 %
Belgium:	12.9 %
United Kingdom:	8.9 %
France:	8.6 %
Italy:	4.3 %

Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	-0.4	1.0	1.9	1.4	2.1
Consumer prices (y-on-y, % change)	2.5	1.0	0.6	1.0	2.0
Real private consumption (y-on-y, % change)	-1.4	0.0	1.6	1.3	2.0
Retail sales (y-on-y, % change)	-4.5	-0.5	0.8	1.0	0.3
Industrial production (y-on-y, % change)	0.5	-2.9	-4.2	1.1	2.4
Unemployment rate (%)	9.0	9.0	8.6	7.4	6.9
Real fixed investment (y-on-y, % change)	-4.5	3.5	10.3	4.6	1.5
Exports of goods and non-factor services (y-on-y, % change)	2.4	4.0	4.2	3.8	5.0
Fiscal balance (% of GDP)	-2.4	-2.2	-2.0	-1.6	-1.2
Government debt (% of GDP)	68.6	68.8	65.1	63.9	60.1

* forecast Source: IHS

Dutch industries performance forecast

May 2016



Excellent:
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Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/Engineering
Metals	Paper	Services	Steel	Textiles

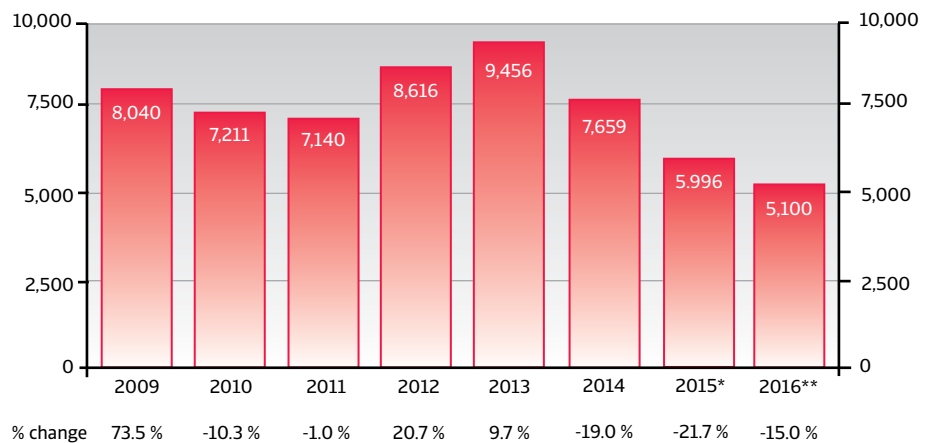
The insolvency environment

Corporate insolvencies expected to decrease further in 2016

The economic slowdown in 2012 and 2013 triggered sharp increases in business insolvencies. Due to the economic rebound since 2014 business failures started to decrease again, and are expected to decline further in 2016, to about 5,100 cases. However, this figure is still higher than in 2008, the year the global credit crisis started.

Dutch business insolvencies

(year-on-year change)

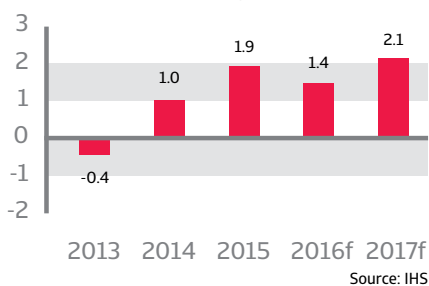


*estimate **forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

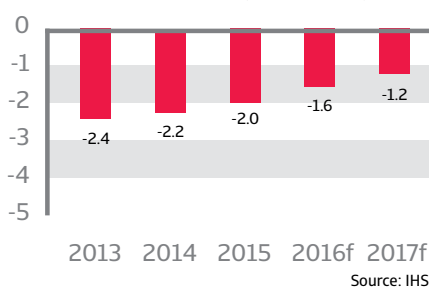
Real GDP growth (y-on-y, % change)



The rebound is expected to continue in 2016

The rebound of the Dutch economy is expected to continue in 2016, although at a lower level than in 2015 (up 1.4%). The economy continues to benefit from lower oil prices, which offer relief to both consumers and businesses. Private consumption is expected to grow further in 2016 (up 1.3%), as households' purchasing power increases, due to the delayed impact of a EUR 5 billion package of tax relief, low inflation and increasing real wages. Additionally, unemployment is expected to decrease below 7.5%. Dutch GDP growth is also sustained by surging investment and a rebound in industrial production. Exports are forecast to increase too, but at a lower level than in 2015.

