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CRIF INDUSTRY WATCH

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INSIDE THIS ISSUE

- Analysis and Studies
- Import-Export
- Product Analysis
- Article of the Month
- Quick Infographic



Analysis and Studies

CRIF AG Study: Switzerland, slight decline in the rate of defaulting debtors to 6.33%



Number of defaulting debtors in Switzerland has dropped, from 559,985 in January 2021 to 553,344

Slight decline in the rate of defaulting debtors

The CRIF rate of defaulting debtors amounts to 6.33% of all private individuals in Switzerland. This represents a slightly lower value than in January 2021, when it was 6.45%. The actual number of defaulting debtors in Switzerland has dropped, from 559,985 in January 2021 to 553,344 currently.

High rates of defaulting debtors in western Switzerland, Basel Stadt and Ticino

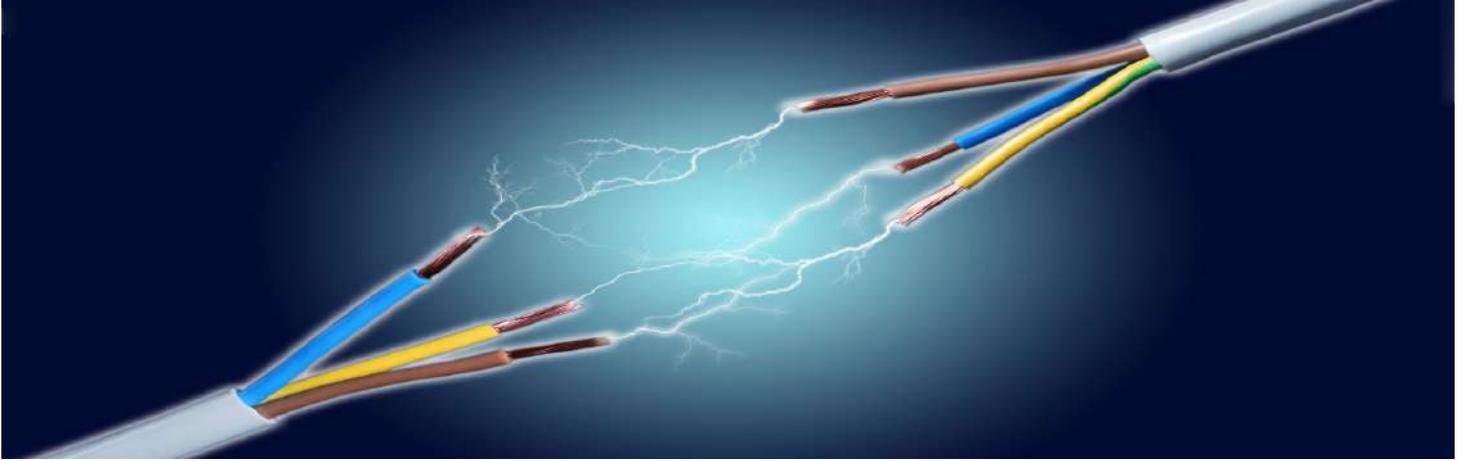
In some cantons, the rate of defaulting debtors has either improved slightly or has remained at the same level as last year. However, some differences do exist between the various regions. Western Switzerland and Ticino have higher rates of defaulting debtors than the remainder of Switzerland. For example, the Canton of Neuchâtel reports the highest rate of defaulting debtors, at 10.5%, followed by Geneva, at 9.9%; Basel-Stadt (8.4%); Vaud (8.1%); and Solothurn and Ticino at 7.8% each.

Appenzell Innerrhoden has the best payers

The Canton of Appenzell Innerrhoden is home to the best payers in Switzerland, with the lowest rate of defaulting debtors (1.6%). In central Switzerland, the Cantons of Zug, Uri, Obwalden and Nidwalden also report low rates of defaulting debtors.

Export Import

| Electricity: Top Exporters/Importers



Germany is the world's largest exporter of electricity

Top Exporters/Importers

Germany is the world's largest exporter of electricity. In 2019, it accounted for 11.4 percent of total electricity exports, valuing at some 3.8 billion U.S. dollars.

The others top exporters are, or at least were in 2020: **France (\$2.52B)**, **Laos (\$1.93B)**, **Canada (\$1.91B)**, and **Paraguay (\$1.73B)**.

Instead in 2020, the top importers of Electricity were Italy (\$2.23B), United States (\$2.01B), Germany (\$1.99B), Thailand (\$1.76B), and Brazil (\$1.5B).

In 2018 the average tariff for Electricity was 2.05%

Difference between producers and exporters

Interestingly, none of the top **producers** of electricity at a global level appears as one of the exporters. In fact, the top producers are:

- China – 7,503 TWh
- US – 4,401 TWh
- India – 1,559 TWh
- Russia – 1,118 TWh
- Japan – 1,036 TWh

China is by far the world's largest producer of electricity. Not casually, China has ramped up its share in renewable energy sources over the past few years and currently holds the largest share of wind and solar power technologies.

