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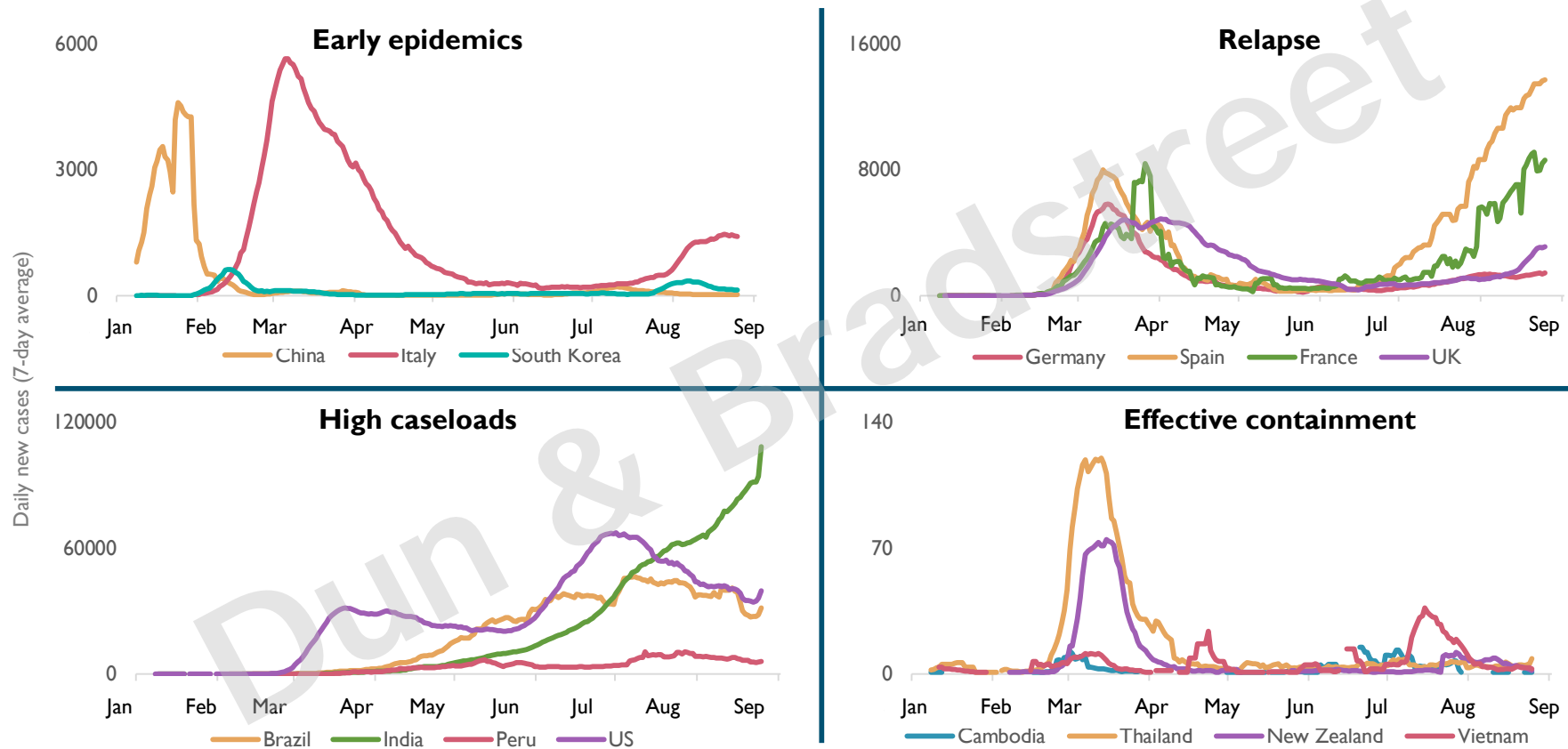
Current State of the Global and Domestic Economy

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COVID-19

Countries are experiencing a wide range of trends in their daily caseloads



Source: Johns Hopkins CSSE, WHO, CDC, ECDC, NHC, DXY, D&B Analysis

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

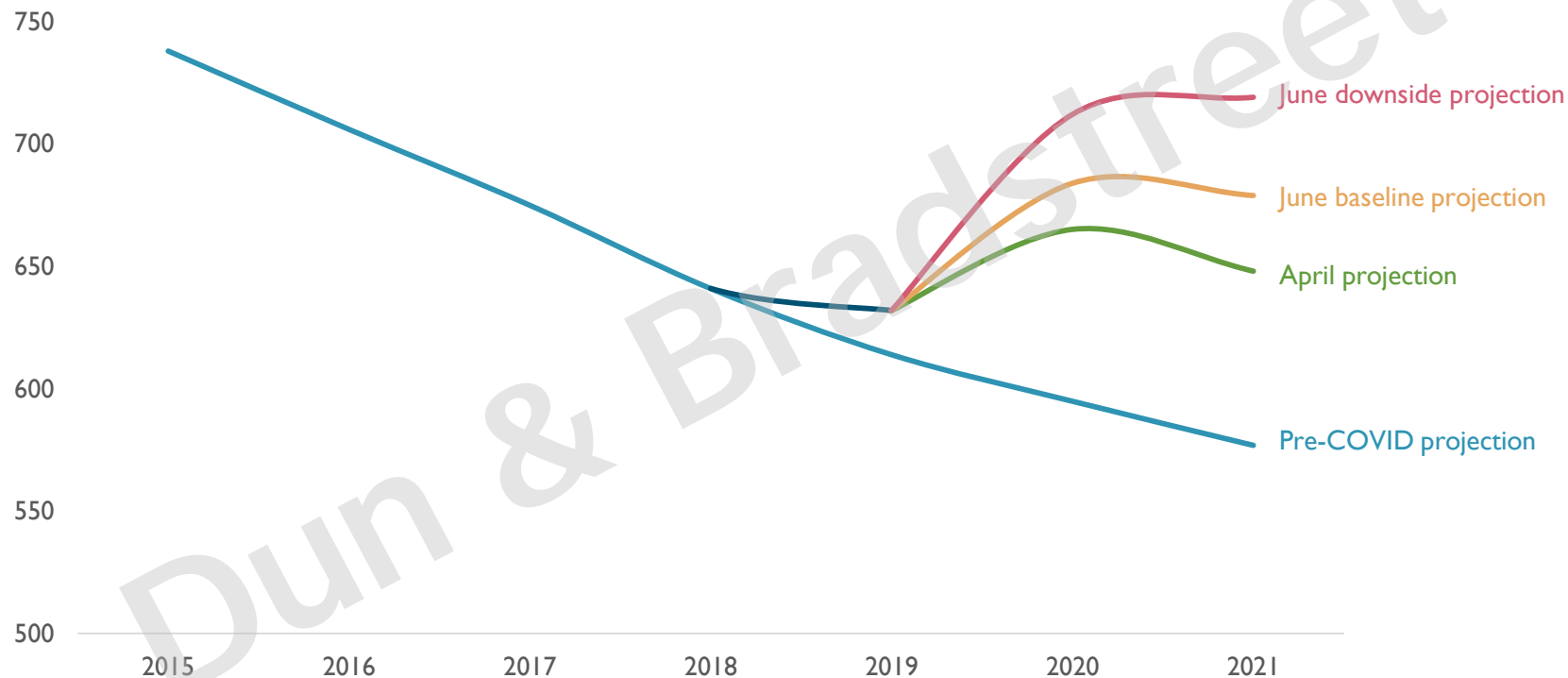
Easing of lockdown initially boosts activity but growth plunges due to 2nd wave of COVID-19 or ineffective policies to prevent bankruptcies and extended job losses

