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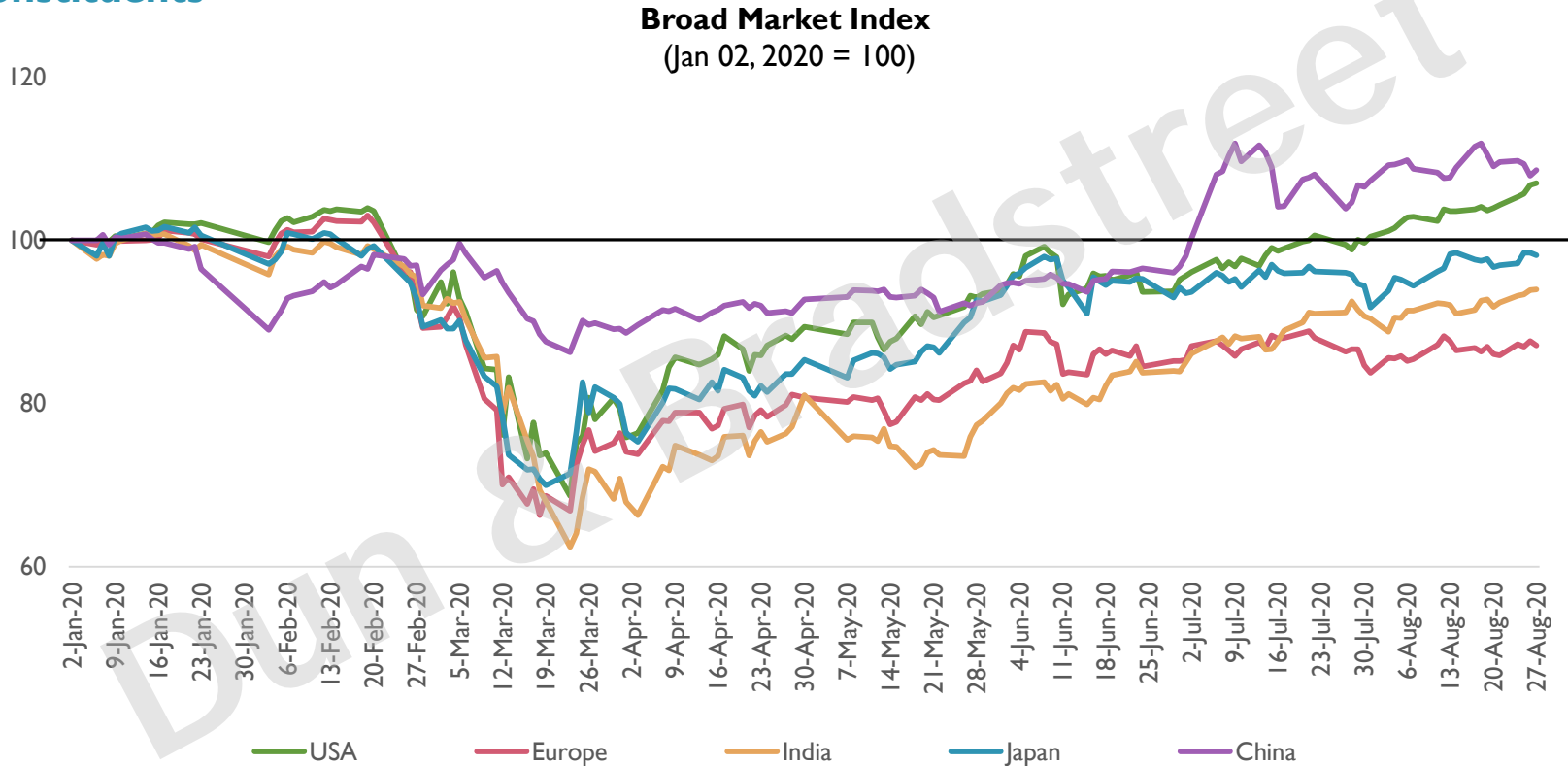
Impact of COVID-19 on the Global Economy and Key Global Risks for Businesses

