

**August**  
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# CRIF INDUSTRY WATCH

A monthly edition on Data, Risk and Economic Insights

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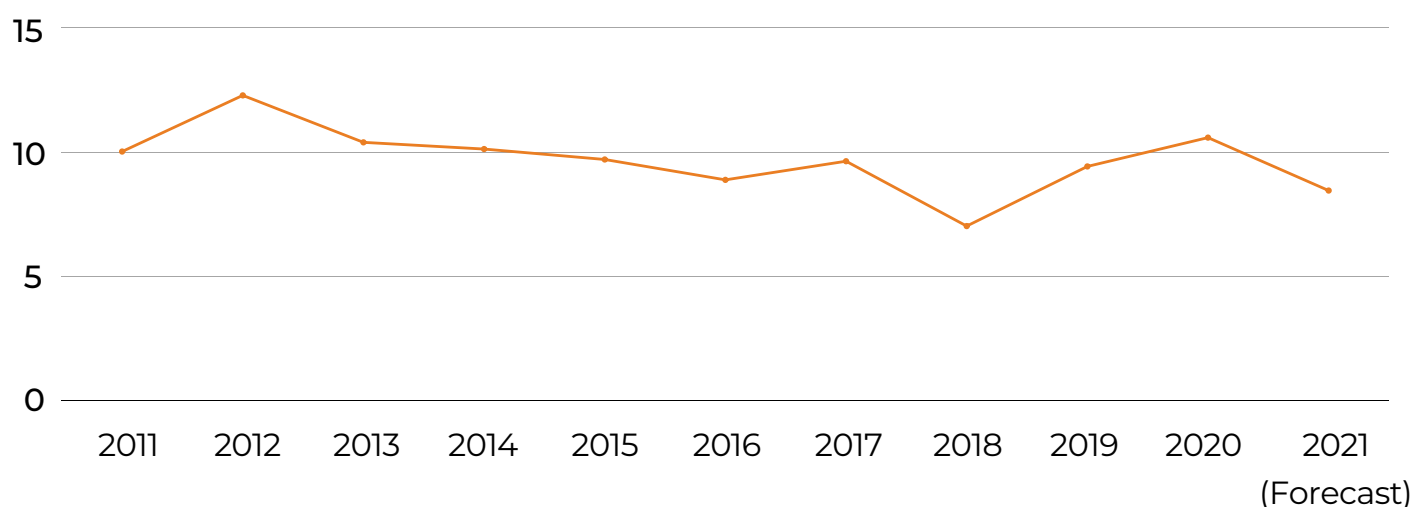
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# Analysis and Studies

## Information and communication technology industry

Based on data from the Statistics Indonesia (BPS), the Information, Communication and Technology (ICT) sector is one of the sectors that is growing rapidly in the midst of the COVID-19 pandemic. It is proven that in 2020 the sector grew 1.16% from 9.42% (YoY) in 2019 to 10.58% (YoY) in 2020. This is due to the increasing demand for goods and services based on technology, information and communication, in line with the work and learn from home policy to reduce the spread of COVID-19 by the government.



Meanwhile, in Q1/2021, growth decreased at 8.72%. This value is smaller than Q4/2020 which was 10.91% as well as Q1/2020 which was 9.80%. This is possible because many sectors have returned to work from the office so that the increasing need for ICT-based goods and services is not as big as before. However, this sector is one of the sectors that experienced positive growth in addition to the Pharmaceutical, Chemical and Traditional Medicine Industries.



In addition, entering Q2 to Q4/2021 it is estimated that this sector will again grow positively even though the growth is not as big as 2020, which is in the range of 9%. The condition of Indonesia, which is still unable to recover from the pandemic, is even getting worse, forcing the government to take a policy of limiting community activities. So that the need for ICT-based goods and services is increasing again because people have to return to work and study from home.

## 2. Obstacles in the Information and Communication Technology Industry Sector

Entering the Industry 4.0 era, of course, the use of ICT-based goods and services will increase. However, every convenience that comes with new technology will certainly be accompanied by a number of obstacles. There are several obstacles in the ICT sector, including:



### High investment cost

Financial constraints are considered a challenge among business organizations to develop their capabilities in terms of advanced equipment and machinery, facilities and continuous process innovation.



### Loss of job opportunities

The application of Industry 4.0 eliminates some work opportunities for humans in manufacturing companies because they have been replaced by robots/automation machines. So that the application of ICT in various sectors still has its pros and cons.



