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VOL I

Together to the next level

CRIF INDUSTRY WATCH

A monthly edition on Data, Risk and Economic Insights

Message from Director’s Desk

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Director
Sales & Marketing

We are pleased to introduce to you, the inaugural issue of our newsletter CRIF Industry Watch - a monthly edition on Data, Risk and Economic Insights. Through this newsletter, we hope to strengthen our communications and share latest research, insights and knowledge with our most important asset – YOU. Each month you'll get informative articles on Risk Management, snapshot & trends on Import-Export of a Country, interesting facts & numbers on a Product, Infographics, latest CRIF study, and articles. In this issue, you will find study on impact of COVID19 on Indian economy, snapshot of Import-Export snapshot of Hungary, product analysis on Clays, article on the lowest number of corporate insolvencies in Berlin and a quick graphical representation of our service, Business Information report.

CRIF is committed to delivering excellence and aspiring to be a world class business information provider. We would love to hear from you. Please feel free share your feedback, suggestions and request for new information through any of our social media channels (@CRIFIndia) or by e-mail at interact@crifhighmark.com.

Thank you and enjoy the newsletter!

INSIDE THE ISSUE

Analysis and Studies

Impact of Covid-19 on Global and Indian economy

The global economy is going to be adversely affected due to Covid-19 pandemic in 2020. The world GDP condition has been shaken to an extent of a fall by 2%. The global oil and gas industry disruption is instigated by a fall in transportation which consumes 60% of the oil, owing to lockdown in several countries. The demand for white goods and high-end consumable durables will be lowered as consumers might postpone such purchases considering uncertainty over growth rate.

Amidst Covid-19 cases surging in seven populous States in India, including commercial capital Mumbai and national capital Delhi, global rating agency Moody's on Friday slashed India's GDP growth rate at Zero for the current fiscal --. 2020-21. However, on a positive note, it has forecast India's GDP growth rate to bounce back to 6.6 per cent in 2021-22.

Its previous estimate was 2.6 per cent. The latest estimate is lower than Fitch's forecast of 0.8 per cent, IMF's 1.9 per cent, World Bank's 1.5-2.8 per cent and ADB's estimate of 4 per cent. However, it is slightly better than contraction estimate up to 2 per cent by ICRA and 0.4 per cent by Nomura. Indian economy registered the last contraction in 1979-80 at with (-) 5.2 per cent growth rate. Before that, there have been four instances of contraction (FY 1957-58: negative 0.4 per cent, FY 1965-66: negative 2.6 per cent, FY 1966-67: negative 0.1 percent and FY 1972-73: negative 0.6 per cent).

The damage caused by COVID-19 is not confined to only select pockets of businesses, but it is a widespread malady that is expected to keep the economy sick for a longer time.

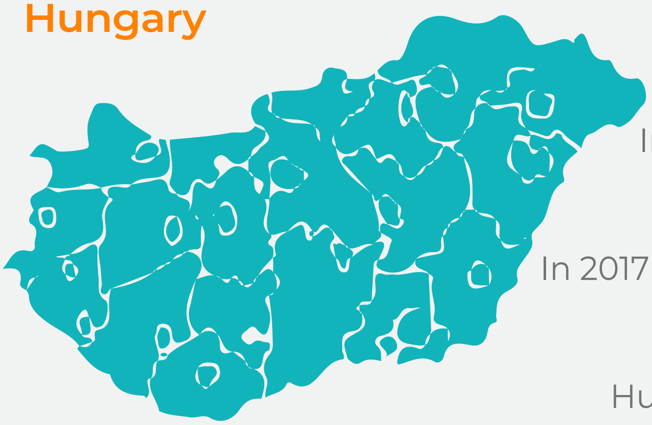
While the magnitude of the impact may vary from sector to sector, there are some sectors that have suffered the most and continue to suffer.

Market experts are of the view that aviation, retail, financials, realty, and automobiles are the five sectors that are at the front among the sectors that are smarting under severe pain now.

Amidst the Covid-19 pandemic there is ray of hope with the government announcing an Atmanirbhar Bharat Package of INR 20 Lacs Crore which focuses more on land, labour, liquidity and laws. This great step might result in the growth story of sectors like MSME, agriculture, Coal, minerals, migrant workers, street vendors and defence production. An investment focus towards these sectors might prove to be a giant business step for most business houses in India.

Import-Export Snapshot

Hungary



Hungary is the 35th largest export economy in the world.