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STOCK MARKET

The rally in the stock market is driven primarily by the rally in a few large index constituents

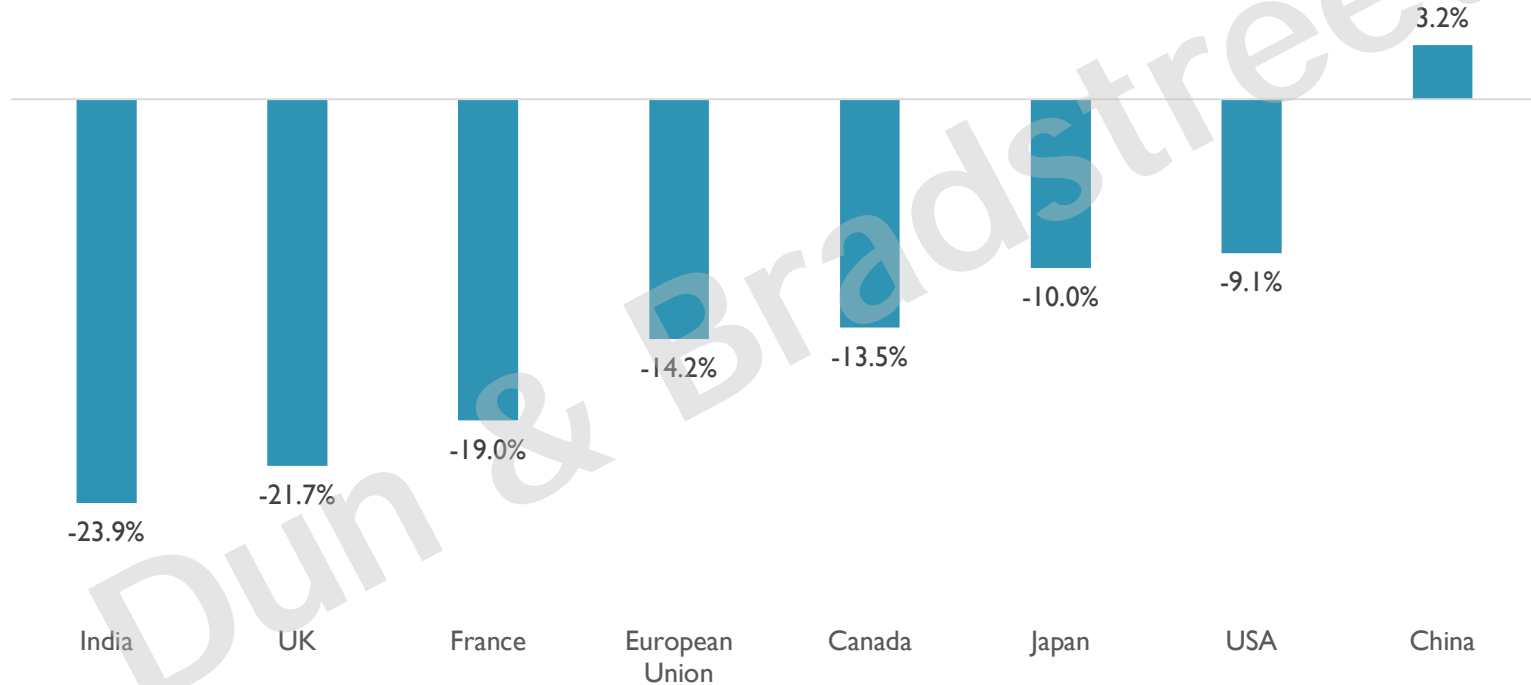


Source: Yahoo! Finance, D&B Analysis

REAL ECONOMY

The real economy is in dire straits. Stay-at-home orders around the world have impacted economic activity significantly in the previous quarter

Real GDP Growth – Q2 2020 (y-o-y)

