



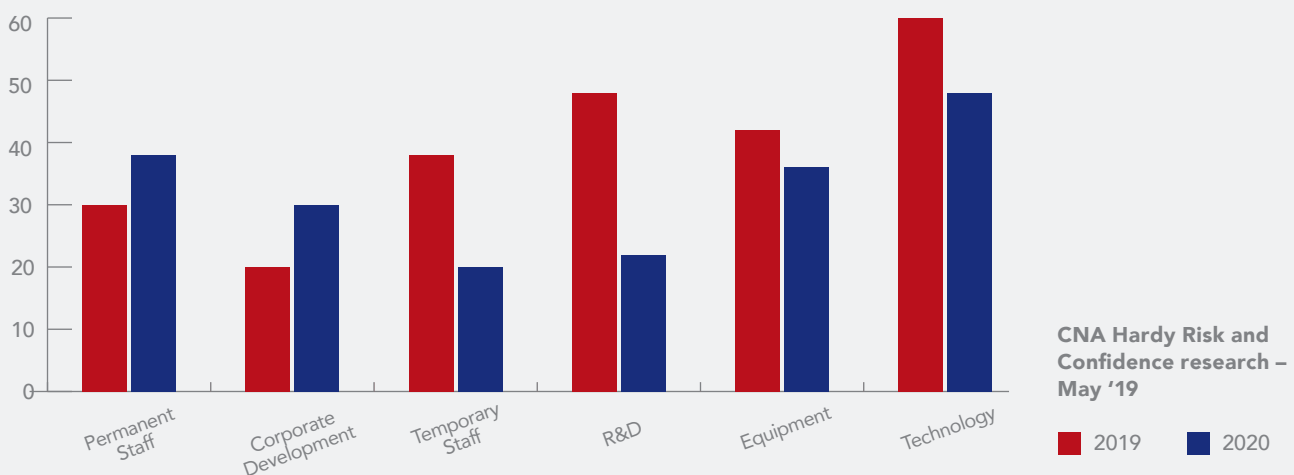
## 2020 Prediction: Manufacturers need to plan for a new risk environment

Just 30% of British manufacturers surveyed in our Risk and Confidence research are confident in their ability to grow and prosper in 2020, with 84% believing that they will be operating in a moderate to high risk environment this year. These figures reflect the tough trading conditions facing manufacturers created by a drop in output linked to global trade wars and ongoing uncertainty over the impact of Brexit.

As we look ahead, manufacturers are caught in a cleft stick. 60% say they plan to invest in technology to transform productivity in 2020, but, on the flip side, this increasing reliance means that tech risk also tops manufacturers' risk list in 2020, knocking political risk off the current top spot.

Other risks keeping confidence levels in check as we look ahead are regulatory and compliance risk and economic risk, both linked to political and economic uncertainty over Brexit's impact.

### UK manufacturing firms' investment priority predictions



The danger as we look ahead, is that in all the noise over Brexit and the shift to greater reliance on technology, manufacturers will de-prioritise risk mitigation in 'traditional' areas such as corporate and supply chain risk.

Trading conditions in 2020 will not be easier than in 2019. Manufacturers will need to be prepared to improve on risk management if they are to thrive in the risk landscape.



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