



**WEBINAR: THE IMPACT OF  
COVID-19 ON THE ECONOMY**

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# COFACE WEBINAR: THE IMPACT OF COVID-19 ON THE ECONOMY



## YOUR HOST

**Grzegorz Siewicz**

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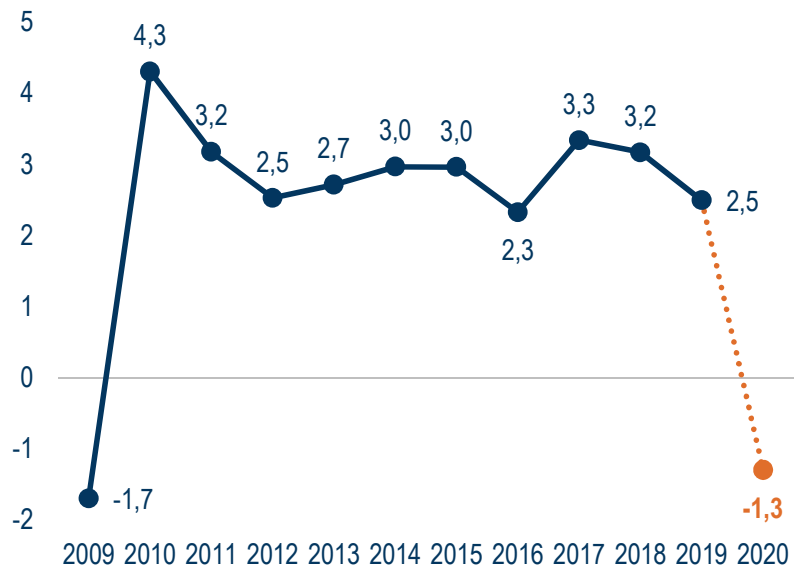
## Questions?

Please submit any questions in the Questions Panel.

Your host will answer them at the end of the presentation.

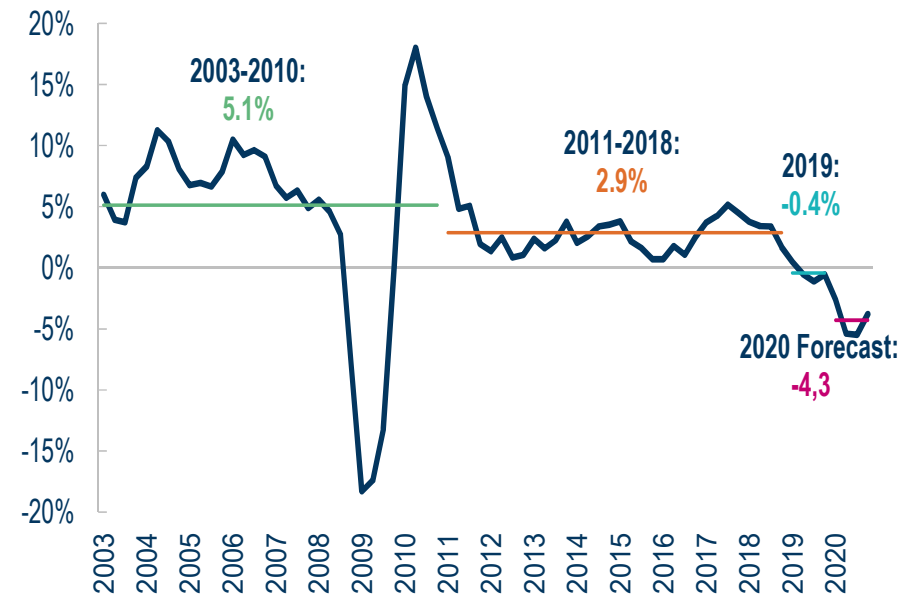
# THE SHARPEST DOWNTURN SINCE THE GLOBAL CREDIT CRISIS

