

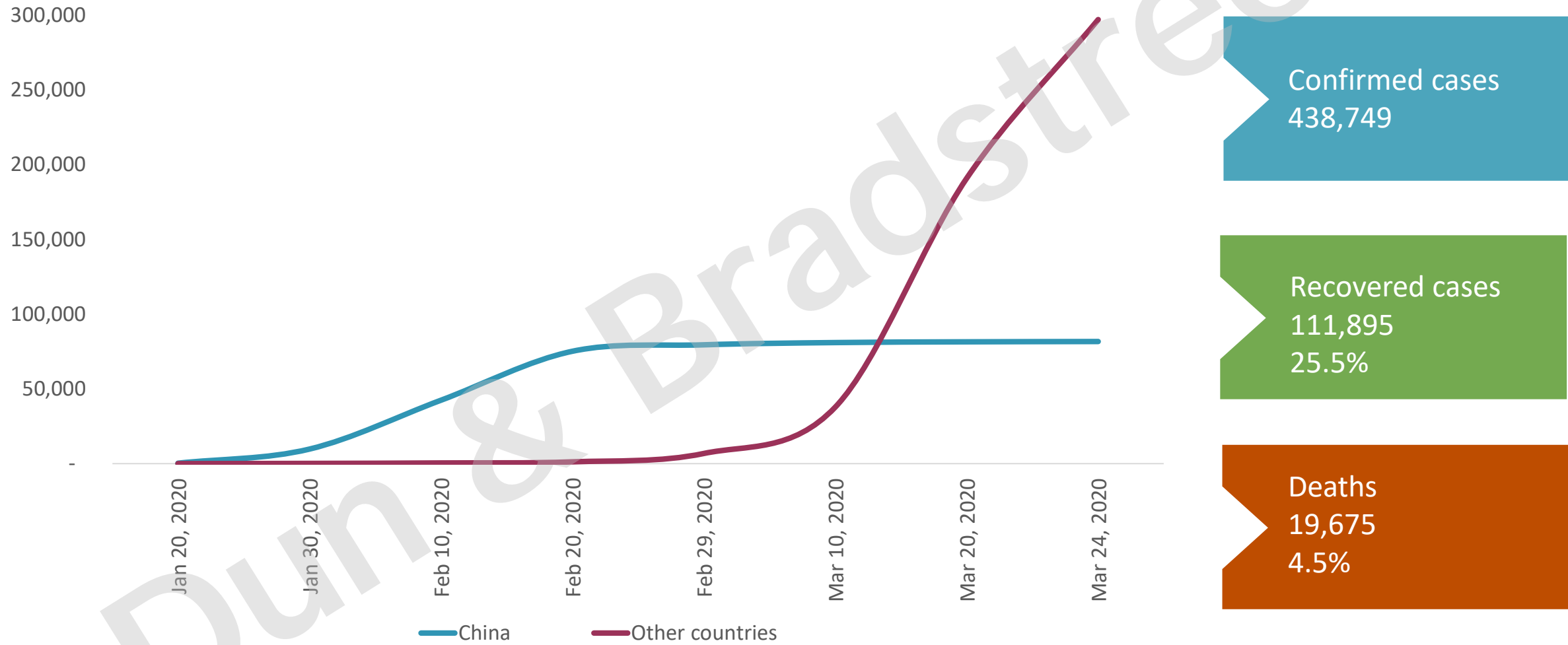


**Impact of COVID-19 on
Business and Technology
&
Risk Mitigation Strategies
for CIOs**

March 27, 2020

CUMULATIVE NO. OF CONFIRMED COVID-19 CASES

The outbreak of COVID-19 in China disrupted the global value chain. With more cases being reported in the USA and European Union, the level of disruption has widened and covering most part of the world economy

