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CRIF INDUSTRY WATCH

A monthly edition on Data, Risk and Economic Insights

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Analysis and Studies

| China - Economy & Trade 2021



INTRO TO THE COUNTRY

China's GDP increased up to 8.1% in 2021, far exceeding government's expectations. Once the pandemic recovery started off, trade increased at a very high rate, allowing the country to reach its trade surplus record since 1950.

But weakening growth in the closing months of 2021 suggests that trouble is still on the horizon as the country contends with a deepening real estate crisis, renewed Covid outbreaks and Beijing's strict no-tolerance approach to controlling the virus.

However, growth started to slow in the last months of 2021: the country still has to face troubles related to Covid-19 outbreaks and a worrying real estate crisis. In particular, China's zero covid approach directs prompt intervention to trace and prevent any Omicron widespread outbreak; the cost of the related measures like locking down entire cities and curbing travels is high for the whole economy.

CHINA'S ECONOMY AND TRADE: LATEST DATA

China's economy saw a GDP growth of 8.1% in 2021. Trade in general also increased a lot with respect to the previous year. In fact, trade surplus widened to USD 676.4 billion, from USD 524 billion in 2020, as exports surged 29.9% and imports 30.1%. In Dec 21 trade surplus amounted to USD 94.46 billion from USD 75.8 billion in the same month a year earlier.

For comparison, China's trade surplus with the US was 396.58 billion for the whole 2021.

CHINA'S ECONOMY AND TRADE: 2021 DATA



- GDP growth '20-'21: 8.1%
- Trade surplus: \$676.4B from \$524B in 2020. Highest on record since 1950.
- Trade surplus YoY: \$94.46B in Dec 2021 from \$75.8B in Dec 2020, as a result of exports \$340.50B and imports \$246.04B.
- Exports surged 29.9% and imports 30.1%.
- Exported goods: mostly electronic equipment (27%) and machinery (17%).
- Imported goods: electronic equipment (27%) and mineral fuels (13%).
- FDI rose 20.2% to \$173.48 billion.