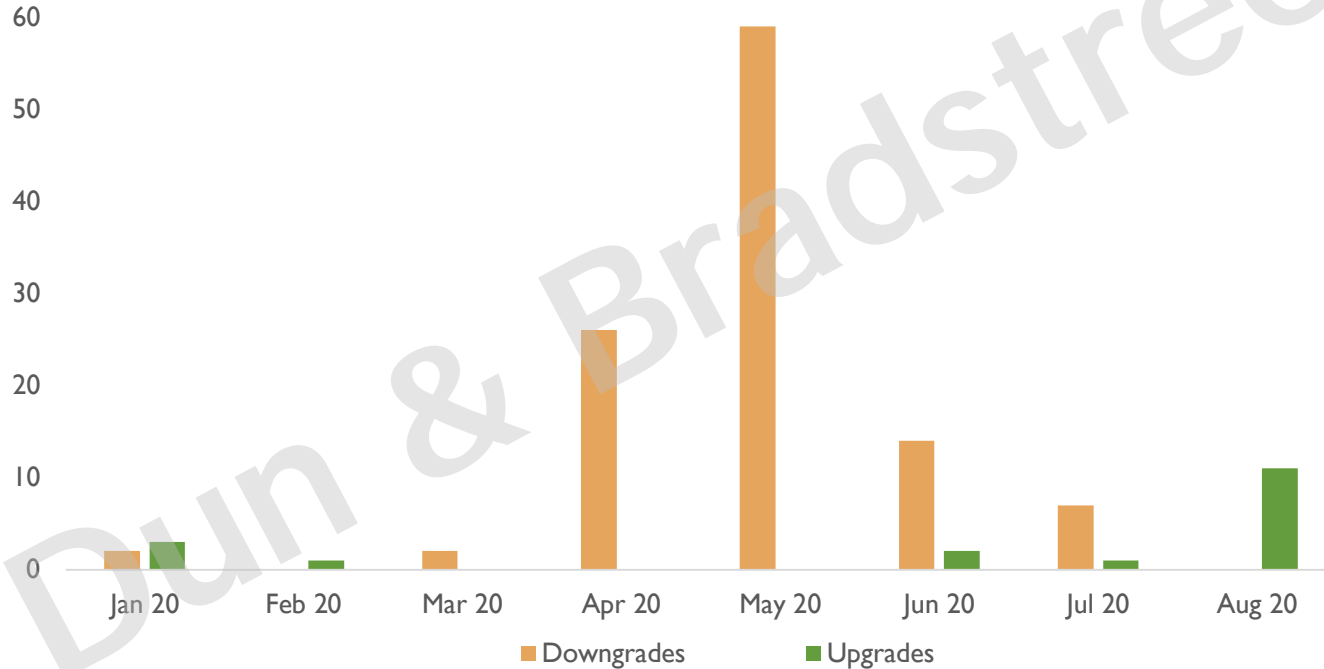


Source: OECD, MOSPI, D&B Analysis

DUN & BRADSTREET COUNTRY RISK RATINGS

Upgrades outnumbered downgrades over the last month – 1st time in many months

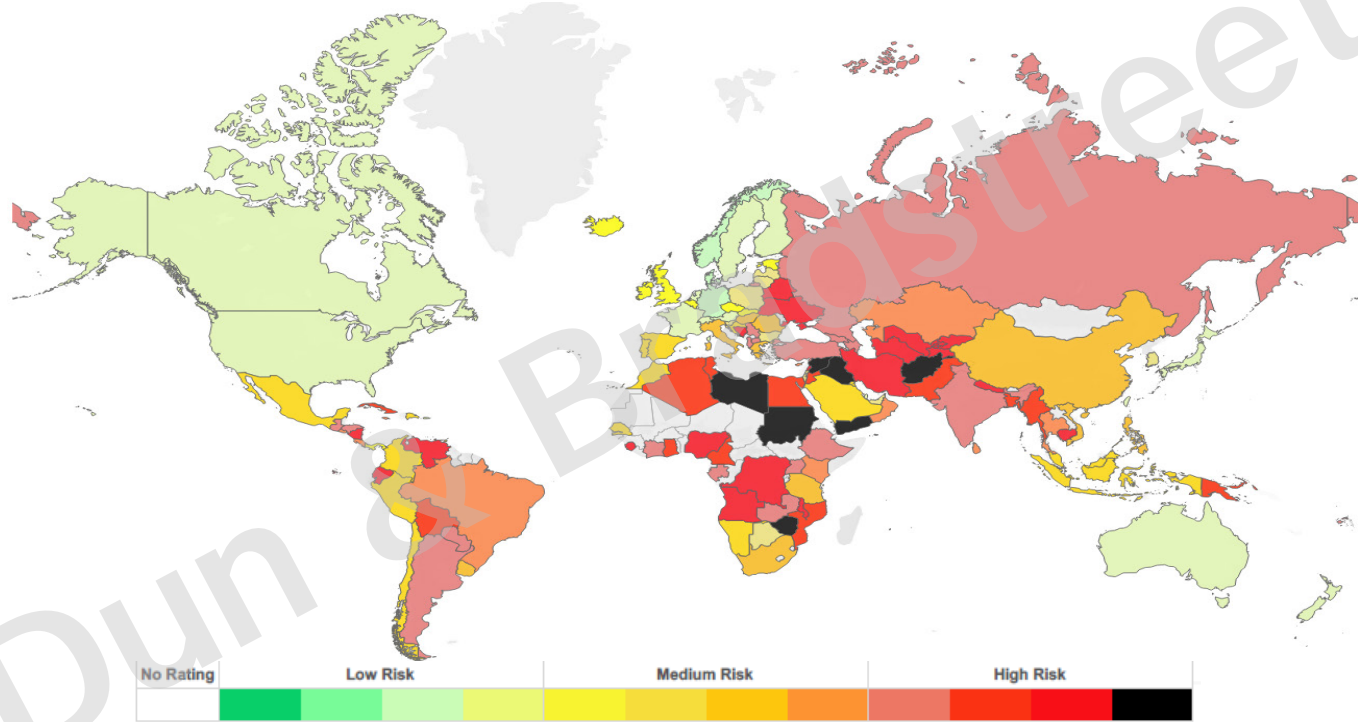
No. of country risk ratings upgraded and downgraded



Source: Dun & Bradstreet

