

January  
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# CRIF INDUSTRY WATCH

A monthly edition on Data, Risk and Economic Insights

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# Analysis and Studies

## | Diamonds Industry Analysis



The diamonds industry was impacted too by the Covid-19 pandemic, and data demonstrate this. Predictions also point out that such consequences will be seen in the years to come.

As it may be guessed, lockdown measures made it difficult for artisans to work on the cutting and polishing of the diamonds; at the

same time, the known supply chain slowdown and border closures contributed to the suffering of the industry.

As it could be predicted, luxury goods during pandemic suffered drop in demand, which brought considerable drops in sales. Significant data are reported below:

India, considered to have the highest concentration of polished diamonds, saw raw diamond imports fall to \$1 million in April from \$1.5 billion in February. Polished diamond exports also fell by 26% year on year (from \$2.18 billion in August 2018 to \$1.64 billion in August 2020).

Then, the RapNet Diamond Index (RAPI) shows that the price of one-carat diamonds was down 13.1% year on year, and the cost down 9.5%.

In African countries the situation is even worse. As of April 2020, exports had almost ceased in Guinea, with diamond exports falling dramatically to 39,494 carats in the first quarter of 2020 from around 270,000 carats in the first quarter of 2019. Cameroon had likewise not exported any diamonds since the lockdown began.

Zimbabwe saw a 50% drop in price, instead, mostly due to the fact that regular purchasers no more had money to buy. Exploitative and opportunistic buyers aroused, which purchased the goods at a low price and would resell them at higher price once pandemic is over.

Having said this, it may be a risk to engage in a relationship with a business that operates in this industry. For some aspects, as well, it can be a great opportunity, above all with an eye on the future.

Thanks to SkyMinder you can take a better decision by evaluating your partner and look at its current financial position!

## Impact of Covid-19 on the diamond industry



The diamonds industry was impacted greatly by Covid-19: being diamond a luxury good, in many countries demand decreased; at the same time, restrictive rules and supply chain slowdowns worsened the situation.

### 1. India Drop In Import

India saw raw diamond imports fall to \$1 million in April from \$1.5 billion in February.

### 2. India Exports Fall

Polished diamond exports also fell by 26% year on year.

### 3. Price And Cost Fall

According to the RAPI Index, the price of one-carat diamonds was down 13.1% year on year, and the cost down 9.5%.

### 4. Exports in Africa

In Guinea exports fell from 270.000 to 39.500 carats (2019-2020). In Camerun, exports ceased since the lockdown measures.

### 5. Price Fall In Zimbabwe

Unlike other countries where the diamonds value was kept the same, price in Zimbabwe drop 50% and exploitative buyers aroused.

# Import-Export Snapshot

## Trade Data: Japan

In 2019 Japan was the number 3 economy in the world in terms of GDP (current US\$), the number 4 in total exports, the number 5 in total imports!

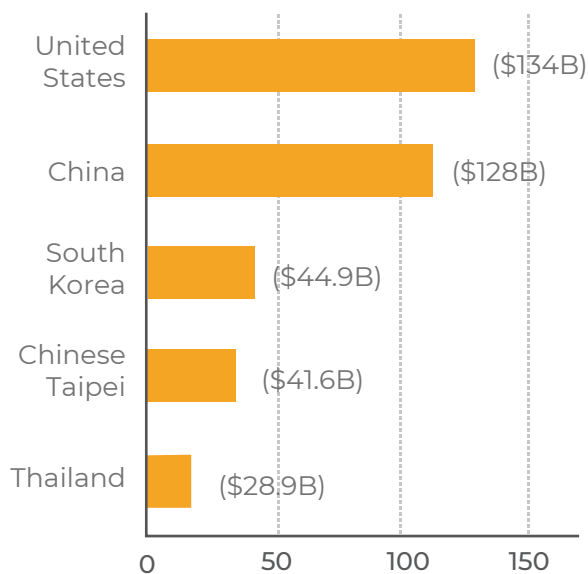
### The top exports of Japan are:

Cars (\$103B),  
Vehicle Parts (\$33.2B),  
Integrated Circuits (\$30.7B),  
Machinery (\$20B),  
Ships (\$13.7B).