### Lack of user skills and competencies

The lack of skilled and qualified human resources with digital capabilities, both technical and non-technical, makes it difficult to develop the application of ICT-based goods and services.



### Lack of digital infrastructure

High infrastructure, facilities based on information systems and technology are very important as supporting various sectors of life. However, internet-based technology that is not spread evenly is considered to be a barrier to growth.



### Cyber security risk problems

Weak understanding of state officials related to the cyber world makes many users still afraid to use ICT-based goods and services. In addition, low awareness or awareness of the existence of international cyberattack threats that can paralyze a country's vital infrastructure.



### Legal issues and government policies

Government policies and directives are needed on data protection laws, accountability for artificial intelligence and standardization.



### Environmental problems

The massive automation implemented can cause serious problems to the environment.



### The problem of complexity in integration

The complexity of integrating ICT into existing systems and the lack of qualified human resources will hinder the success of implementing ICT in various sectors.



### Reluctant behavior towards change

Most of the Indonesian people are still foreign and unsure of the topic of ICT, because they do not know the benefits and feel that they have had enough of the existing skills.



### Lack of responsiveness to digital

Most of our society is not used to digitization.

### 3. The Growth of Several Financial Accounts From Public Companies(Tbk)

Based on data from the Indonesian Stock Exchange (IDX), it is known that there are 34 corporate entities that run their business in this sector. Then from the results of your analysis of the financial statements of the thirty-four companies, the percentage growth results for several financial accounts from Public Companies (Tbk) (Q1/2020-Q1/2021) are as follows:

Growth of total assets	4.25%
Growth of total liabilities dan equity	4.24%
Growth of Net Sales/Revenue	0.07%
Growth of COGS	-347.00%
Growth of EBIT	15.11%
Growth of Net Income	38.12%

We can conclude that in Q1/2020, the increase in net sales/revenue in the ICT sector tended to stagnate, growing only 0.07% (Y-o-Y). However, net income experienced a significant increase, reaching 38.12% (Y-o-Y). On the other hand, the value of Cost of Goods Sold (COGS) in this sector experienced a significant decrease of -347%. Meanwhile, the total assets of players in this sector experienced an average growth of 4.25%.

Meanwhile, the calculation of the portion of the account size based on net sales/revenue is as follows:

Account	Median Q1/2021	Range Q1/2021	
Total Assets: Net Sales/Revenue	436.57%	58.45%	12654.93%
Total of Liabilities & Equities: Net Sales/Revenue	436.57%	58.45%	12654.93%
Net Sales/Revenue: Net Sales/Revenue	100.00%	100.00%	100.00%
COGS: Net Sales/Revenue	-58.15%	-163.65%	103.34%
EBIT: Net Sales/Revenue	3.26%	- 2691.53%	54.56%
Net Income: Net Sales/Revenue	2.69%	- 2691.53%	47.19%

SOURCE: <https://visiglobal.co.id/cantingnews/information-and-communication-technology-industry/2021/07/>

Based on the table above, it is known that the median amount of total assets owned by public companies (tbk) in Q1/2021 was 436.57% of net sales with varying amounts and a fairly high range between 58.45% to 12654.93%.

Meanwhile, the median amount of COGS owned by public companies (tbk) in Q1/2021 was -58.15% of its net sales with amounts varying from -163.65% to 103.34%.

Notes: From the overall data analyzed, there is one company that is an outlier or a company that has a value far from the median, namely PT. Tourindo Guide Indonesia Tbk (PGJO). PGJO has total assets, total liabilities and Equity of 632814.57% of its Net Sales. COGS value is -84.11% of net sales, EBIT value is -44715.19% of net sales and Net Income is -44715.19% of net sales.

SOURCE: <https://visiglobal.co.id/cantingnews/information-and-communication-technology-industry/2021/07/>

# Import-Export Snapshot

## Cyprus

Cyprus is an Island State in eastern mediterranean, its border Egypt, Greece, Israel, Lebanon, Syria and Turkey by sea. The official languages are Neo-Greek and Turkish.



