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CRIF INDUSTRY WATCH

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Analysis and Studies

| Slovakia - An overview on economy and business environment



Slovakia is in the heart of central Europe. It was part of the Austro-Hungarian Empire until the end of World War I in 1918. Then, it became a part of the new nation of Czechoslovakia. On 1st January 1993, Czechoslovakia underwent a nonviolent "velvet divorce" into its two national components, Slovakia and the Czech Republic. Slovakia joined both NATO and the EU in 2004 and the euro zone on 1st January 2009.

Slovakia's economy suffered from a slow start in the first years after its separation from the Czech Republic in 1993, but economic reforms implemented after 1998 have helped Slovakia to grow at a much faster pace. The country has experienced sustained and firm GDP growth since its integration into the European Union in 2004, except for the financial crisis of 2008- 2009 and the Eurozone crisis of 2011-2012. After that, the Slovak economy returned to grow, pushed by the increase of internal and European demand. Currently the Slovak Republic has a small, open economy driven mainly by automobile and electronics exports, which account for more than 80% of GDP.

Slovakia has been a regional FDI (foreign direct investment) champion for several years, attractive due to a relatively low-cost yet skilled labor force, and its favorable geographic location.

Exports and investment have been key drivers of Slovakia's vigorous growth in recent years. The country's banking sector is sound and predominantly foreign owned.



Also Slovakia has been hit hard by Covid 19 pandemic. The second wave of the pandemic will weigh on economic activity in the near term. From mid-2021, a gradually improving labor market, together with stronger wage growth and confidence gains related to vaccination against the virus, will support household disposable income and consumption.

The Slovak Republic has a highly qualified labor force of 2.7 million out of its 5.4 million population. The agriculture sector is little developed, although almost two-fifths of the land are arable. The main agricultural products in the country are cereals, potatoes, sugar beets and grapes. The mountainous area of Slovakia has vast forests and pastures, which are used for intensive sheep grazing, and it is rich in mineral resources including iron, copper, lead and zinc.

Slovakia has been a regional FDI (foreign direct investment) champion for several years, attractive due to a relatively lowcost yet skilled labor force, and its favorable geographic location.

The secondary sector represents 30.1% of the GDP and employs 37% of the workforce. Heavy industry sectors - such as metal and steel - are still in a restructuring phase. High value-added industries, like electronics, engineering and petro-chemicals, are installed in the western part of the country. Sectors like automobile and consumer goods are offering attractive opportunities to foreign investors.

The services sector contributes 55.9% of the GDP and employs around 61% of the active population. It is dominated by trade and real estate. The development of tourism may also become important for the Slovak economy in the coming years, as tourism – before the pandemic - was the country's most dynamic sector. The country's banking sector is strong and largely owned by foreigners.

Top exported commodities are machinery and electrical equipment, vehicles and related parts, nuclear reactors and furnaces, fuel and mineral oils, video displays and broadcasting equipment; while top export countries are Germany, Czech Republic, Poland, France, United Kingdom, Italy, Hungary and Austria.



Most imported commodities are vehicle parts, broadcasting equipment, cars, crude petroleum and petroleum gas, whereas top import partners are Germany, Czech Republic, Austria, Poland, Hungary, Vietnam, South Korea, Russia, France and China.

Despite the pandemic effects, Slovakia keeps being an attractive market for foreign companies. Especially in this period characterized by uncertainty, only the most credited and trusted business information sources can successfully support you in retrieving information on Slovak companies.

SkyMinder, thanks to the local provider CRIF - Slovak Bureau, one of the most expert and trusted sources in the country, is able to support you in getting a reliable and in-depth view of your business partner and prospects.

All SkyMinder credit reports on Slovakia are online and updated and they include the following information (if available at local sources):

- Complete company identification details: correct company name, address(es), contact details such as phone, fax, email, webs, etc.
- Company registration details: registration number, vat code and any information that can be retrieved at the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: balance sheet and profit and loss (as filed at the company registry), financial ratios.
- Credit rating and suggested credit limit
- Payment Discipline Index
- Number of employees range
- Activity details: sector and industry of the company, when possible also information on import and export activities.
- Negative information on the company; historical and legal events.
- Banks information

The reports are complete, updated and easy to read. In addition to the Credit Reports, on SkyMinder it is possible to keep Slovak companies monitored for 12 months, thanks to the Alert and Full Monitoring Services.

Our provider CRIF – Slovak Credit Bureau also offer the Slim Report, a report with essential information helpful to assess the risk of company, and the KYC report focused on the shareholding structure.

Thanks to SkyMinder credit reports and the expertise of local providers, it is possible to establish safe and profitable business partnership with any Slovak company.

