

**2**  
Sector barometer  
Sector risk assessment

**+**  
Automotive  
Energy

**+**  
**3** Information and  
**4** communications  
technologies (ICT)

**+**  
**5** Metals  
Paper-wood **6**  
**8**

# PANORAMA

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## Barometer sector risks in the world

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By Coface Group Economists



In a context of low growth, the global sectoral dynamics are mixed.

In this overview we analyse five major sectors: automotive, energy, metals, information and communication technologies (ICT) and paper-wood, in North America, emerging Asia and in Western Europe.

The automotive sector is heading in the right direction in North America. Western Europe is taking the same path, but the Volkswagen scandal has cast a shadow, the consequences of which are not yet clear. As for emerging Asia, it must meet the challenges posed by the slowdown in China's economic activity. Coface considers that the possible consequences of this increase the risk linked to this sector in emerging Asia, which has become moderate.

The further fall in the price of oil has led Coface to downgrade the energy sector in the three zones studied, which now represent a high risk. In fact, the major oil groups are reconsidering their investments and are thus weakening the oil service companies. In emerging Asia, the risk is reduced for public companies. Western Europe is suffering from cost and investment reduction plans and the sector is fragilized in North America.

The metals sector must face up to falling prices. However, in Western Europe it is benefiting from the dynamism in automotive sales. Emerging Asia, where the risk is still very high, is coming up against the persistence of major overcapacities and North America is suffering from the slowdown in oil investments.

A breath of optimism is sweeping across the paper-wood sector, even if the questions of overcapacities and competition from electronic media still remain. The activity in this sector is still sluggish in Western Europe. It is buoyed in emerging Asia by the transformation of wood to exports and still hindered by the fall in paper consumption in North America.

Lastly, the only really good news from the quarter comes from the ICT sector in Western Europe where demand is buoyed by more vigorous private consumption, which has led Coface to consider that the risk has fallen and become medium. In emerging Asia, the ICTs are still suffering from the economic slowdown in China, but other growth drivers exist. In North America, they are facing strong competitive pressure.