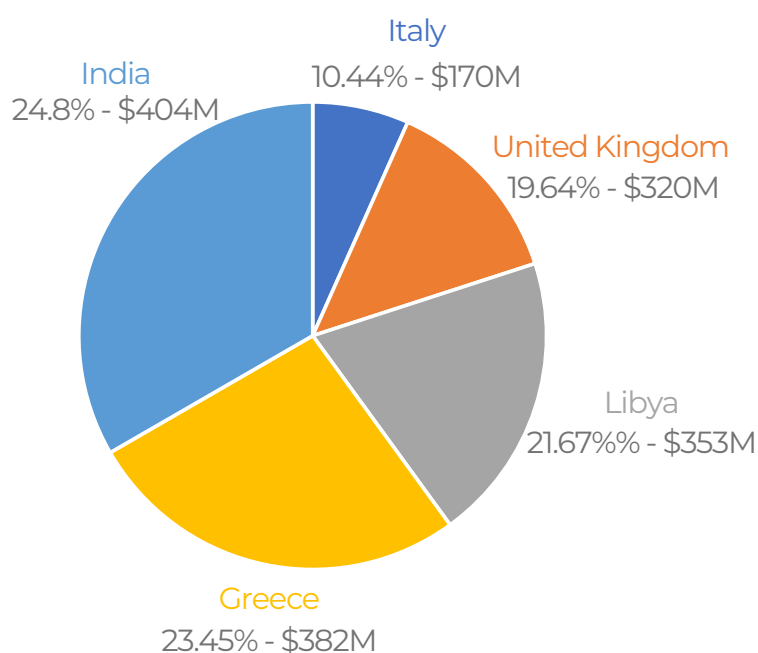
Due to its location, it has long been debated whether Cyprus should be considered European or Asian. From the historical and cultural point of view in fact, the island of Cyprus can be considered a European state (remember that is part of the European Union from 2004), but geographically is located in the Asian Continent.

So, the conclusion is that Cyprus can be called European or Asian depending on the criteria you choose to adopt.

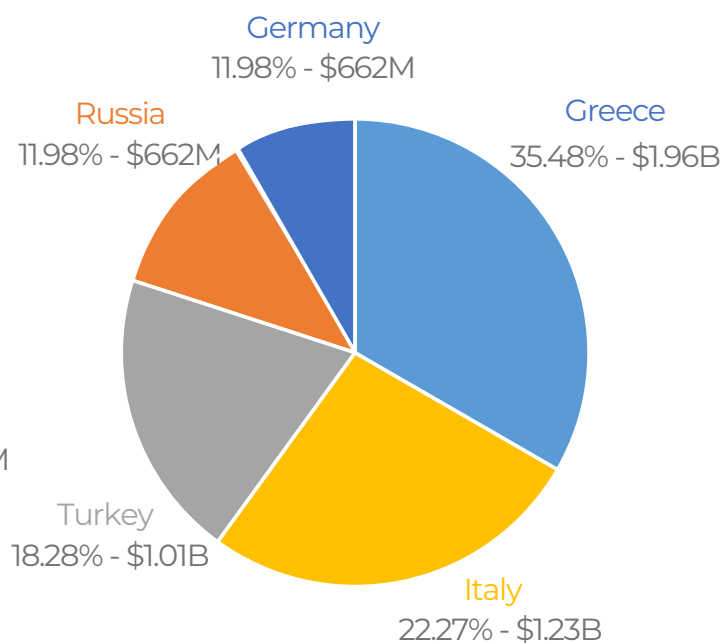
In 2013, a bad management of the banking sector, led Cyprus to face a major financial crisis from which it would emerge only in 2016. This was also possible following the crisis of Greece (which can be read in the infographic published on 08/07/2021), to which the island had lent money.

The latest data show that Cyprus is the number 104 economy in the world in terms of GDP (current US\$) the number 120 in total exports, the number 90 in total imports, the number 37 economy in terms if GDP per capita (Current US\$) and the number 47 most complex economy according to the Economic Complexity Index (ECI).