Import-Export Snapshot

Republic of Korea

The Republic of Korea is one of the few countries that has successfully transformed itself from a low-income to a high-income economy and a global leader in innovation and technology. Its government's policies resulted in real gross domestic product (GDP) growth averaging 7.3% annually between 1960 and 2019. (World Bank)

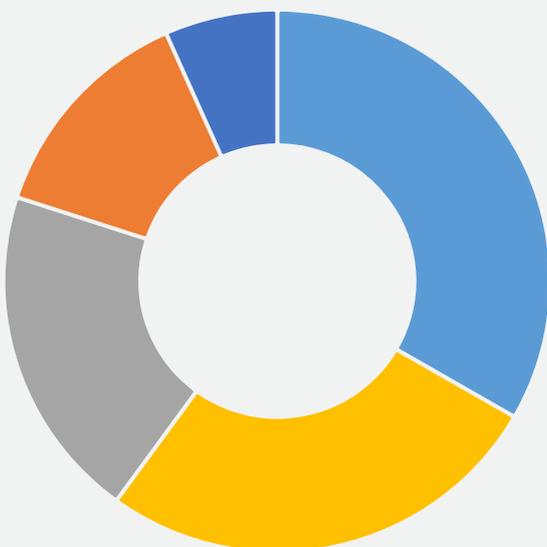
The republic of Korea is the number 12 economy in the world in terms of GDP (current US\$), the number 5 in total exports, the number 10 in total imports, the number 34 economy in terms of GDP per capita (current US\$) and the number 5 most complex economy according to the Economic Complexity Index (ECI).

As countries around the world work to contain the spread and impact of COVID-19, the Korean government is working to respond to the pandemic using innovative and technology-enabled solutions.



Top 5 Export Countries

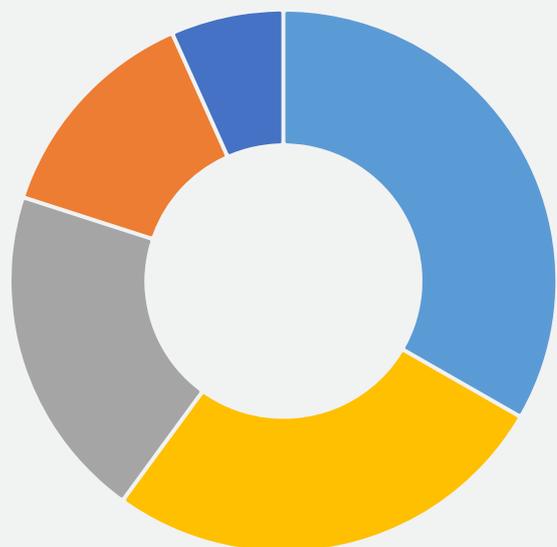
Between September 2019 and September 2020 the exports of Republic of Korea have increased by \$3.41B (7.64%) from \$44.6B to \$48B.



- Electrical machinery and equipment (\$15.2B)
- Nuclear reactors, boilers, machinery (\$6.06B)
- Vehicles; other than railway (\$5.53B)
- Plastics and articles thereof (\$2.94B)
- Mineral fuels, mineral oils (\$2.07B)

Top 5 Import Countries

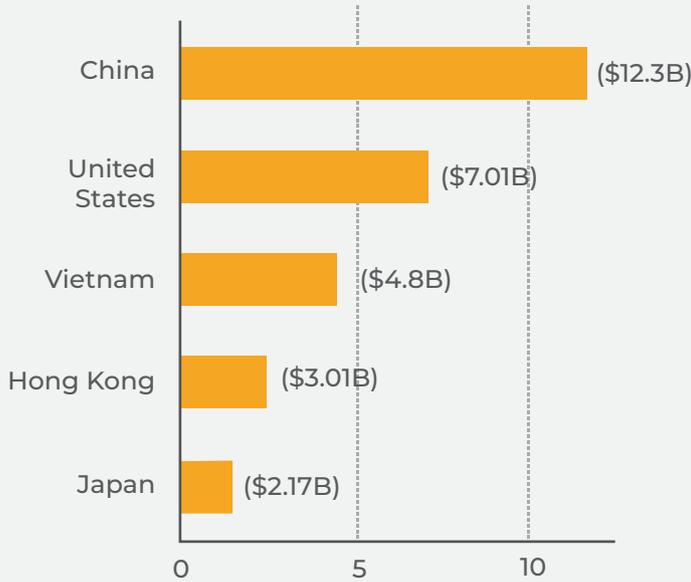
Between September 2019 and September 2020 the imports of Republic of Korea have increased by \$607M (1.57%) from \$38.7B to \$39.3B.