**Coface's World GDP Growth Forecast**  
(annual average, %)



Sources: IMF, National authorities, Datastream, Coface

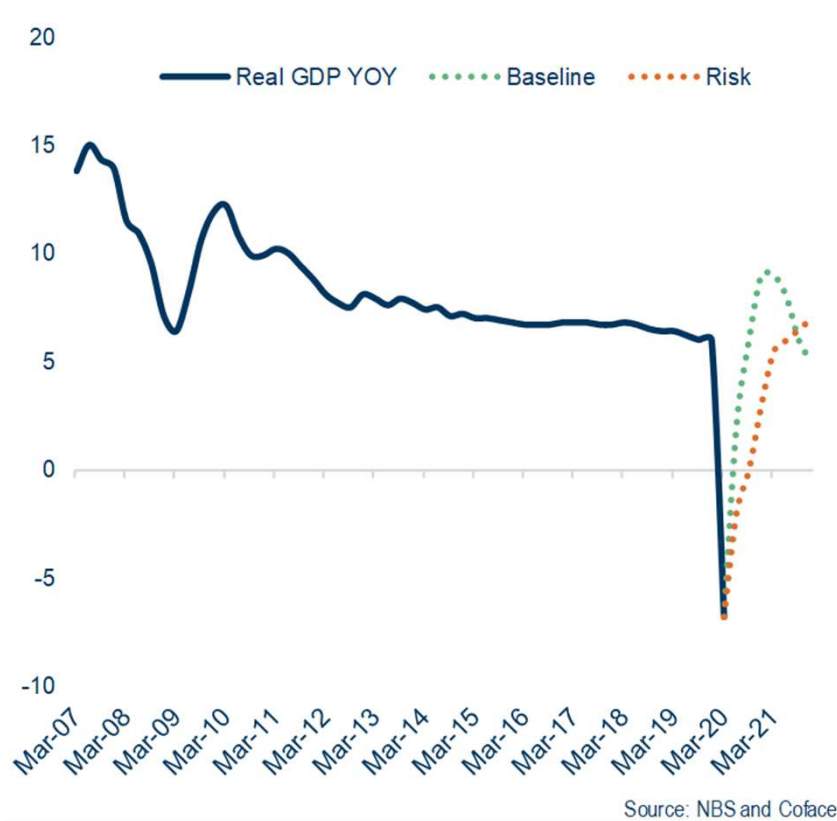
**Global export volumes, Coface's forecast**  
YoY % change and yearly average



