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CRIF INDUSTRY WATCH

A monthly edition on Data, Risk and Economic Insights

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Analysis and Studies

| APEC Overview



Doing Business with APEC Economies

The Asia-Pacific Economic Cooperation (APEC) is a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. APEC's 21 members aim to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.

APEC has 21 members. The word 'economies' is used to describe APEC members because the APEC cooperative process is predominantly concerned with trade and economic issues, with members engaging with one another as economic entities. From the point of view of international law, the APEC defines itself as a body and not an international organization because, being composed of economies and not of States, it lacks a full legal personality.

The APEC region represents 62% of the world GDP



FACTS 'N FIGURES

The APEC region:

- home to 38% of the world's population
- represents approximately 48% of trade in goods and services
- 62% of the world GDP.

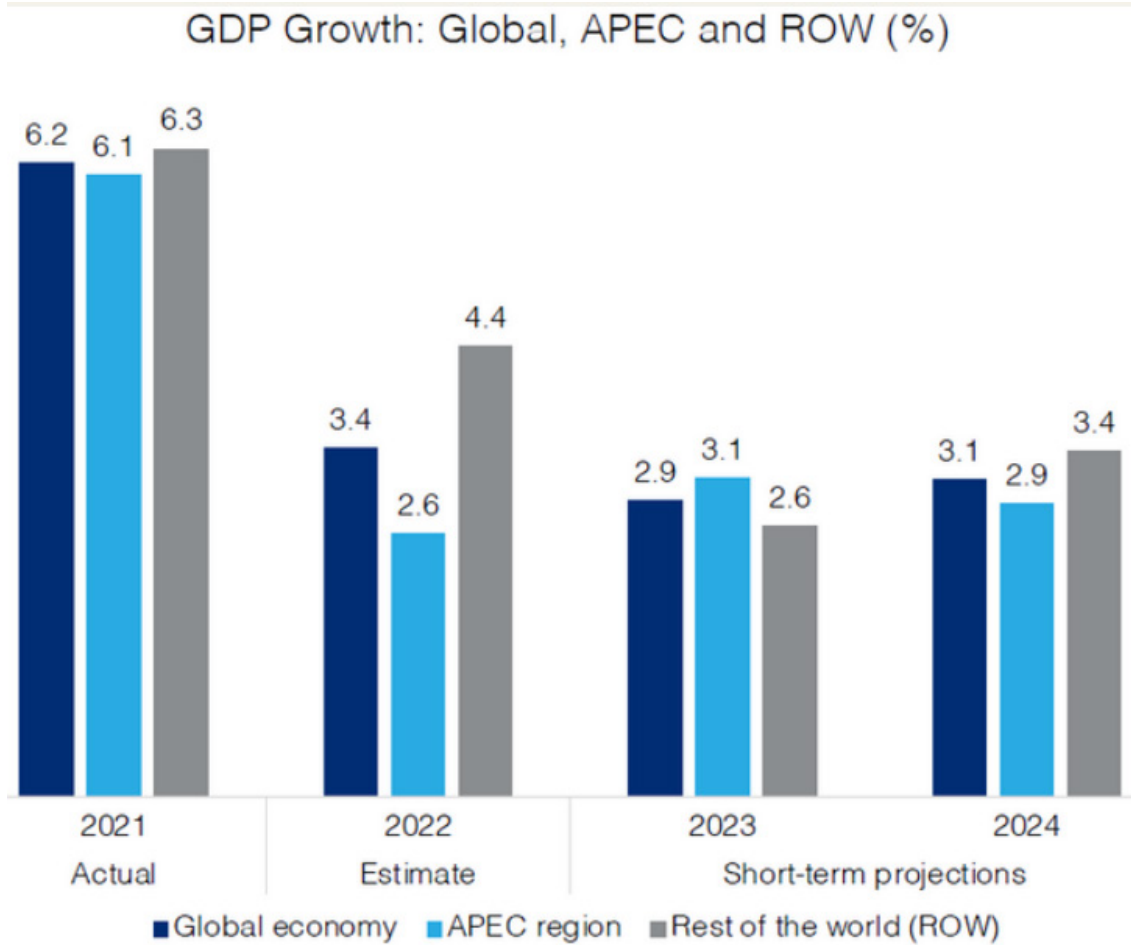
APEC's 21 member economies are Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Viet Nam.