DUN & BRADSTREET COUNTRY RISK RATINGS

Nevertheless, the level of risk still remains high for many countries



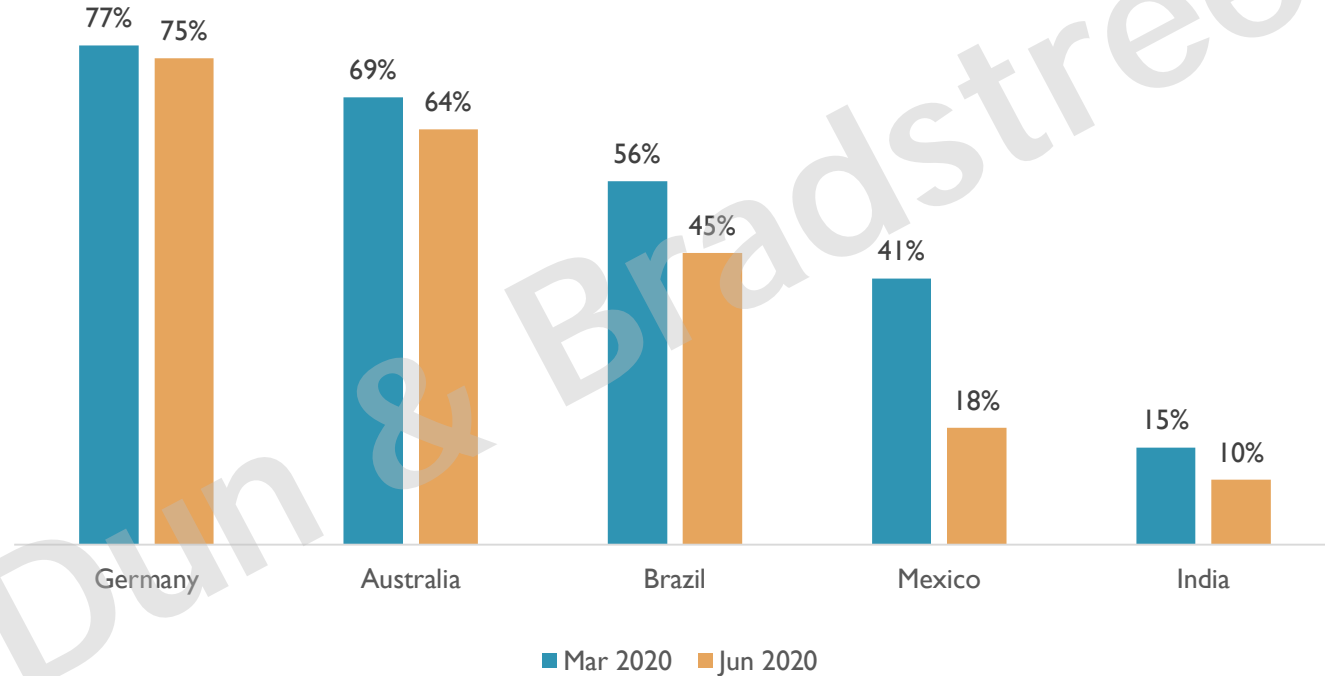
Note: This map is for illustrative purposes and does not imply the expression of any opinion on the part of the D&B, concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries.