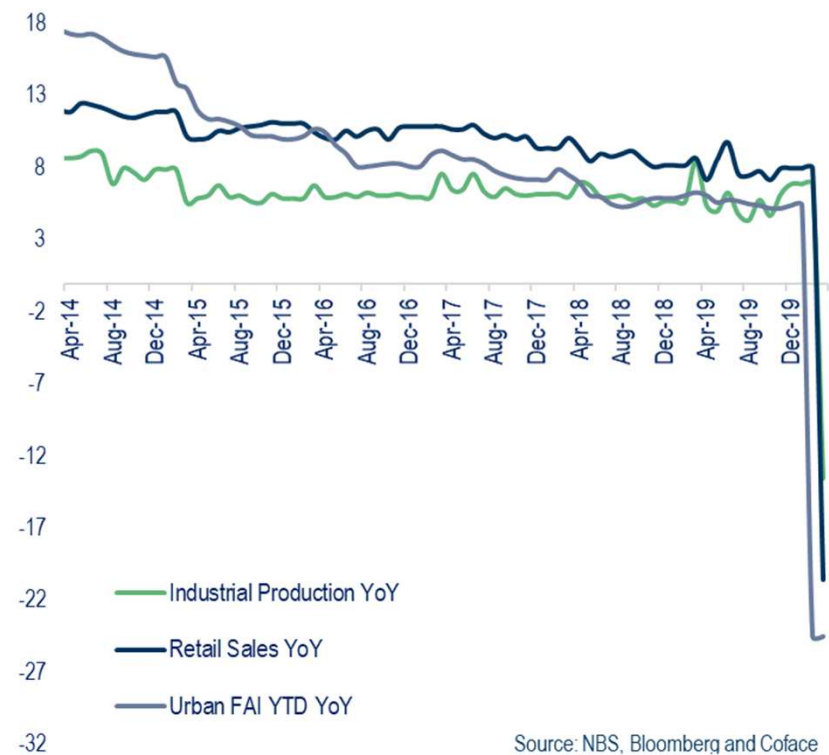
Sources: CPB, Datastream, Coface

# LESSONS FROM CHINA: COVID-19 MADE A HARD HIT FOR THE ECONOMY

## China: GDP growth (%)



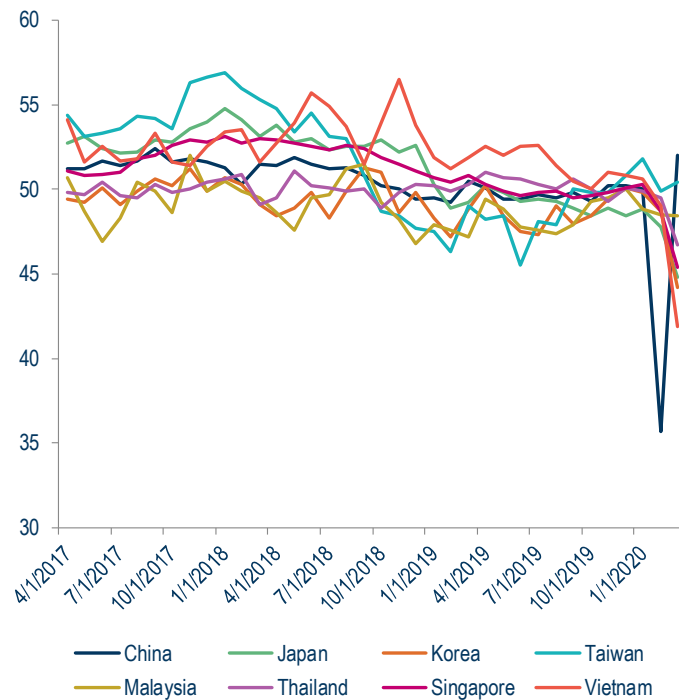
## China: Main activity trackers



# CHINA'S POST-LOCKDOWN RECOVERY IS NOW UNDERWAY

## Asia: Business confidence

(source: PMI)

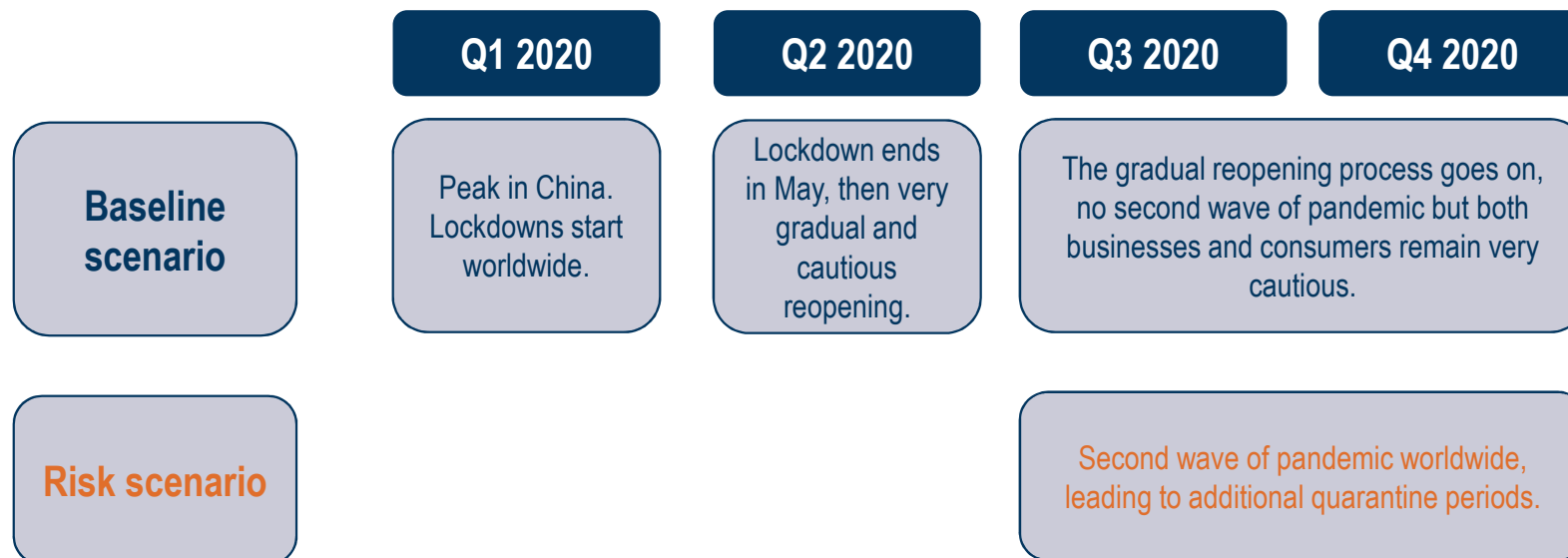


## China: Share of businesses that resumed work

(national sources)