Fiscal balance (% of GDP)



The Dutch government passed a number of austerity measures to trim the budget deficit. These aim to cut expenses by reducing spending on healthcare and social security benefits as well as to increase government earnings. It is expected that the budget deficit will remain below the 3% Maastricht threshold in 2016 and 2017, and that government debt will continue to decrease.

Spain

Main import sources (2014, % of total)	
Germany:	13.4 %
France:	11.9 %
Italy:	6.2 %
China:	6.1 %
The Netherlands:	4.8 %

Main export markets (2014, % of total)	
France:	16.5 %
Germany:	10.9 %
Portugal:	7.8 %
Italy:	7.4 %
United Kingdom:	7.2 %

Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	-1.7	1.4	3.2	2.7	2.4
Consumer prices (y-on-y, % change)	1.4	-0.1	-0.5	0.1	1.4
Real private consumption (y-on-y, % change)	-3.1	1.2	3.1	3.1	2.3
Retail sales (y-on-y, % change)	-3.8	0.6	2.2	2.6	1.9
Industrial production (y-on-y, % change)	-1.6	1.2	3.2	2.1	1.9
Unemployment rate (%)	26.1	24.5	22.1	19.9	18.9
Real fixed investment (y-on-y, % change)	-2.5	3.5	6.4	3.5	2.6
Exports of goods and non-factor services (y-on-y, % change)	4.3	5.1	5.4	4.9	4.8
Fiscal balance (% of GDP)	-7.0	-5.9	-4.8	-3.3	-3.0
Government debt (% of GDP)	92.3	97.5	98.2	99.0	97.7

* forecast Source: IHS

Spanish industries performance forecast

May 2016



Excellent:
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Metals	Paper	Services	Steel	Textiles

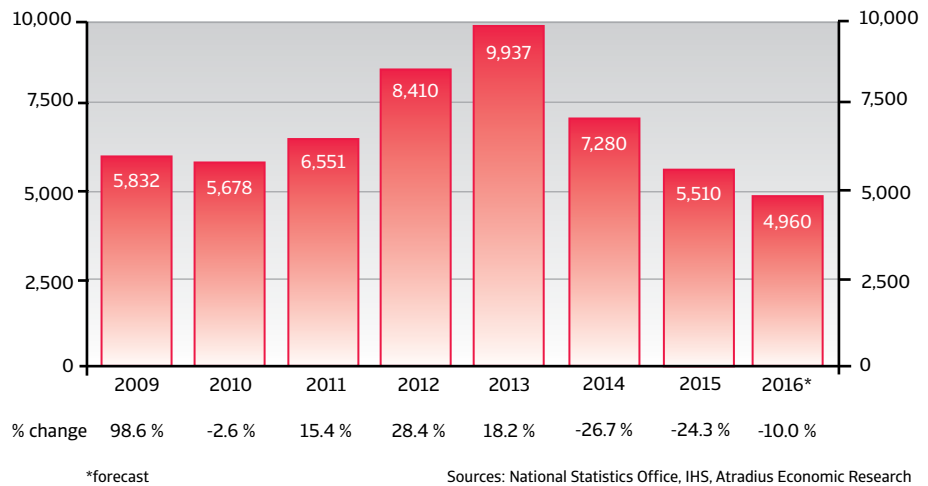
The insolvency environment

Another insolvency improvement expected in 2016, but figures remain high

Corporate defaults have closely reflected economic conditions, with high year-on-year increases seen in 2012 and 2013. This was mainly a consequence of the drop in internal demand and generally high pressure on businesses' liquidity because of their limited options for external financing.

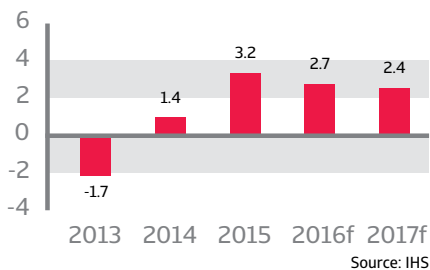
However, with the economic rebound since 2014 insolvencies started to fall again, and this positive trend is expected to continue, with business failures forecast to decrease 10% in 2016. This would still leave business insolvencies at a high level of about 5,000 cases, not yet fully recovered from the increases since 2008, when about 3,000 cases were recorded.