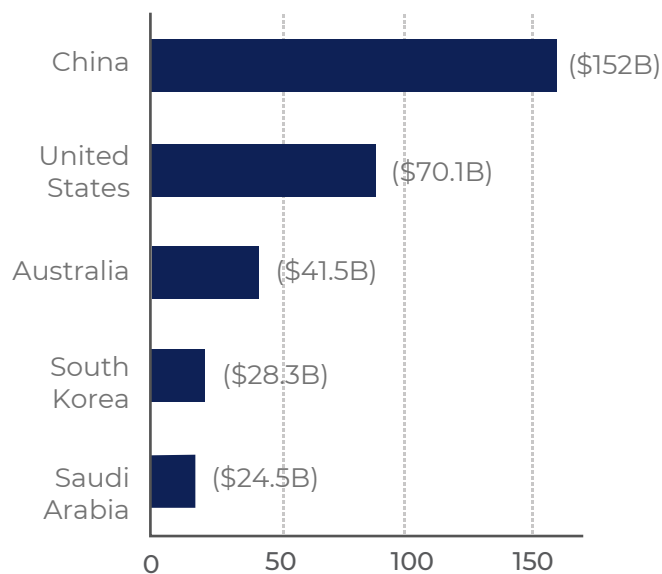
### The top imports of Japan are:

Crude Petroleum (\$64B),  
Petroleum Gas (\$42.3B),  
Coal Briquettes (\$20.7B),  
Integrated Circuits (\$17.1B)

### Mostly exporting to:



### Mostly importing to:



Japan is the number 1 most complex economy according to the Economic Complexity Index (ECI).

# Product Analysis

## I Cocoa - Market Analysis



- In 2019 Cocoa and cocoa preparations were the world's 53<sup>rd</sup> most traded product, with a total trade of \$50.9B!
- About 70 percent of the world's cocoa beans come from four west african countries: Ivory Coast, Ghana, Nigeria and Cameroon.

### Export

The top exporters of Cocoa are:

Germany (\$6.24B),  
Ivory Coast (\$5.43B),  
Netherlands (\$5.08B),  
Belgium (\$3.77B), and  
Ghana (\$2.58B).



### Import

The top importers of Portugal are:

United States (\$5.13B),  
Netherlands (\$4.7B),  
Germany (\$4.68B),  
France (\$3.5B), and  
United Kingdom (\$2.88B).

### HIGHEST TARIFFS

Austria (96.9%),  
Bulgaria (44%),  
South Korea (38.3%),  
Cyprus (37.1%), and  
Iran (37.1%).

### LOWEST TARIFFS

Mauritius (0%)  
Hong Kong (0%),  
Singapore (0%),  
Switzerland (0%),  
and Norway (0%).

In 2018 the average tariff for Cocoa and Cocoa preparations was 18.8%

SOURCE: <https://oec.world/en/profile/hs92/cocoa-and-cocoa-preparations>

# Article of the Month

## I Czech Republic - An overview on economy and business environment

The Czech Republic is strategically located across the oldest land routes in Central Europe, bordering Poland, Germany, Austria, and Slovakia. It split from Slovakia on 1 January 1993 and it has successfully changed from a centrally planned economy to a market economy with a free price system. The open investment climate has been a key element of this transition. Czechia is now one of the most stable and prosperous countries in Central and Eastern Europe.

Despite the Covid-19 pandemic, Czechia keeps being a very appealing 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 Czech companies.

As a member of the European Union, thanks to its advantageous location in the center of Europe, to the relatively low cost structure, and to the a well-qualified labour force, the Czech Republic is definitely an attractive destination for foreign investment and international business. Prior to the Covid pandemic, in 2019, the economic growth was steady and the financial system remained healthy and stable throughout 2019.



In 2020 the economy contracted sharply due to the pandemic, but GDP is projected to grow by 2.5% by the end of 2021, 3% in 2022 and 3.9% in 2023. The ease of containment measures thanks also to the steady increase of vaccinations, will support a rebound in services and boost household consumption. However, exports and manufacturing activity will still face difficulties until mid-2022 due to supply disruptions caused by lack of material and electronic parts. Unemployment is expected to continue to decrease and the labour market to strengthen.

The agricultural sector went through a serious crisis in the 1990s and after decades remains highly subsidized by the state. In 2019, it accounted for 1.9% of the country's GDP and employed 3% of the labour force (World Bank). The main agricultural products are sugar beet, potatoes, wheat, barley and poultry.