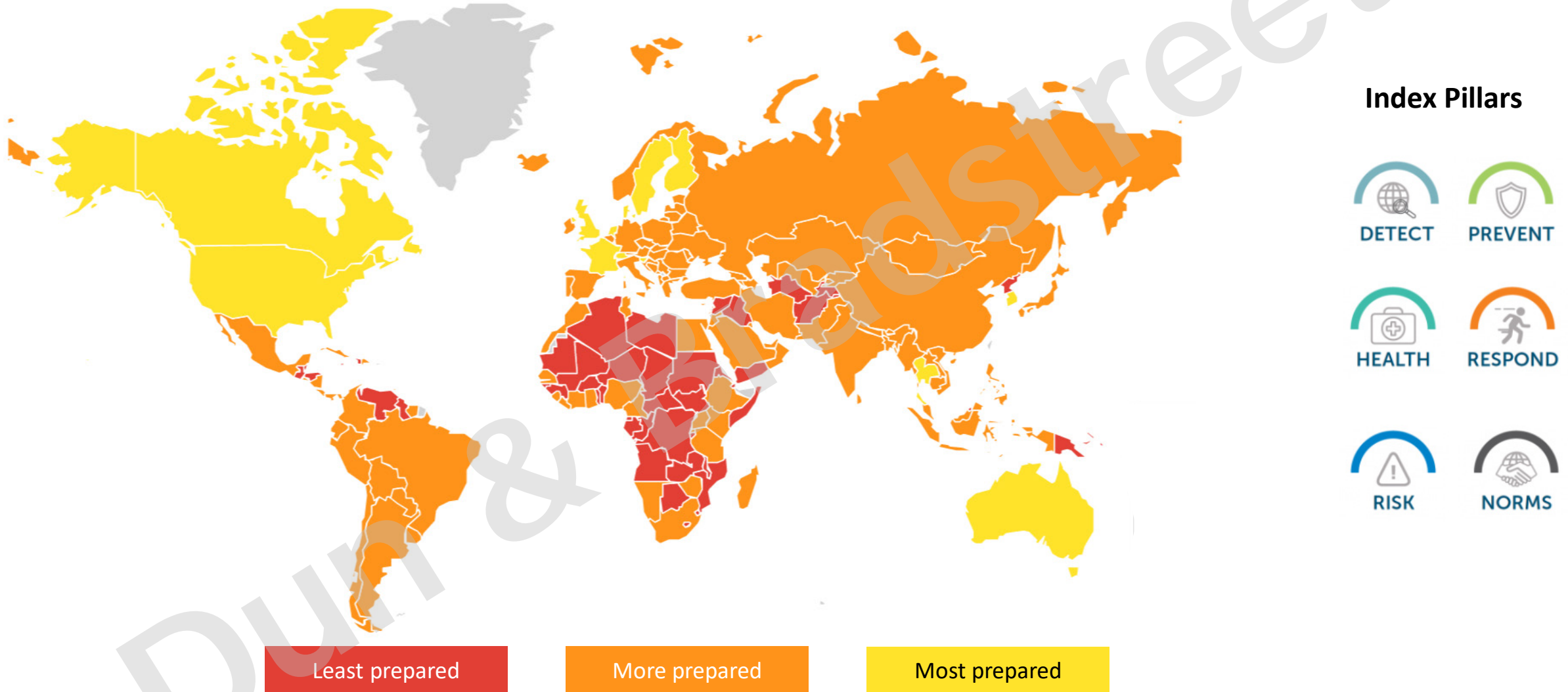


Note: Data as on March 25, 2020

Source: Johns Hopkins CSSE, WHO, CDC, ECDC, NHC and DXY

COPING CAPACITY

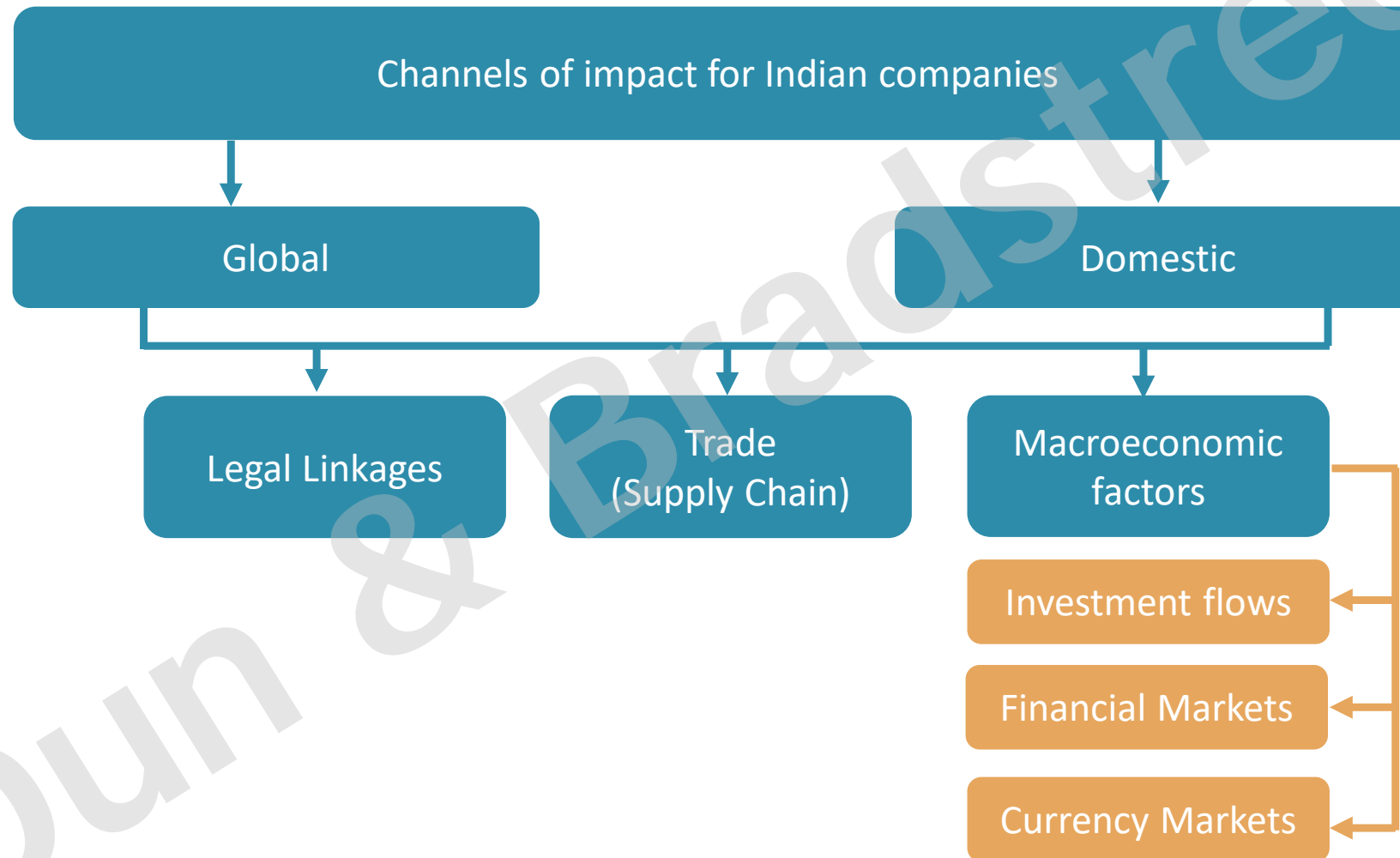
The average overall Global Health Security Index score is 40.2 out of a possible 100. This shows that collectively, international preparedness for epidemics and pandemics remains very weak