Key points

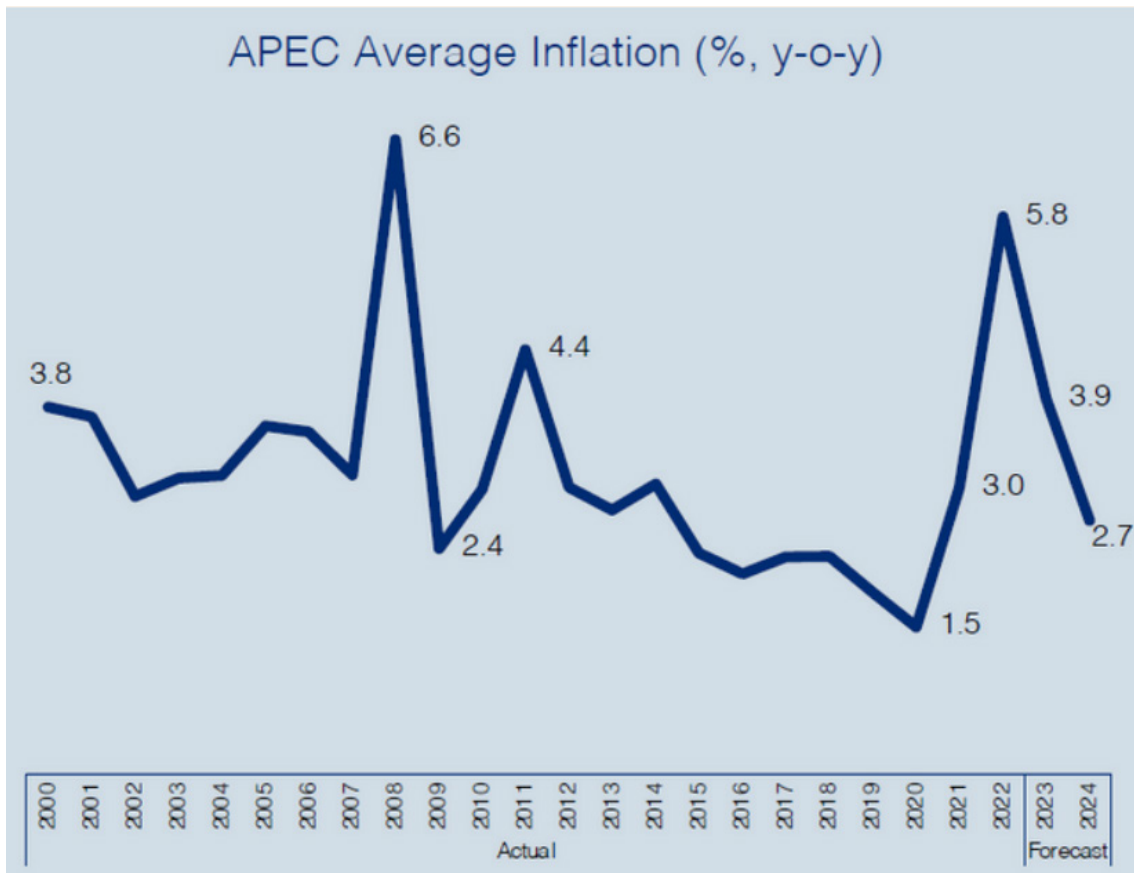
1. APEC economic growth is expected to pick up in the short-term, but downside risks continue to weigh on recovery.
2. Food and energy prices remain elevated, but inflation is starting to moderate as synchronized monetary policy hikes take effect.
3. APEC merchandise trade growth slowed in 2022, but travel and tourism are back on track.

Downside Risks (even if have moderated)	↓ ↓ ↓	Upside opportunities	↑
Inflation		Reopening of borders and business	
Higher interest rates		Increased private consumption	
Higher debt		Targeted fiscal support	
Reduced investments			
Geopolitical issues			
New waves of COVID-19			