Product Analysis

| Sunglasses: A quick look at the market



The sunglasses market is estimated to reach \$18,164 million by 2027

Some data about trade

In 2020, Sunglasses had a total trade of \$5.05B. Between 2019 and 2020 the exports of this good decreased by -24.8%, from \$6.71B to \$5.05B.

In 2020 the top exporters of **Sunglasses** were Italy (\$2.05B), China (\$1.48B), United States (\$294M), Germany (\$173M), and France (\$144M).

In 2020 the top importers of **Sunglasses** were United States (\$1.19B), Italy (\$374M), Germany (\$340M), France (\$333M), and Hong Kong (\$230M).

In 2018 the average tariff for **Sunglasses** was 10.3%.

Expectations about the future

The sunglasses market is estimated to reach \$18,164 million by 2027, registering a CAGR of 4.2% from 2021 to 2027 (Alliedmarketresearch.com).

Article of the Month

|An overview on United Arab Emirates

Dubai is the second largest emirate with an area of 4,114sq. km

The United Arab Emirates (UAE) is in the Southeast of the Arabian Peninsula. In December 1971, it became a federation of six emirates - Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, and Fujairah, while the seventh emirate, Ras Al Khaimah, joined the federation one year later. The capital city is Abu Dhabi, the largest and wealthiest of the seven emirates.

Since its formation, the UAE has undergone a rapid development and thanks to the discovery of oil and natural gas, both on land and in the sea, the country moved from an economy dependent on pearl diving, fishing and agriculture, to an economy based on natural resources. Today, the UAE has moved again into a diversified economy based on internationally-emerging expertise and future renewable and nuclear energy. The UAE has also become one of the most important financial and economic centers of the world and it is the Middle East's second largest economy, after Saudi Arabia.

The UAE has six per cent of the world's oil reserves and the seventh largest natural gas reserves. In the medium term, oil and gas will continue to sustain the country's economy. However, as mentioned above, important diversification steps have already been taken, with approximately 70 per cent of GDP now generated by sectors other than oil and gas.

Abu Dhabi is the largest emirate in the United Arab Emirates, occupying 84 per cent of the national territory. It has 200 islands and a long coastline stretching 700km. Abu Dhabi, which has the largest majority of oil and gas reserves in the federation, has significantly invested in aerospace, nuclear energy, defense, information technology, petrochemical and clean-tech industries.



Outside Abu Dhabi it has created a zero-carbon city, Masdar. Abu Dhabi is also investing in educational institutions, and cultural and sports attractions (Formula One racing track, Ferrari theme park, and the Louvre Abu Dhabi) to boost tourism.



Dubai is the second largest emirate with an area of 4,114sq. km. Dubai has also diversified into the exhibitions, events, ICT, re-export and financial sectors. It also has developed luxury hotels, large port facilities (including Jebel Ali) and a range of free trade zones to attract both manufacturing and services industries.

The UAE government has invested in job creation and infrastructure expansion, including the preparation of the world expo in Dubai which was postponed to October 2021 due to the Covid 19 pandemic.



The UAE population of approximately 11 million depends mainly on its expatriate workforce, which makes up about 88 per cent of the population. The UAE is also opening up utilities to greater private sector involvement. Several free trade zones across the country attract foreign investors, by offering full ownership and zero taxes.

The COVID-19 pandemic has had a significant impact on the UAE's economy, but in 2021, the UAE's economy recovered from the deep but temporary recession and the country promptly put in place supportive measures to mitigate the effects of the crisis. The successful vaccination program boosted domestic consumption, and the construction and tourism sectors were stimulated by activities related to Dubai Expo.

Let's have a more in depth look at the economic sectors.

UAE's position is not favorable for agriculture and according to the latest information from the World Bank, agriculture contributes only to 0.9% of GDP and employs 1% of the local workforce. As a consequence, 85% of UAE's food is imported. Fishing and date-growing are the main activities of the sector which was the most resilient to the COVID-19 pandemic.

Manufacturing has seen an important growth in the last years, especially in metal processing, furniture, industrial preparation of food stuffs, aluminium production, construction materials, fertilizers, petrochemicals, fiberglass and real estate. Industry now represents approximately 41% of GDP and employs 34% of the workforce.

The portion of GDP from oil and gas sector has slowly diminished (30% of GDP according to latest estimates) due to the successful diversification policy. The United Arab Emirates is the world's 8th largest oil producer with significant reserves. Its oil and gas reserves are estimated to last approximately 100 years at the current rate of consumption. Also this sector has suffered from the consequences of the COVID-19 pandemic, but it is expected to recover in 2022.

