



THE NEW ECONOMIC REALITY!

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Economist Central & Eastern Europe Region

Webinar
26th January 2022

QUESTIONS?



Please feel free to ask your questions via the question panel on the right sidebar menu.

(1) Open the sidebar menu

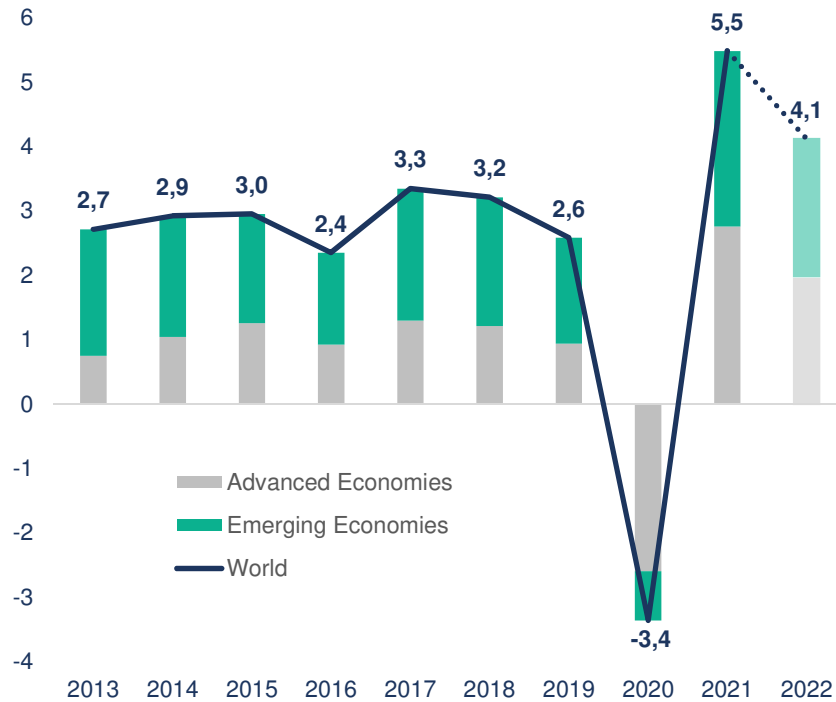


(2) Enter your question

A screenshot of the GoToWebinar interface. The top window is titled 'Audio' and shows settings for 'Computer audio' and 'Phone call'. Below this, it says 'MUTED' and shows 'Transmit (Plantronics Savi 7xx-M)' and 'Receive (Plantronics Savi 7xx-M)' options. Below the audio settings, it says 'Talking: Liz Davis'. The bottom window is titled 'Questions' and has a text input field with the placeholder '[Enter a question for staff]' and a 'Send' button. The 'Questions' window is highlighted with a red border.

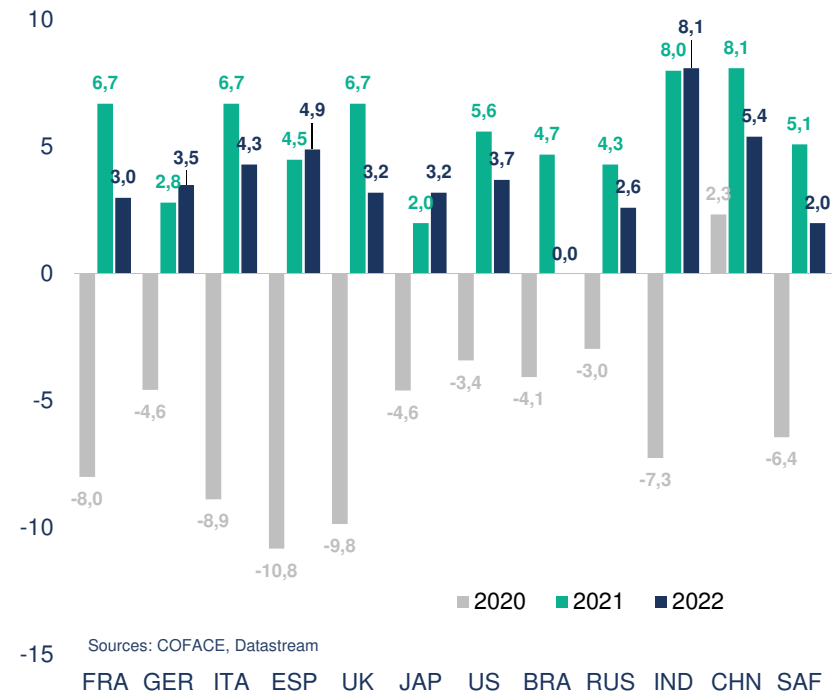
THE RECOVERY IS ON TRACK, ALBEIT LOSING MOMENTUM

World GDP growth
(YoY, %)



Sources: COFACE, Datastream

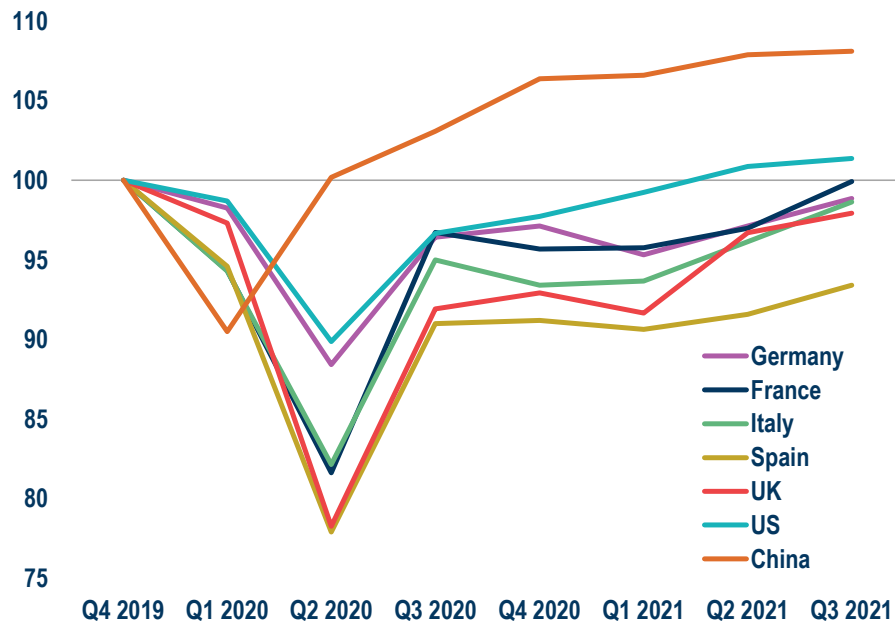
GDP growth for selected countries
(YoY, %)



Sources: COFACE, Datastream

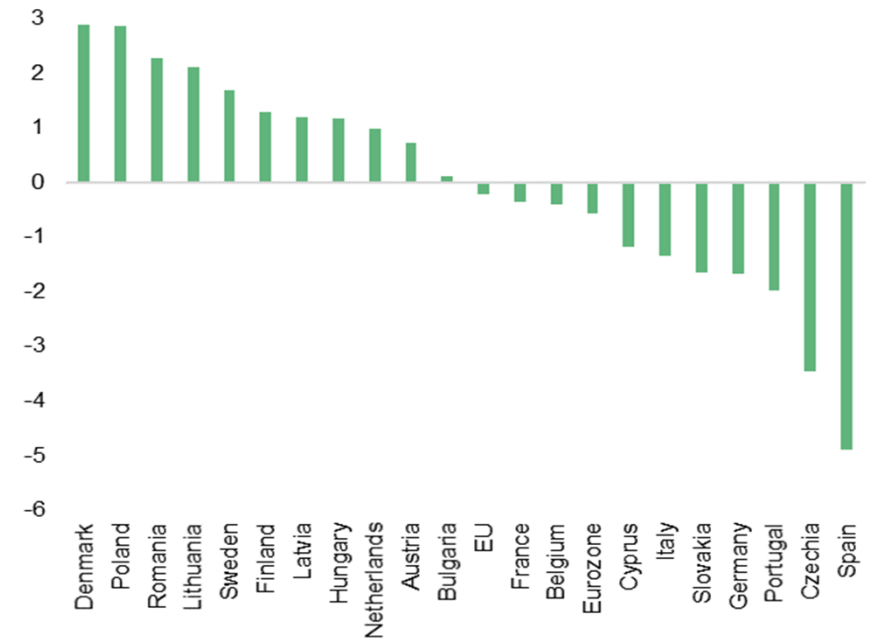
A THREE-STAGE GLOBAL ECONOMIC RECOVERY: FIRST CHINA, THEN THE US AND NOW EUROPE – WITH CEE COUNTRIES RECOVERING FASTER

Selected countries GDP
(Q4 2019 = 100)



