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LICENSED INSOLVENCY PRACTITIONERS

E-mail News Release

“Manufacturing administrations soar”

Administrations in the manufacturing sector have increased by 33% in the first nine months of 2009 compared with the same period which is hardly surprising given the current economic climate. Particularly badly affected sectors include metals and plastics manufacturers, tooling businesses and automotive parts suppliers. There again these industries have been under pressure for many years but the recession and resulting drop in demand and output has intensified the problems.

Said Phil Wood of Newcastle based licensed insolvency practitioners, BCR, "Demand has not yet returned, sterling remains weak which might well be benefiting some exporters but for those manufacturers reliant on imports, they continue to struggle as the cost of raw materials increases. There may well be some positive signs elsewhere in the economy but for manufacturing real recovery remains distant. What industry needs is a return of confidence and for businesses to start investing again which would enable manufacturers to kick-start production. Unfortunately, the combined effect of less demand for goods, further compounded by a fall in consumer spending and increasingly competitive global markets equates to further problems for the economy as a whole."

ENDS

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