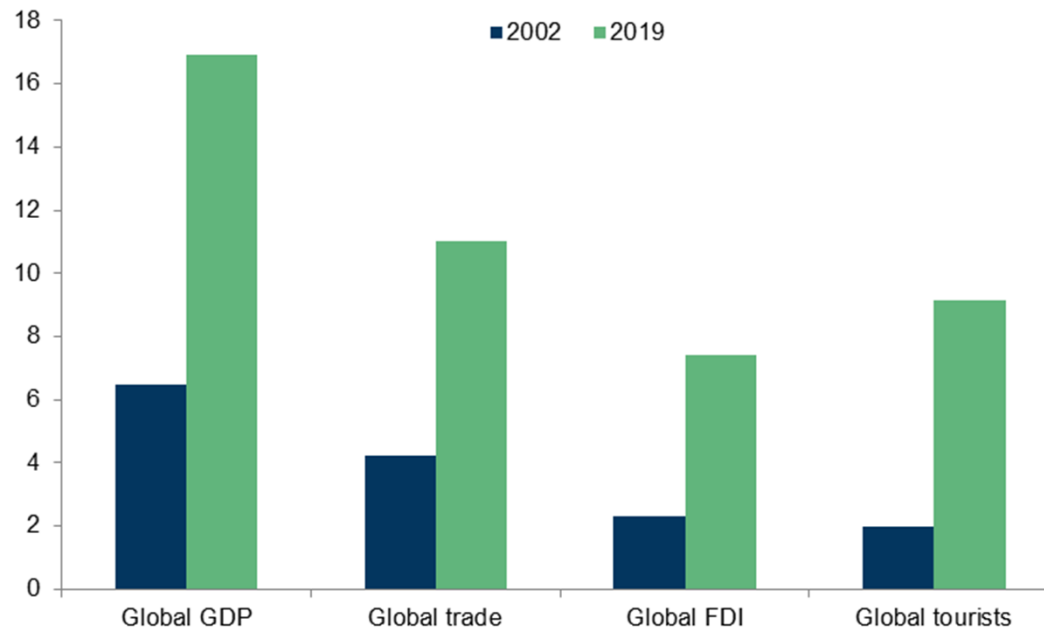
Provinces	Mar 3	April 2	%GDP 2019
Shandong	61.0%	100.0%	7.2%
Guangdong	60.0%	100.0%	10.9%
Jiangsu	59.0%	100.0%	10.1%
Zhejiang	57.0%	100.0%	6.3%
Henan	52.0%	100.0%	5.5%
Sichuan	61.0%	99.7%	4.7%
Hunan	61.0%	99.7%	4.0%
Fujian	62.0%	99.6%	4.3%
Hebei	56.0%	99.6%	3.5%
Shanghai	57.0%	99.5%	3.9%
Beijing	49.0%	97.4%	3.6%
Hubei	29.0%	57.5%	4.6%