Source: Datastream, Coface

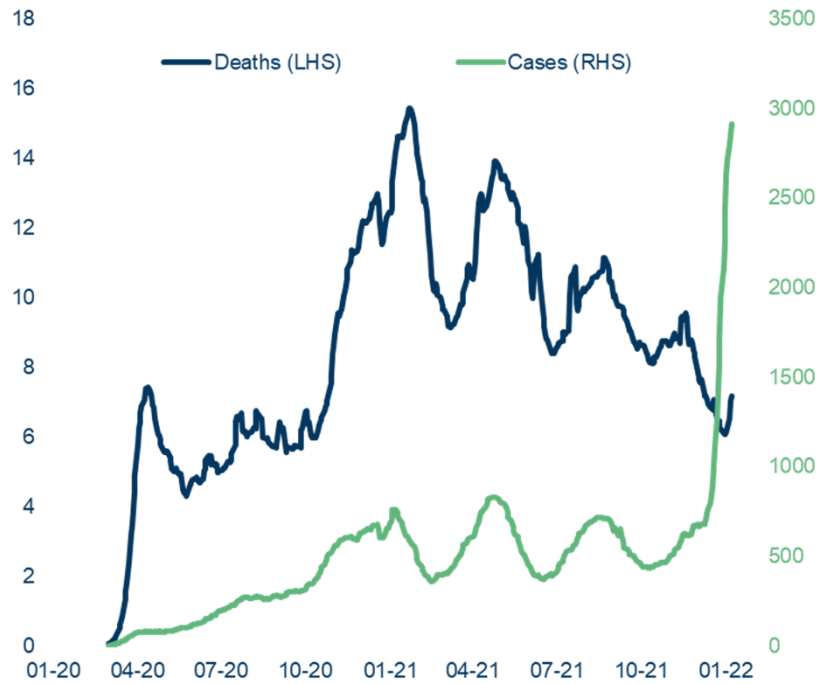
Europe Q3 2021 GDP compared to pre-pandemic
(%, level of GDP compared to Q4 2019)



Source: Eurostat, Coface

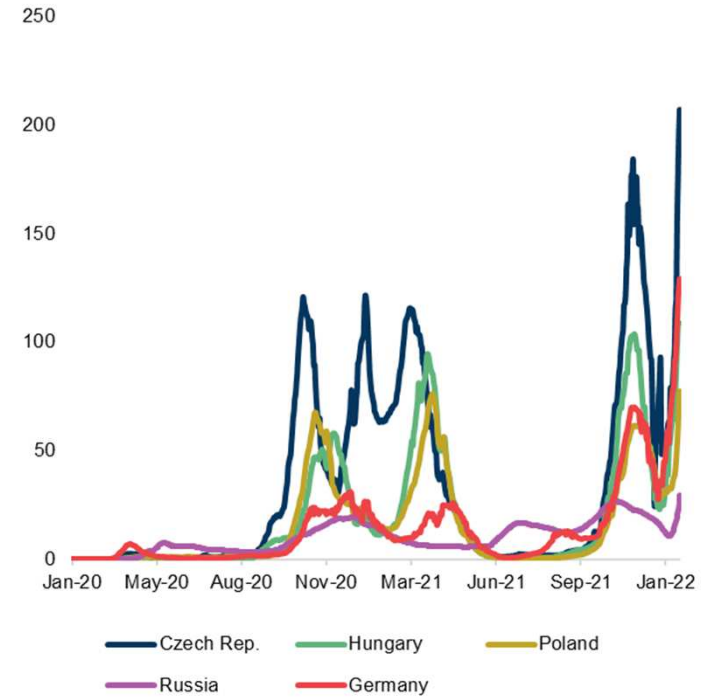
SOARING COVID-19 CASES AMID ONE-HALF OF GLOBAL POPULATION FULLY VACCINATED

World: Covid-19 daily cases & deaths ('000)



Source: Datastream

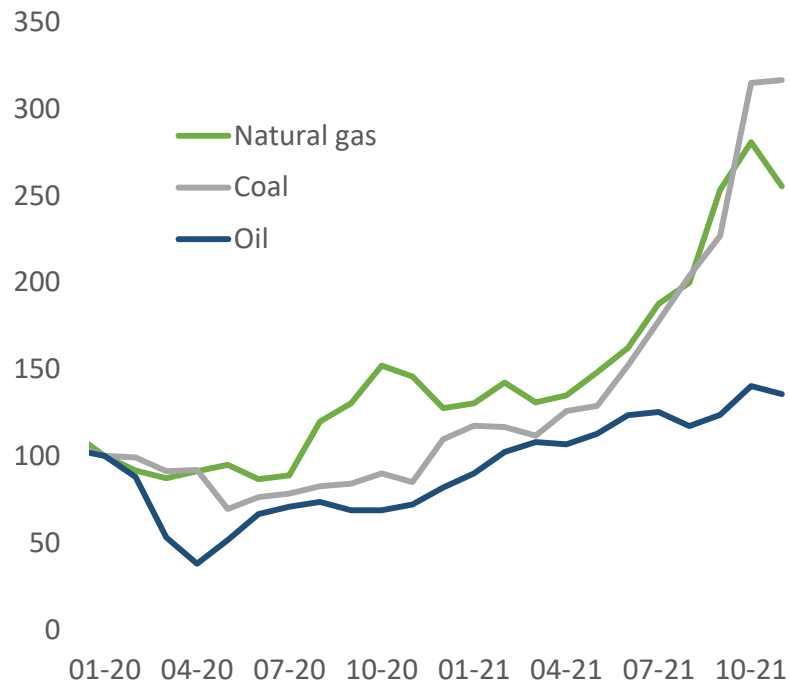
New daily COVID-19 cases per 100 thousand inhabitants (7-day average)



Source: JHU CSSE COVID-19 Dataset, Coface

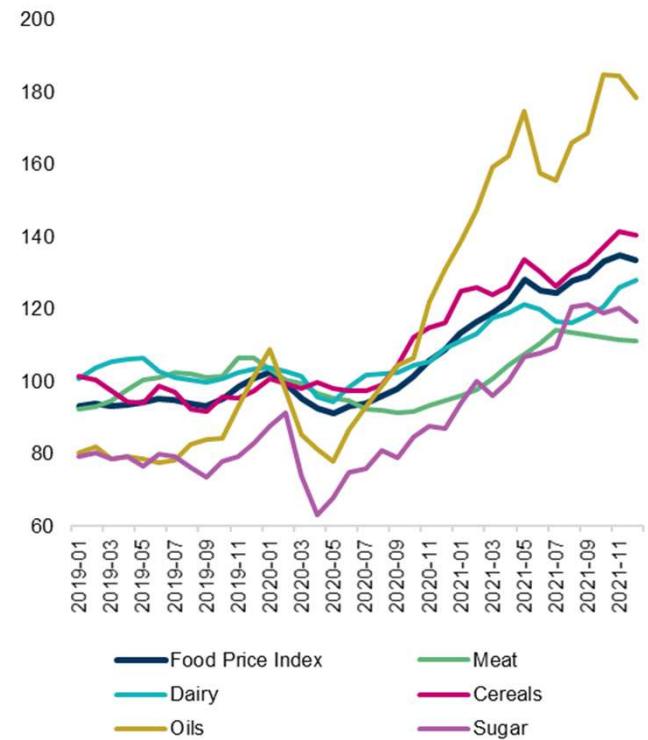
RISE IN COMMODITY PRICES

Fossil-fuel prices
(100 in Jan. 2020)