Source: NTI, Johns Hopkins, The Economist Intelligence Unit

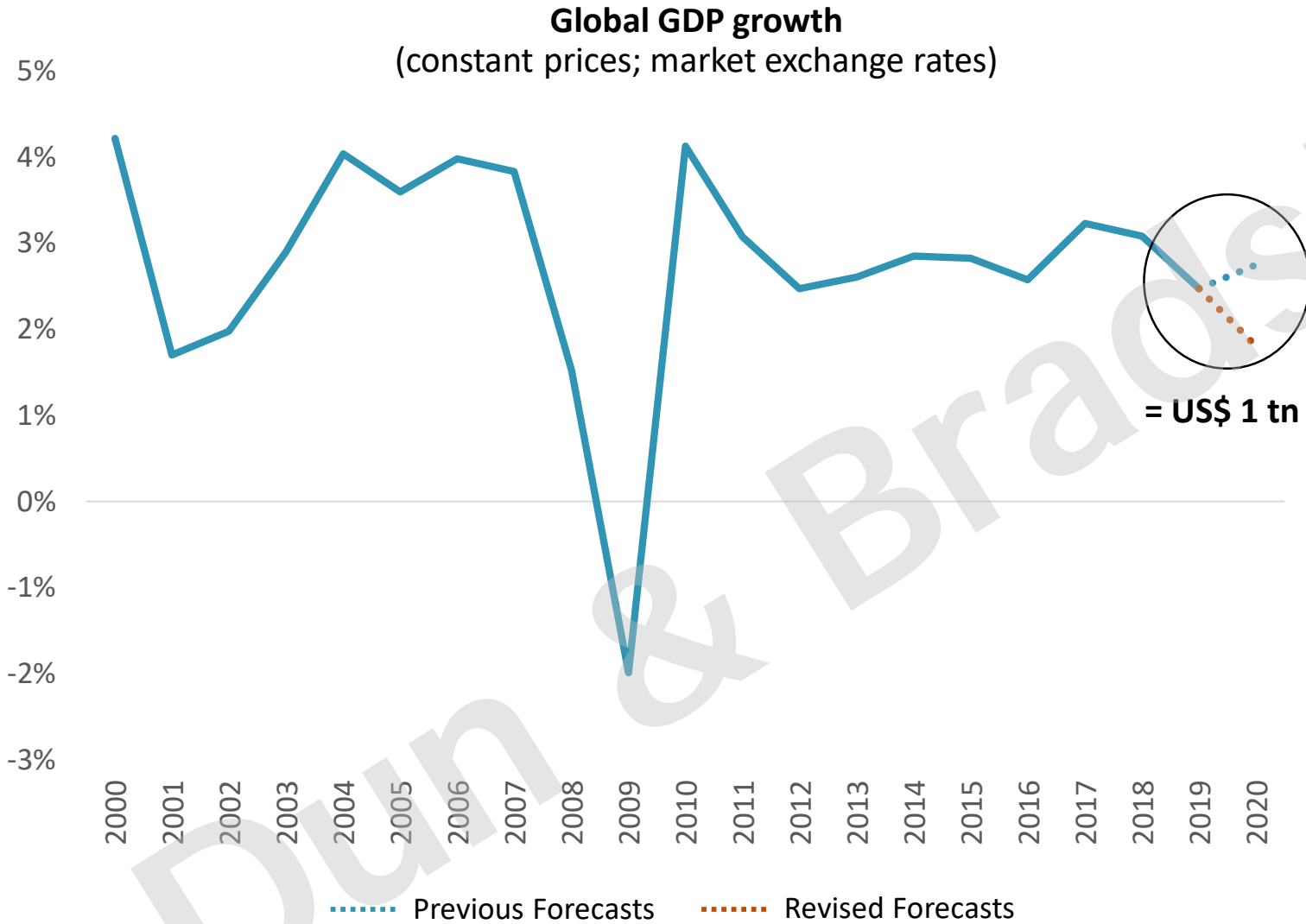
CHANNELS OF IMPACT

Indian companies face strong headwinds both from global and domestic factors. The three major channels of impact are legal linkages, supply chain and macroeconomic factors



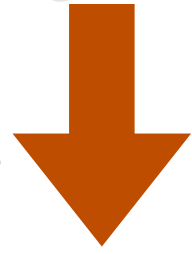
IMPACT ON GLOBAL ECONOMY

Besides the impact on human lives and global supply chain, the pandemic is a severe demand shock