Inflation is expected to moderate in 2023-2024 if no supply-demand shocks

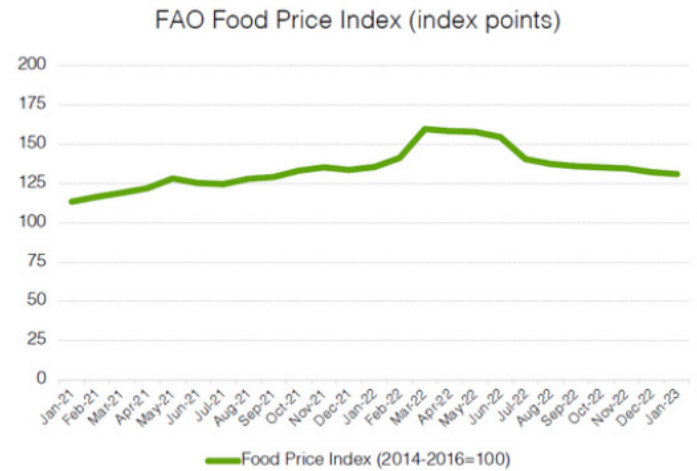
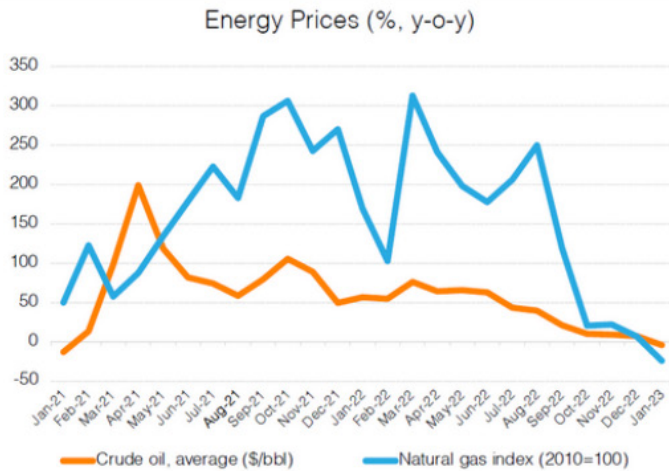


Source: International Monetary Fund (IMF) World Economic Outlook (WEO) October 2022 and January 2023; Economy sources; APEC PSU (Policy Support Unit) Staff calculations



Source: International Monetary Fund (IMF) World Economic Outlook (WEO) October 2022 and January 2023; Economy sources; APEC PSU Staff calculations

Escalating energy and food prices in 2022 largely due to supply shocks - Downward trend in 2023, but prices are expected to remain elevated



Merchandise Trade

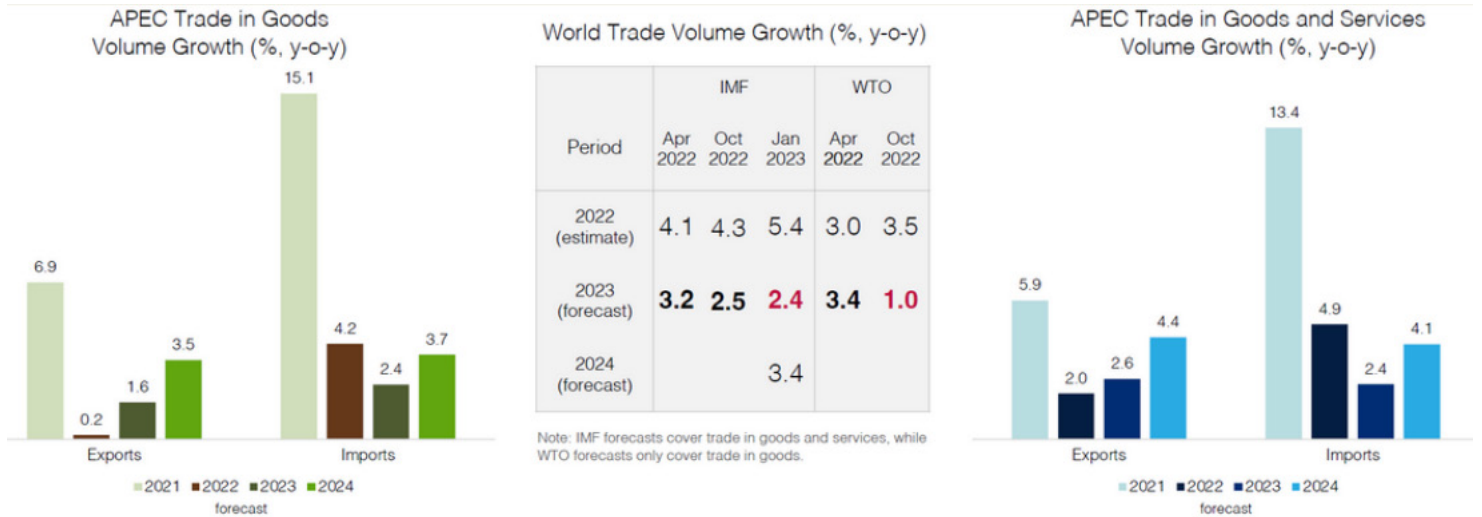
Slowdown of merchandise trade cause rising uncertainty in the second half of 2022
Key points

- Trade volume adversely affected by economic moderation in 2022
- Trade values remained strong due to relatively high energy prices in 2022