Source: Dun & Bradstreet

PAYMENT DELAYS

The no. of companies paying on time is expected to decrease in the coming months

Share of prompt payments (% of all accounts)

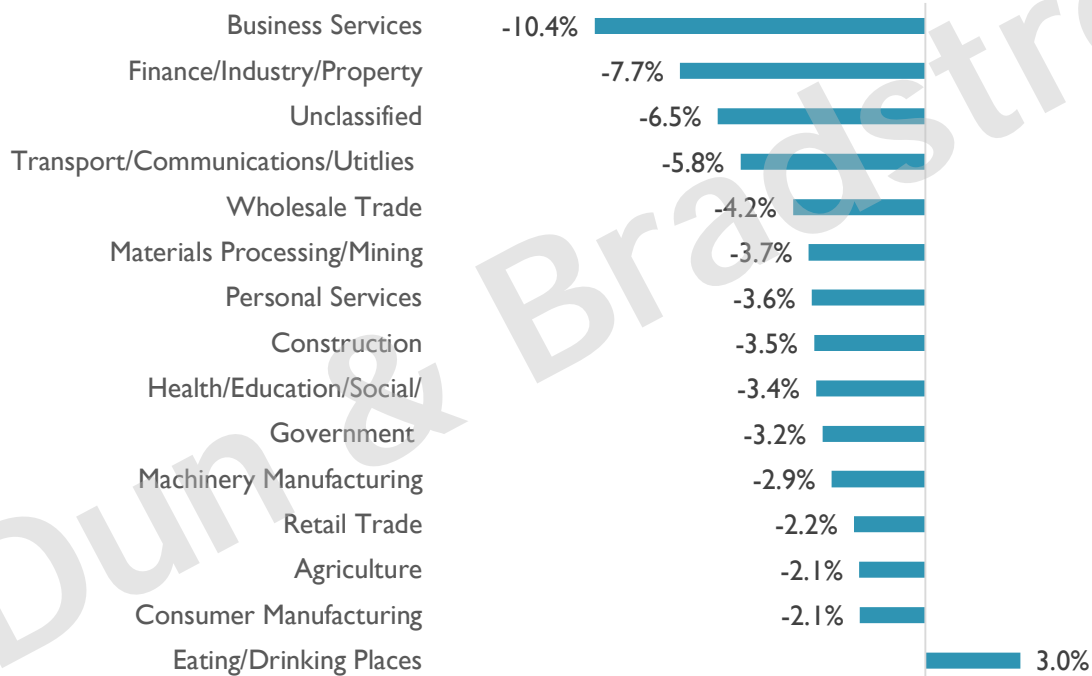


Source: Dun & Bradstreet

PAYMENT DELAYS

The pandemic, while impacting certain industries, has not had profound negative impact on every industry