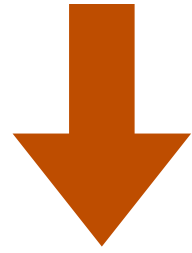
Source: IMF, UN

Global Foreign Direct Investments



5-15%

Global Exports



US\$ 50 bn

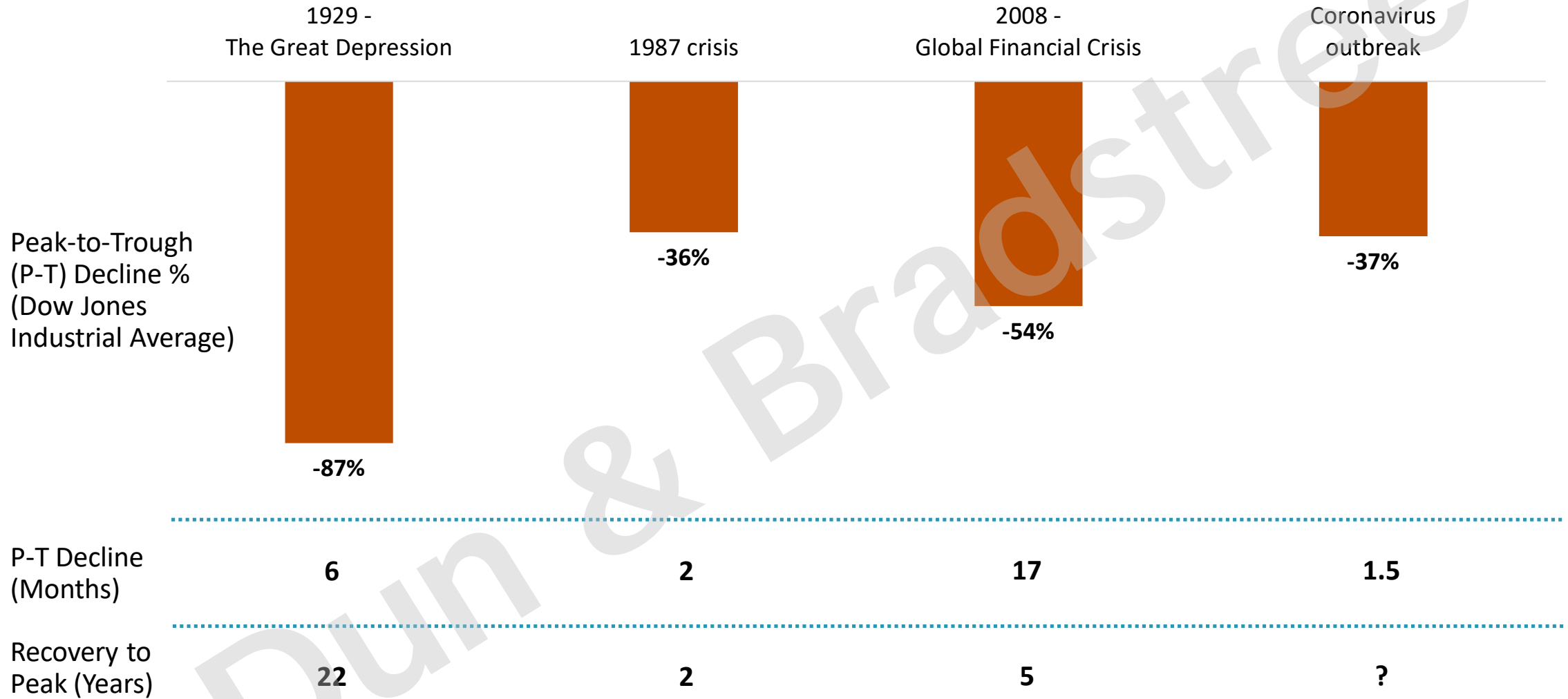
Global unemployment



25 mn people

IMPACT ON GLOBAL FINANCIAL MARKETS

The pandemic has resulted in acute market volatility across the globe reflecting the unprecedented uncertainty of the situation