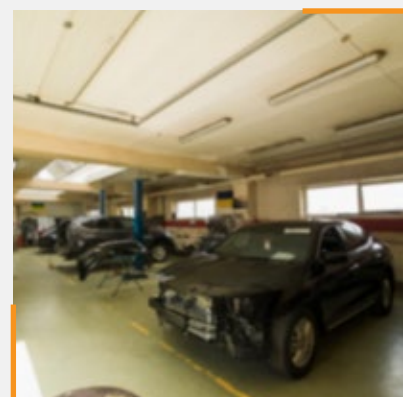
The industry sector accounts for 32% of GDP and employs 37% of the labour force. The automotive sector is undoubtedly the largest industry, with companies like Skoda. Also Hynday, Toyota and PSA have started producing cars in the Czech Republic. Czech cars are also the backbone of exports. Unfortunately car production is currently being significantly reduced due to a lack of chips.



These problems in car production are expected to continue for at least another two or more quarters. High-tech engineering and machine engineering are very important for the Czech industry sector too.

Also food processing and brewing, as well as the chemical, rubber, cement, textile, footwear, and glass industries are very important. The Czech iron and steel industries have traditionally been among the largest in eastern Europe but rely mainly on imported ores. Services contribute to 56.2% of the GDP and employ nearly 60% of the active population. The focus in the services sector is on research and development, ICT and software development, nano technology, real estates, consultancy, business, finance and life sciences. The tourism sector had a very important growth until 2019, but unfortunately, the Covid-19 pandemic had a negative impact and the sector is still struggling due to the pandemic waves which are periodically affecting the world.

The Czech Republic's economy is very open to the international markets. As previously said, the automotive industry is the backbone of trade, both for imports and exports, car and spare part manufacturing accounting for nearly 20% of Czech exports. Machinery is another major source of Czech exports. Vehicles and spare parts are also among major imports, second only to telecommunication devices.



The pandemic and the international trade dynamics have had a strong negative impact on exports and supply shortages are still creating difficulties to the export, nevertheless, Czech exports are forecast to rebound in the next years.

Germany is Czech Republic's major export partner, followed by Slovakia, Poland, France, Austria and United Kingdom. Germany is also the first largest supplier of goods, followed by China, Poland, Slovakia and Italy. Becoming a member of the EU has allowed the Czech Republic to enter the Common Market and solidify its position as a low-cost production base.



Despite the Covid-19 pandemic, Czechia keeps being a very appealing 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 Czech companies. SkyMinder, thanks to the local provider CRIF – Czech Credit 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 Czechia are online and updated and they include the following information:

- Complete company identification details
- Company registration details:
- Directors and company structure: board of directors, shareholders and related companies.
- Financial accounts
- Credit rating, probability of bankruptcy and suggested credit limit
- Number of employees' range, sector and industry of the company, banks information.
- Negative information on the company; historical and legal events.

The reports are complete, updated and easy to read. In addition to the Credit Reports, on SkyMinder it is possible to keep Czech companies monitored for 12 months, thanks to the Alert and Full Monitoring Service. Our provider CRIF – Czech 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 Czech company.



# Quick Infographic

## | Supplier evaluation with CRIF's Business Information Report



### Evaluate Your Vendors with CRIF's Supply Chain Due Diligence Report



#### What is Supply Chain Due Diligence?

It accounts for the efforts taken to investigate a potential business partner and associated risks that can disrupt the supply chain of your company. The main and vital purpose of the process is to ensure that the portfolio of the top-notch suppliers is available at the disposal of the company.

#### Key Benefits of Supply Chain Due Diligence



**Increase performance visibility:** The simple process of measuring the performance of the suppliers can help improve the overall performance of the company.



**Leverage the supply base:** Plan a better and new range of products and services based on a good understanding of its suppliers' expertise, vital capabilities, and performance levels.



**Diminish risk factors:** Identify potential threats under credit lines, operations, possible bankruptcy, defaults and eliminate any corruption risks.



**Align customer and supplier business practices:** Ensure suppliers run their business operations in alignment with their customers sharing similar business ethics and work towards the continuous improvement of their operations.

Keep your third-party due diligence in check.  
Get your Business Information Report from CRIF today!

# 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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