UK: Changes in the Share of Prompt Payments – Jul 2020 vs Jan 2020 (percentage points)



Source: Dun & Bradstreet

PAYMENT DELAYS

Certain industries such as retail can have highly seasonal sales, and cash flow can be uneven

**US: Share of Prompt Payments
– Q2 2020 (% of all accounts)**

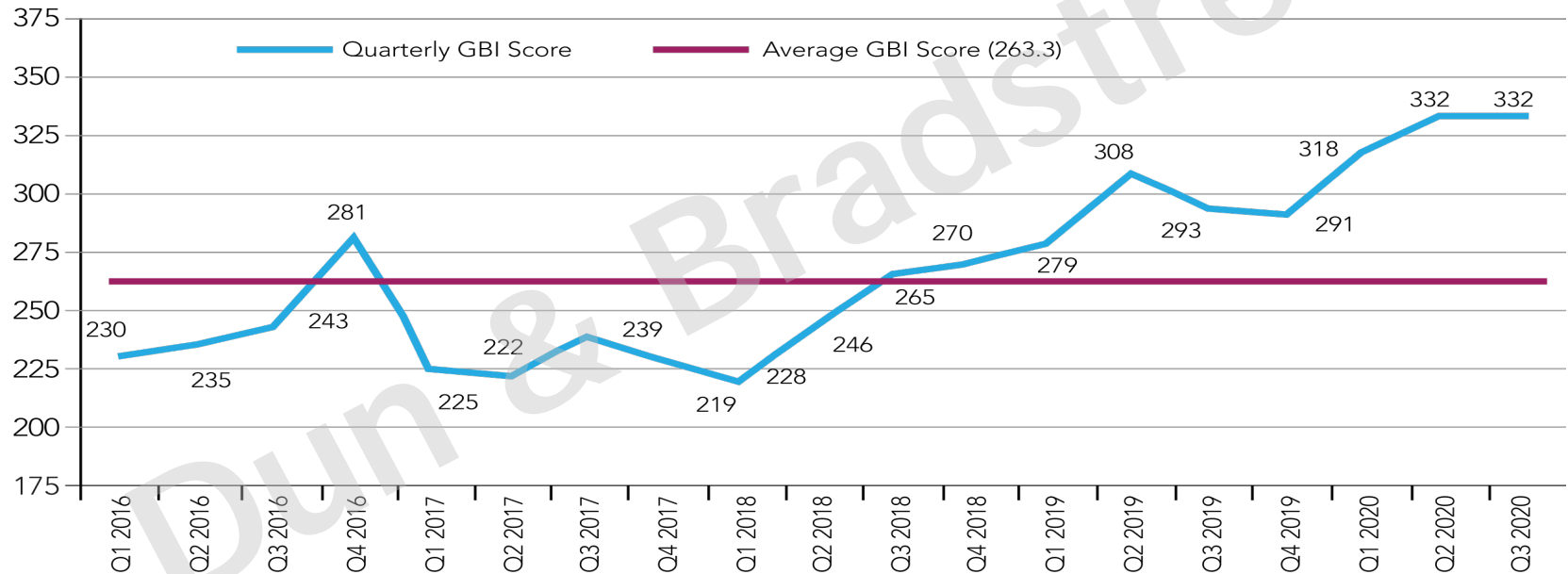


Source: Dun & Bradstreet

TEN KEY GLOBAL RISKS FOR BUSINESSES

Dun & Bradstreet's latest GBI score remains at a record-high, indicating that the outlook for cross-border businesses is at its worst level since the index was introduced in Q3 2014

