

# 5 KEY FACTORS

# +5 % INSOLVENCIES IN THE UK IN 2016

UK Companies' payment behavior already shows signs of deteriorating with an increase of Days Sales Outstanding in 2015.

## 1 Slowing GDP growth: +2.2%

We expect that GDP growth will slow to +2.2% in 2016 after +2.9% in 2014 and +2.5% in 2015, while the long-lasting low inflation will have a negative effect on firm's turnovers.



## 2 Strengthening of the GBP

In 2016, rising wages and the strengthening of the British Pound will trigger a loss in companies' competitiveness.

## 3 Hiking of the BOE rate

The Bank of England rate hike cycle is expected to begin in Q2 2016 or even later in the year.



## 4 Rise in business creation

The strong rise in new business creation since 2012 will go on in 2016.

## 5 Uncertainty regarding "Brexit"

Increasing uncertainty surrounding the "Brexit" question (the referendum on the European Union membership expected in 2016) will impact foreign direct investments but also soften domestic confidence.