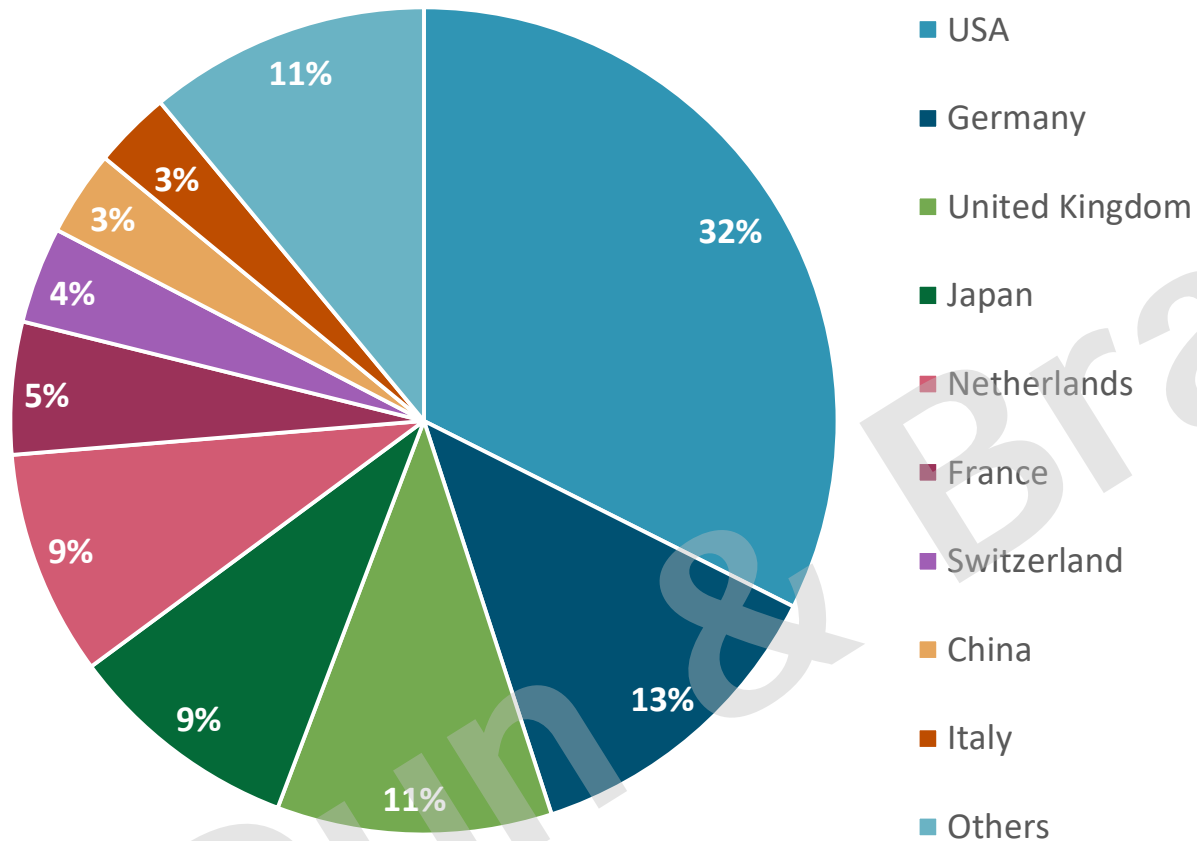


Source: Dun & Bradstreet Analysis, WSJ, fedprimerate.com

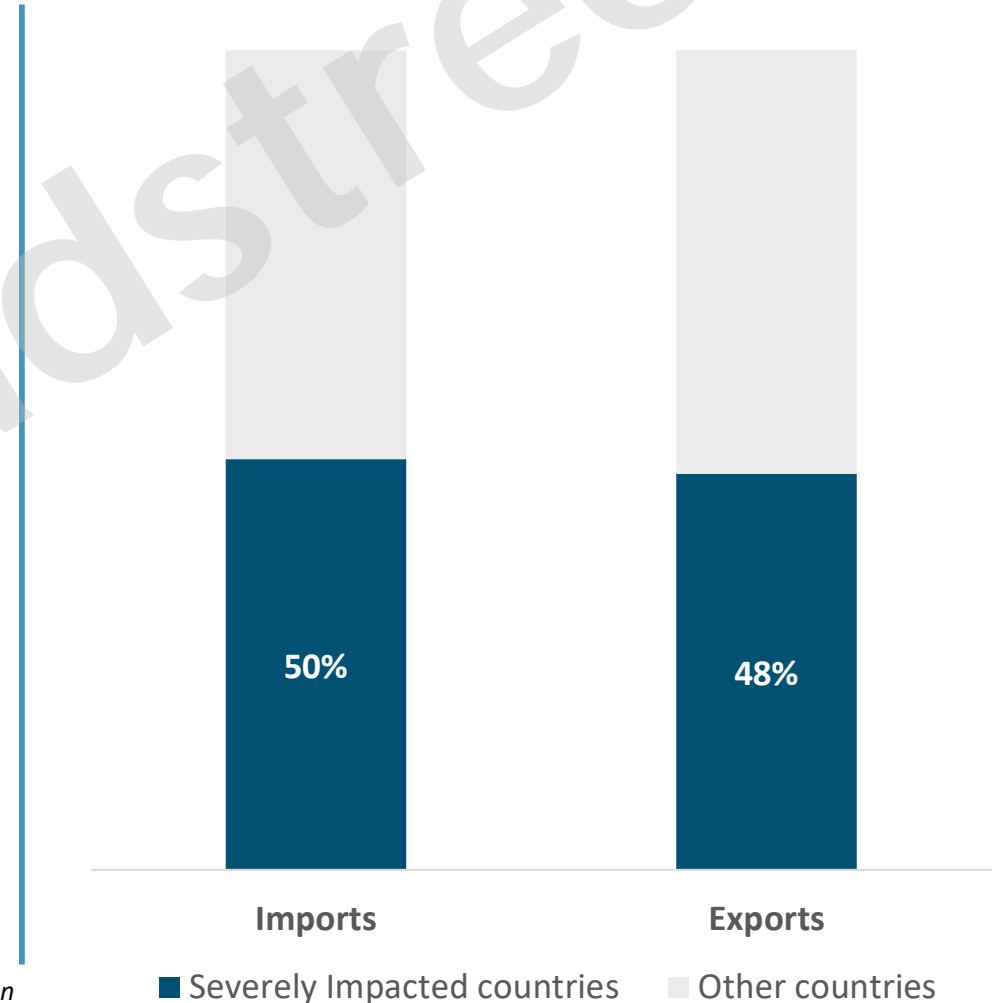
IMPACT THROUGH TRADE AND LEGAL LINKAGES

Implications for Indian businesses via legal linkages and trade remain significant

% share of countries (most affected by COVID-19) in which Indian entities have legal linkages