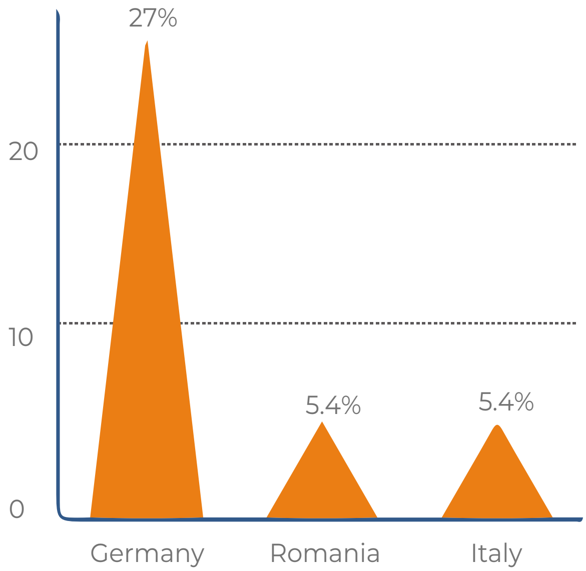
In 2017, Hungary exported $107B and imported $97.1B, with a positive trade balance of $10.3B.

In 2017 the GDP was $139B and in the world and GDP per capita $28.1K, 53rd in the world.

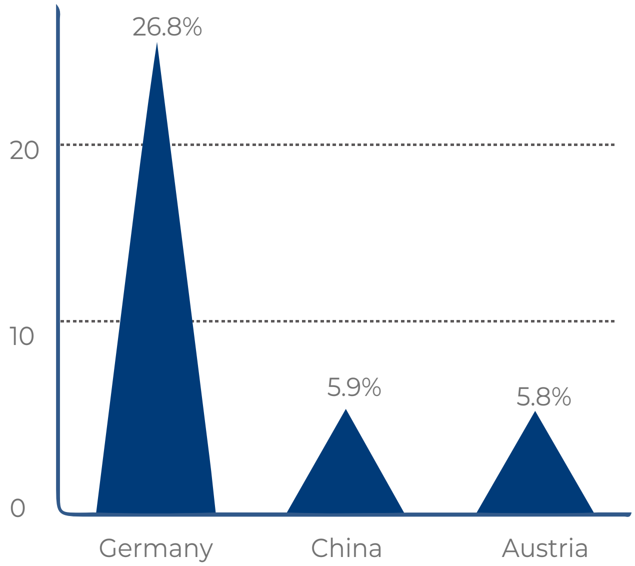
Hungary is member of EU, WTO and World Bank.

Hungary is classified as high income economy by World Bank.

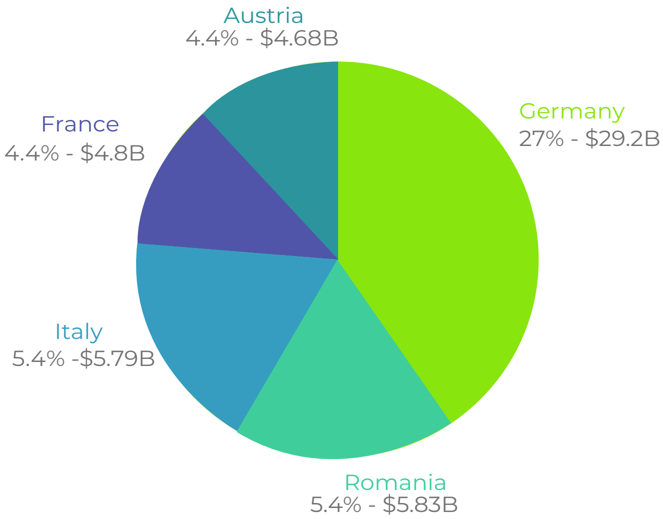
Top 3 Export Destinations (overall value $107B)



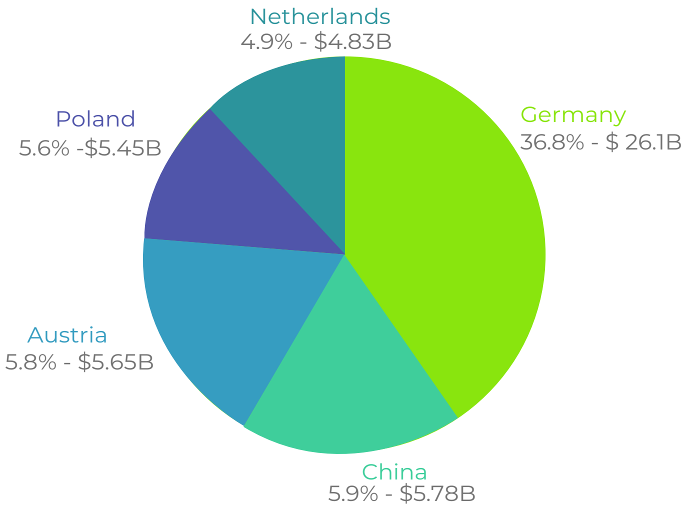
Top 3 Import Origins (overall value $97.1B)