The tertiary sector contributes 58.2% of GDP and employs 64% of the workforce. The main subsectors are international trade, air transport, financial activities and tourism. The travel and tourism sector, in particular, has a total contribution of around 12% of GDP, mainly driven by the emirate of Dubai (UAE Official Portal). Due to the COVID-19 pandemic, this sector contracted in 2020, as tourism, international transport and trade decreased sharply. The lifting of lockdown measures and the Dubai Expo to be held from October 2021 to March 2022 have stimulated the sector in 2022.



The United Arab Emirates is among the world's most dynamic markets in terms of foreign trade and is one of the world's top 20 largest exporters and importers of commodities and the largest trading nation of the Middle East. Oil products are by far the largest item of exports (the country is the world's 5th oil exporter), followed by radio-telephony transmission tools, gold, jewelry and diamonds.

Petroleum oils and gold are also among major imports, along with radio-telephony transmission tools, jewelry, transport equipment (mostly cars), diamonds, machinery and foodstuffs. Due to the COVID-19 pandemic, the volume of trade dropped sharply in 2020, but recovered in 2021. According to IMF estimates, the volume of exports of goods and services increased by 2.2% compared to 2020, while the volume of imports increased by 1.1%. The IMF forecast a rebound in the volume of trade in 2022, with exports increasing by 4.5% and imports by 5.3%.

Saudi Arabia is the top destination of Emirati exports, followed by Iraq, India, Switzerland, Oman and China, Kuwait, Turkey, Italy and US. China, the United States, India, Japan and Germany, Saudi Arabia, Vietnam, UK are among United Arab Emirates' main suppliers of goods and services. The recent UAE-Israel normalization deal, which comprises trade and technology cooperation and allows UAE oil to be sent directly to Europe via an Israeli pipeline, will positively impact trade.

UAE is an ideal place for foreign investor thanks to all the government incentives and facilitations. However, these facilitations also include poor company information disclosure requirements. That means that it is difficult to get business information on UAE companies and only the most reliable business local providers like can help you to retrieve valuable information. On SkyMinder you can access the best local provider in the UAE giving you an excellent support in retrieving information on your commercial partners.



The main sources used by our local provider to compile reports are the following ones:

- 1) Official company registries - Economic Development Departments
- 2) Freezone Registries
- 3) Federal Tax Authority
- 4) Chamber of Commerce
- 5) Ministry of Human Resource & Emiratization
- 6) Primary contact with Subject Company

Regarding the Free Trade Zones, in the UAE there are more than 40 Free Trade Zones and company incorporated in these zones are not obliged to publicly disclose anything, except for the company name. A free zone is a designated area within the country in which businesses are subject to minimal or no taxation in order to boost economic activity. Free zones that are trade specific are allowed to receive, handle, manufacture, process, or re-export goods without the intervention of customs authorities. In the UAE, free zones may be industry specific or may be attached to a port. Therefore, the business activities for a free zone registered company are confined to the type of free zone in which the company has been set up. For example, a business set up in Dubai Internet City, one of the emirate's leading technology hubs will need to restrict its activities to technology based activities. Companies set up in free zones are treated as offshore companies. Free zones are best suited to companies that intend to use the UAE for regional manufacturing or as a distribution base with the bulk of their business outside the UAE.

A free zone company is restricted to conducting its business within the free zone itself, and cannot expand into other markets within the UAE. They can undertake local business only through appointed local distributors. Custom duty of 5% is applicable to all goods brought in for the local business. This is a huge restriction particularly if the business intent is to service the entire UAE market. Since companies based in Free Trade Zones are not obliged to publicly disclose any data, the primary contact with Subject Company for these companies is very important in order to get information.

One of the most complete products available on SkyMinder is the Full Reports. The details usually included in SkyMinder Full Reports are the following ones:

- Identification and contact details
- Company registry information
- Management
- Ownership and related companies
- Company activity and operation
- Purchase, sales, payment terms
- Import/export, supplier/customer details
- Credit rating and credit limit
- Litigation check
- Compliance check
- Bank details
- Auditors/solicitors and investigation comments



Of course the single availability strictly depends on the area of incorporation, the type of company and the cooperation of the company to disclose its data. In addition to the Full Report including all complete details on UAE companies, on SkyMinder it is possible to order other type of reports depending on your specific needs:

- Verification Report focusing on the shareholding structure of a company.
- Patent Due Diligence Report: a report with an in-depth analysis of the patents owned by a company
- Cyber Risk Report: thanks to the test performed to a company website and related domains and emails, you can understand in advance if a partner or potential partner is vulnerable to a cyber-attack.
- Due Diligence Field Visit Report: this report is compiled after visiting the company and usually includes pictures of the premises.

Quick Infographic

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

Vendor evaluation or vendor assessment is the process businesses use to determine whether their list of prospective vendors and suppliers can meet their organizational standards and comply with the rules of the contract. The intent is to secure a low-risk and best possible vendor-supplier portfolio. The benefits of the vendor risk assessment process, which far exceed the challenges of setting it up, including finding low-risk sources for high-quality goods and services, as well as the development of mutually beneficial, long-term business relationships.



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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