Global Business Impact (GBI) score



Source: Dun & Bradstreet

TEN KEY GLOBAL RISKS FOR BUSINESSES

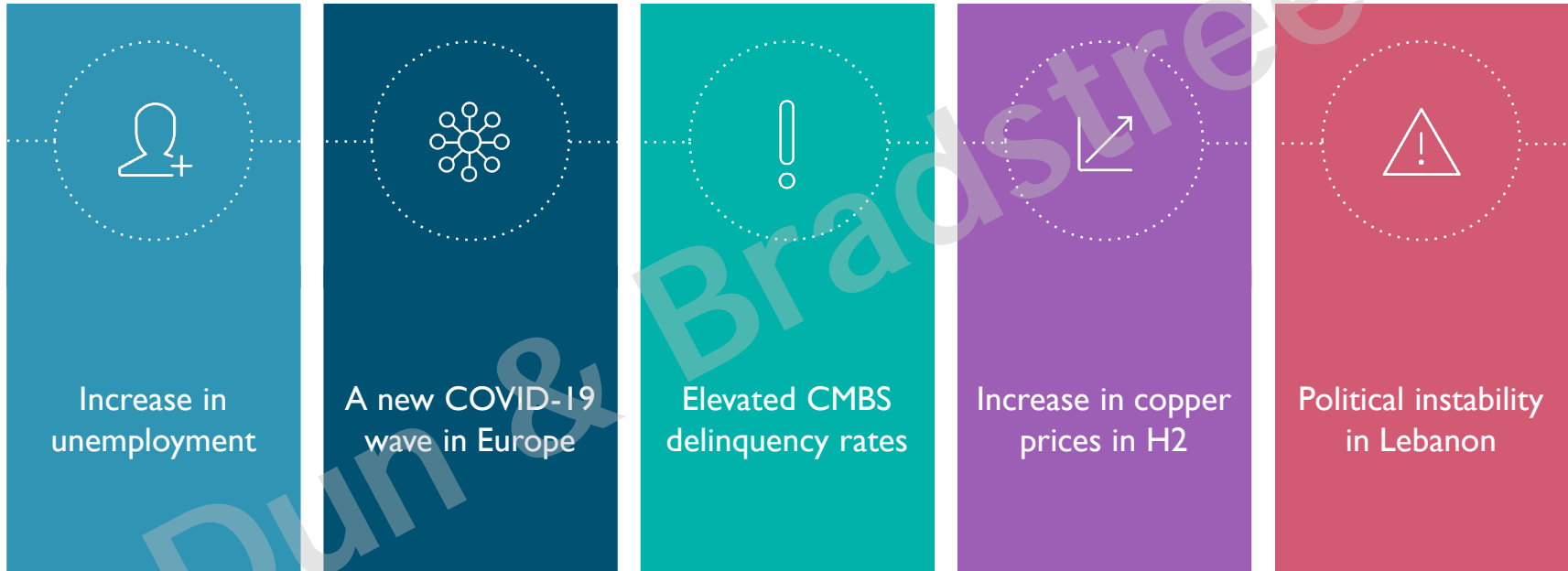
The impacts of the coronavirus pandemic are spread across different types of risks: markets, economic growth and politics. The three non-Covid-19 risks are all political in nature



Source: Dun & Bradstreet

TEN KEY GLOBAL RISKS FOR BUSINESSES

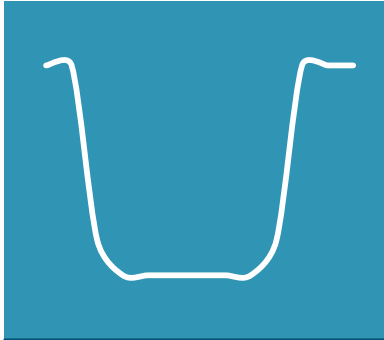
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Source: Dun & Bradstreet

THE RECOVERY SCENARIOS

U-Shaped



Growth recovers within a few quarters but leads to some permanent loss of output

Pandemic and containment peaks in the 3rd quarter, and recedes in the 2nd half of this year

V-Shaped



Growth recovers quickly with no/small permanent loss of output

Pandemic and containment peaks in the 3rd quarter, and recedes quickly

L-Shaped



Growth takes several quarters to recover leading to heavy permanent loss of output