# THE PANDEMIC EVOLUTION DRIVES ECONOMIC PROSPECTS



# CHINA IS MORE INTEGRATED IN THE GLOBAL ECONOMY

## Share of China in world (%)



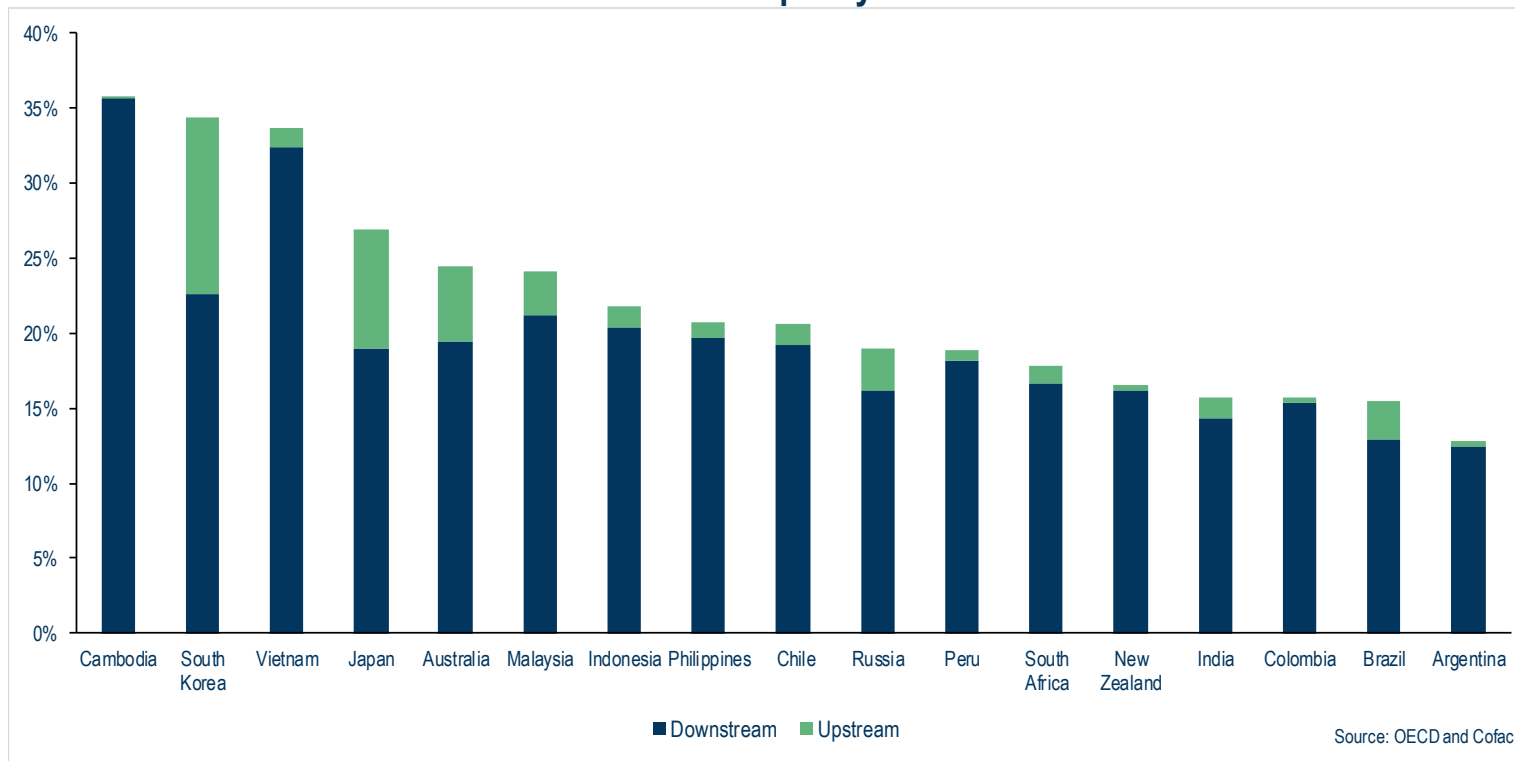
Source: OECD



# CORONAVIRUS TO IMPACT GLOBAL SUPPLY CHAINS

SE ASIA MOST EXPOSED DOWNSTREAM; KOREA AND JAPAN UPSTREAM

### Downstream and upstream exposures to supply chain disruptions due to coronavirus capacity closures in China

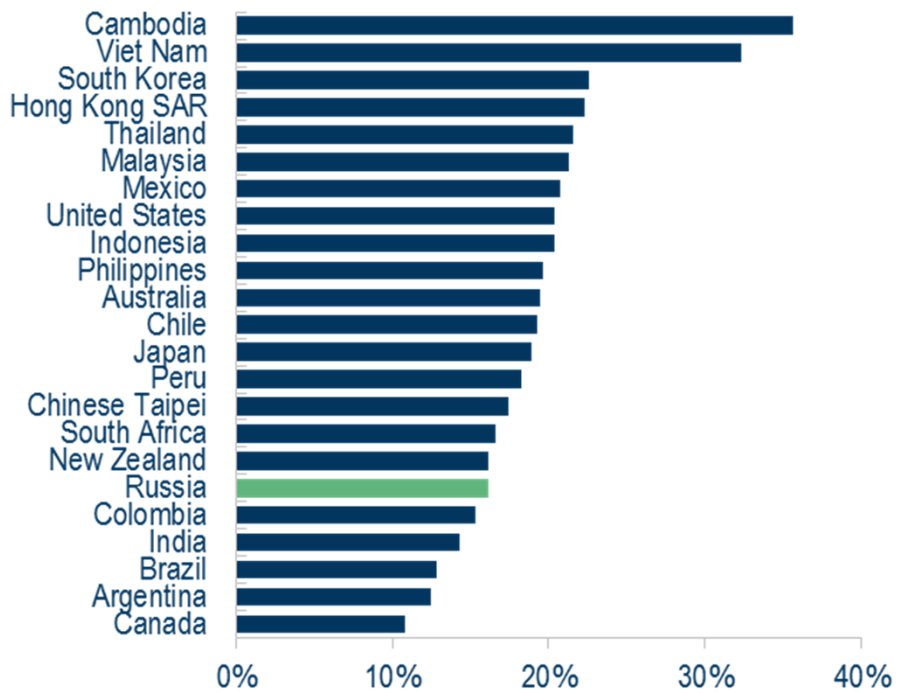


NB: Downstream is defined as gross imports of intermediate goods from China as a percentage of total gross imports of intermediate goods. Upstream is defined as gross exports of intermediate goods to China as a percentage of total gross exports of intermediate goods



