



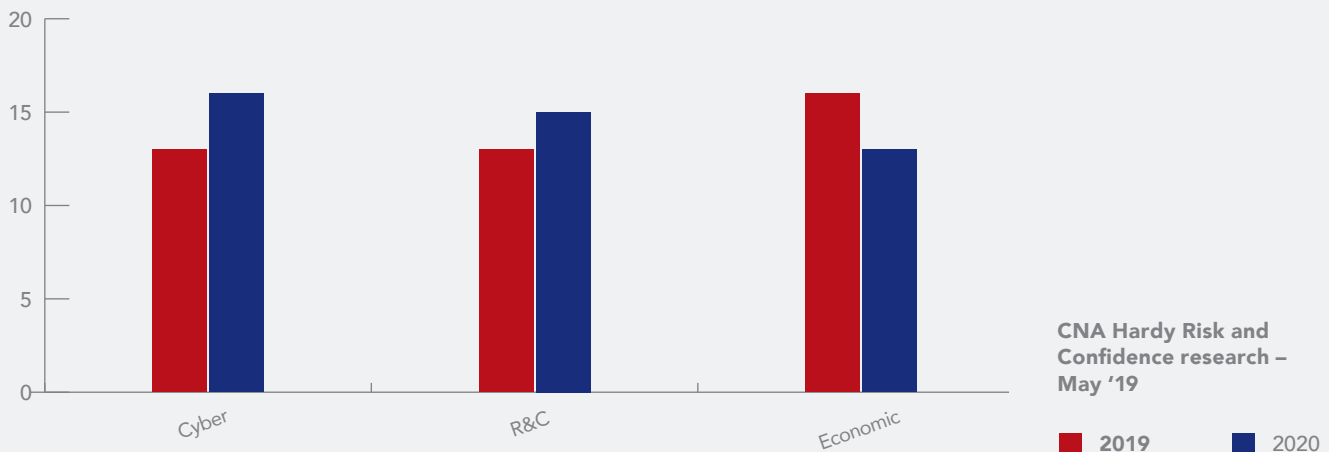
2020 Prediction:

As economic uncertainty builds, European businesses will focus on overseas markets

European business leaders are predicting that the trading environment will worsen by Spring 2020, with 73% of businesses leaders' predicting that they will be operating in a moderate to high risk environment, compared to just 65% in May 2019.

These sentiments align closely to the risk environment, where global trade tensions are having a negative impact on businesses that operate across borders and in particular on Europe's all-important manufacturing sector. As the region where companies earn more from international trade than any other part of the world bar China, Europe is particularly vulnerable to trade disruption and uncertainty.

Europe's top three risks in 2020



Of specific concern is the German economy, which is growing at its slowest rate since 2011, with economic indicators predicting that it could go into recession in 2020. As the IMF predicts declining growth, economic risk remains front of mind amongst European leaders, but it is not the only concern. Companies are also worried by the growing threat of cyber and regulatory compliance – a key concern while Brexit remains unresolved and the mechanics of cross border trade are still to be established.



2020 Prediction: As economic uncertainty builds, European businesses will focus on overseas markets

Despite the economic storm clouds, European businesses continue to prioritise overseas markets, with just over half (52%) predicting growth will come from Europe, a fifth focusing mainly on Asia and 11% looking at the US.

Trading businesses know they must continue to target overseas markets, but there is little doubt 2020 will be challenging as economic turbulence continues.

¹CNA Hardy Risk and Confidence research was undertaken between February and March '19, via an online survey of 1,500 business leaders of multinational firms with operations in Europe. Qualitative research was undertaken in May '19. In Europe 250 business leaders from 9 different business sectors, with a turnover ranging from US\$6.3m to US\$126m+ were surveyed.

²<https://bit.ly/37TPp1M>

³European Commission's 2019 economic forecast - https://ec.europa.eu/info/publications/european-economic-forecast-summer-2019_en

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