- Electrical machinery and equipment (\$8.01B)
- Mineral fuels, mineral oils (\$6.59B)
- Nuclear reactors, boilers, machinery (\$4.59B)
- Vehicles; other than railway (\$1.65B)
- Medical or surgical instruments and apparatus (\$1.63B)

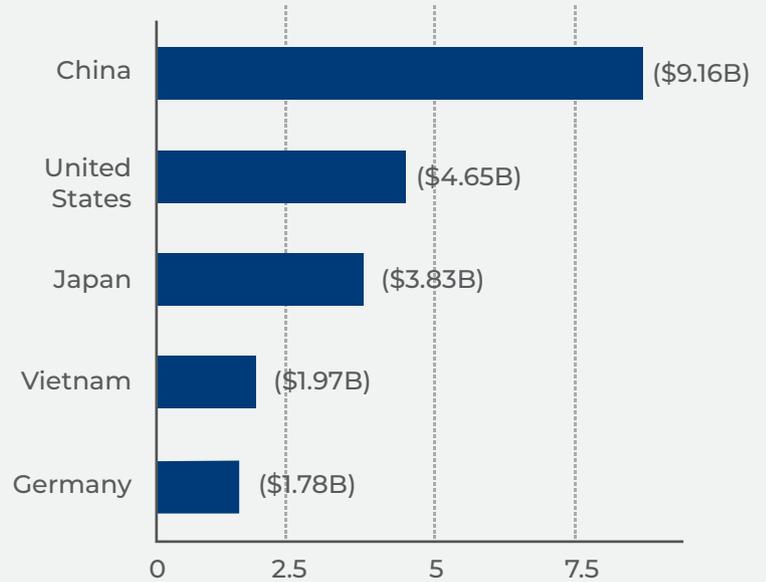
SOURCE: <https://oec.world/en/profile/country/kor/>

| What does Republic of Korea Imports and Exports?



In September 2020, the increase in year-by-year exports was due to an increase in exports to United States (23.2%), China (8.22%), and Vietnam (13.6%).

Product exports increase in Electrical machinery and equipment (10.2%), Vehicles, other than railway (18.6%), and Nuclear reactors, boilers, machinery (11.7%).



In September 2020, the increase in year-by-year imports was due to an increase in imports to Netherlands (201%), China (11.8%), and Chinese Taipei (20.1%).

Product exports increase in Vehicles other than railway (34.4%), Nuclear reactors, boilers, machinery (22.7%), and Electrical machinery and equipment (7.12%).

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

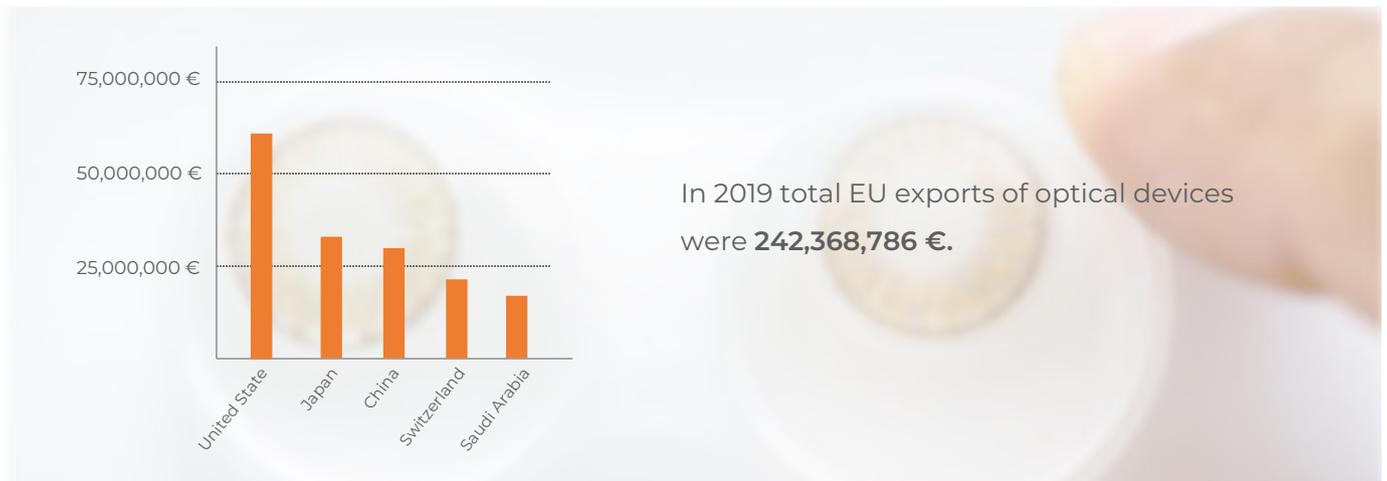
Product Analysis

| Top exporters of Optical Devices

- Optical devices are the world's 46th most traded product, with a total trade of \$47B.
- Top exporters of Optical devices are China (\$19B), South Korea (\$11.6B), Chinese Taipei (\$6.82B), Japan (\$3.5B), and Vietnam (\$2.59B).
- In 2018 the major importers of Optical devices and instruments were China (\$16.9B), Hong Kong (\$6.54B), Mexico (\$3.81B), Vietnam (\$3.55B), and South Korea (\$3.08B).