Source: Dun & Bradstreet

STANDARD OF LIVING

COVID-19 could push 71 to 100 million people into extreme poverty

Millions of People in Extreme Poverty

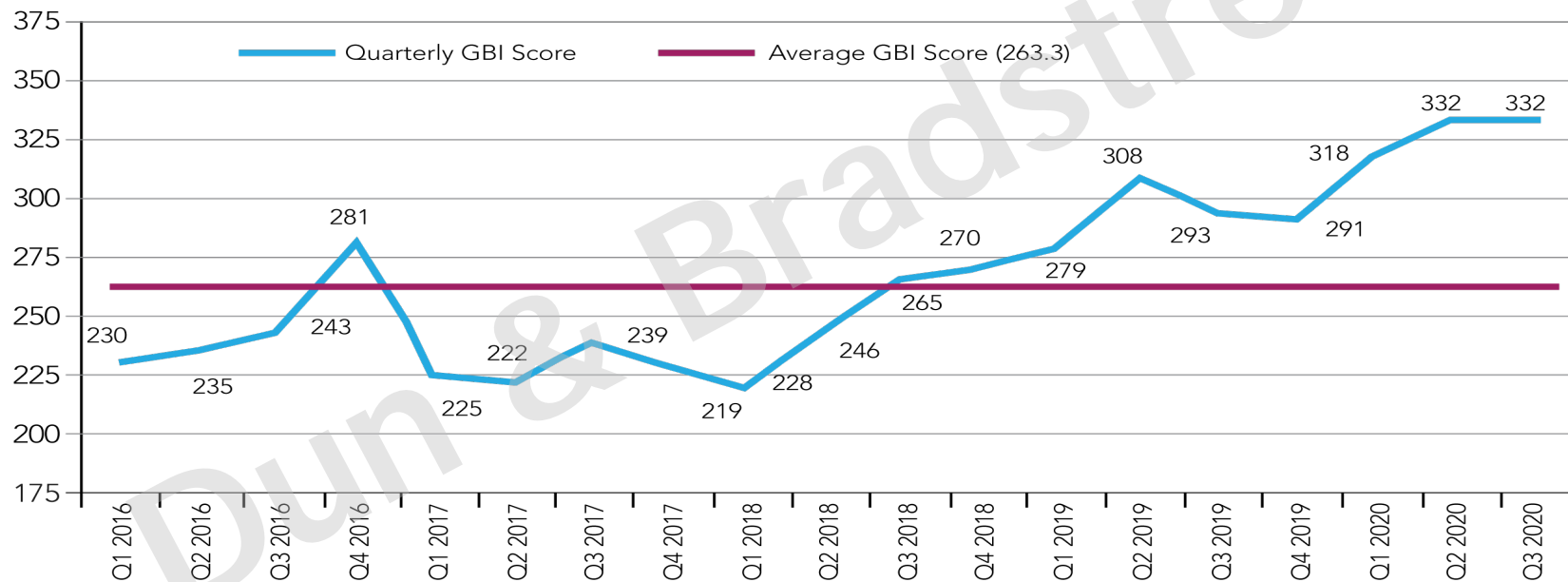


Source: Lakner et al (2020), PovcalNet, Global Economic Prospects, World Bank, D&B Research