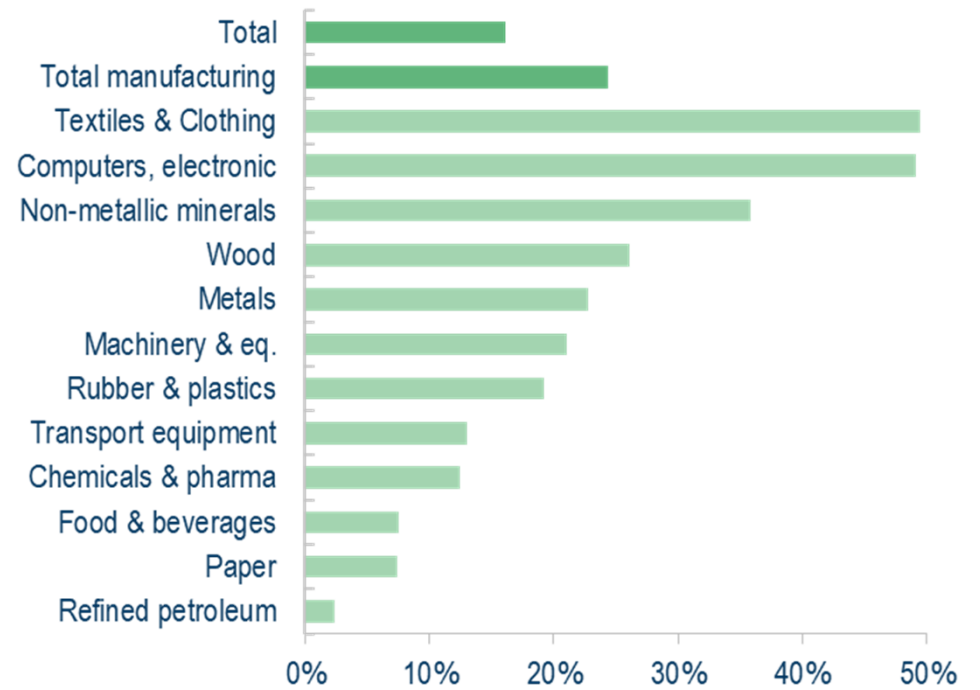
# COVID-19: WHAT IMPACT FOR SUPPLY CHAINS?

**Share of all intermediate products imported from China, By country**



Sources: OECD TiVA, Coface

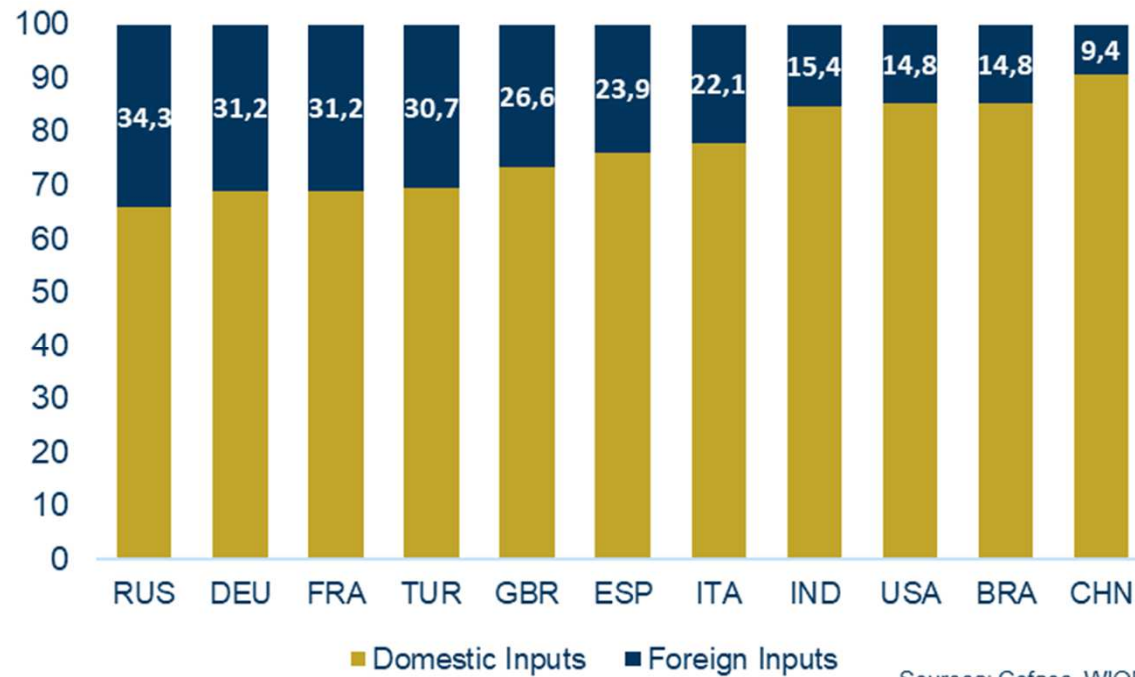
**Russia: Share of China among gross intermediate manufactured goods imports**