Spanish business insolvencies (year-on-year change)



Economic situation

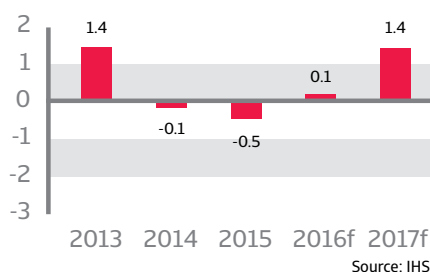
Real GDP growth (% change on previous year)



The economic recovery gains momentum

Spain's economic rebound gained momentum in 2015, with GDP increasing by more than 3%. In 2016 economic growth of 2.7% is expected as household consumption remains robust and unemployment continues to decrease. Both real fixed investment and industrial production are expected to continue to grow and export growth to remain robust in 2016. Spain's international competitiveness is improving and its export sector is relatively healthy and competitive.

Consumer prices (y-on-y, % change)



Spanish consumer prices decreased in 2014 and 2015, a worrying trend because, as prices fell, it became harder for Spanish debtors to service their debts fixed in nominal terms. Another issue is that deflation tends to suppress demand, as consumers have an incentive to delay purchases and consumption until prices fall further. However, the European Central Bank has repeatedly taken robust measures to avoid a vicious circle of deflation in the eurozone. Consumer prices are expected to increase again in 2016.

Public debt is expected to peak at 99% of GDP in 2016 while the fiscal deficit is forecast to continue to decrease in the coming years. In 2016 a fiscal deficit of 3.3% is predicted, followed by a reduction to 3.0% of GDP in 2017.

Sweden

Main import sources (2014, % of total)	
Germany:	17.4 %
Norway:	7.9 %
The Netherlands:	7.7 %
Denmark:	7.3 %
United Kingdom:	6.2 %

Main export markets (2014, % of total)	
Norway:	10.7 %
Germany:	10.2 %
United Kingdom:	7.3 %
Finland:	7.1 %
Denmark:	7.0 %
















Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	1.2	2.4	3.8	2.9	2.2
Consumer prices (y-on-y, % change)	0.0	-0.2	0.0	0.7	1.7
Real private consumption (y-on-y, % change)	1.9	2.3	2.5	2.1	1.9
Retail sales (y-on-y, % change)	2.2	3.0	5.9	3.6	1.7
Industrial production (y-on-y, % change)	-4.7	-1.7	2.0	2.0	2.3
Unemployment rate (%)	8.0	7.9	7.4	6.7	6.4
Real fixed investment (y-on-y, % change)	0.6	7.6	6.9	4.4	2.8
Exports of goods and non-factor services (y-on-y, % change)	-0.8	3.7	5.6	4.8	3.5
Fiscal balance (% of GDP)	-1.4	-1.7	-0.8	-0.4	0.0
Government debt (% of GDP)	39.8	41.4	43.0	42.1	41.5

* forecast Source: IHS

Swedish industries performance forecast

May 2016

- 
Excellent:
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- 
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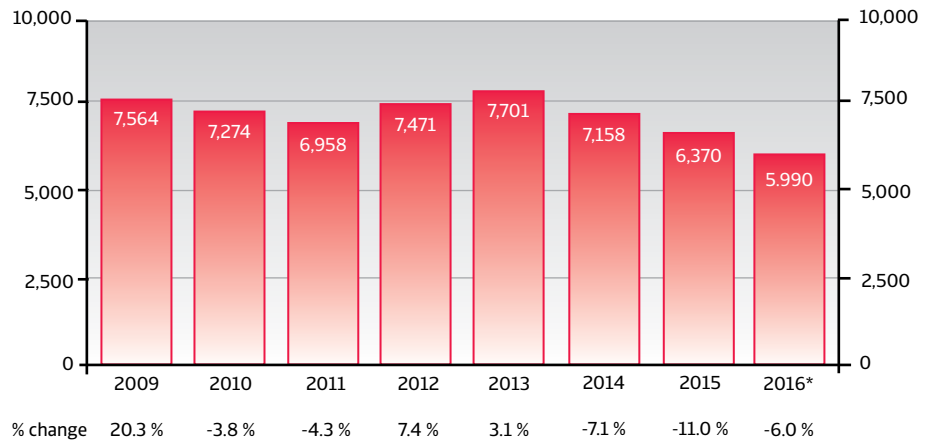
Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
				
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
				
Metals	Paper	Services	Steel	Textiles
				

The insolvency environment

Insolvency decreases since 2014

After two years of increases, Swedish business insolvencies finally started to decrease again in 2014 and 2015. It is expected that this improvement will continue in 2016, although at a slower pace of 6%, reaching roughly 6,000 cases.