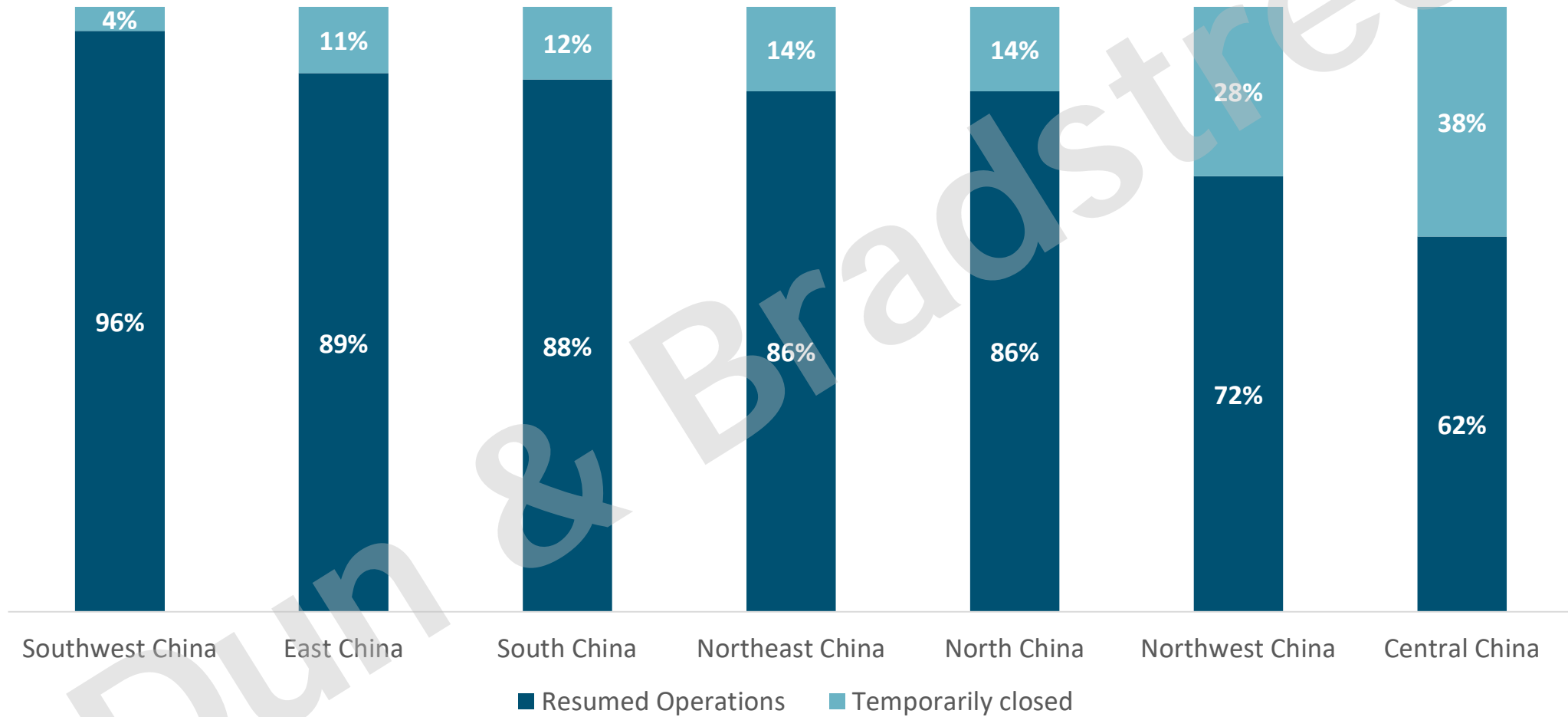
% share of countries (most affected by COVID-19) in India's import and export basket



Note: Others include South Korea, Spain, Sweden, Canada, Belgium, Denmark, Austria, Norway, Malaysia and Iran
Source: Dun & Bradstreet, Ministry of Commerce & Industry

COMPARISON OF COMPANIES RESUMING OPERATIONS IN DIFFERENT REGIONS

There are some positive signs - Companies across China are resuming operations



Source: Dun & Bradstreet

RISKS FOR BUSINESSES

COVID-19 outbreak poses several organisational risks – supply chain, operational, financial and market. The sheer size of the shock interconnects all these risks making companies vulnerable to knock-on effects

