

the Sectors Games are underway



Industries worldwide have been struggling amid low commodity prices and emerging markets' turmoil. What should sectors of the economy do to survive and thrive in Olympic year 2016? Think and perform like professional athletes. 5 must-have traits for companies aiming for gold:

Euler Hermes Economic Research

1 RESILIENCE

Prolonged low commodity prices hit the Energy, Metals, and Machinery industries worldwide. The positive effect on consumer-facing sectors such as Retail and Food could soon fade away. Sensitive industries in the US, Russia, China, India, Norway, Canada and GCC countries will have to prove resilient.

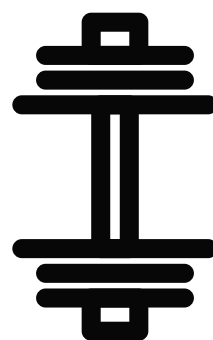


2 PRECISION

Euler Hermes downgraded risk ratings for industries in the Middle East, Africa, Latin America, Russia, and Turkey. As companies search for profitable growth they should carefully consider expansion into promising yet volatile markets.

3 STRENGTH

Businesses must tackle rising debt, complex payment terms, and a rise in insolvencies in Brazil, and China. How? Shore up finances. This is crucial for the Construction sector while Chemicals and Aeronautics do not seem to face a major liquidity risk.



4 SPEED

Companies which can solve the 3D challenge of disruption - distance to customer, dependence on infrastructure and divestment from R&D - may reach the podium. A sector in focus: Retail (and e-commerce).

5 AGILITY AND TEAM WORK

Players should welcome - or overcome - restructuring, the wave of Mergers & Acquisitions, and price wars. Pharmaceuticals, Telecoms, Food & Beverages and Chemicals are the main sectors at stake. The risk: a "winner takes all" environment.



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