Swedish business insolvencies
(year-on-year change)

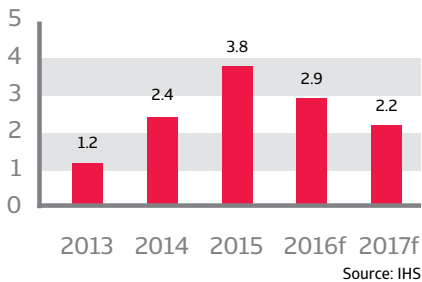


*forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

Real GDP growth
(y-on-y, % change)

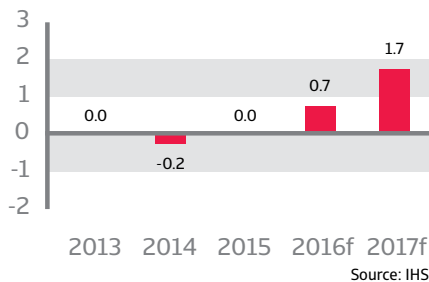


Robust growth and negative interest rates to combat deflation

The Swedish economy is forecast to grow by 2.9% in 2016 after a GDP increase of 3.8% in 2015. Supported by low interest rates, both household consumption and investment growth are expected to continue, although at a lower rate than in 2015.

The main problem Sweden was facing in 2015 was deflation, which was intensified by the appreciation of the krona relative to the euro, which accelerated deflation and made exports more expensive and thus less competitive. In order to combat deflation and to weaken the currency, the Swedish Central Bank has repeatedly lowered the repo rate since July 2014, finally to -0.5% in February 2016. This latest decrease was seen as a pre-emptive move ahead of the further easing by the European Central Bank. Inflation picked up again in early 2016 and is expected to increase 0.7%.

Consumer prices
(y-on-y, % change)



Switzerland

Main import sources (2014, % of total)

Germany:	28.0 %
Italy:	9.7 %
France:	8.1 %
USA:	6.6 %
China:	6.5 %

Main export markets (2014, % of total)

Germany:	18.3 %
USA:	13.0 %
France:	7.3 %
Italy:	6.6 %
United Kingdom:	6.0 %

Key indicators

	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	1.8	1.9	0.9	1.2	1.3
Consumer prices (y-on-y, % change)	-0.2	0.0	-1.1	-0.5	0.1
Real private consumption (y-on-y, % change)	2.2	1.3	1.0	1.1	1.5
Retail sales (y-on-y, % change)	0.9	0.1	-1.9	0.6	1.0
Industrial production (y-on-y, % change)	0.9	1.4	-2.8	1.0	2.5
Unemployment rate (%)	3.2	3.2	3.3	3.5	3.6
Real fixed investment (y-on-y, % change)	1.3	2.1	1.4	1.2	2.2
Exports of goods and non-factor services (y-on-y, % change)	1.1	3.5	0.2	3.9	3.3
Fiscal balance (% of GDP)	0.1	0.2	-0.1	-0.4	-0.4
Government debt (% of GDP)	35.3	36.3	36.9	36.4	36.0