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

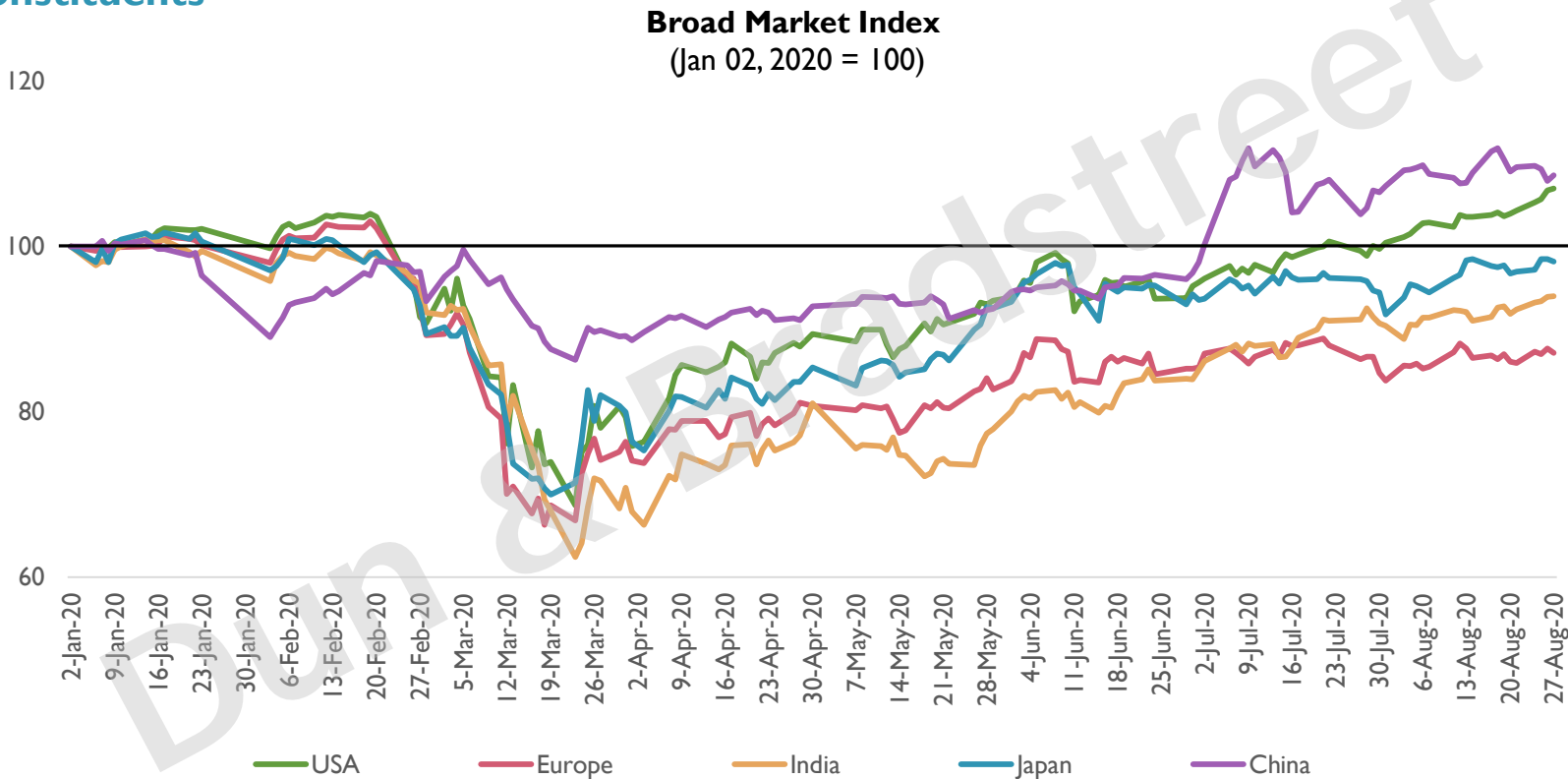
Global Business Impact (GBI) score



Source: Dun & Bradstreet

STOCK MARKET

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

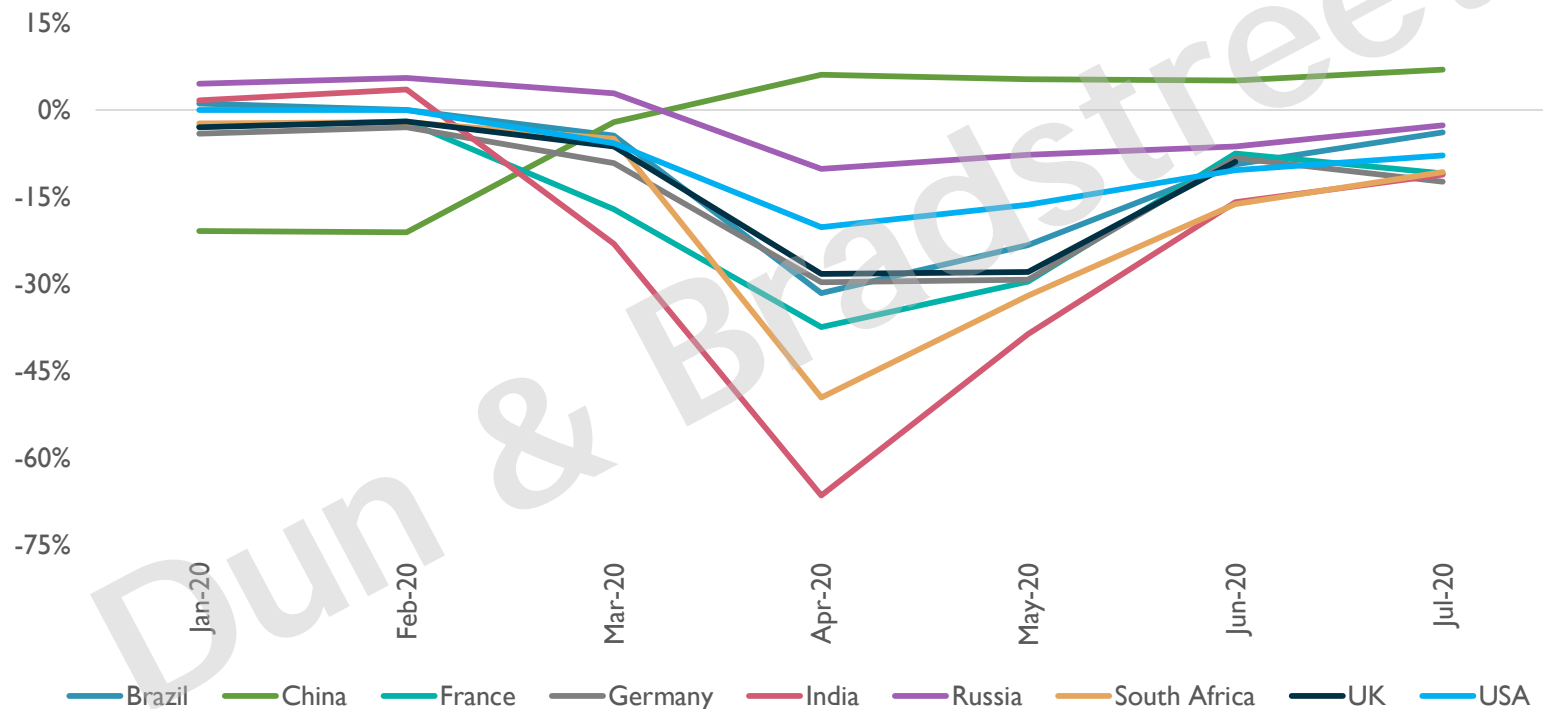


Source: Yahoo! Finance, D&B Analysis

MANUFACTURING OUTPUT

The pace of contraction in manufacturing output has reduced significantly across countries

IIP: Manufacturing (base 2015; y-o-y)