## Top 5 Export Countries



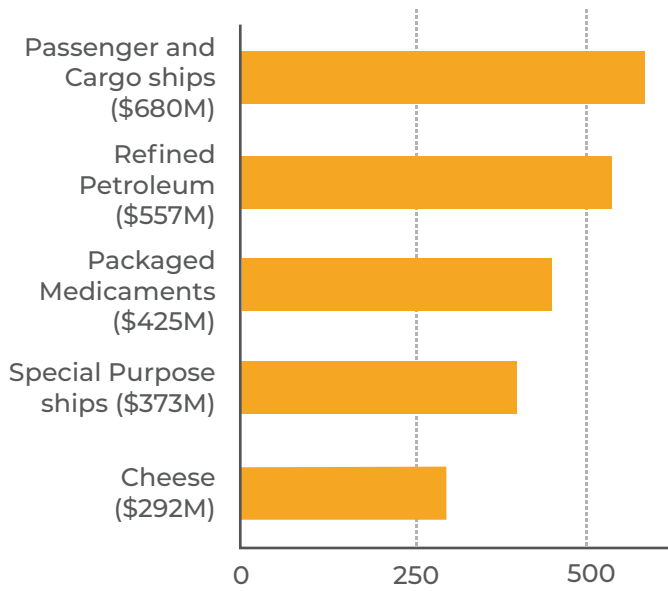
## Top 5 Import Countries



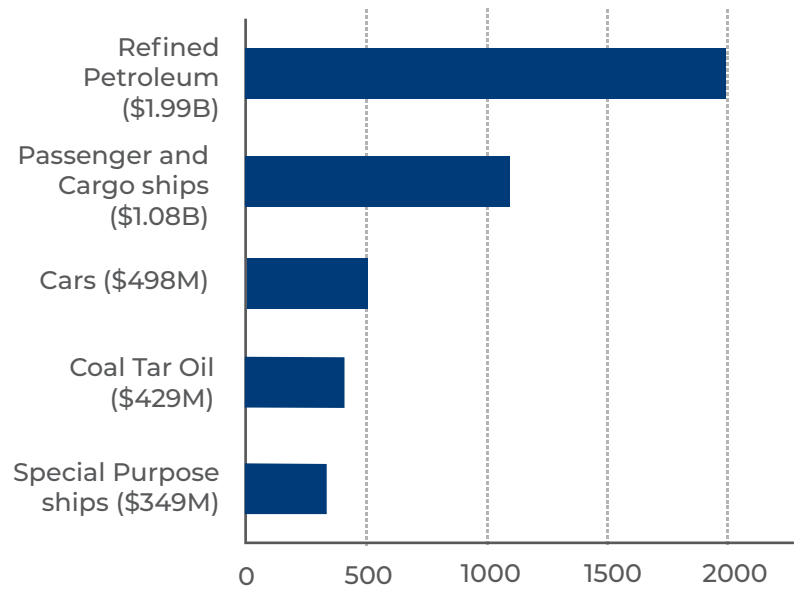
SOURCE:<https://oec.world/en/profile/country/cyp/>

## | What does Cyprus Imports and Exports?

Here we have a representation of the main goods exported and their amount (\$)



Here we have a representation of the main goods imported and their value (\$)



The top export opportunities for Cyprus are Gold, Non-fillet Frozen fish, Crude petroleum, Tropical fruits, and Postage stamps.

Cyprus has a high level of specialization in Tug boats, Railway passenger cars, special purpose ships, potatoes and passenger and cargo ships.

SOURCE: <https://oec.world/en/profile/country/cyp/>

## Product Analysis

### | Contact Lenses Import/Export



- Contact lenses are the world's 447th most traded product, with a total trade of \$7.12B.
- Trade in contact lenses represent 0.039% of total world trade.
- The top exporters of contact lenses are: Ireland (\$1.56B), United states (\$1.09B), United Kingdom (\$961M), Germany (\$797M), Chinese Taipei (\$440M)
- The top importers of contact lenses are: Japan (\$1.37B), United states (\$984M), United Kingdom (\$581M), Germany (\$468M), China (\$360M).

The average tariff for contact lenses is 4.29%, making it the 4718th lowest tariff using the HS6 product classification.

The countries with the highest import tariffs for contact lenses are: Tunisia (20%), Samoa (20%), Venezuela (17.3%), Brazil (17.3%), Argentina (17.3%).

The countries with the lowest tariffs for contact lenses are: Kenya (0%), Madagascar (0%), Mauritius (0%), Rwanda (0%), Tanzania (0%).



# Article of the Month

## | Efficient vendor management to increase your company's performance - Wilfred Sigler (Senior Director, Market Development and Digital Solutions, CRIF India)

India is now one of the fastest growing economies in the world. The recent interventions in industrial growth coupled with thriving government policy push, have helped Indian companies to enhance their innovations and offerings and ensure higher productivities. In this process, organisations collaborate with several partners to ensure efficient outcomes. This brings us to a key business aspect, i.e, vendor management, the process of shortlisting and finalising vendors for a particular task/project.