* forecast Source: IHS

Swiss industries performance forecast

May 2016



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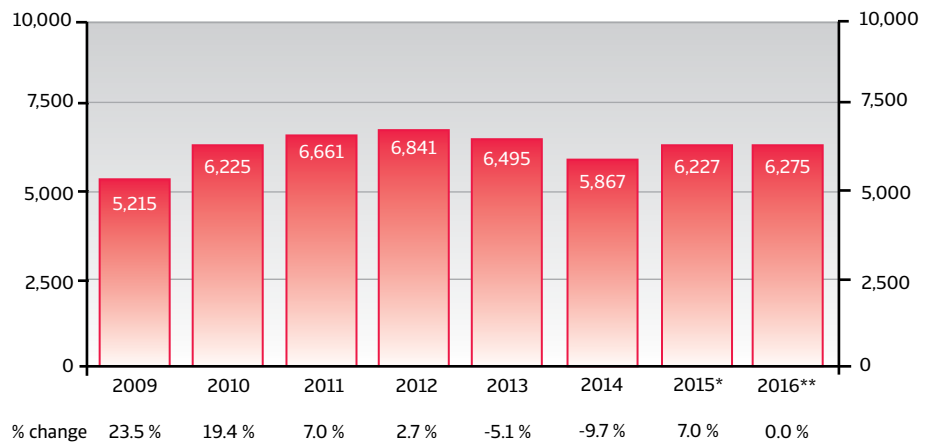
Agriculture	Automotive/ Transport	Chemicals/ Pharma	Construction	Construction Materials
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/ Engineering
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The insolvency environment

The number of corporate insolvencies remains high in 2016

Swiss business insolvencies increased 7% in 2015 due to a more difficult economic environment. With 6,275 cases in 2015 the number of business failures was still about 2,000 cases higher than in 2008. In 2016 business failures are expected to level off.

Swiss business insolvencies
(year-on-year change)

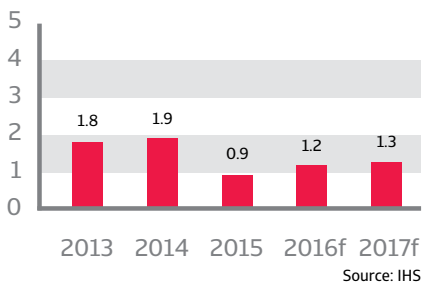


*estimate **forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

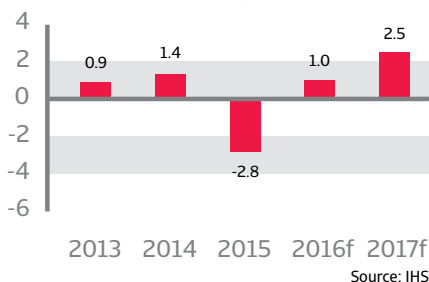
Real GDP growth
(y-on-y, % change)



Growth expected to remain sluggish in 2016

As in 2015, Swiss GDP growth is expected to remain subdued (up 1.2% in 2016), as exports continue to be affected by the appreciation of the Swiss franc (especially against the euro) and weaker global demand. For export-oriented businesses production costs have risen relative to their export prices, squeezing profit levels. Switzerland relies heavily on exports, which account for 70% of GDP. However, a rebound of exports is expected in the second half of 2016, with a lower franc exchange rate and increased demand from the eurozone. The Central Bank's benchmark interest rate remains negative at -0.75%, which has contributed to the weakening of the Swiss franc exchange rate at a certain degree.

Industrial production
(y-on-y, % change)



Growth of private consumption, investments and industrial production are expected to remain at a low level of around 1% respectively, while consumer prices remain negative.

United Kingdom

Main import sources (2014, % of total)	
Germany:	14.7 %
China:	9.2 %
USA:	8.1 %
The Netherlands:	8.0 %
France:	6.0 %

Main export markets (2014, % of total)	
USA:	12.5 %
Germany:	10.3 %
The Netherlands:	7.6 %
Switzerland:	7.0 %
France:	6.3 %

Key indicators	2013	2014	2015	2016*	2017*
Real GDP (y-on-y, % change)	2.2	2.9	2.2	1.9	2.5
Consumer prices (y-on-y, % change)	2.6	1.5	0.0	0.6	1.8
Real private consumption (y-on-y, % change)	1.9	2.5	2.9	2.8	2.8
Retail sales (y-on-y, % change)	-0.1	1.8	1.1	1.6	3.0
Industrial production (y-on-y, % change)	-0.8	1.3	1.0	0.3	2.1
Unemployment rate (%)	7.6	6.2	5.4	4.9	4.7
Real fixed investment (y-on-y, % change)	2.6	7.3	4.2	2.3	5.6
Exports of goods and non-factor services (y-on-y, % change)	1.2	1.2	5.0	3.0	4.9
Fiscal balance (% of GDP)	-5.8	-5.4	-4.0	-3.2	-2.1
Government debt (% of GDP)	80.1	82.0	82.8	83.4	82.5