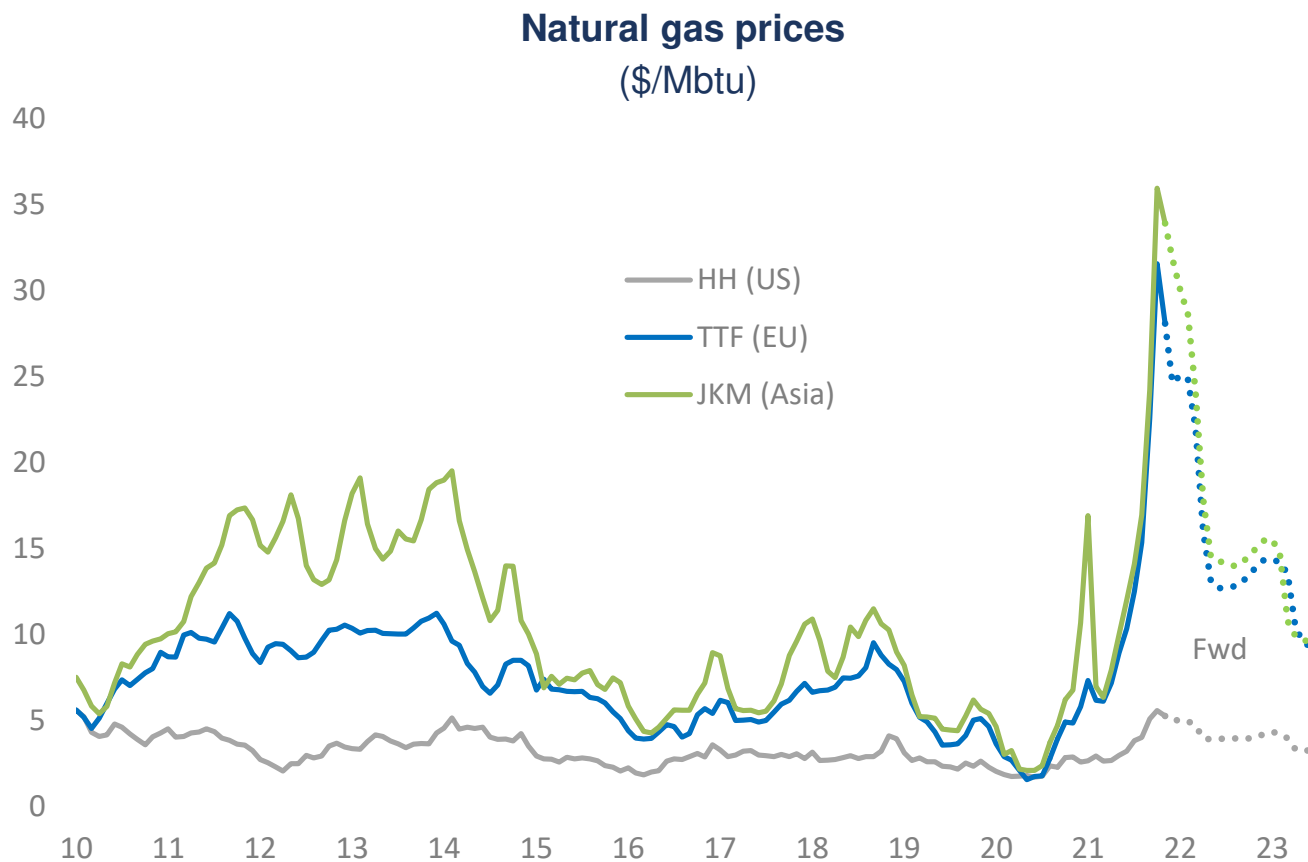
Source: GS, Datastream

Food price index and its components
(2014-2016 average = 100)



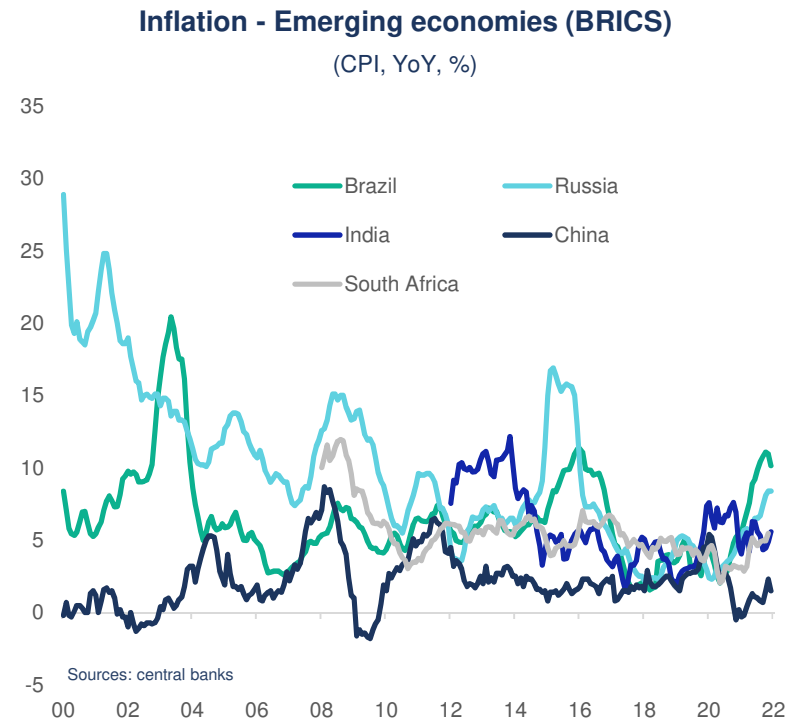
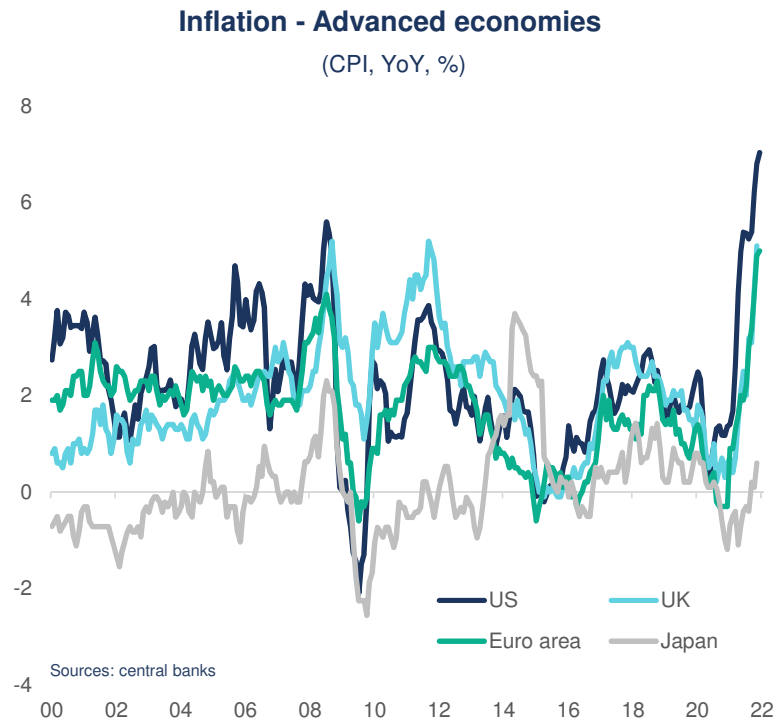
Source: FAO, Coface

GAS PRICES: NORMALIZATION AFTER THE WINTER SHOCK



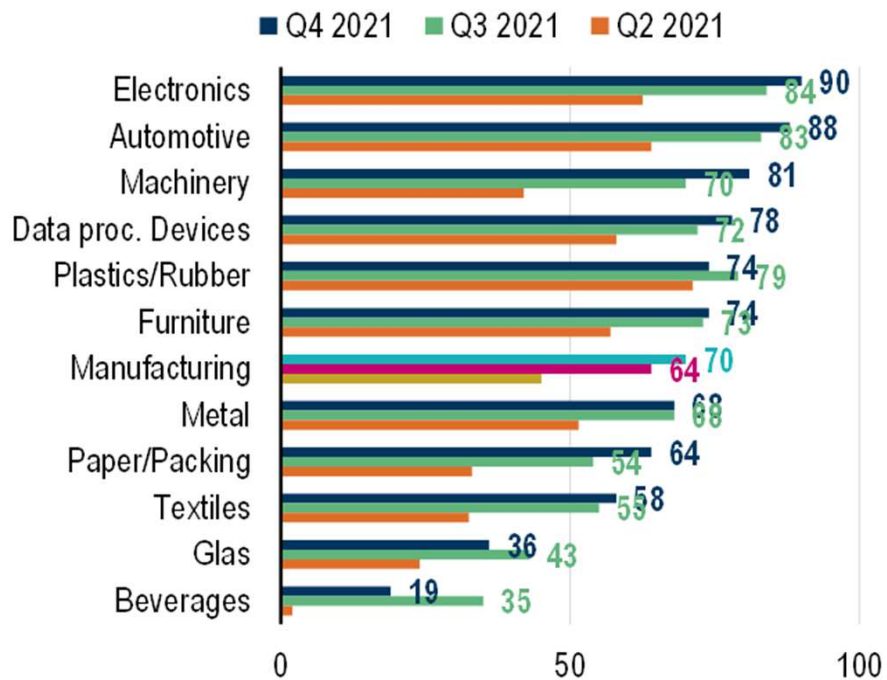
Source: Reuters, Platts

INFLATION AT DECADES' HIGH IN ADVANCED ECONOMIES



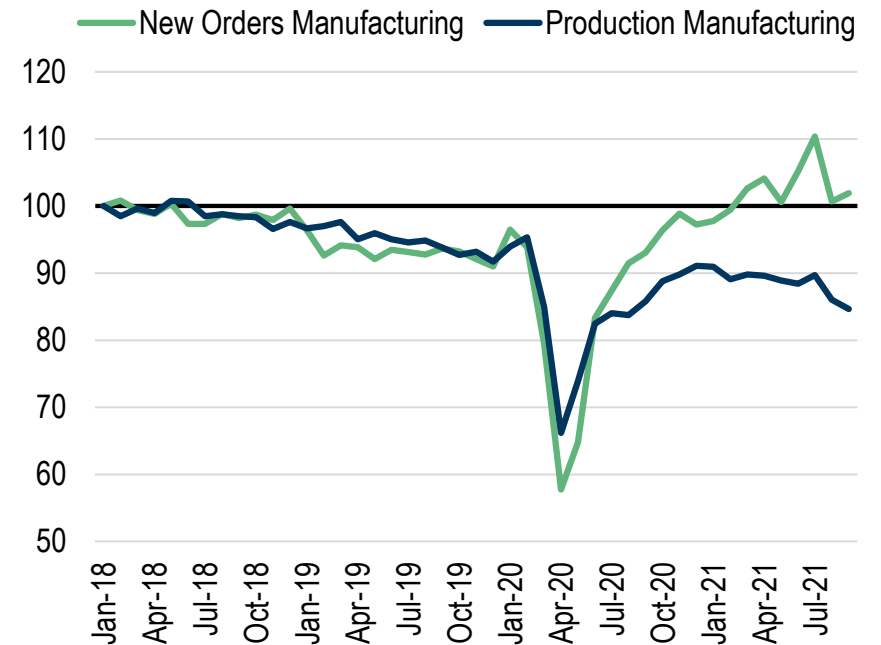
LONG-LASTING SUPPLY CHAIN DISRUPTIONS

Germany: Share of companies naming the shortage of input goods as the main problem(%)