What about EU exports (€) of Optical devices to other countries?



Article of the Month

| Pharmaceutical and traditional medicine industries are becoming essential during pandemic - Indonesia

The COVID-19 pandemic has been going on for more than a year in Indonesia. Society and the government began to gradually adjust to the existing conditions. Although there are still many sectors that have slumped, some are starting to show an improvement trend both in terms of performance and financials. One of them is the manufacturing industry which has shown growth since Q4/2020.

One of the sectors driving the growth of the manufacturing industry is the chemical, pharmaceutical, and traditional medicine industries. Indeed, since the pandemic occurred, this sector has always grown positively, even the value of gross domestic product (GDP) is also above the value of the manufacturing sector's GDP and national GDP. In 2020, Indonesia's GDP grew negatively at -2.07% (Y-o-Y), then the GDP of the non-oil and gas manufacturing sector also grew negatively at -2.52%. Meanwhile, the GDP of the chemical, pharmaceutical, and traditional medicine sectors grew encouragingly at 9.39% (Y-o-Y).

Meanwhile, based on data collected by Statistics Indonesia (BPS) in Q1/2021, the chemical, pharmaceutical, and traditional medicine industries also still grew positively at 11.46%.

This value was the highest growth in the manufacturing sector other than oil and gas. Meanwhile, from a nominal perspective, these sectors became the second largest after the food and beverage industry by contributing IDR 79,838.7 billion to the GDP of the manufacturing sector other than oil and gas in Q1/2021. This value increased by 15.28% as compared to the same period in 2020 (IDR 69,258.8 billion). The high public need for medicines during the pandemic also supported the growth, especially immunomodulatory drug products and health supplements. Hence, performance of this sector also increased.



With the increasing spread of COVID-19 in Q2/2021 and the Emergency Enforcement for Public Activity Restrictions (PPKM) by the Government of Indonesia, the need for pharmaceutical products is also expected to increase. Therefore, the Government has implemented a few policies, one of which is optimizing supply and distribution chains for medicines and medical devices to meet national needs, especially products that support the prevention and treatment of COVID-19, such as masks, personal protective equipment (PPE), hand sanitizers, vitamins, related medicines, and cleaning fluids.

The Ministry of Health will co-ordinate with the Ministry of Industry, the Institute for Procurement of Goods (LKPP), and the Food and Drug Supervisory Agency (BPOM) to accelerate the fulfilment of national needs through the domestic pharmaceutical and medical device industry during the implementation of restrictions on emergency community activities. Meanwhile, the Ministry of Industry will regulate oxygen producers to allocate 90% of their oxygen production for medical needs in Java and Bali.



Based on information from the relevant ministries, during this pandemic there was a surge in oxygen demand in the medical sector reaching 800 tons per day. Meanwhile, currently there are production reserves of 225 thousand tons per year that can be utilized. If this amount is deemed insufficient, then the supply of oxygen gas for industry can be diverted for medical needs.

Other policies implemented by the government encourage a deepening of the structure and increased investment in the chemical, pharmaceutical, and textile industrial sectors. The increase in investment has had a major impact on the economy, especially in terms of employment. In addition, the performance of this sector is also expected to be maintained so the stock of public needs is maintained and does not run into shortages.

Quick Infographic

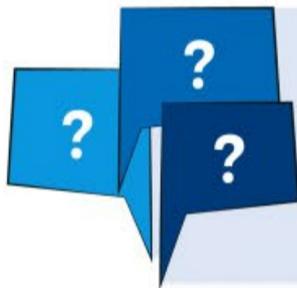
| CRIF's Vendor Evaluation Report and It's Benefits



What is **Vendor Evaluation**, and what are its benefits?



Do you have the following questions?



- Are my potential vendors capable of meeting our organisational standards?
- How high will my credit risk exposure be if I partner with a particular vendor?
- Will they be able to offer high-quality services?

It is time to get your due diligence with **CRIF Business Information Report.**

Onboard suppliers and vendors who ensure compliance with all laws, regulations and standards that apply to your business framework.

Here are the major benefits of getting your vendors evaluated with CRIF Due Diligence:



Establish authenticity and understand the background of your vendors



Assess vendors' capability to reduce your operational costs



Establish credibility for a smooth supply chain and agile business framework



Build trustworthy relationships to encourage collaborative business growth



Onboard vendors who match your values and eliminate risks of fraud

Get your vendor due diligence with **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.



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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