Source: United Nations Conference on Trade and Development (UNCTAD) for trade volume; World Trade Organization (WTO) for trade value; APEC PSU Staff calculations

APEC trade growth is projected to weaken in 2023 due to multiple headwinds, in tandem with the world, brighter prospects for trade are expected in 2024

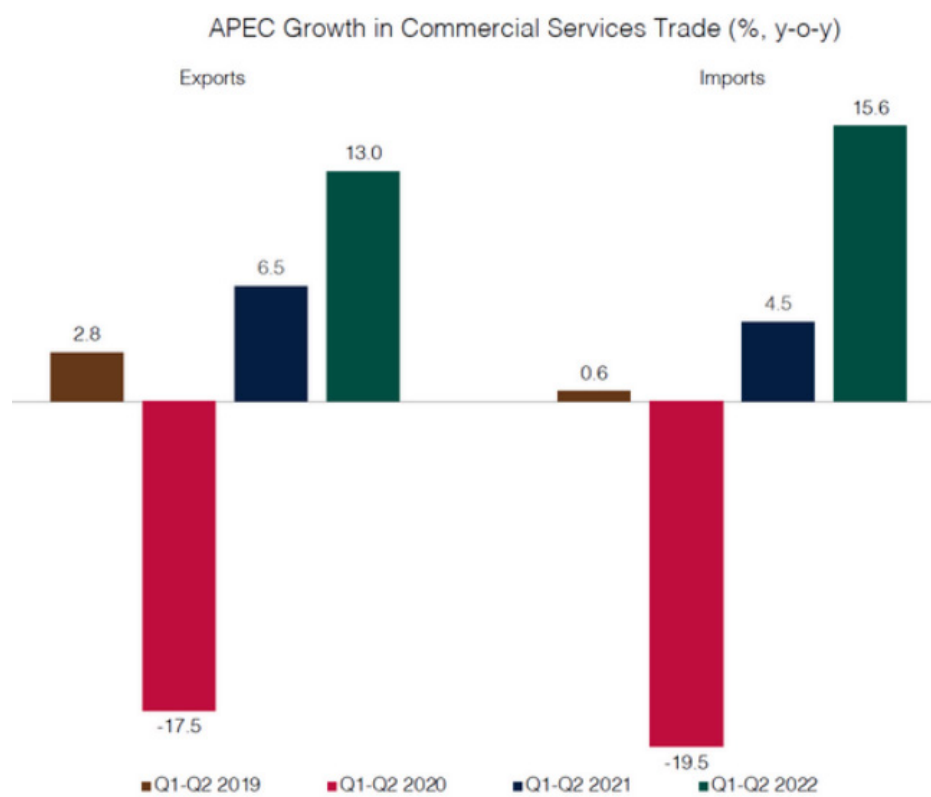


Source: United Nations Conference on Trade and Development (UNCTAD) for trade volume; World Trade Organization (WTO) for trade value; APEC PSU Staff calculations

Commercial Services Trade

STRONG expansion in commercial services trade in the first half of 2022

- 60% increase in travel services, due to reopening of borders and relaxing of COVID-19 measures
- 30% increase in transport services, due to high shipping rates