Source: IFO Institute, Coface

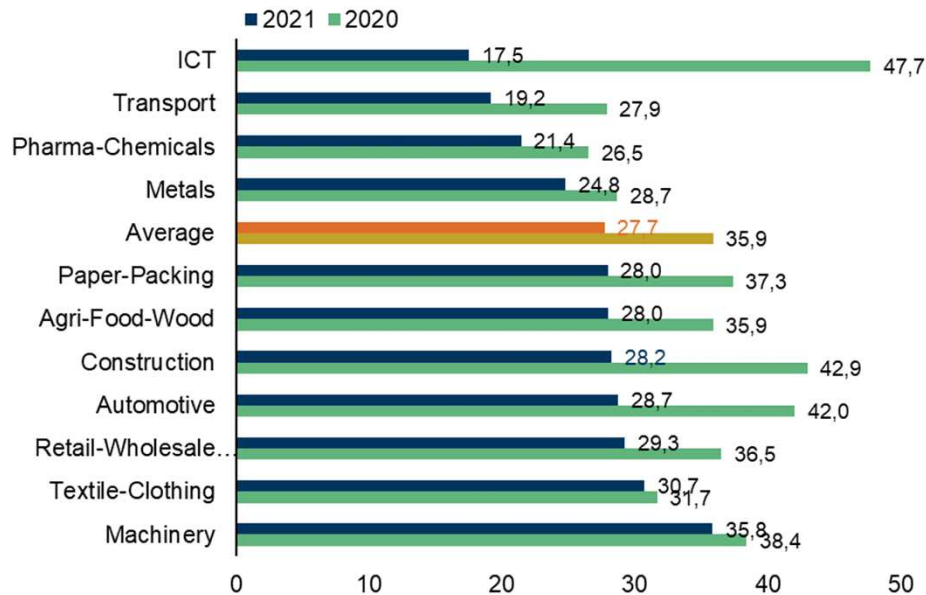
Germany: New orders and production in manufacturing (100 = Jan 2018)



Source: Destatis, Coface

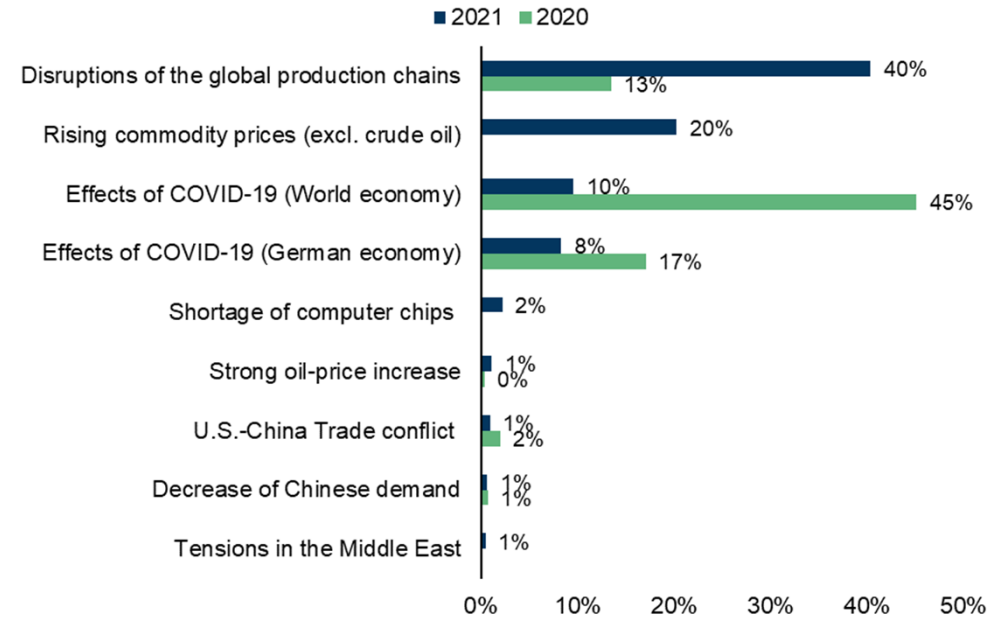
GERMANY: COMPANIES HAVE LEARNT TO LIVE WITH THE PANDEMIC

Germany: Average payment delays (days)



Source: Coface Payment Survey Germany 2021

Germany: The main risk for the export business in the future

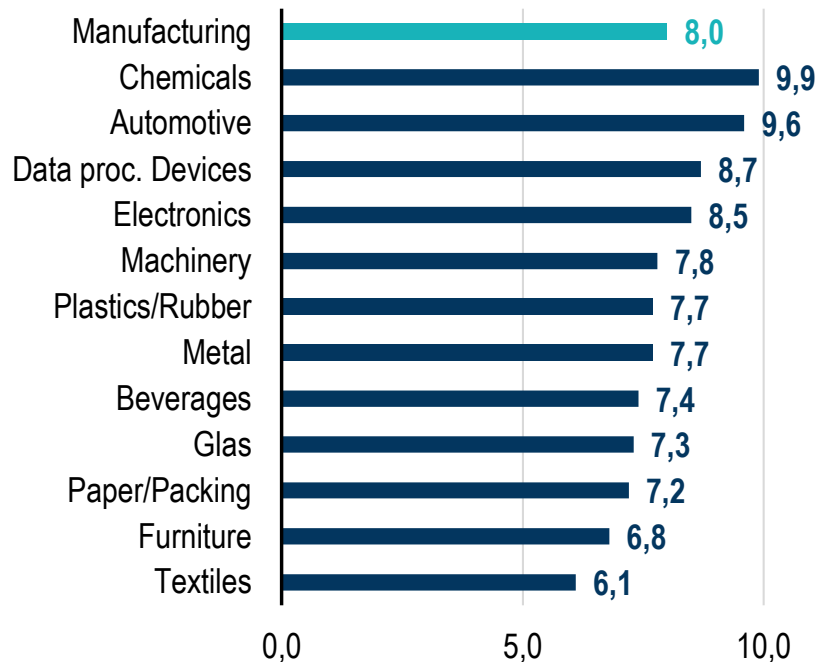


Source: Coface Payment Survey Germany 2021

TRANSITORY YET PERSISTENT: BOTTLENECKS SHOULD EASE FROM 2H22

Germany: Estimated duration of supply bottlenecks

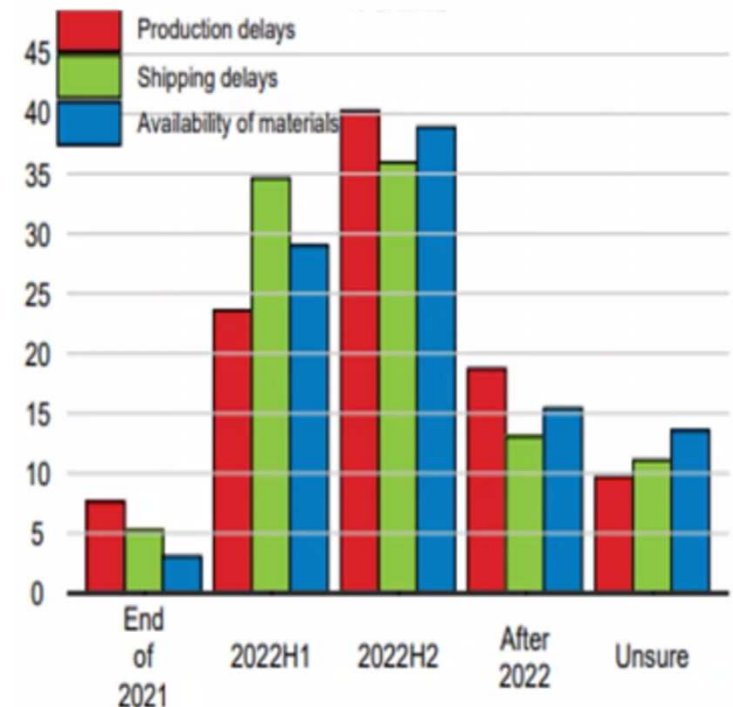
(IFO survey in October, answers in months)