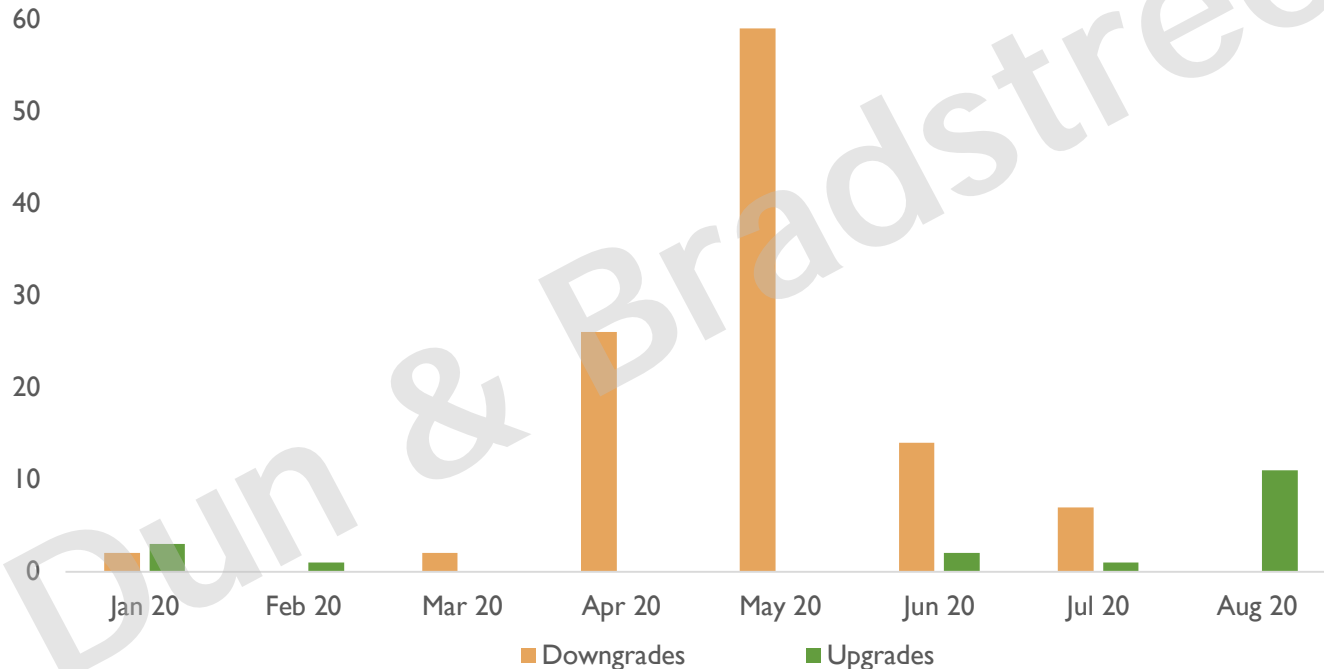


Source: UNIDO, D&B Analysis

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

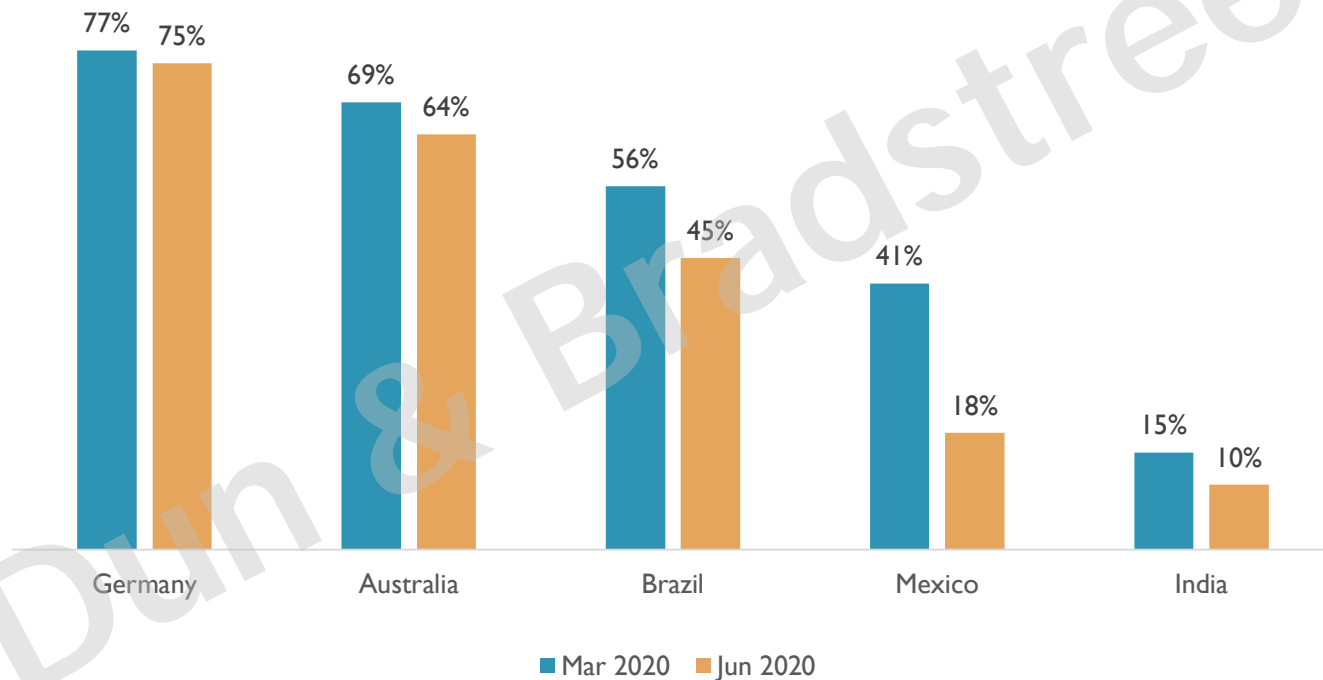


Source: Dun & Bradstreet

PAYMENT DELAYS

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

Share of prompt payments (% of all accounts)