Sources: OECD TiVA, Coface

# DEPENDENCE ON INTERNATIONAL PRODUCTION CHAINS

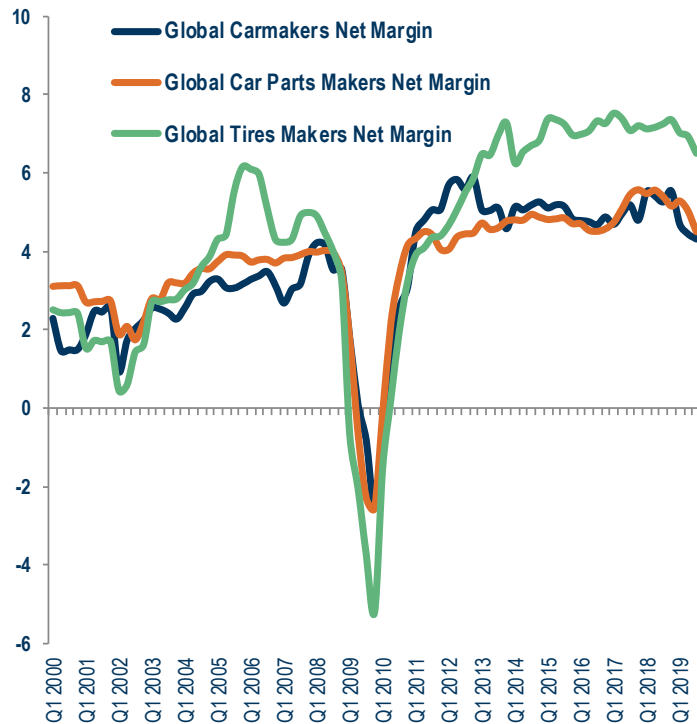
## Share of inputs sourced domestically and in foreign countries (%)