Source: IFO, Datastream

US: Estimated duration of production and shipping delays

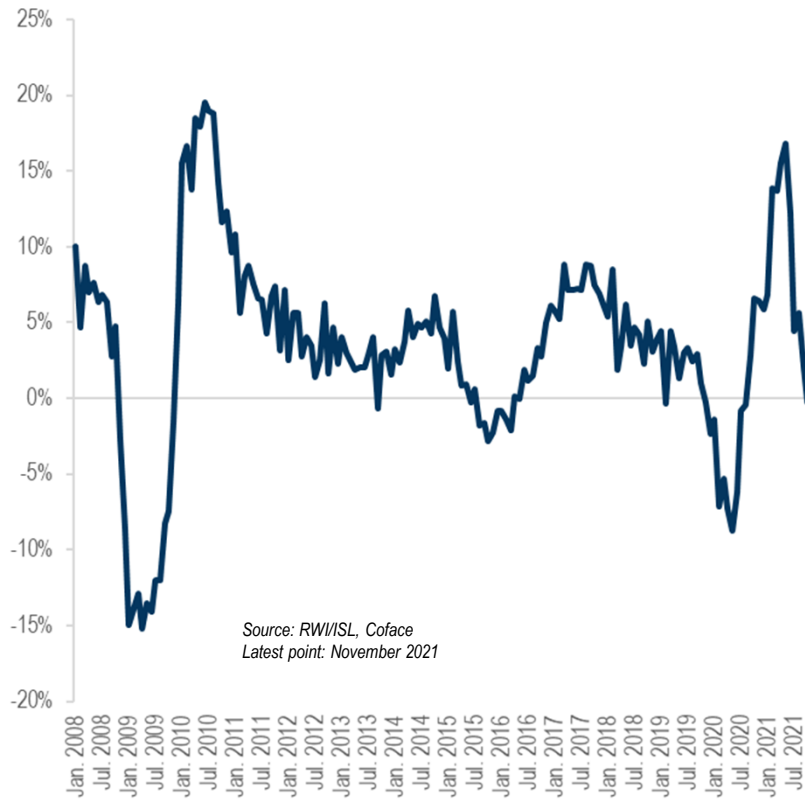
(FED Richmond & Atlanta – 3Q21 survey)



Source: FED, OECD

MARITIME TRANSPORT COSTS HAVE EASED

Container Throughput Index (YoY growth)



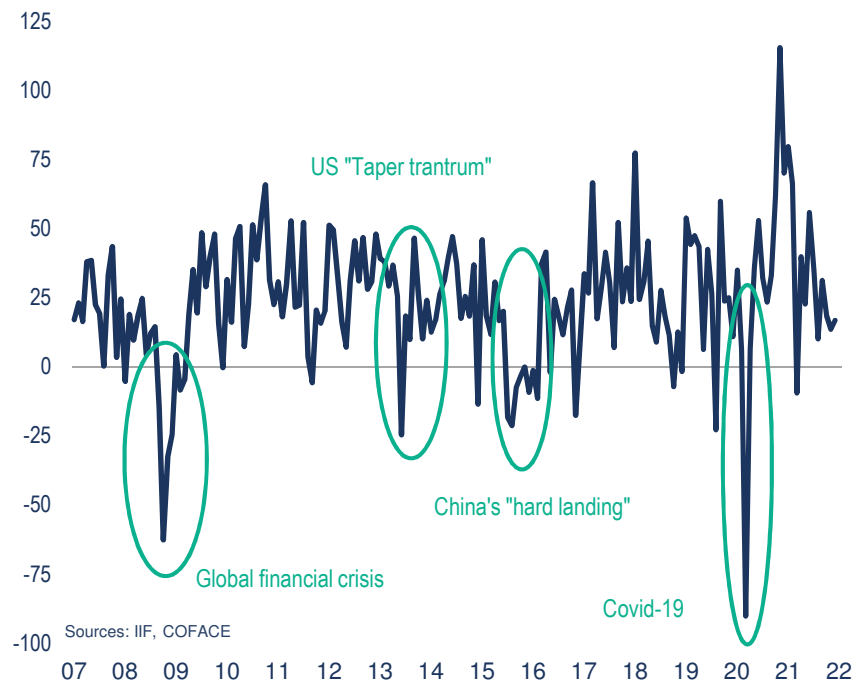
Maritime freight rates: Baltic Dry Index and Harpex Index



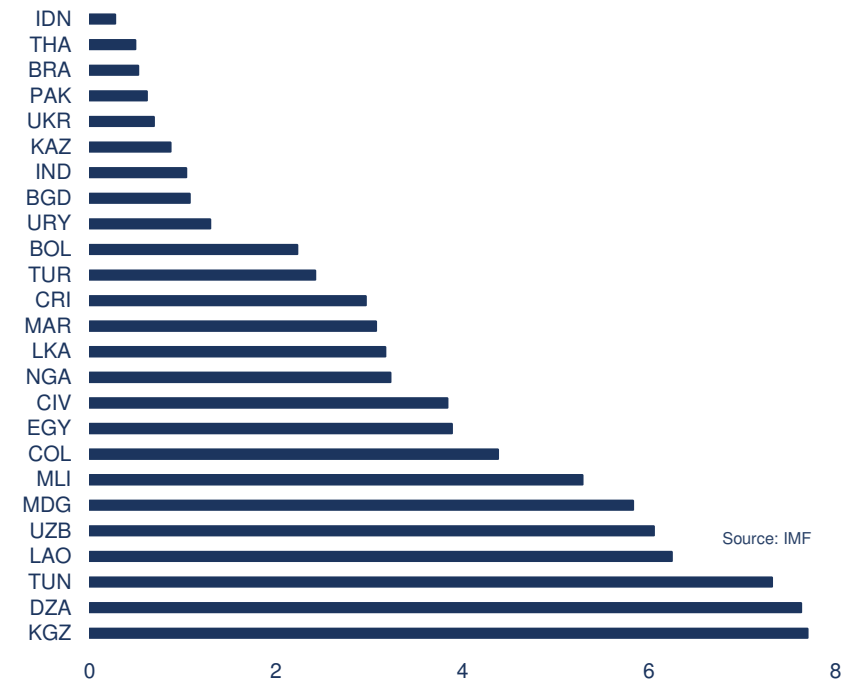
Source: Harpex exchange, Baltic exchange, Datastream
Latest point: 31 December 2021

EMERGING MARKETS TO SUFFER FROM FED TIGHTENING

Portfolio net inflows in 36 emerging countries
(bn\$)

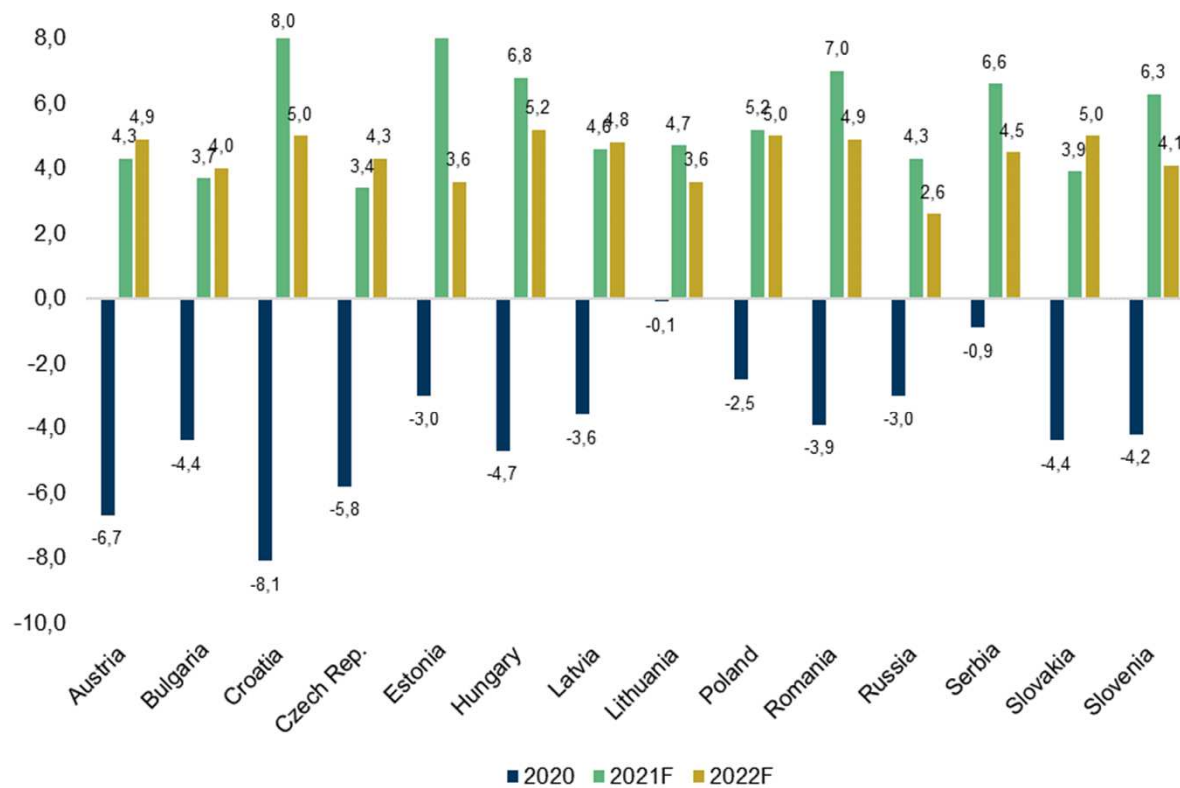


Current account deficit for selected emerging countries
(% GDP)