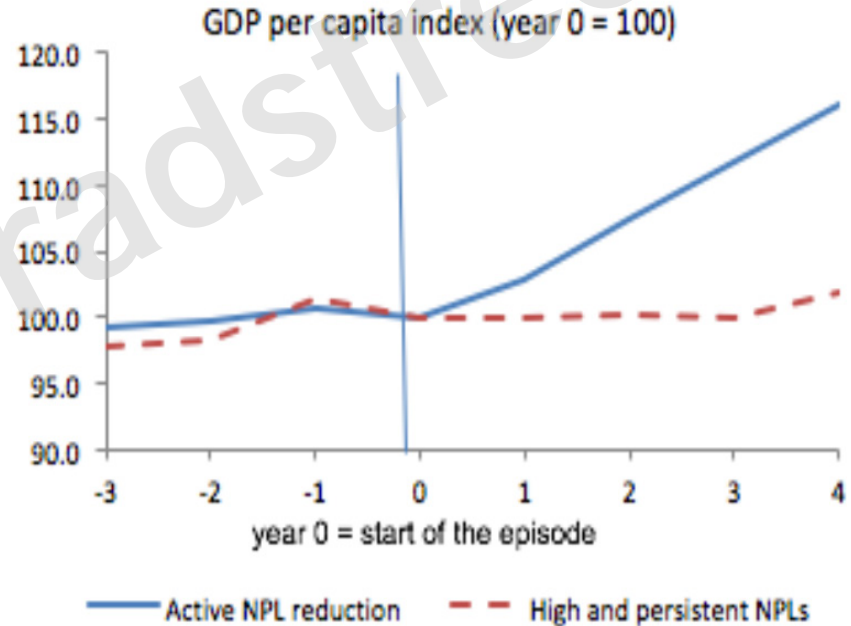
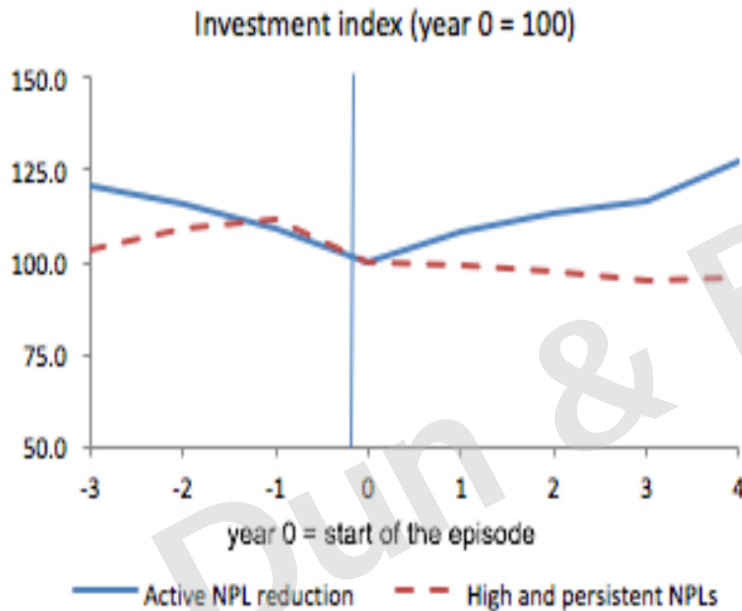


Source: Dun & Bradstreet

BAD LOANS

The overhang of bad loans can reduce economic growth in excess of 2 percentage points annually

Impact of Bad Loans



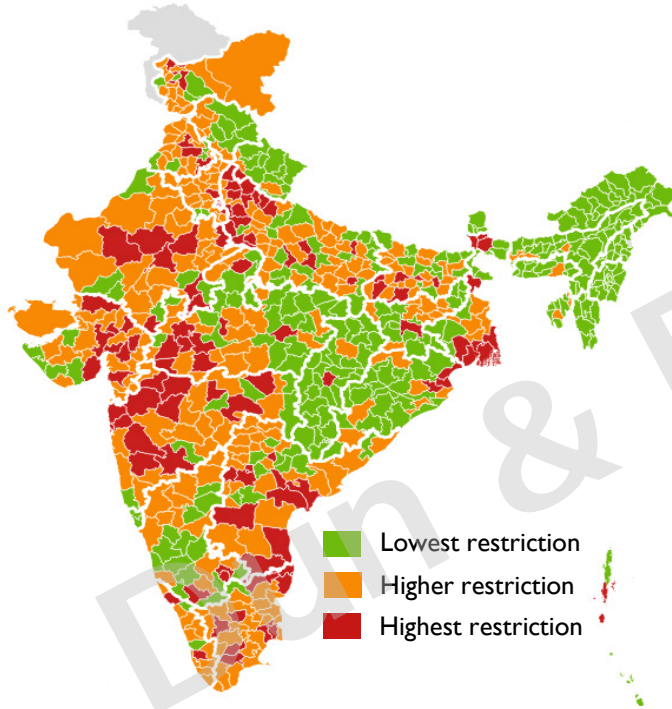
Source: Maria Balgova, Michel Nies and Alexander Plekhanov, EBRD; D&B Research

Sectoral Impact & Next Normal for Business

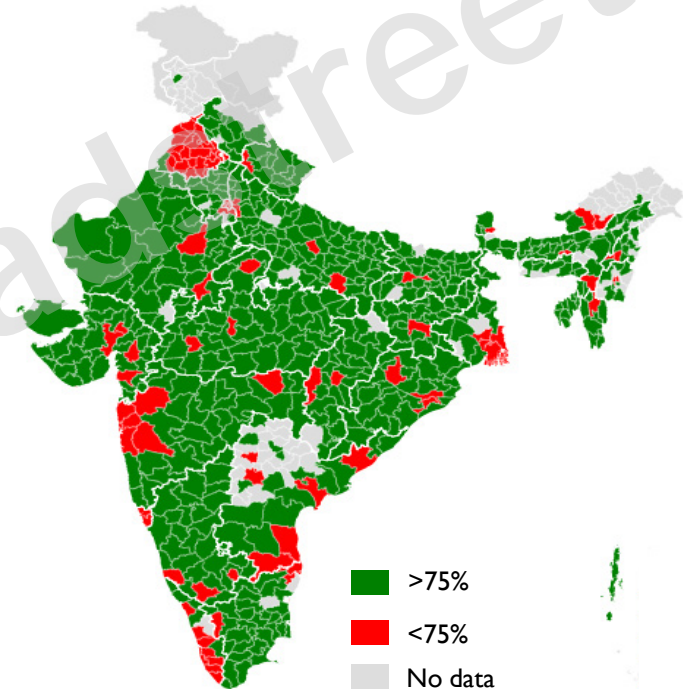
MOBILITY

In contrast to the situation in April, many have resumed work in a majority of the districts