Deterioration in public health leading to prolonged lockdown

W-Shaped



Growth recovers very quickly but plunges again leading to some permanent loss of output

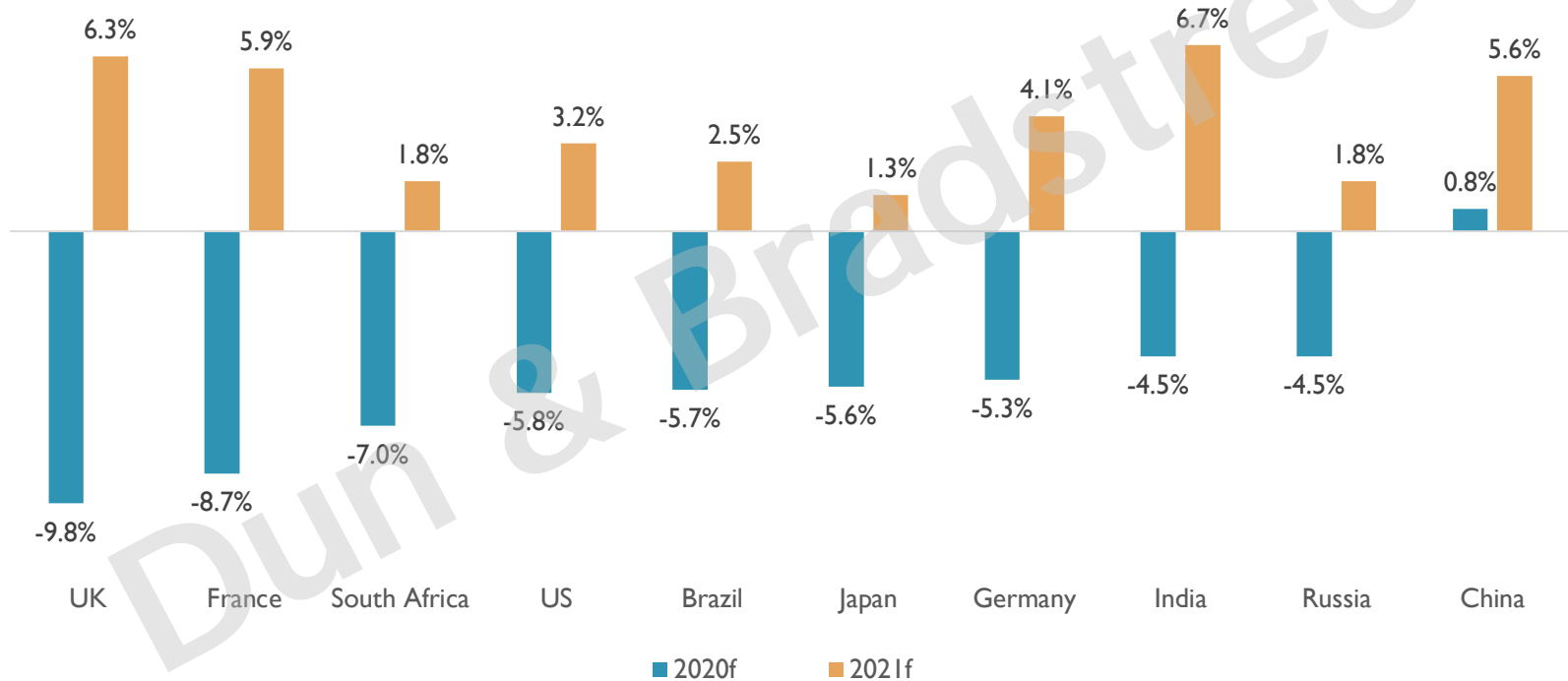
Easing of lockdown initially boosts activity but growth plunges due to 2nd wave of COVID-19 or ineffective policies to prevent bankruptcies and extended job losses

Source: Dun & Bradstreet

GROWTH FORECASTS

While most countries are expected to contract this year, a sharp recover can be expected in 2021

Real GDP Growth Forecasts



Source: Dun & Bradstreet

Thank You!

謝謝

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