Source: World Trade Organization (WTO); APEC PSU Staff calculations

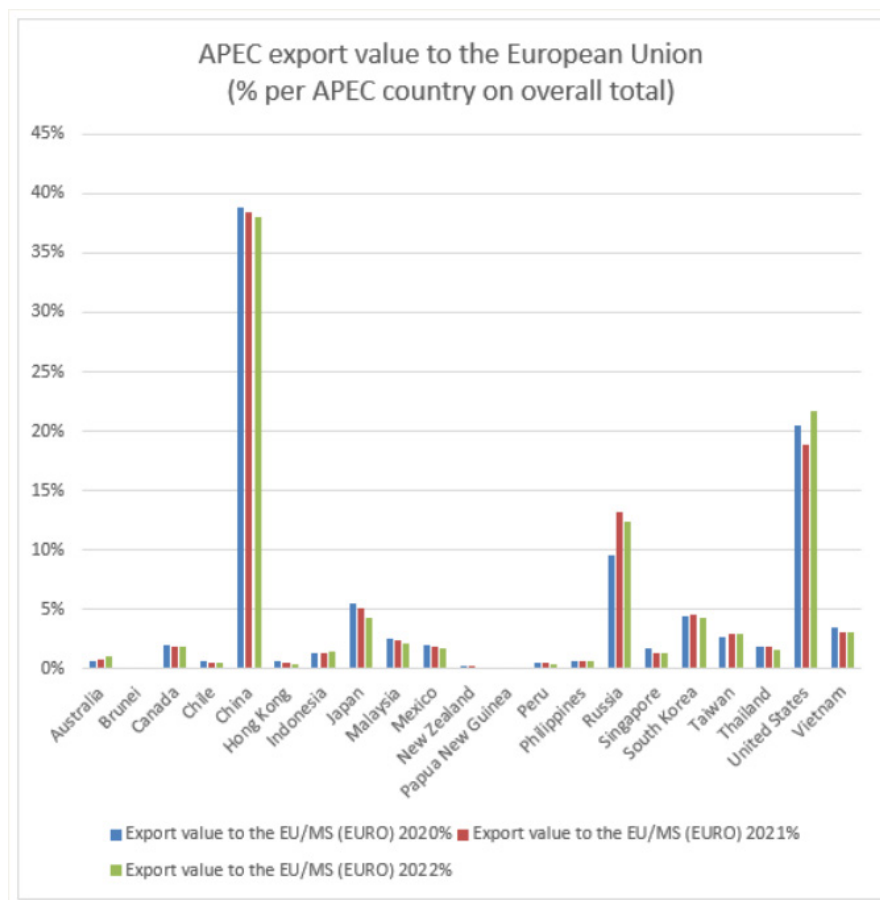
The forum brings together policymakers, business leaders, and academics to work toward the common goal of improving the lives of people of every APEC economy

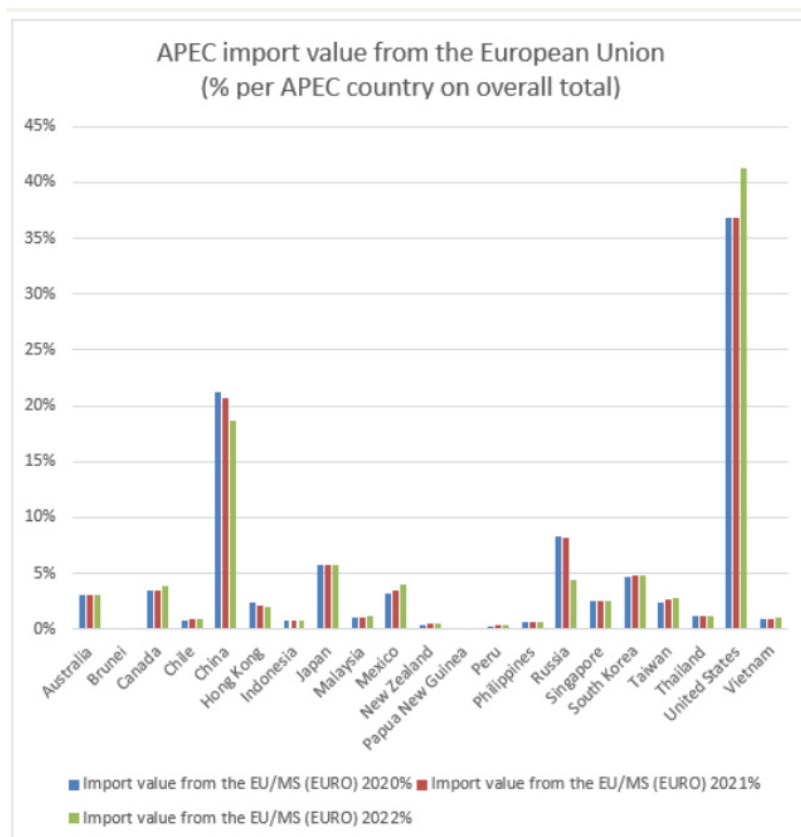


Next steps

Highly uncertain environment requires clear, consistent and coordinated policies:

- bring down inflation
- keep trade open
- boost digitalization
- achieve prosperity for all
- address climate change





Source: European Commission



Focus on APEC

Asia-Pacific Economic Cooperation

The Asia-Pacific Economic Cooperation (APEC) is a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. APEC's 21 members aim to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.

The APEC Mission

To support sustainable economic growth and prosperity in the Asia-Pacific region APEC ministers have met yearly since 1989, while APEC Economic Leaders have engaged each other since 1993, to advance APEC's mission. The forum brings together policymakers, business leaders, and academics to work toward the common goal of improving the lives of people of every APEC economy.

APEC takes a holistic approach to economic policy cooperation, addressing crossborder, behind-the-border and at-the-border issues. It creates solutions to a wide array of regional challenges through regional cooperation.