Containment classification: Apr 30, 2020



Workplace mobility: Sep 1-8, 2020

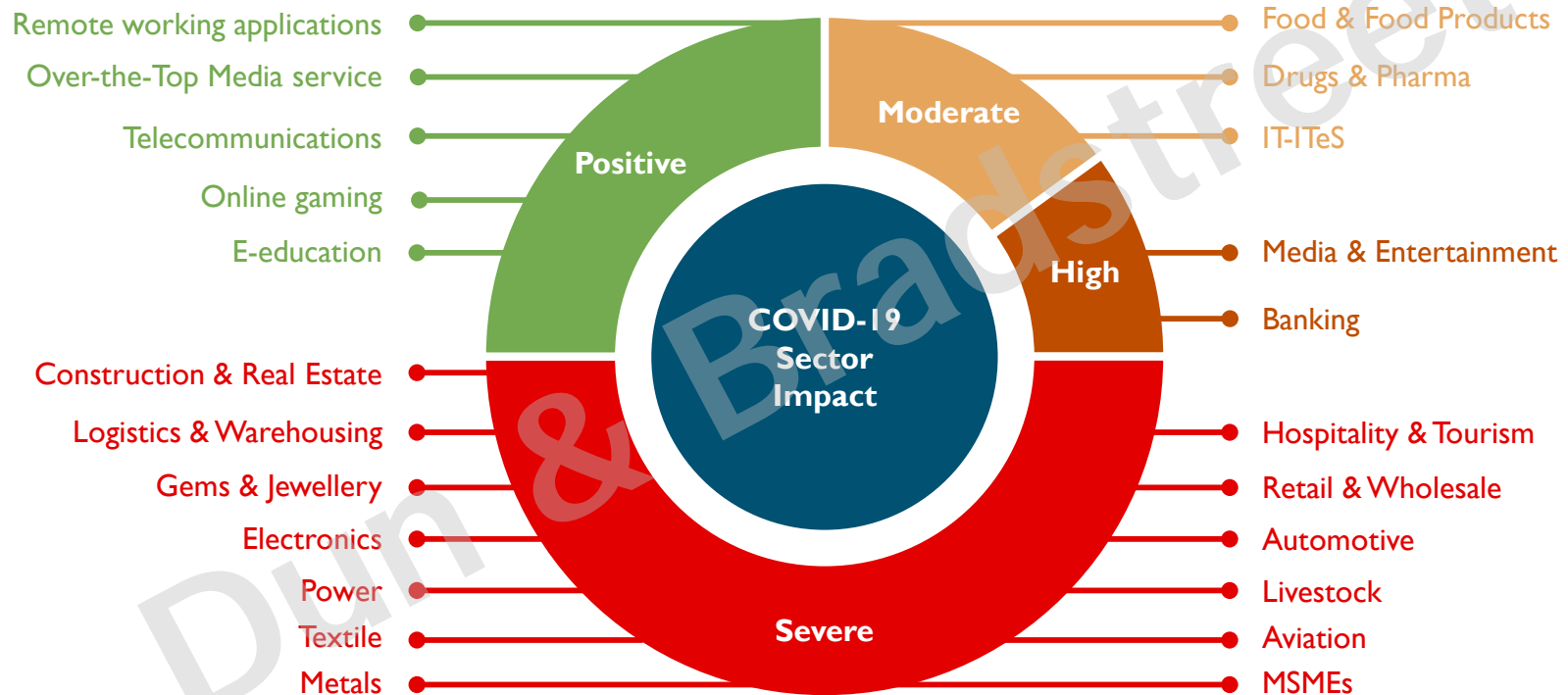


Note: The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020

Source: MOHFW, Google Mobility Index, D&B Analysis

SECTORAL IMPACT - INDIA

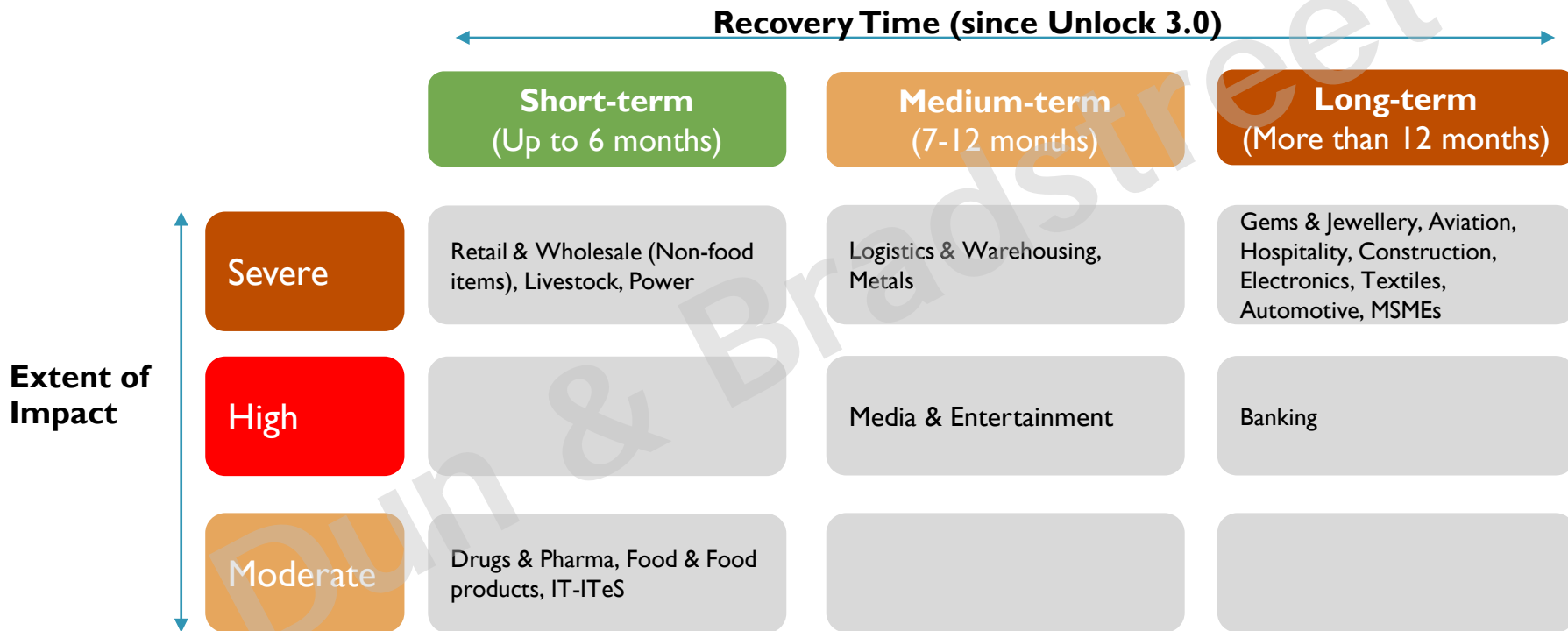
The impact of COVID-19 outbreak has been disproportionate – while some sectors are severely impacted, some are positively impacted



Source: Dun & Bradstreet

SECTORAL IMPACT - INDIA

Recovery is expected to be uneven across the sectors – some sectors will rebound quickly while some sectors will take longer than many months