CEE: RECOVERY CONTINUED

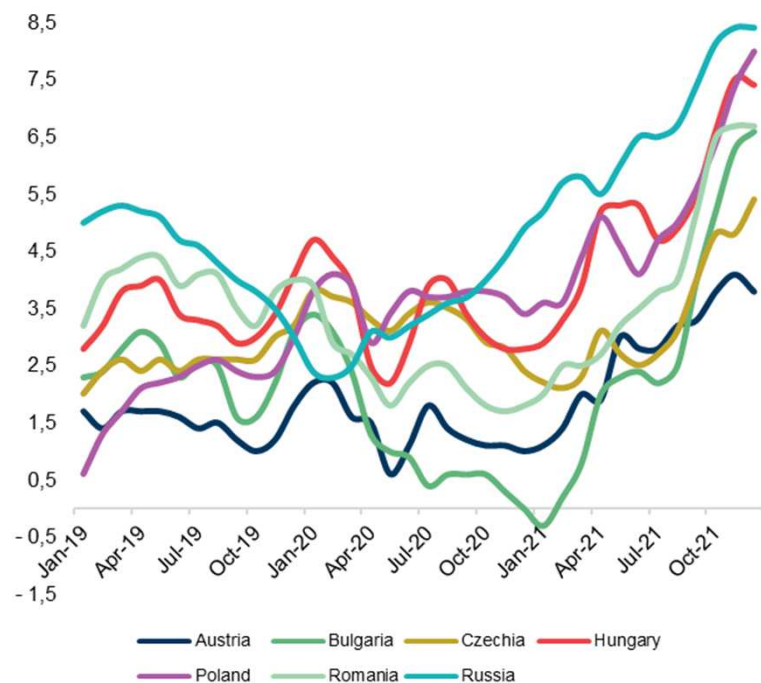
Central and Eastern Europe:
GDP growth forecasts (% , Coface forecasts)



Source: Eurostat, Coface

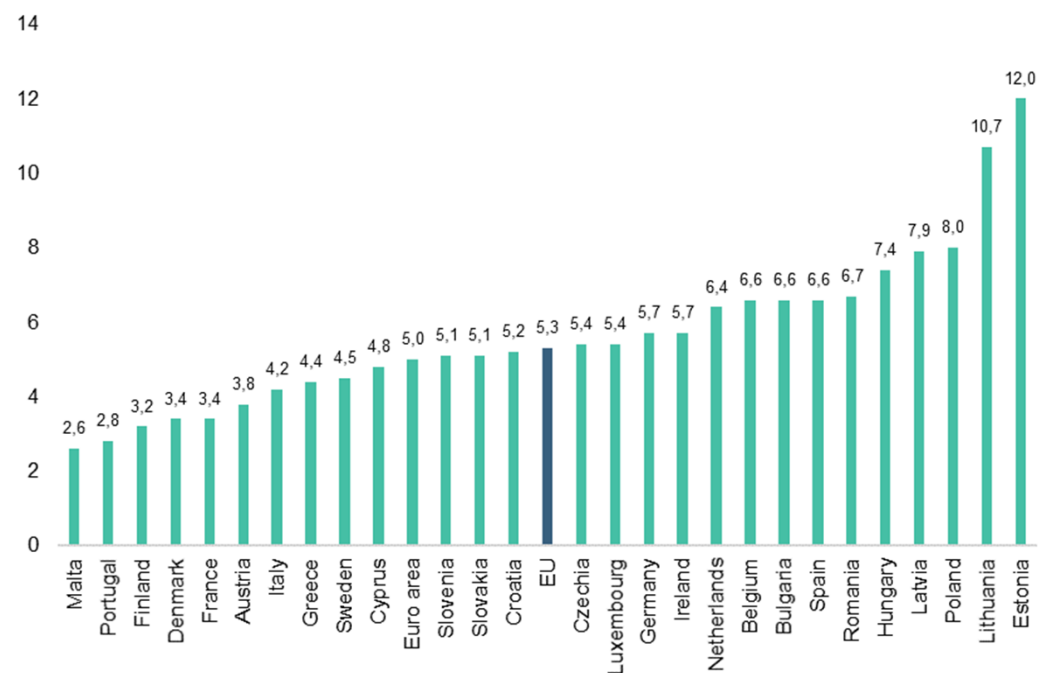
SEVERAL CEE ECONOMIES LEAD IN INFLATION ACCELERATION

Inflation
(%, HICP, YoY growth)



Source: Eurostat, Coface

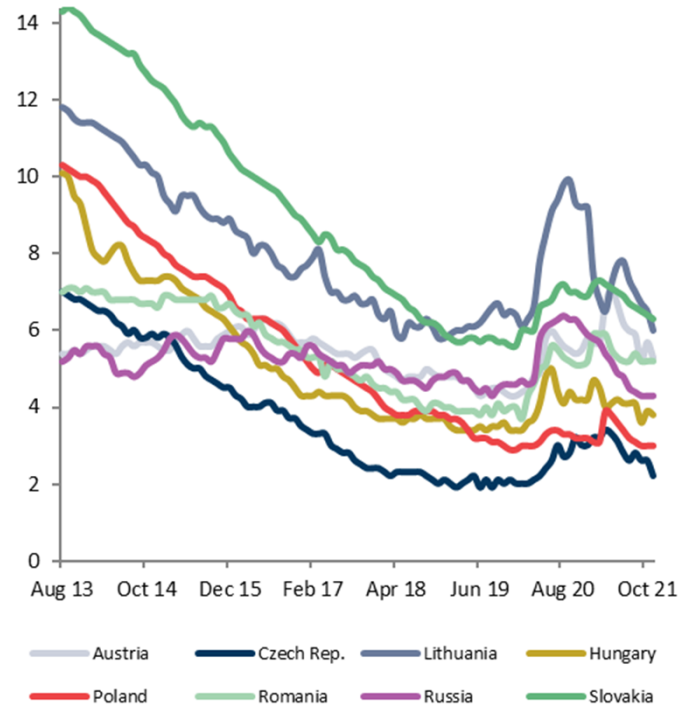
Annual HICP inflation rates
in December 2021 (%)



Source: Eurostat, Coface

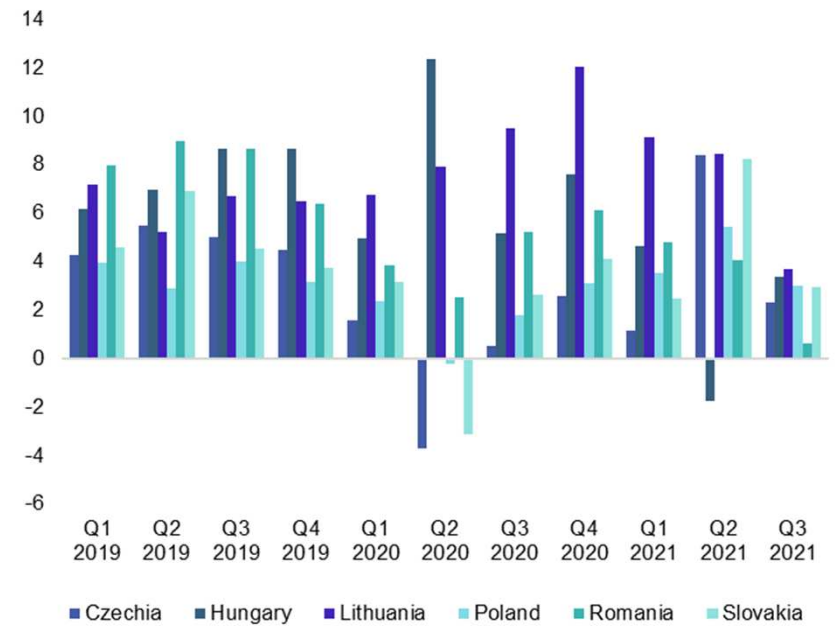
THE RISK OF PRICE-WAGE SPIRAL

Unemployment rates (%)