Top 5 Export Countries

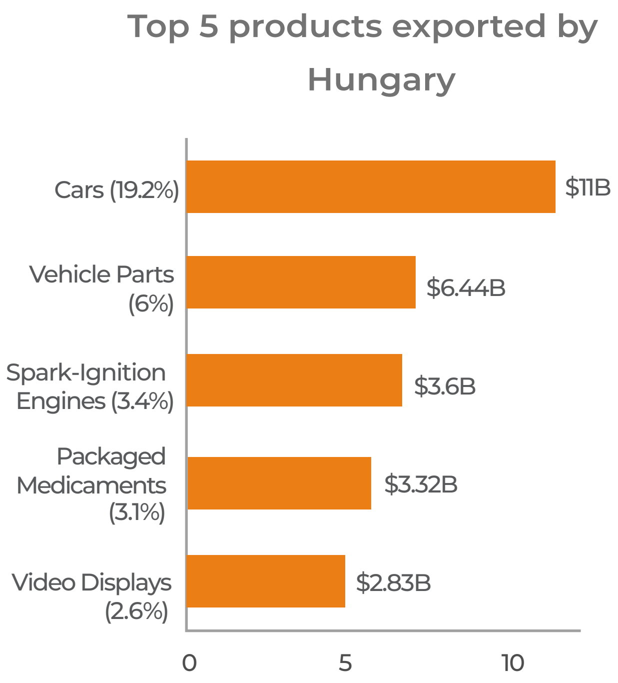


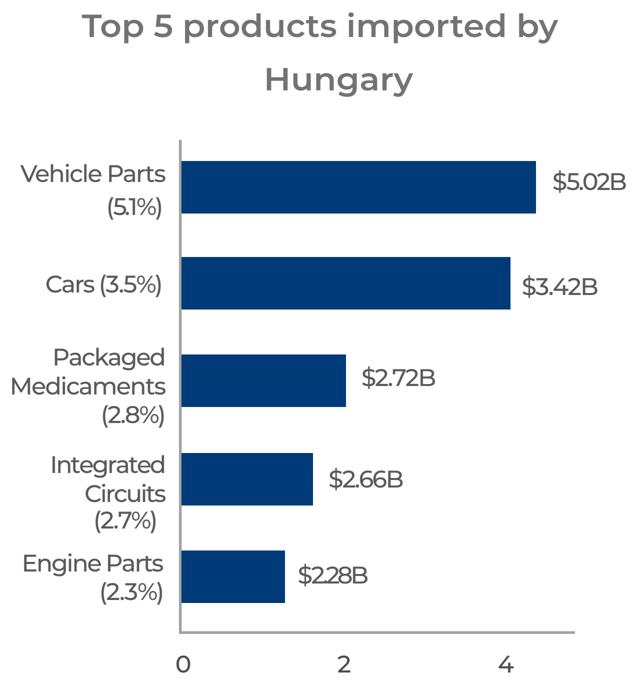
Top 5 Import Countries



SOURCE: https://oec.world/en/profile/country/fin/

What does Hungary Imports and Exports





SOURCE:https://oec.world/en/profile/country/fin/

Product Analysis

Clays top importer Italy

- Clay are the 707th most traded product in the world.
- The value of the total export amount at $1.97B.
- The top importers of clay are Italy ($188M), Germany ($160M), the Netherlands ($103M), France ($80.7M) and Indonesia ($76M).
- Italy imports for $188M, which represents the 9.5% of the World total.
- The top exporters are the United States ($351M), Ukraine ($245M), China ($223M), Germany ($175M) and India ($94.6M).

Article of the Month

| Lowest number of corporate insolvencies - Berlin is insolvency capital

The number of corporate insolvencies in Germany will fall again in 2019. In total, 19,005 companies filed for insolvency last year. This represents a 2.8 percent reduction in corporate insolvencies compared with the same period last year (2018: 19,552 corporate insolvencies). As a result of what is now the tenth decline in a row, corporate insolvencies in 2019 have fallen to a new low since 1994 (18,820 cases). Compared with 2003, the highest year for corporate insolvencies to date, when there were still 39,320 corporate bankruptcies in Germany, the number of insolvencies in 2019 has thus more than halved. "Companies in Germany benefit from improved equity capitalization in combination with stable economic development. Driven by the domestic economy and private consumption, companies have built up a buffer against crises in recent years", comments CRIFBÜRGEL Managing Director Ingrid Riehl on the current figures. Moreover, due to the low interest rate level, companies can take out loans at favourable conditions without any major problems.