Declarations reflect economies' shifting challenges over the decades: the thrust toward globalization and economic liberalization in the 1990s, concerns about human security and terrorism in the 2000s; the drive for environmental sustainability, inclusion, and adaptation to the digital economy in more recent years; and recovery for the COVID-19 pandemic and other challenges and resilience against future shocks, such as climate change.

How APEC works

Every year, a member economy hosts the APEC meetings. The host economy is responsible for chairing the annual Economic Leaders' Meeting, Ministerial Meetings, Senior Officials' Meetings, the APEC Business Advisory Council and the APEC Study Centres Consortium.

The annual schedules are full of projects, tackling a broad range of issues, designed, and implemented in a series of meetings with the senior government leaders who propose objectives and targets on one side, and those that make them concrete on the other.

Import and Export

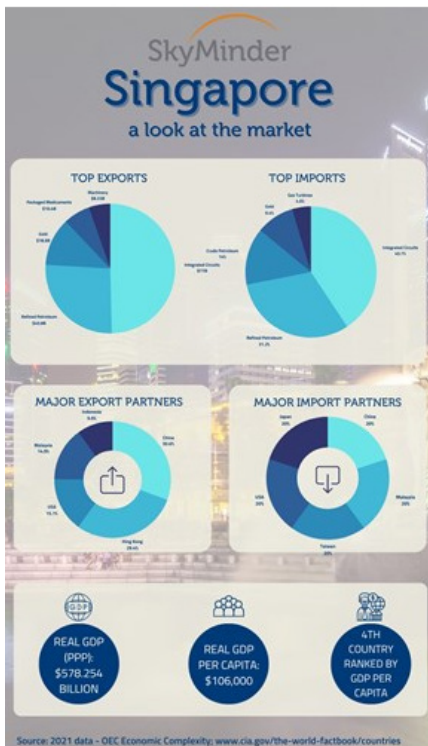
| Singapore: A Look at the Market



An Overview of the Economy and of the Business Environment

Singapore is a little state located on an island in between Malaysia and Indonesia. With a total area of only 719 sq km, Singapore is considered as a major financial and economic center. In 1819, the British established the current city-state of Singapore there as a trading colony. In 1963, it became a member of the Malaysian Federation, but two years later, it was expelled and declared independent. Following that, Singapore developed into one of the richest nations in the world with extensive international trade connections. Indeed, it is the fourth country ranked by real GDP per capita, just behind Liechtenstein, Luxemburg and Monaco.

Singapore has been ranked number 19 as the top exporter worldwide



Singapore is considered as a Southeast Asia's country with a high-income. It has a well-developed service-based economy, and it is well-known for its financial markets.

Singapore has been ranked at number 19 as top exporter worldwide. The top exports of Singapore are Integrated Circuits (\$77B), Refined Petroleum (\$40.8B), Gold (\$18.6B), Packaged Medicaments (\$10.4B), and Machinery (\$8.33B); it exports mostly to China (\$56.8B), Hong Kong (\$54.5B), United States (\$28.1B), Malaysia (\$27.7B), and Indonesia (\$18.4B). Moreover, in 2021, Singapore was the world's biggest exporter of Glass Working Machines (\$1.6B).

On the contrary, Singapore imports mostly Integrated Circuits (\$65.2B), Refined Petroleum (\$50B), Crude Petroleum (\$22.5B), Gold (\$15.1B), and Gas Turbines (\$7.43B). Its major importing partners are China (\$53.9B), Malaysia (\$49.6B), Chinese Taipei (\$34.1B), United States (\$32.5B), and Japan (\$18.2B). In 2021, Singapore was the world's biggest importer of Bovine, Sheep, and Goat Fat (\$635M) and Pig and Poultry Fat (\$289M)

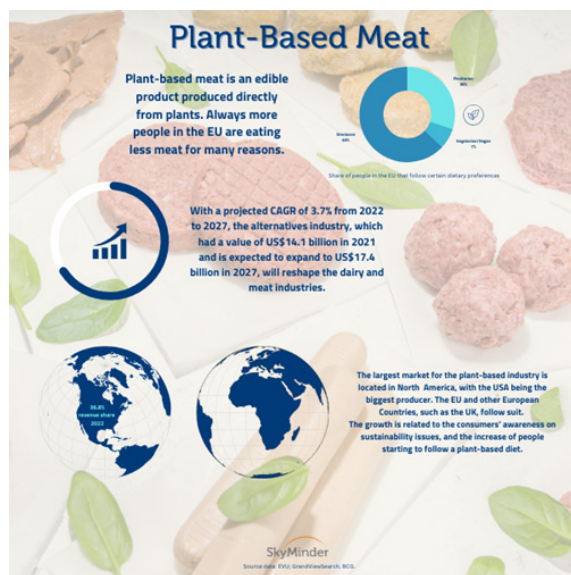
Product Analysis

| Plant-Based Meat Market



The market for plant-based meat was estimated at USD 4.40 billion in 2022, and it is anticipated to expand at a CAGR (compound annual growth rate) of 24.9% from 2023 to 2030.