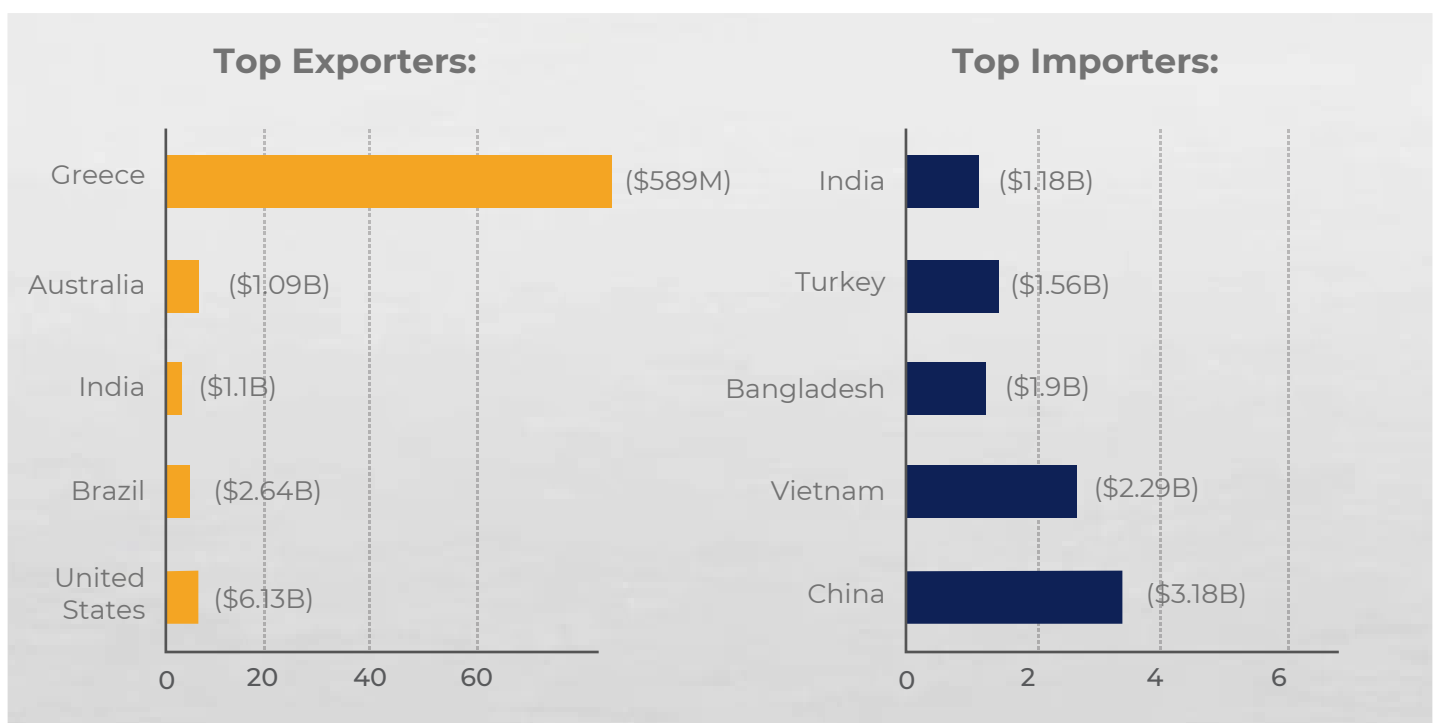
Import-Export Snapshot

Cotton Trade

According to the latest OEC data available, Raw Cotton in 2019 was the world's 226th most traded product, with a total trade of \$15.4B.

In 2019 the top exporters of Raw Cotton were United States (\$6.13B), Brazil (\$2.64B), India (\$1.1B), Australia (\$1.09B), and Greece (\$589M).

On the other hand, instead, in 2019 the top importers of Raw Cotton were China (\$3.18B), Vietnam (\$2.29B), Bangladesh (\$1.9B), Turkey (\$1.56B), and India (\$1.18B).