Source: Eurostat, Coface

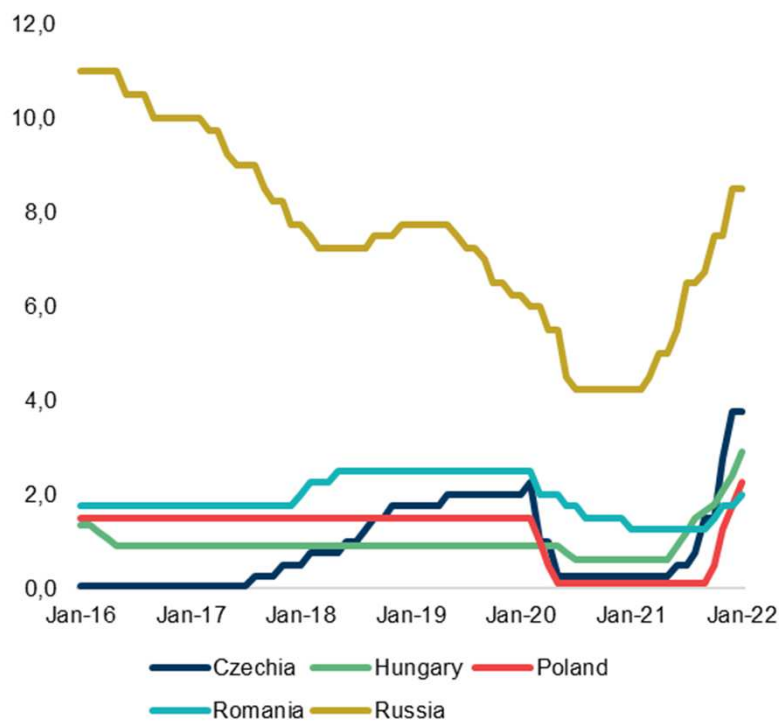
Real wage growth (% YoY changes)



Source: Statistical offices, Coface

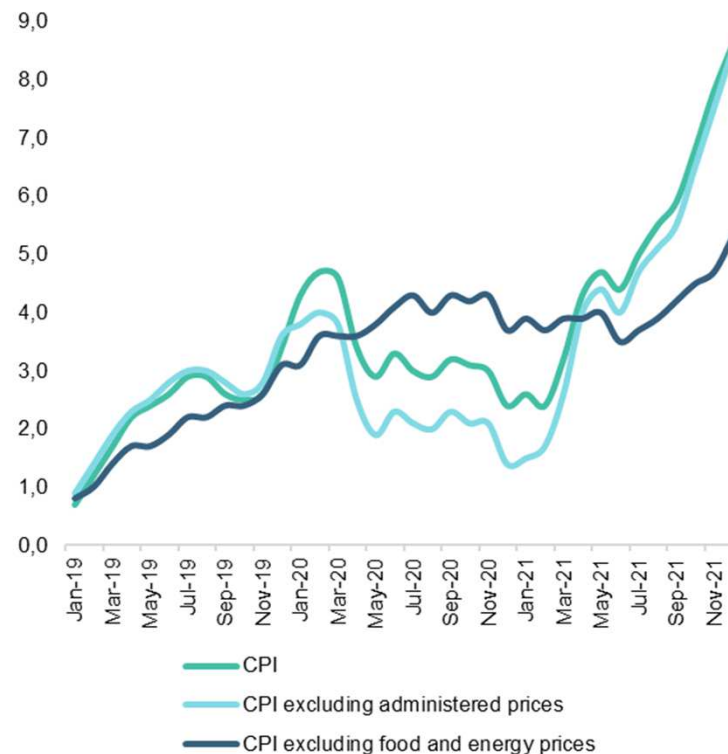
MONETARY TIGHTENING

Interest rates (%)



Source: Central banks, Coface

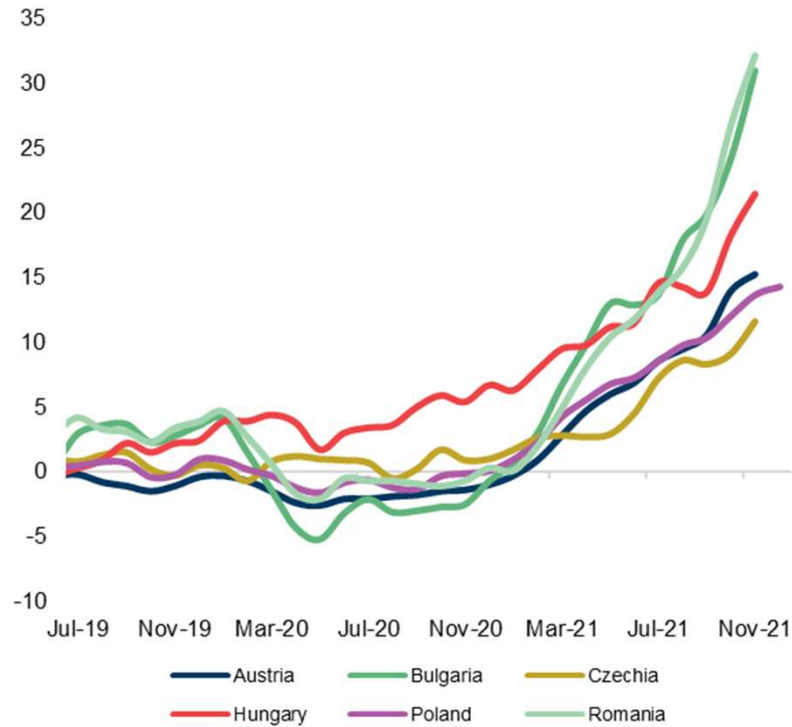
Poland: Core inflation (% YoY changes)



Source: NBP, Coface

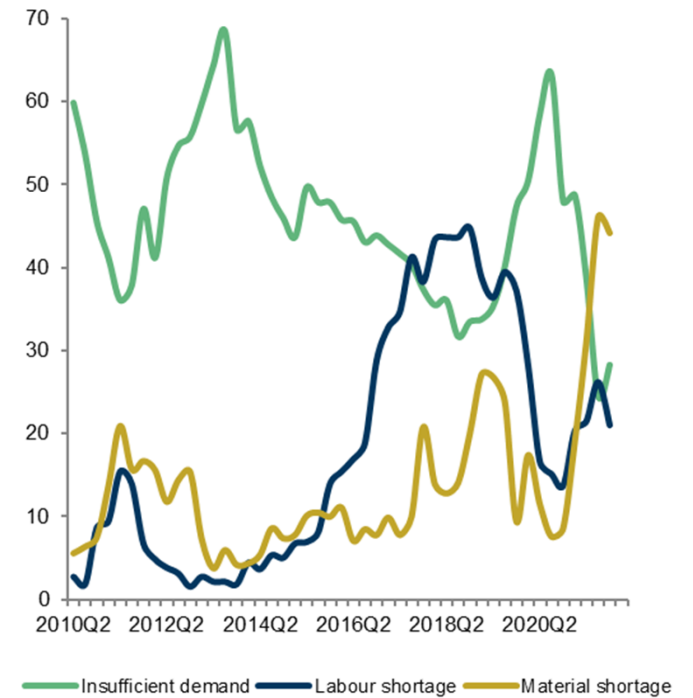
HIGH INPUT PRICES AND MATERIAL SHORTAGES

Producer prices in industry PPI
(%, YoY changes)



Source: Eurostat, Coface

Czech Rep.: Factors limiting production
(industry, survey)



Source: Eurostat, Coface

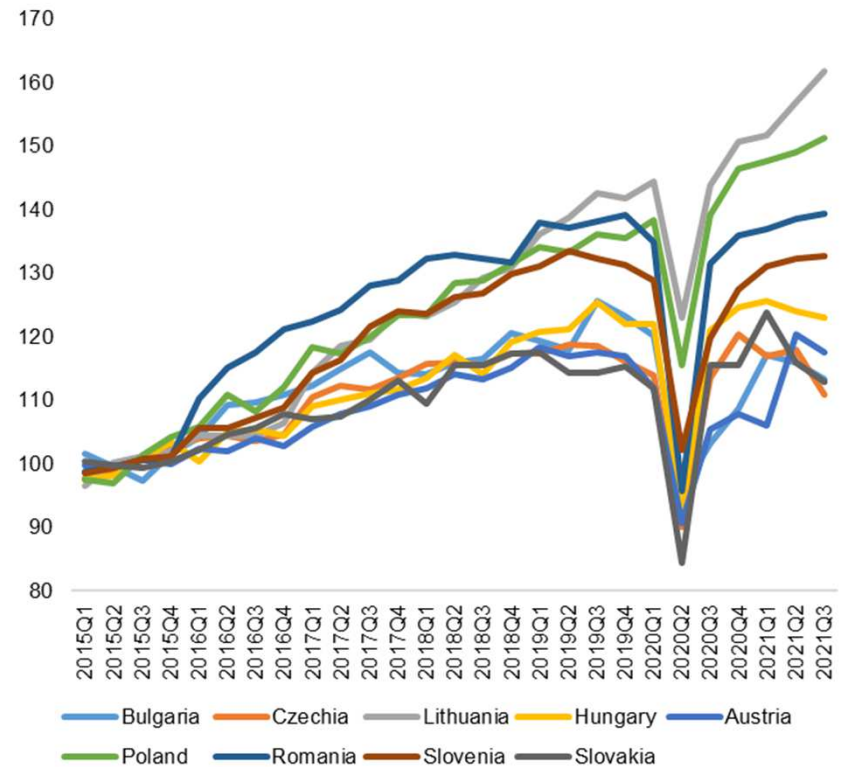
SUPPLY DISRUPTIONS LIMIT THE RECOVERY PROCESS