* forecast Source: IHS

British industries performance forecast

May 2016



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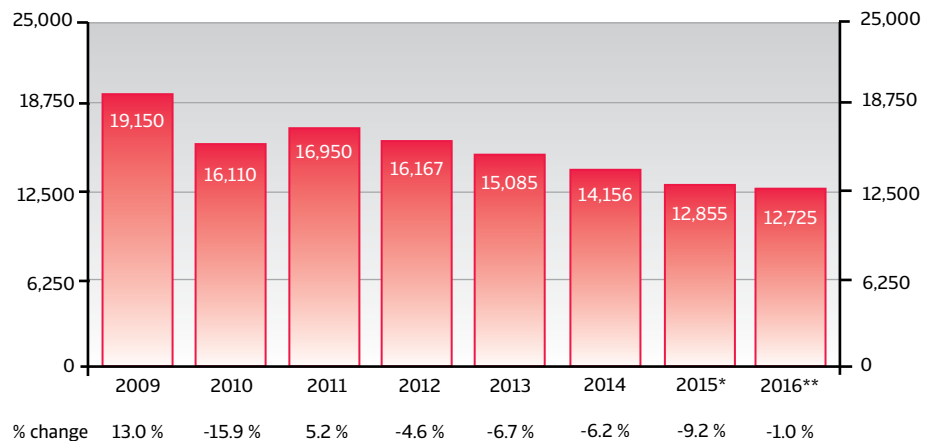
Agriculture	Automotive/Transport	Chemicals/Pharma	Construction	Construction Materials
Consumer Durables	Electronics/ICT	Financial Services	Food	Machines/Engineering
Metals	Paper	Services	Steel	Textiles

The insolvency environment

Insolvency decrease expected to slow down in 2016

Since 2012, the number of business failures in the United Kingdom has been falling. In 2015 the UK Insolvency Service recorded a 9.2% year-on-year decrease in compulsory liquidations and creditors' voluntary liquidations in England and Wales, with 12,855 cases recorded. We expect this trend to slow down in 2016, with business failures forecast to decrease by just around 1%.

British business insolvencies (year-on-year change)

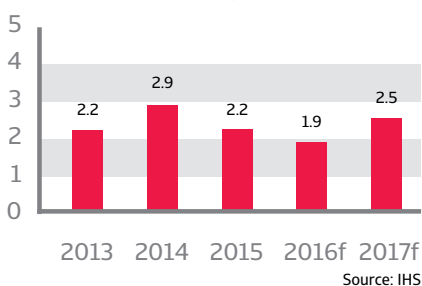


*estimate **forecast

Sources: National Statistics Office, IHS, Atradius Economic Research

Economic situation

Real GDP growth (y-on-y, % change)



Growth rate expected to slow down in 2016

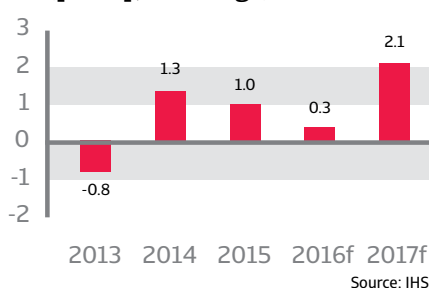
After growing 2.2% in 2015, United Kingdom's GDP is expected to increase 1.9% in 2016. Consumer spending is still fuelling the economic expansion, helped by a further decrease in unemployment and low consumer price inflation. However, financial market turmoil and the slowdown in world trade have caused wage growth to lose steam (1.9% in 2015), potentially having negative consequences for household spending in 2016.

The strong pound and weak external demand continue to weigh on manufacturing activity. A strong pound negatively affects British exports to the eurozone, which is still the UK's most important trading partner, accounting for more than 40% of exports. That said, uncertainty about the outcome of the Brexit referendum in June 2016 has begun to weigh on the pound, relieving some pressure for UK exporters.

In the current economic environment, a rate hike by the Bank of England seems to be off the table until 2017.

Comprehensive austerity measures and tax increases since 2011 have slowly reduced the fiscal deficit to 4.0% of GDP in 2015. However, government debt continues to rise and is forecast at more than 83% of GDP in 2016.

Industrial production (y-on-y, % change)



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