Product Analysis

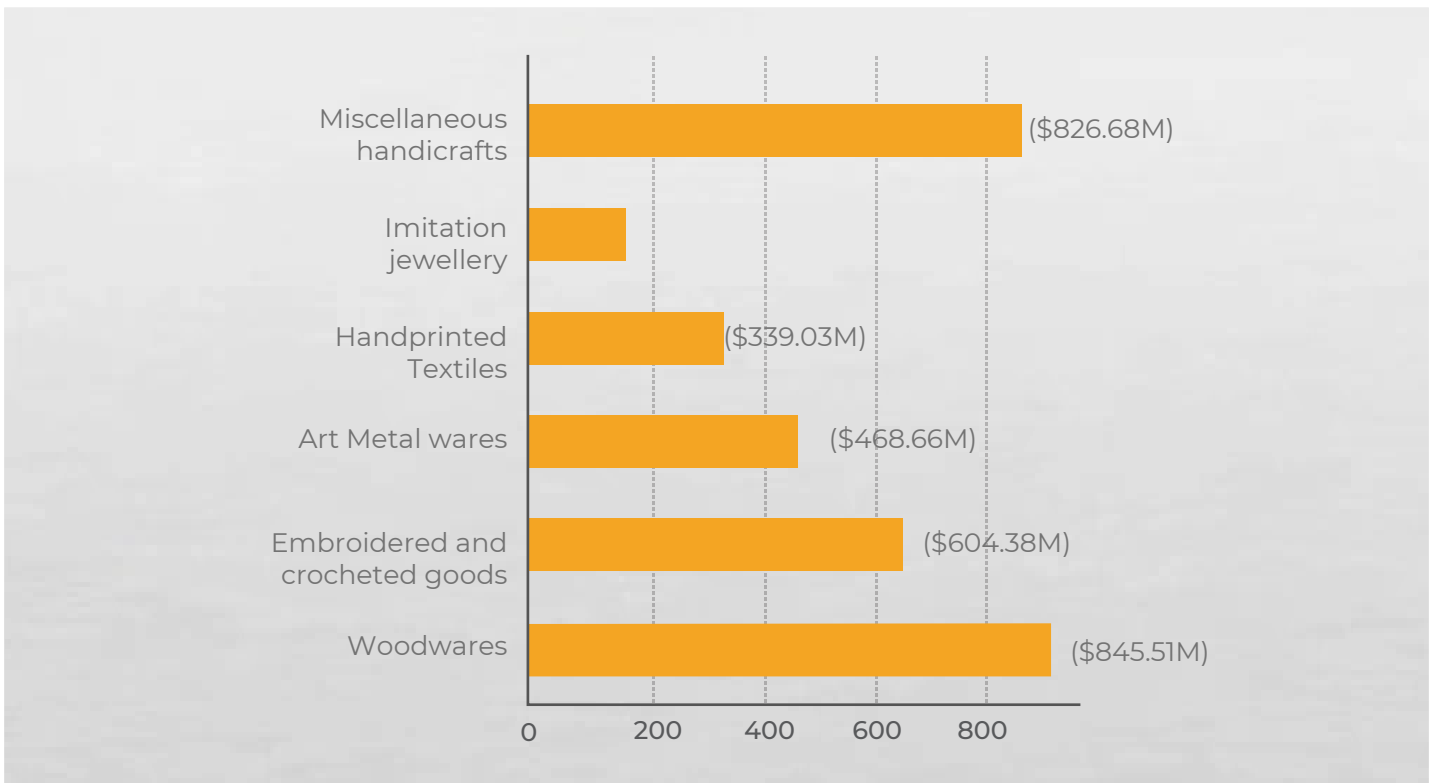
I Handicraft Industry - India



Indian handicrafts are renowned for their quality around the world. As a consequence, handicrafts account for a significant share of the country's export and the whole sector represents a great creator of employment for the country. The whole industry is supported by regional clusters and houses that promote it to both the domestic and the global market.

As it happened also in other countries, however, this sector is one of the most damaged by the Covid-19 pandemic. The government, thus, has increased incentive rates for handicrafts export in order for artisans to better recover the input costs. Not only, a fund was released in late 2020 by the Ministry of Textiles to provide helps to craftsmen.

2020 export data and top export destinations



Indian exports handicrafts mostly to the US, the UK, the UAE, and the main European countries.

Article of the Month

I Data integration to better face international business assessment challenges

Speed and accuracy in evaluation processes are now crucial in an economic worldwide environment changing very fast. Be able to take a decision very quickly and at the same time based on most reliable information related to companies is a key success factor. Never mind if the assessment is related to a customer or a supplier, if decisions must be automatic as much as possible, if done in different locations or department and time is critical element, it's necessary to put in place processes able to integrate internal information with external ones into current ERP.

In current economic scenario there are some aspect affecting the overall decisional process about business partners. First of all, organization of companies with branches in different countries in the world. At the same time, being able to answer as quick as possible to market request is a key critical success factor. Then, of course being efficient and effective must considered as focus requirements in every organization all over the world.



It's a fact that companies having relationship worldwide are organized with department located in more than one country and not only in the one of the headquarter. This is necessary to guarantee a higher market proximity, as well as for cost control in delocalization when labor cost is lower.

Different local competence centers or specialized department are very often organized with a central management in one country with operational staffs in other countries. It's clear that in these cases, despite the fact that for the same process are involved professionals located in different countries, to promote an efficient organization, is required to follow same decisional steps. The assessment of a customer or a supplier must follow same criteria despite who and where the decision is taken. It's not an easy exercise, but can be put in place if information available and tools available are homogenous. If complex structures located in different countries, and not only big businesses, are using common IT solutions helping in management of customers or suppliers, it's very often an open point how to guarantee a similar flow in identify and use external information to apply

in decisional processes. In fact, if it's years and years that companies are using ERP to standardize assessment process, they're not in the same position to guarantee a unique set on external evaluation information embed in own ERP. Different priority inside the company generate very often a very low focus in find out business evaluation data ready to be embedded in IT systems allowing both the same informative scenario generating decisions and a common result of the assessment. Have an efficient ERP system to take business decisions is mandatory, but if the system isn't able to integrate internal information with external information regarding a business, it's not achieved the target in having a robust, shared, efficient and common everywhere in the world process.

Too often companies regarding a decisional flow underestimate how important is the availability of best in class quality information related to their business partners directly integrated in their own IT systems achieving higher efficiency.



Considering this last point there are two aspects to consider. The first one has been already partially discussed and it's related to the aim to guarantee the same evaluation process despite where the decision is taken in order to follow assessment policies defined at central level. Second one is related on how the decisional process can be organized. In fact, if a common ERP system is available at worldwide level, if there is a well structured and shared evaluation policy, if internal information related to a business partner are available when possible and finally there is an integrated access to external information, it's easy move forward to the automatization of the overall flow. Pre-defined decisional rules related to business partner profile combined to both internal and external information allow to define how to proceed regarding a particular decision. The aim isn't simply automatizing the process for all decisions but use automatic rules for cases simple enough to get the answer from the system. It means saving time and resources for those case that are requiring more attention and not eligible for an automatized decision.

This approach has as a final result to be more efficient in concentrating with a higher attention on cases that are requiring additional evaluations and avoid to spend time on cases very easy with a simple outcome. This an exercise that companies everywhere in the world must consider very seriously as the results is also related to a quicker response to market with a connected better competitiveness.