The pool of vendors can expand to include partners for logistics, suppliers, manufacturers, technology support, distributors, and more. Vendors are crucial to an organisation's success. Hence it's important to onboard the right ones. Why do companies need vendors? Often, it is easier to collaborate with an external expert rather than build that expertise in-house. This allows the company to focus better on their core offerings. It is time and cost effective and saves heavy investments in the form of research and development.

However, external vendors come with a wide range of risks – operational, compliance, financial and reputational among others. As companies work closely with vendors and there can be a lot of exchange of critical data, it is important that a systematic vendor assessment process is followed. A non-evaluated vendor is always risky in the long run and thus, it's critical that companies take vendor evaluation seriously.



When selecting a vendor, it is important to do a thorough check on the vendor's background and past records to analyse their capabilities and if they are a right fit. While, this can be a time-consuming process and may sometimes need focused expertise, it needs to be a high-priority task as lack of a proper assessment can cause huge risk to the partnering company. A vendor assessment guide is therefore a boon, especially for India's budding start-ups and MSMEs.

### **Key factors to consider when assessing a vendor**

Business Information and credit reports are key to assessing a vendor. These reports come with basic to in-depth information providing insights on the following aspects -

#### ● **Identification:**

Highlights important company information such as registration details, legal forms and address to map the correct details on a vendor. Includes details on industry code, number of employees, and all information enabling companies to be classified that can be a great reference point for the partnering company

- **Risk Assessment:**

Provides a rating to understand the risk level combined with a credit limit to get further insight into company vulnerability. This also screens if the vendor has any credit-related defaults that can be critical for the partnering company

- **Financial Information:**

Provides relevant financial data, balance sheets and ratios to evaluate the financial strength of the business. This can significantly help in enhancing the decision-making process

- **Historic Data:**

Factors any major changes or significant legal events such as changes in officers, acquisitions, fires or natural disasters, critical suits or bankruptcies among others. Business Information reports are smartly designed to map each of these essential historic parameters

- **Company Structure and Relationship:**

Details the present and past senior management profiles that can serve as a good benchmark for knowing the leadership health of the company

- **Bank Details:**

Details like bank name, address, and bank branch used by the company, if available.

### **When collaborating with international vendors**

Today, technology has diminished geographical boundaries and companies are increasingly willing to integrate with vendors overseas as well. In such situations, lack of right information for vendor assessment should not be a limiting factor for partnering companies. To solve for this challenge, industry experts have built capabilities to evaluate vendors irrespective of their locations. There are several players that provide business information reports. For instance, International company reports by CRIF India has details on nearly 200 Million companies across the globe. This can empower businesses to take the right decisions irrespective of their vendor's geographical presence. As many companies are scaling up without any boundaries, this is truly an enabler.

Vendor management does not end with the selection of the vendor. It is a continuous association and needs frequent interventions to monitor the health of the vendor from time to time. It is therefore a best practise to check the business information report of vendors consistently. With the right customised business optimisation tools and intelligence reports, organisations can be focused on driving productivity and be risk-free with the right partners in the journey.





# Quick Infographic

| Quick and easy Cyber Check reports powered by CRIF



## Quick and Easy Cyber Risk Assessment

Cyber risks need to be assessed carefully and dealt with the highest level of priority. The exposure to cybercrimes is increasing with the increasing dependency on the internet and digital workspaces.



### Why should you be concerned about cybersecurity?



Cyber Risks can cause reputational damages



Lead to regulatory and compliance issues



Supply chain continuity can be disrupted



Impact business relationships negatively

CRIF CYBER CHECK powered by KYND is simple and easy to use. A cost-effective proactive response to cyber risk management.

### Why CRIF KYND Cyber Risk Assessment?

**SIMPLE:**  
Understand your Cyber risks without any specialist knowledge



**ACTIONABLE:**  
Threats get prioritised to highlight severe risks that need immediate action



**INSIGHTS:**  
Identifies threats based on your company's current cyber risk exposure



**LOW COST:**  
Choose the point-in-time you want to assess or any ongoing cyber risk monitoring



**INSTANT:**  
Tracks latest cyber data and trends to instantly report vulnerabilities



Access your CRIF KYND Cyber Risk Assessment Report now!

# 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.



## Global Data Environment

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



## Unmatched expertise in analysis

Our vast experience gives us an eye for better  
assessment of information



## Count on our TAT

Quality in expertise translates into  
efficiency in outcome



## Quality checks

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

**Customized solutions for:** Customer | Suppliers | Trade / Supply Chain solutions



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