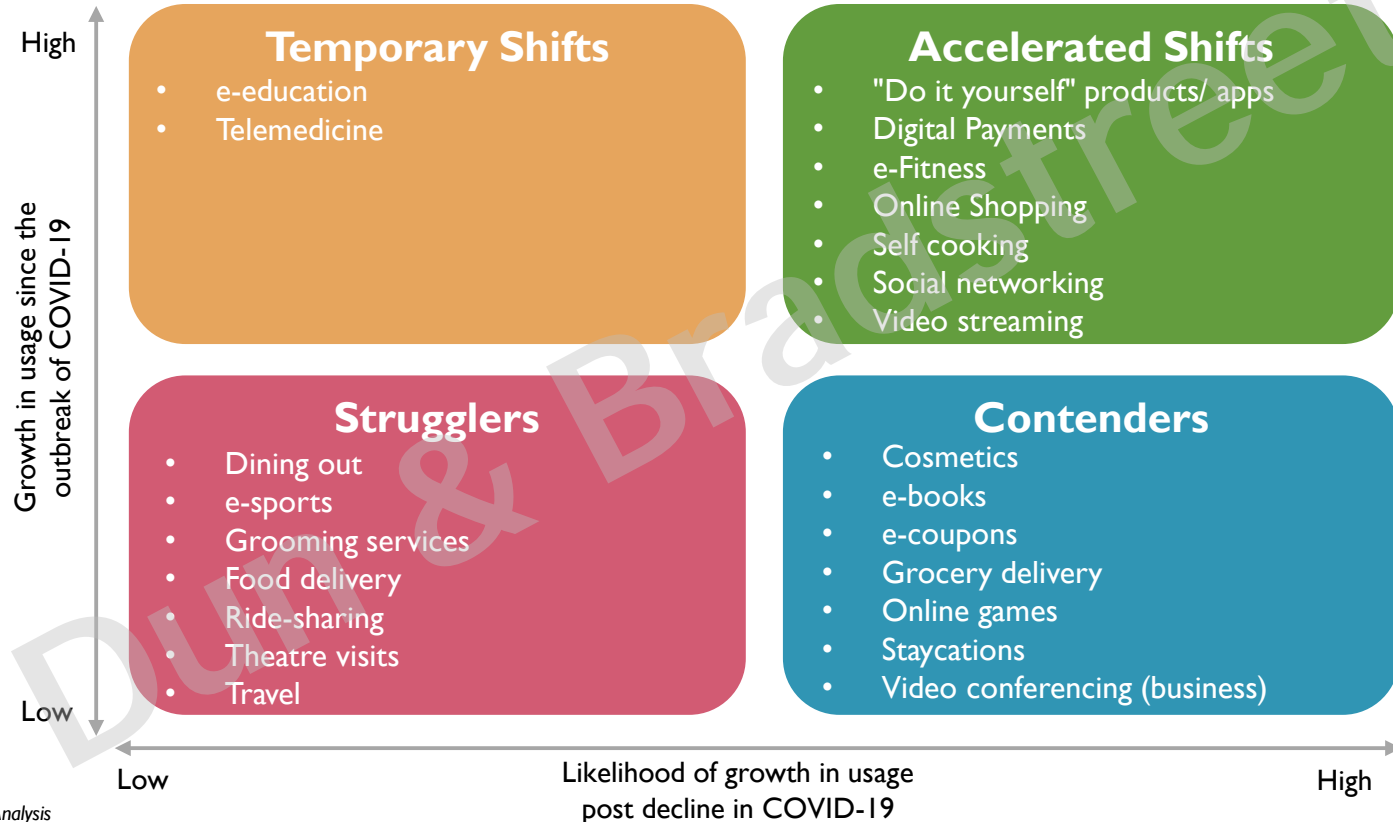


Note: Recovery time is estimated under the assumption that there will be no major deterioration in public health at the national and global level in the coming months

Source: Dun & Bradstreet

NEXT NORMAL FOR BUSINESSES - ALTERED CONSUMER BEHAVIOUR

Density is not clearly not desirable by consumers in the near future. Businesses will have to rethink their operating models to stay relevant during this testing times

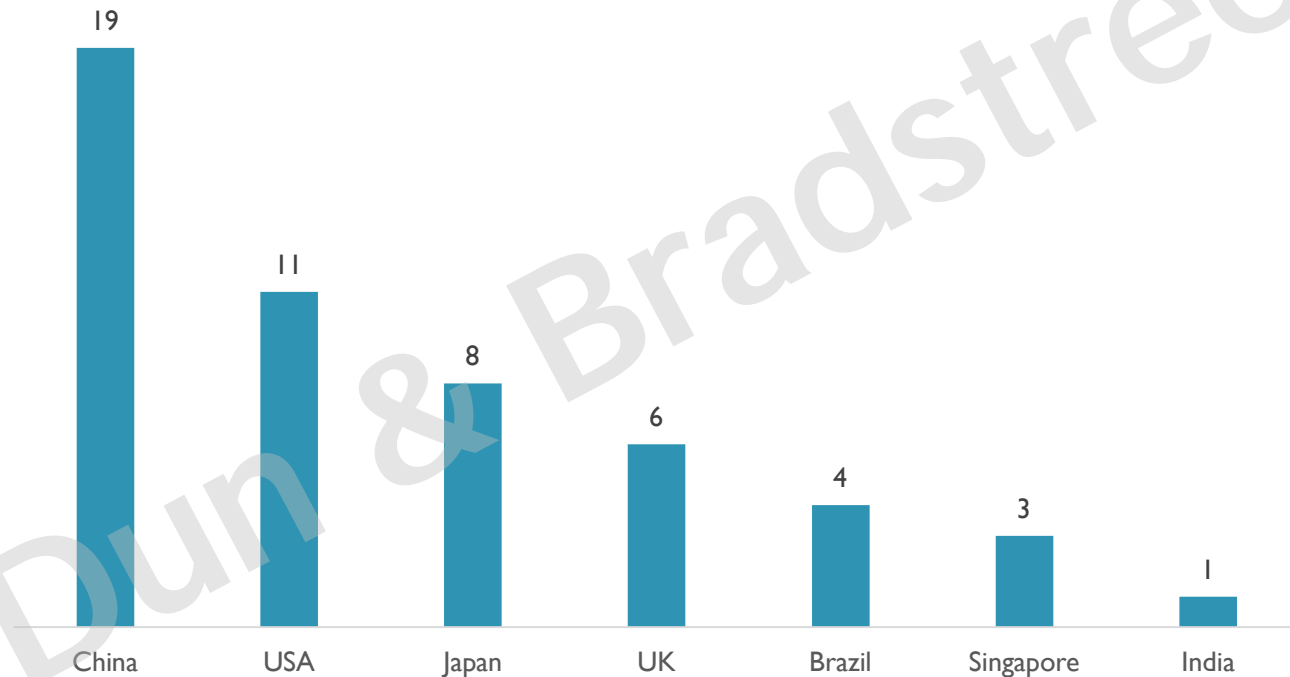


Source: D&B Analysis

TOP 100 LARGEST BANKS

Given its current economic size, India should have at least 6 banks in the Top 100 largest banks