The market for plant-based meat was estimated at USD 4.40 billion in 2022, and it is anticipated to expand at a CAGR (compound annual growth rate) of 24.9% from 2023 to 2030. The market is anticipated to rise as a result of rising consumer interest in plant-based diets and increased awareness of animal rights thanks to numerous welfare organizations. Despite the expanding plant-based meat sector, a few businesses, including Beyond Meat and Impossible Foods, saw a decline in demand for plant-based meat products in 2022. This was largely because plant-based meat products are an expensive product; however, in the last years, their prices decreased.



With a total market share of 36.82% in 2022, North America emerged as the most dominant region. Rising consumer awareness of the dangers of consuming tainted meat products and an increase in the usage of meatless meat products are both credited with driving the market growth in this area. With the increased use of plant-based foods, particularly plant-based meat, it is projected that consumer perceptions of food sustainability and safety will change even further.

The market in Europe is anticipated to witness the fastest growth rate on account of a positive consumer outlook on vegetarian and vegan-meat products together with the practice of stringent regulations against cruelty towards animals. Moreover, the European Union is adopting several pieces of legislation which aim at reducing greenhouses emissions and animal cruelty. Key manufacturers are implementing strategic initiatives such as capacity expansion, product innovation, and mergers to increase their sales in the regional market. For instance, in October 2022, Beyond Meat, Inc. launched a new plant-based product; Beyond Steak following the growing demand for plant-based meat from the meat lovers and flexitarian population in the U.S.

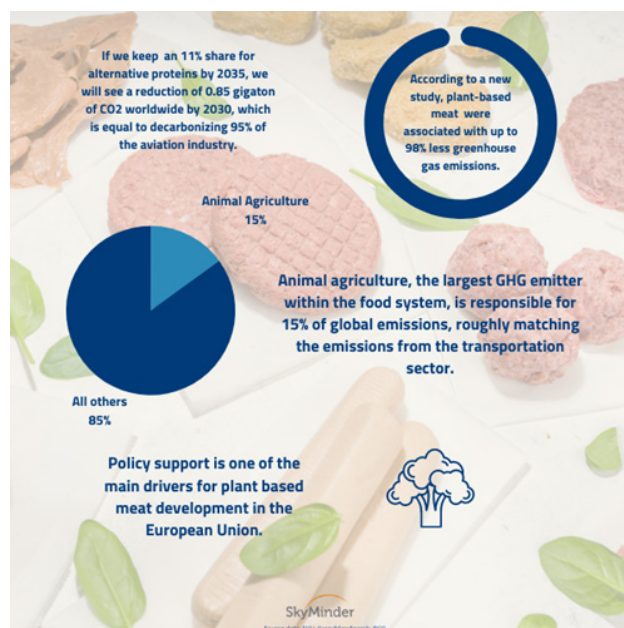
The European Union population is also more accepting towards plant-based products and reducing meat in their diet.



The European Union population is also more accepting towards plant-based products, and reducing meat in their diet. For instance, the new survey shows that 37% of the Europeans in the sample identify as flexitarian, vegetarian or vegan.

Moreover, 73% of Flexitarians were eating at least slightly less meat than they did the previous year. 63% said they plan to reduce their meat consumption even more in the future, whereas 40% plan to reduce their dairy consumption as well.

Germany has the highest numbers with 97% growth in plant-based sales with a total growth of €817m.



According to the latest studies, the market for plant-based food is growing everywhere in Europe: Germany has the highest numbers with 97% growth in plant-based sales with a total growth of €817m. The UK comes in second place, where the sales values for it grew 73%, followed by Austria, Romania, The Netherlands, Spain, Denmark, France, Belgium and finally Italy which saw the smallest growth, but still a lot of revenue.

People are always more attracted by a plant-based diet because of its sustainable side. Indeed, plant-based alternatives are expected to show a 98% decrease of CO2 emissions compared to its animal products counterparts. Moreover, new policy developments in the EU that are targeting animal cruelty and sustainability are driving the growth in the market. For instance, even if the USA is the biggest producer of plant-based alternatives, the EU is expected to grow its importance into the market.

