

Message from the MACM President

24th March 2020



Cash* retains title of king in corona-hit circumstances

(not a reference to bank notes)*

Mr Charles Xuereb

With the pandemic disrupting supply chains globally and impinging negatively on a large number of industries, a significant slowdown in economic growth is inevitable. Companies involved in the provisioning of non-essential services, including hospitality in the tourism sector, leisure and non-food retail, are the ones which are viewed to be highly exposed in the circumstances. Though demonstrating better resilience, other sectors may still be exposed to supply chain disruptions. Service sectors, including financial services and telecoms, particularly those that have reduced level of physical contact should prove resilient, or actually benefit.

Reduced revenues, suppressed margins and disrupted supply chains will have unprecedented effects on the credit quality of companies. I believe that the coronavirus will translate into a political crisis, an economic shock and a corporate solvency all pleated into one. Monitoring of debtors, normally a company's largest liquid asset, during these difficult times, is becoming ever more important in securing sound cash flows.

Businesses with a strong balance sheet and low gearing stand a better chance to contain the overall impact. Credit management practitioners have once again an important role to play during these challenging times. Best practices should be observed, and effective collection

techniques deployed to help organisations cope with the storm. Maintaining good business relationships is fundamental.

At MACM, our members benefit from constant guidance on credit management practices. The databases available to MACM members assist business owners and credit practitioners by providing them with information on the credit worthiness of their current and prospective customers. Moreover, guidelines are also available and membership allows networking with peers in other organisations and industries and learning from each other's experiences.

Finally, at MACM, we are taking all the necessary measures and precautions to protect our staff, members and students, in full conformity with relevant Government guidance. The staff at the secretariat continue to strive to keep the databases updated for the members to monitor their debtors on a daily basis and thus, be able to analyse the credit worthiness, not only of the prospective clients, but also their existing customers. We remain connected and committed to providing an unbroken service to our members.

While we all navigate through these turbulent times, we wish everyone peace and solidarity, and your presence of mind to help ensure a safe passage through the months ahead.

Mr Charles Xuereb
MACM President

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