Poland: New orders and industrial production (100 = Dec 2019)



Source: Eurostat, Coface

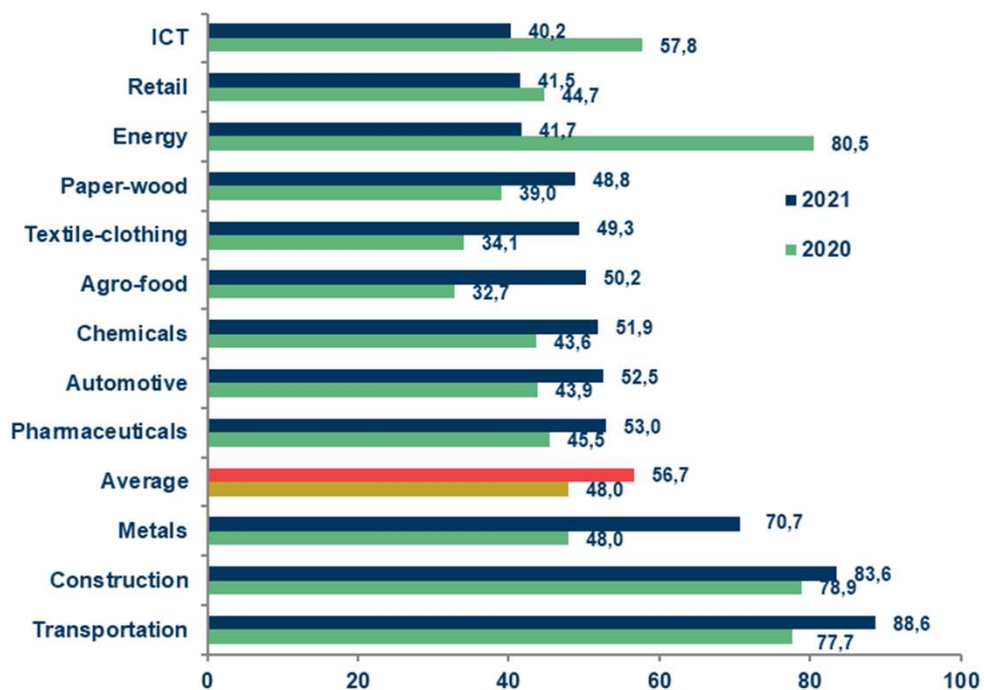
Exports growth (2015=100; goods and services exports)



Source: Eurostat, Coface

POLAND: PAYMENT DELAYS STARTED TO LENGTHEN; INSOLVENCIES WILL RISE AS WELL?

Poland: Average payment delays
(days)



Source: Coface Poland Payment Survey 2022

Poland: Obstacles for the business activity
(several answers possible)



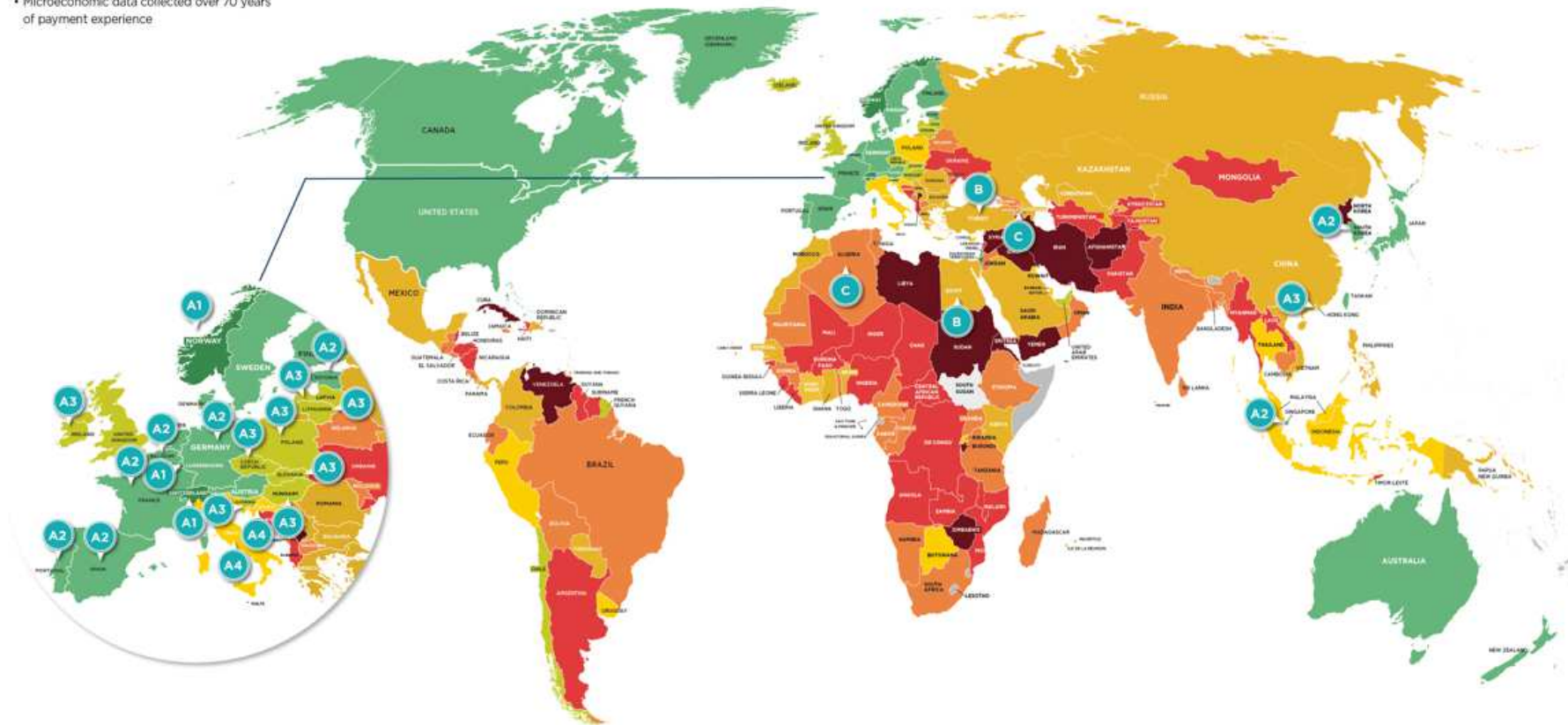
Source: Coface Poland Payment Survey 2022

COUNTRY RISK ASSESSMENTS

162 COUNTRIES UNDER THE MAGNIFYING GLASS

A UNIQUE METHODOLOGY

- Macroeconomic expertise in assessing country risk
- Comprehension of the business environment
- Microeconomic data collected over 70 years of payment experience



SECTOR RISK ASSESSMENTS

| | Asia-Pacific | Central & Eastern Europe | Latin America | Middle East & Turkey | North America | Western Europe |
|------------------|----------------|----------------------------|-------------------------|-------------------------|----------------------------|----------------------------|
| Agri-food | Medium Risk | Medium Risk | Medium Risk | High Risk | Medium Risk | Medium Risk |
| Automotive | High Risk | High Risk | High Risk | High Risk | High Risk | High Risk |
| Chemical | Medium Risk | Medium Risk | High Risk | High Risk → Medium Risk | Medium Risk | Medium Risk |
| Construction | Very High Risk | High Risk | High Risk | Very High Risk | Medium Risk | Medium Risk |
| Energy | High Risk | Medium Risk | High Risk | High Risk | Very High Risk → High Risk | High Risk |
| ICT* | Medium Risk | Medium Risk | High Risk | High Risk | Medium Risk | Medium Risk |
| Metals | Medium Risk | Medium Risk | Medium Risk | High Risk | Medium Risk | High Risk → Medium Risk |
| Paper | Medium Risk | Medium Risk | Medium Risk | Medium Risk | Medium Risk | Medium Risk |
| Pharmaceuticals | Low Risk | Low Risk | Medium Risk | Medium Risk | Medium Risk | Low Risk |
| Retail | High Risk | High Risk → Medium Risk | High Risk | High Risk | High Risk | High Risk → Medium Risk |
| Textile-Clothing | High Risk | Very High Risk | Very High Risk | High Risk | Very High Risk | Very High Risk |
| Transport | High Risk | Very High Risk → High Risk | High Risk | High Risk | High Risk | Very High Risk → High Risk |
| Wood | High Risk | High Risk | High Risk → Medium Risk | High Risk | Medium Risk | Medium Risk |

BUSINESS
DEFAULT
RISK



* Information and Communication Technologies
Source: Coface

QUESTIONS?



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(2) Enter your question

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