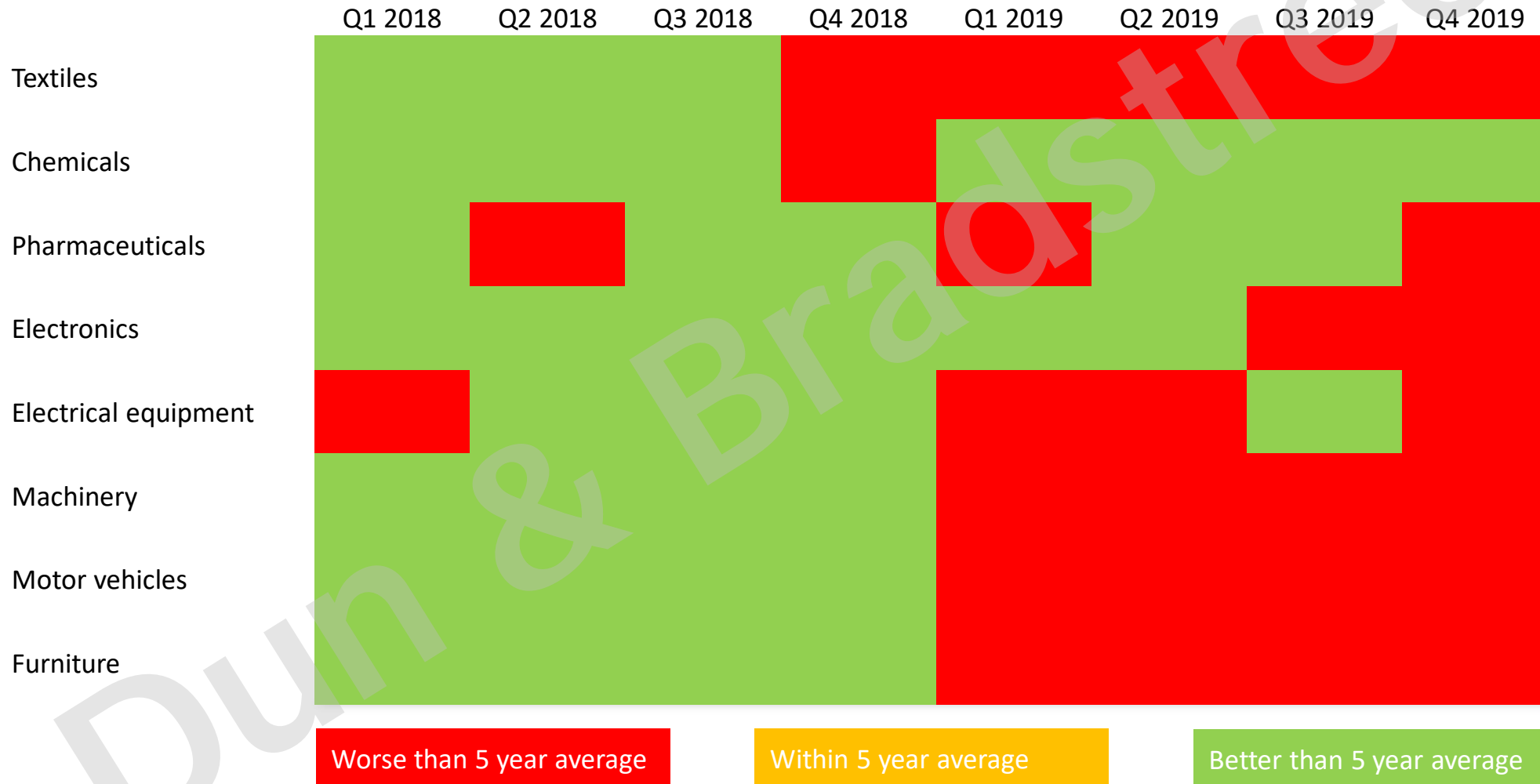


Source: Dun & Bradstreet

INDEX OF INDUSTRIAL PRODUCTION - INDIA

Manufacturing activity across the sub sectors was significantly weak in 2019. The outbreak of COVID-19 only prolongs the recovery

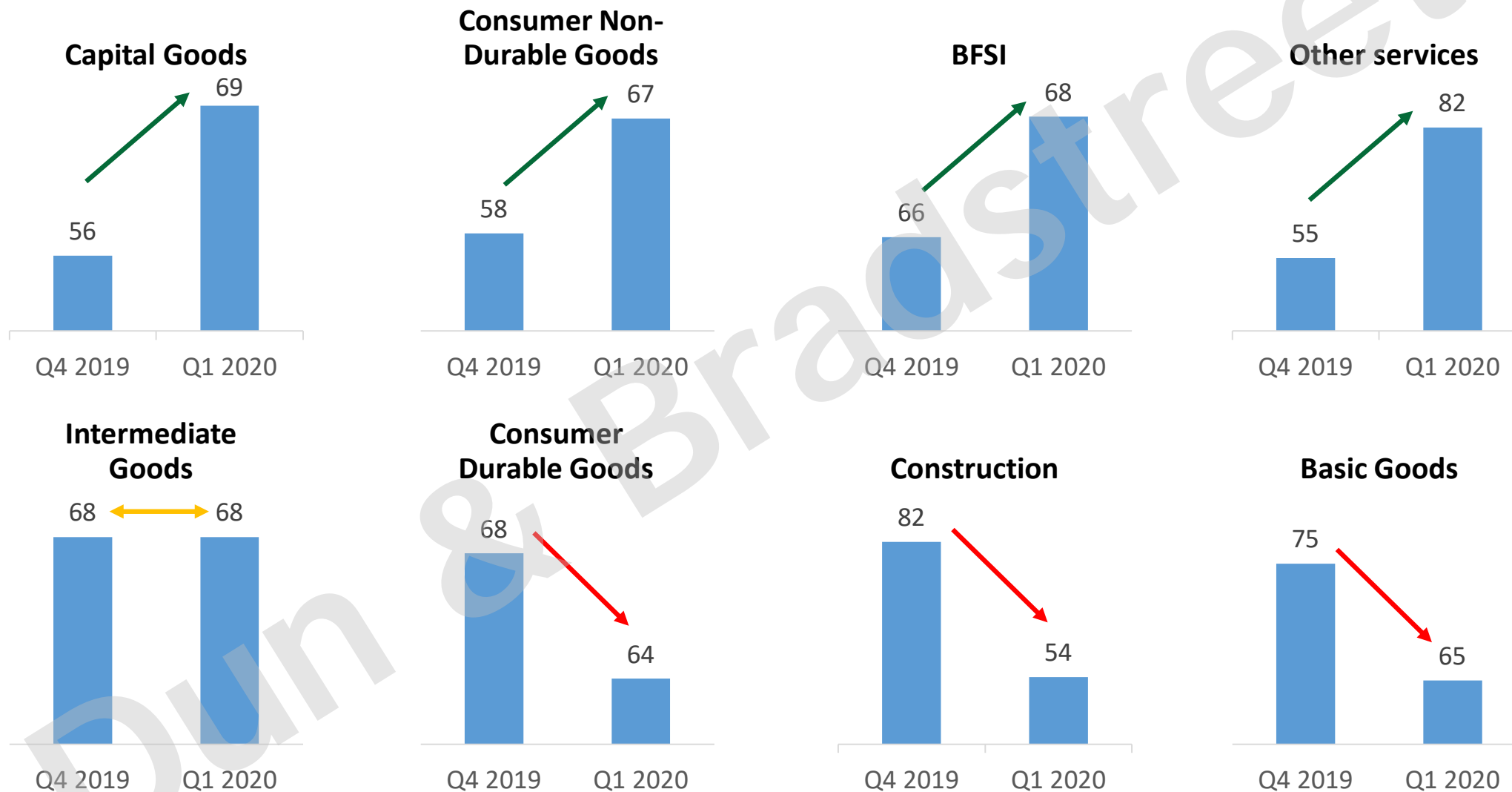
Trend in growth of Index of Industrial Production



Source: MOSPI, D&B Analysis

D&B INDIA BUSINESS OPTIMISM INDEX – SECTORAL INDEX

The level of optimism increased across all services sectors and some industrial sectors in Q1 2020



Source: Dun & Bradstreet

D&B INDIA BUSINESS OPTIMISM INDEX - PARAMETERS

The level of optimism increased across all services sectors and some industrial sectors in Q1 2020

% of respondents who expect an increase in the corresponding parameters in Q1 2020