For the coming year, however, CRIFBÜRGEL expects an increase in company bankruptcies to 19,500 cases. "The weakening of the economy in Germany will also be reflected in the insolvency figures in 2020," says Riehl. "In addition, the rising number of major insolvencies in 2019 will lead to domino effects, which in many cases ensure that insolvent companies will drag other companies into insolvency with them," Riehl analyses. The most prominent bankruptcies in 2019 included Thomas Cook, Germania, the fashion chain Gerry Weber and the TV manufacturer Loewe.

The damage caused by corporate insolvencies totaled almost 25 billion euros in 2019. On average, creditors suffered bad debt losses of nearly EUR 1.3 million per insolvency.

The highest insolvency density was in Berlin in 2019. In the capital, 90 out of 10,000 companies had to file for insolvency. The national average was 58 bankruptcies per 10,000 companies. In addition to Berlin, this figure is exceeded by Saarland (85 insolvencies per 10,000 companies), North Rhine-Westphalia (82), Hamburg (80), Bremen (79), Saxony-Anhalt (70) and Schleswig-Holstein (68). Thuringia had the lowest number of corporate bankruptcies in 2019 with 36 bankruptcies per 10,000 companies. But comparatively few firms also had to file for bankruptcy in Baden-Württemberg and Brandenburg (41 each) and Bavaria (43). In absolute figures, the federal states of North Rhine-Westphalia (5,492), Bavaria (2,653), Baden-Württemberg (1,853) and Lower Saxony (1,511) top the insolvency statistics.

In Thuringia (minus 34 percent), Bremen (23.8 percent) and Saxony (minus 17.7 percent), corporate insolvencies fell by double-digit percentages. The strongest increase compared to 2019 was in Hamburg, with a rise of 11.1 percent. Significantly more corporate insolvencies were also registered in Saarland (plus 8.1 percent) and Bavaria (plus 6.6 percent).

With 80 corporate insolvencies per 10,000 companies, logistics is at the top of the insolvency list for the main sectors. The insolvency ratios in the service sector (78) and in construction (70) are also above average (58). With 8,976 cases, service companies account for the highest absolute proportion of insolvencies in Germany. The lowest insolvency density is in the energy sector, with 14 bankruptcies per 10,000 companies.

The highest risk of insolvency with regard to the legal forms was posed by the Unternehmergesellschaft (limited liability company) in 2019. The insolvency density for the UGs was 198 corporate bankruptcies per 10,000 companies, which was significantly higher than for the stock corporations (107) and the GmbHs (89). There were considerably fewer insolvencies in relative terms among commercial enterprises and sole proprietorships (37 insolvencies per 10,000 companies).

The insolvency scene in Germany is characterised above all by small companies. 15,502 or 81.6 percent of insolvent companies had no more than five employees. The proportion of insolvencies continues to decline as the number of employees rises. 7.8 percent of insolvent companies had between 6 and 10 employees. In the case of firms with 51 or more employees, the share of insolvencies is only 2.7 percent (508 in absolute terms).

13.7 percent of insolvent companies fail within the first two years after their foundation. The reasons for the failure of young companies are complex, but can be seen primarily in the business idea of the founders. If this is not marketable or if the products are not manufactured efficiently, the company has no chance of survival. In addition, the founders are mainly affected by market changes, strategic mistakes and a lack of professional competence. 58.2 percent of insolvent companies, including young entrepreneurs, have been on the market for no longer than 10 years.