Country-wise no. of banks in the Top 100 Largest Banks

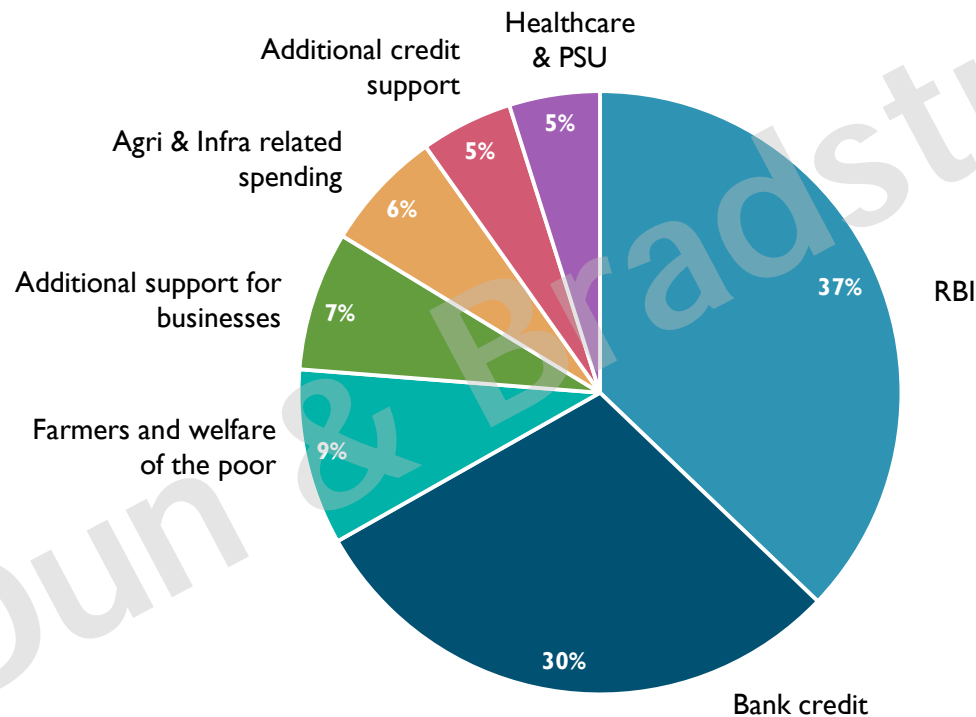


Source: S&P, D&B Research

ECONOMIC STIMULUS

Below-the-line measures account for a majority of the stimulus package

Breakup of the Rs 21 tn stimulus package

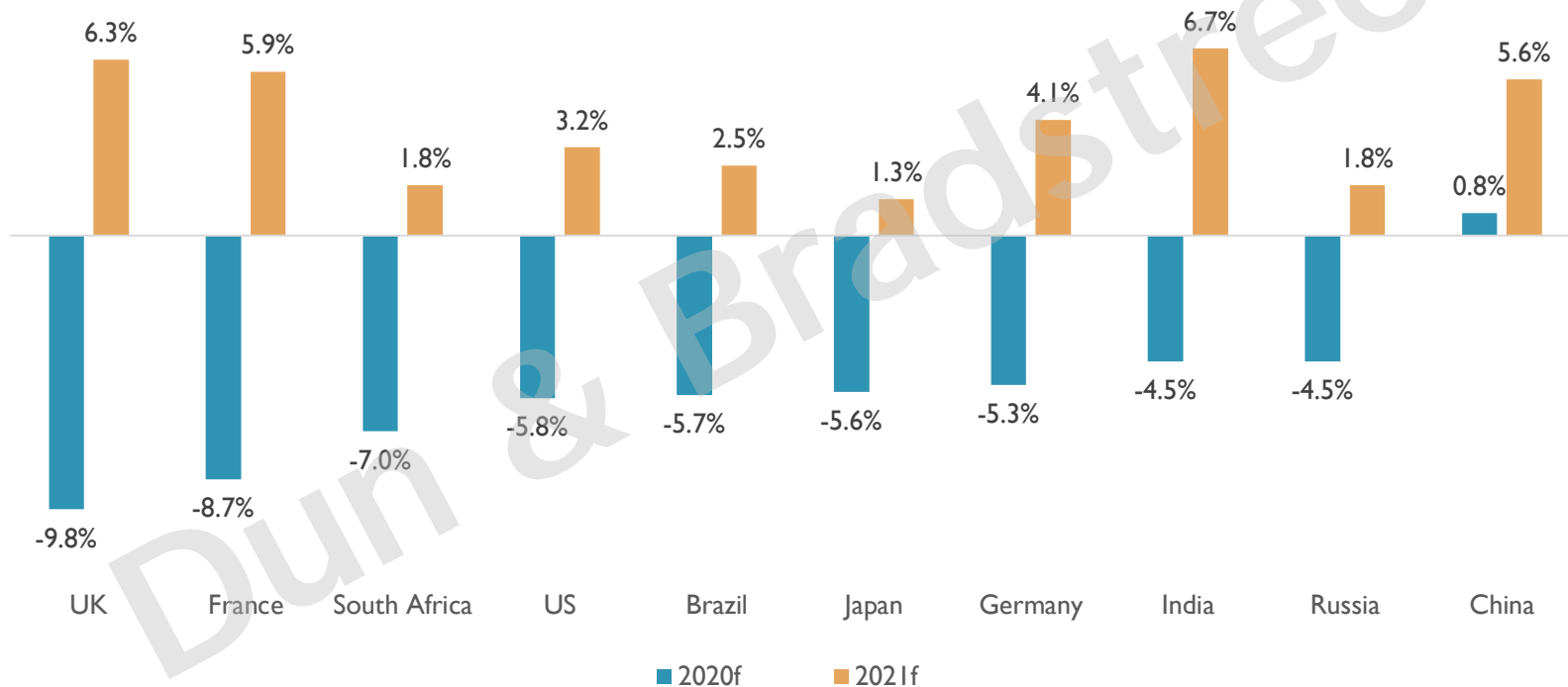


Source: Ministry of Finance, D&B Research

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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