As response time, both in term of approval of a new customer or a decision related to a supplier with introduction in supply chain as quicker as possible, is more and more a critical factor, a system able to optimize decisional processes is one of the key factors regarding to companies working with different countries.

To summarize, data integration into an international decisional process means take into account several aspects, apparently independent one to each other but with a better analysis strictly interconnected.

First of all, have very clear the decisional policy for both customers and suppliers. Decide when a case can be approved, when rejected and when further analysis is required. Decisional policy must consider several aspects related to the business itself but, in any case, must be applicable to all bodies required to take a decision, despite location. A good decisional policy must have mechanisms able to alert if a revision is required. A decisional policy it's necessary for every company, but it's mandatory if the management of the decision is central but the operational side is de-centralized. And it's the only method to guarantee a homogeneous outcome.

Decisional policy is the main pillar: without it, IT solutions itself, even if very sophisticated, cannot drive an efficient assessment process.

Combined to decisional process, adopt the right ERP system able to deal to customer or a supplier from the acquisition, to the management, to assessment policies, to development.

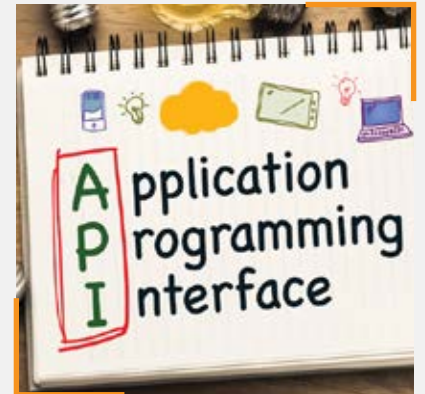


In a business partner evaluation process, ERP must combine decisional policy rules and information related to a business partner. If customer or supplier to analyze is already in portfolio, past history can be a good starting point for the assessment. But it's not enough: external information is crucial in take a decision based on profile of the company. Starting from firmographic information, moving to assessment, financial indexes, company structure and management and negative events.

Described information is crucial for business located everywhere in the world, both for existing partners and new ones. Even if data availability is strictly linked to local availability and legislation, to take a safe decision is crucial have access to this information.

Have a robust decisional policy process embed in ERP system allows take great part of the assessment automatically and small part of them with further analysis.

Again, decisional policy process availability is something that companies have in place, ERP system are accessible in great part of the companies with different level of sophistication, performance history of a partner already in portfolio is stored. But external business information isn't something used by all companies and then is less frequent that this information is embedded in ERP. Without a robust system of external business information, it's clear that also the implementation of an automatic decisional system isn't reliable as too much affected by opinion instead of facts.



Thanks to SkyMinder is possible to embed best in class business information at worldwide level into ERP systems. SkyMinder is CRIF platform for in-depth credit and financial data on companies all over the world. API capabilities allows access to SkyMinder solutions coming from 40 provider in the world and able to cover every assessment need. From credit and financial risk, to company structure and ownership definition, anti-bribery, corruption and financial crimes assessment and cyber risk attacks. Solutions available via SkyMinder are:

- **Full Report and Slim Report:** Information, with different level of details, related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.
- **Full Monitoring:** Detailed information about changes affecting a company as soon as happened. Combined possibility to request for free updated report.
- **Alert:** Information related to the area involved by a change as soon as an event happened.

- **Planned Revision:** Scheduled revision with updated report including company's changes if applicable.
- **Verification Report:** List of shareholders to understand company's structure.
- **Compliance Report and Extended Check Report:** Anti Bribery and Money Laundering lists checks related to financial crimes.
- **Cyber Risk Report:** Assess the level of risk related to a business partner in being involved in a cyber attack.

Thanks to SkyMinder API capabilities, SkyMinder solutions are available into most popular ERP systems in place for credit and financial evaluation like we.trade, SAP/4 Hana Cloud for Credit Integration, Dynamics, Salesforce and Ready4 Credit Management Integrated in SAP, Credity.