Quick Infographic

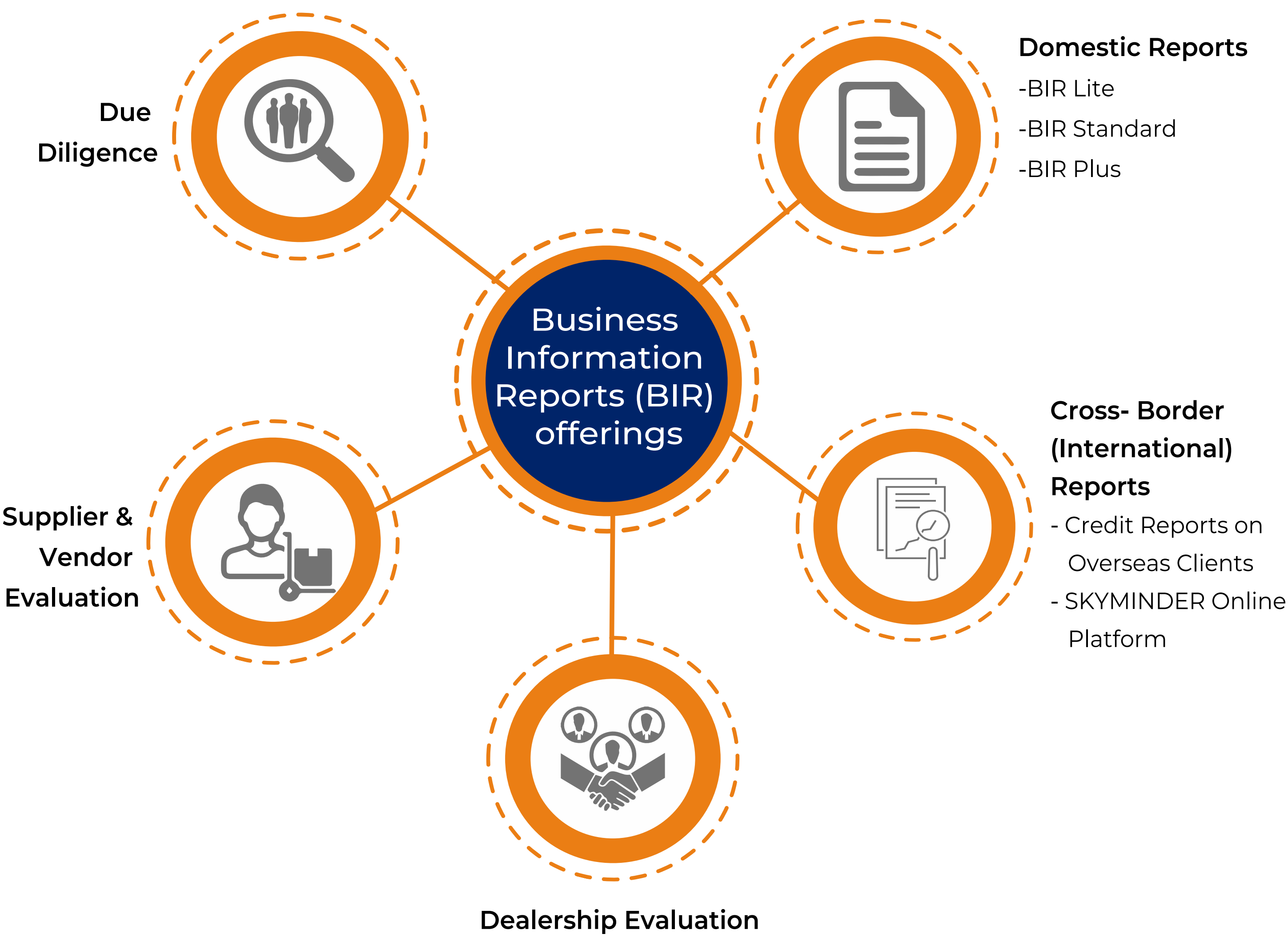
What is in your CRIF business information report?

About CRIF India

CRIF India is one of India's leading provider of Credit Information, Business Information, Analytics, Scoring, Credit Management and Decisions Solutions.

CRIF's Business Information Report, commonly known as the BIR Report, is a new way of thinking about data and information and how they are linked to each other. Available in 230 countries and territories, CRIF'S Business Information Report contains up to date information collected from various data sources. The report helps in determining a company's profitability, financial trends, and risk. It also provides an in-depth profile of a company, including financial information, legal cases, history of business, ownership details, operational information, and details on related firms and special events that occurred in the past involving company management. It's an industry standard for evaluating both new and existing credit relationships, especially medium-to-high risk accounts. Additionally, it supports a company's other efforts, like marketing and purchasing.

CRIF India's Business Information Offerings



How is CRIF different?

We brought in new Sets of Data Points,
First in the Industry at a TAT less than 48hrs.

Count on our TAT
Quality in expertise translates into efficiency in outcome

Global Data Environment
200 million companies across 230 countries,
2 Million directors on these companies,
400+ data points covered

Quality checks
We've set processes to ensure reliable information is coming your way

Unmatched expertise in analysis
Our vast experience gives us an eye for better assessment of information

Customized solutions for: Customer I Suppliers I Trade / Supply Chain solutions

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