Article of the month

| Social sustainability: 5 opportunities for your company



Investing in social sustainability, companies can enhance their reputation, improve employee engagement, and foster long-term stability and growth in local communities.

As companies recognize the significance of integrating social considerations into their operations, they realise the immense potential benefits that investing and operating according to social sustainability can generate. This article explores the concept of social sustainability and discusses the opportunities it presents for a company.

What is Social Sustainability?

Social sustainability refers to the practice of promoting fairness, diversity, and social cohesion within a company, its workforce and the wider community.

It focuses on ensuring that businesses create value, not just for their shareholders, but also for their employees, customers and society at large.

By investing in social sustainability, companies can enhance their reputation, improve employee engagement and foster long-term stability and growth in local communities.

5 Opportunities for Your Company

Enhanced brand reputation

In today's competitive market, companies with strong social sustainability initiatives often enjoy a more positive brand image. Consumers are increasingly aware of the impact businesses have on society and are more likely to support those that prioritize social responsibility.

By investing in social sustainability, a company can distinguish itself as a leader in corporate responsibility and strengthen its brand reputation.

A positive example of a tech company that has been able to enhance its brand reputation by creating an eco-designed and ethical smartphone is Fairphone.

Fairphone is a socially responsible and environmentally sustainable smartphone company founded in 2013, based in Amsterdam, Netherlands. The company is dedicated to producing ethical, modular, and durable smartphones that minimize harm to people and the planet.

Increased customer loyalty

Companies that embrace social sustainability often see an increase in customer loyalty.

As the public becomes more conscious of the ethical implications of their purchasing decisions, they tend to gravitate towards businesses that share their values. By aligning its mission with social sustainability, a company can attract and retain a loyal customer base.

Patagonia is a prime example of a company that has enhanced customer loyalty through social sustainability. Founded in 1973, Patagonia is an American outdoor clothing and gear brand with a strong commitment to environmental and social responsibility.

Patagonia's robust customer loyalty is intrinsically connected to its unwavering dedication to social sustainability. By prioritizing ethical labour standards, engaging with local communities and comply to fair trade principles, the company establishes a transparent and responsible supply chain.

This commitment resonates with environmentally conscious consumers who, in turn, exhibit steadfast loyalty to the brand, recognizing and valuing Patagonia's enduring efforts to generate meaningful social impact.

Improved employee satisfaction and retention

Social sustainability initiatives can lead to higher levels of employee satisfaction and retention. By fostering a supportive work environment, offering fair wages and promoting diversity and inclusion, companies can create a sense of belonging and purpose for their employees. This, in turn, leads to higher morale, increased productivity and reduced turnover.

It's famous the case of Cucinelli's Humanistic Enterprise philosophy, which implies that businesses should be built around human values and relationships. The company strives to create a positive work environment, emphasizing respect, dignity and fairness for all employees.

Risk mitigation

Companies that embrace social sustainability are better equipped to mitigate risks related to social and environmental concerns.

By taking proactive steps to address these issues, businesses can avoid negative publicity, costly fines and potential legal battles that can tarnish their reputation and bottom line.

A good example of a company that has improved risk mitigation through social sustainability is given by IKEA.

IKEA, the world-renowned furniture retailer, has successfully mitigated risk by integrating social sustainability into its core business operations. The company's "People & Planet Positive" strategy aims to improve the lives of people in its supply chain, promote diversity and inclusion, and contribute to local communities where it operates.

By investing in responsible sourcing, fair labor practices and community development projects, IKEA has not only built trust and loyalty among its customers, but also minimized potential risks related to supply chain disruptions, regulatory compliance and reputational damage.

IKEA's commitment to social sustainability has not only enhanced its brand image, but also positioned it as an industry leader, encouraging other businesses to adopt similar sustainable practices.

Access to capital and new markets

Socially responsible companies often have better access to capital and can tap into new markets. Investors are increasingly looking for businesses that combine strong financial performance with a commitment to social sustainability.

Additionally, embracing social responsibility can help a company expand its market reach, as consumers from diverse backgrounds are drawn to businesses that value and respect their needs.

Conclusion

Social sustainability presents many opportunities for a company.

By investing in initiatives that promote fairness, diversity and social cohesion, businesses can enhance their brand reputation, attract loyal customers and top talent and mitigate potential risks.

In the long run, embracing social sustainability can lead to a more stable, prosperous and resilient business model that benefits both the company and society.

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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