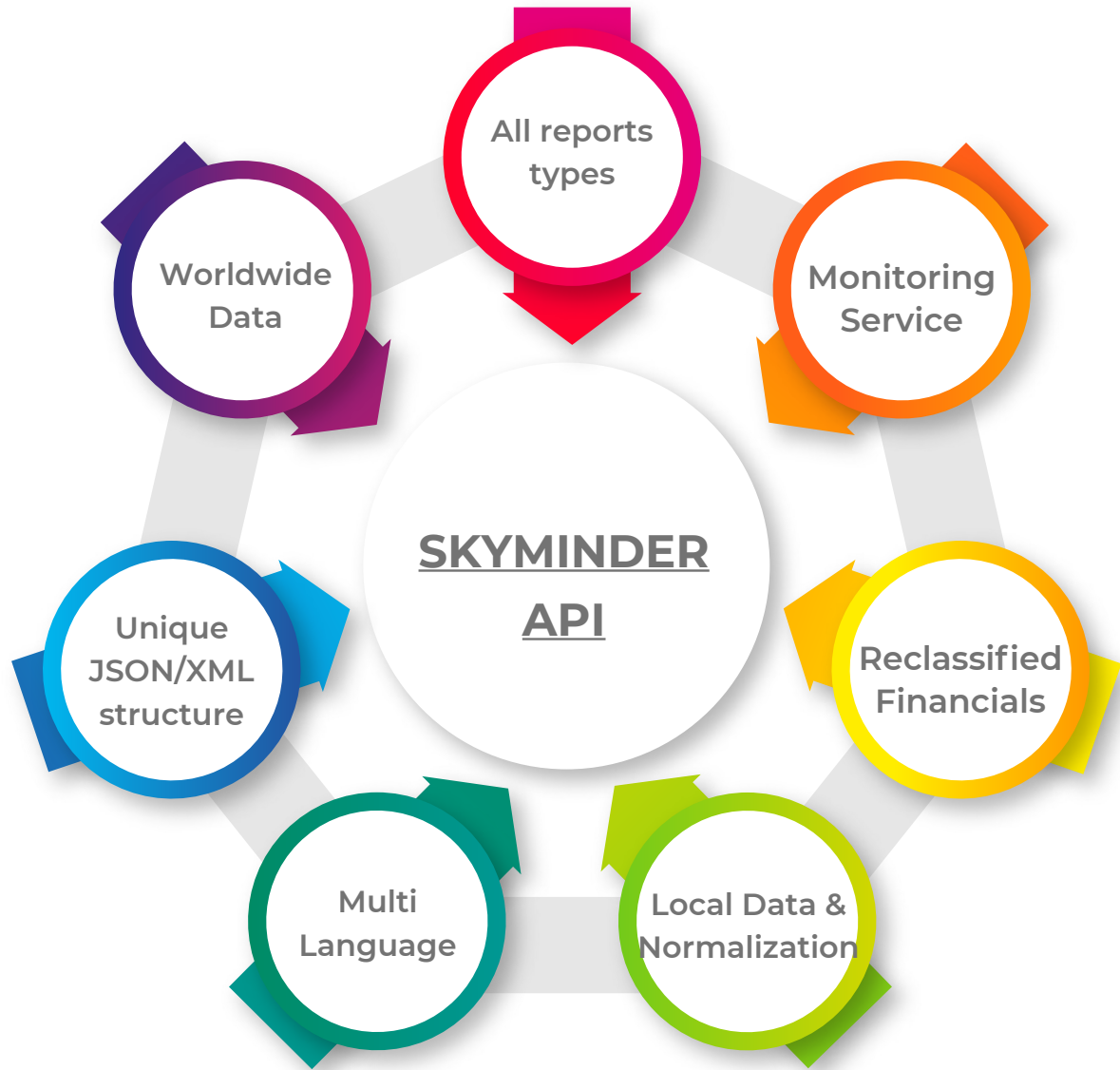
SkyMinder API is designed to support interoperable machine-to-machine interaction, where a client can access the company data in a full integrated mode. API can be called by various programming languages and provide flexibility to get information, import, edit and represent data based on client needs.



API is available in two different web services technologies, one SOAP XML and one REST JSON, both covering all services. Client is free to choose who better fits with its local framework.

API functions are designed to provide simple and standard integration experience cross countries. Normalized domains and online configurations provide the client a full set of instructions to support the different countries specifications with low implementation impact on client side.

Web documentation, accessible via secure authentication, provides use cases and collection projects ready for download and use in most common webservice formats (swagger, SoapUI, Postman) and speed up the analysis and integration process.



API services allow optimizing elaboration time, supporting dedicated tasks to deliver structured data and PDF generation, with final result of better user experience.

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 is simple and easy to use.
A cost-effective proactive response to cyber risk management.

Why CRIF 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 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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