(Note: the survey was conducted in Dec 19 when there were 0 confirmed COVID-19 cases in India)

	Volume of Sales	New Orders received	Net Profits after Taxes	Level of Selling Price	Workforce size
Basic Goods	61%	33%	58%	6%	45%
Capital Goods	68%	36%	60%	20%	32%
Intermediate Goods	57%	39%	65%	9%	39%
Consumer Durable	71%	17%	75%	8%	25%
Consumer Non Durable	63%	33%	71%	0%	38%
Construction	81%	30%	41%	0%	22%
BFSI	62%	36%	67%	3%	41%
Other services	75%	39%	74%	8%	58%

Less optimistic

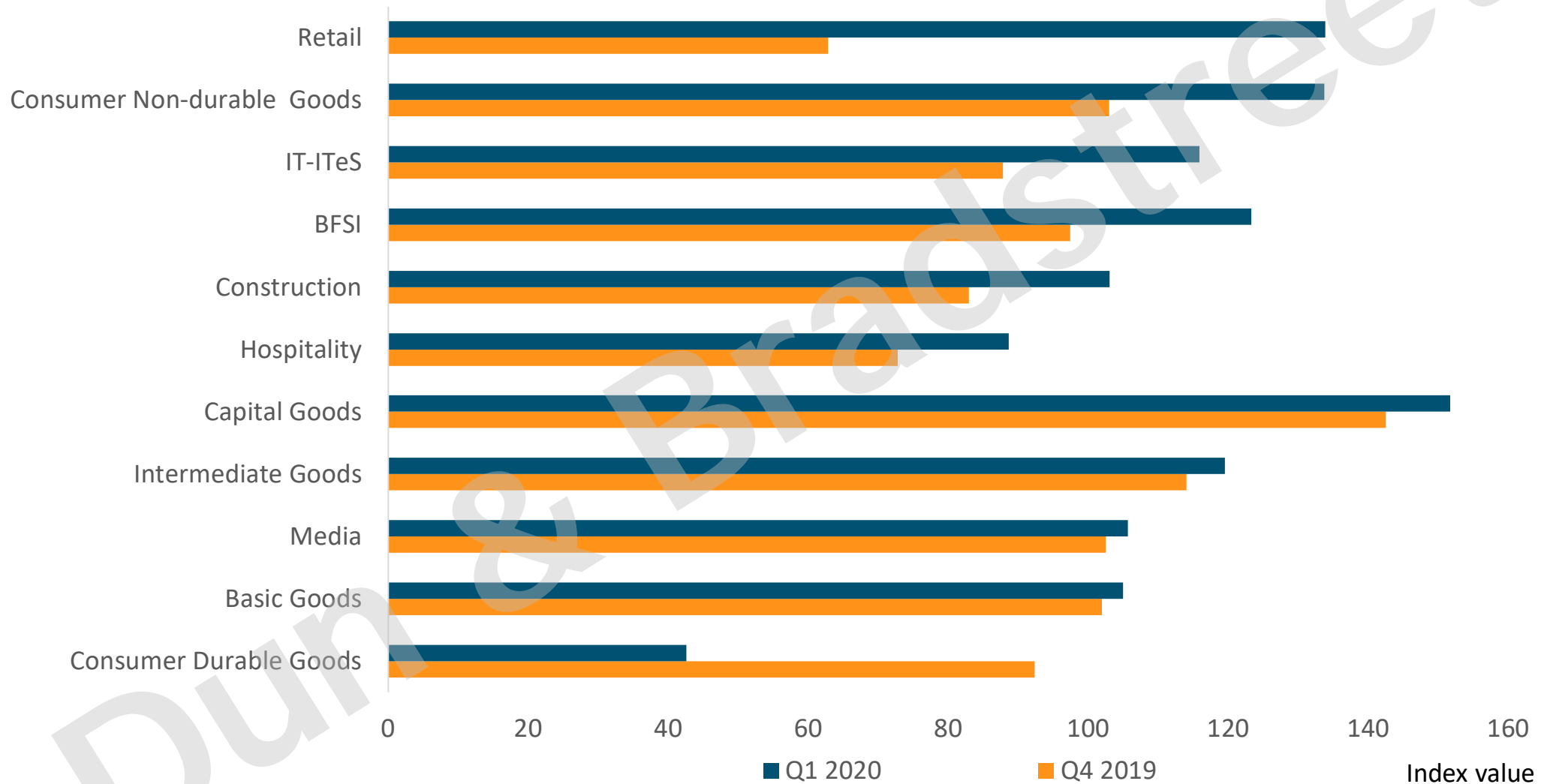


More optimistic

Source: Dun & Bradstreet

D&B INDIA CFO OPTIMISM INDEX – SECTORAL INDEX

The level of optimism increased across all sectors expect consumer durables goods sector in Q1 2020



Source: Dun & Bradstreet

IMPACT OF COVID-19: STORY OF RECOVERY HAS BEEN REVERSED

The impact of COVID-19 outbreak will be disproportionate – while some sectors will be severely impacted, some will see a positive impact

Key actions points for business continuity

Renegotiate interest rate and terms, cut down costs

Gems & Jewellery

Entertainment

Hospitality

Transport

Livestock

Tourism

Severe

COVID-19
Sector Impact

High

Retail: Non-food items

Wholesale trade

Electronics

Banking

MSMEs

Manage credit terms with customers, facilitate remote working and flexible production

Remote working applications

Over-the-Top Media service

Online gaming

E-education

Positive

Moderate

Drugs & Pharma

Automotive

Textile

Metals

Stabilize supply chain and inventory management

Source: D&B Analysis

Thank You!

謝謝

Dankjewel

merci

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