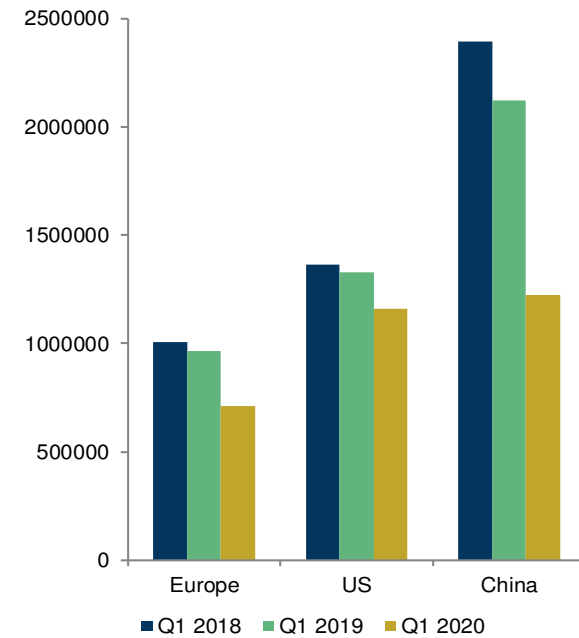
# AUTOMOTIVE SECTOR

## COVID-19 DISRUPTIONS ADD TO A YEAR OF WOES

### Monthly annualized net margin

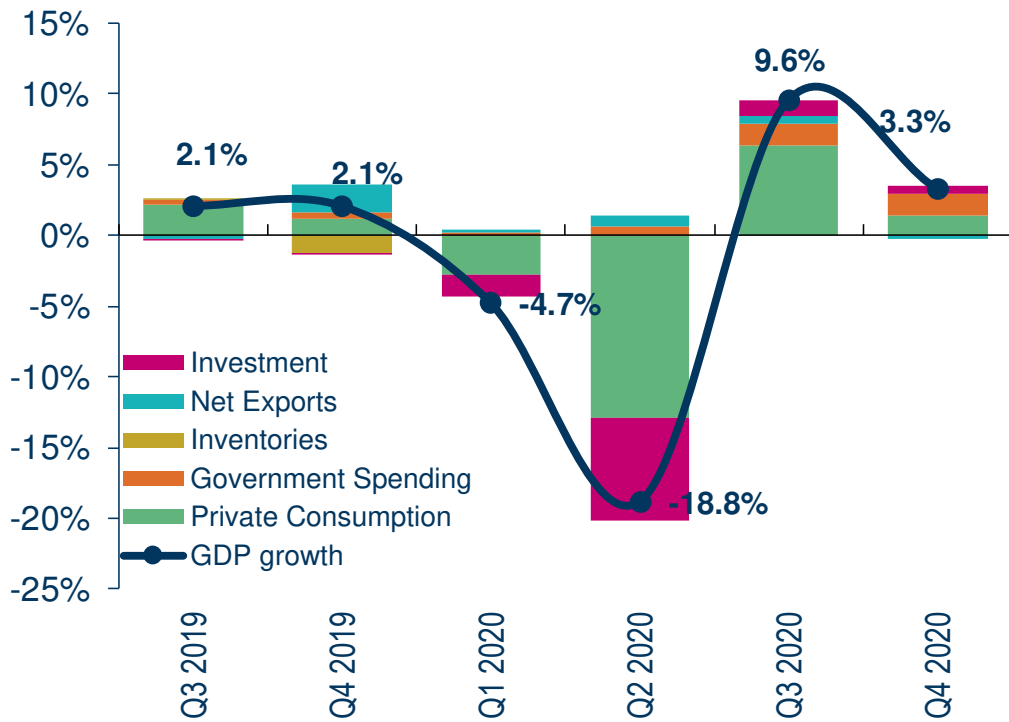


### Quarterly vehicles sales evolution

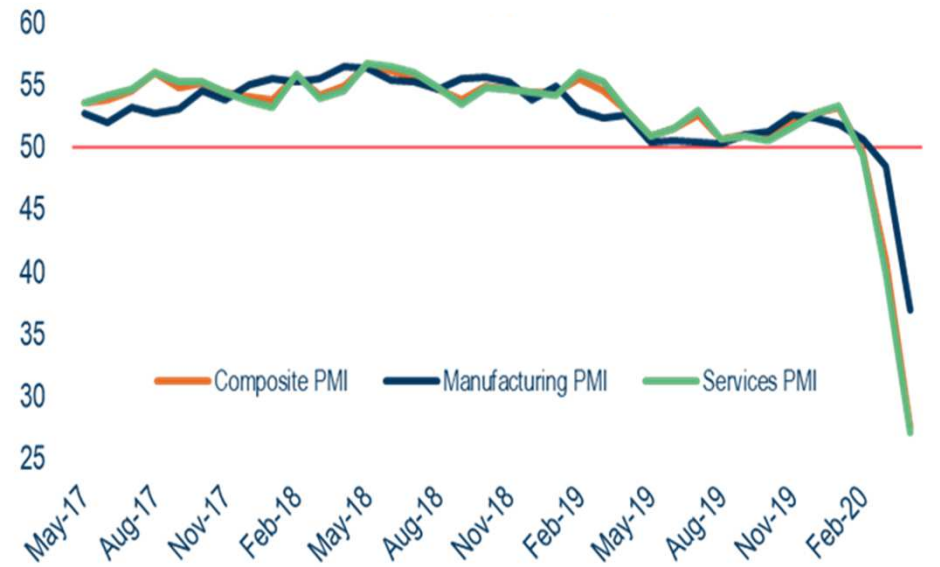


# UNITED STATES: AN UNPRECEDENTED SHOCK

US: Quarterly GDP growth by expenditure  
Annualized & seasonally adjusted



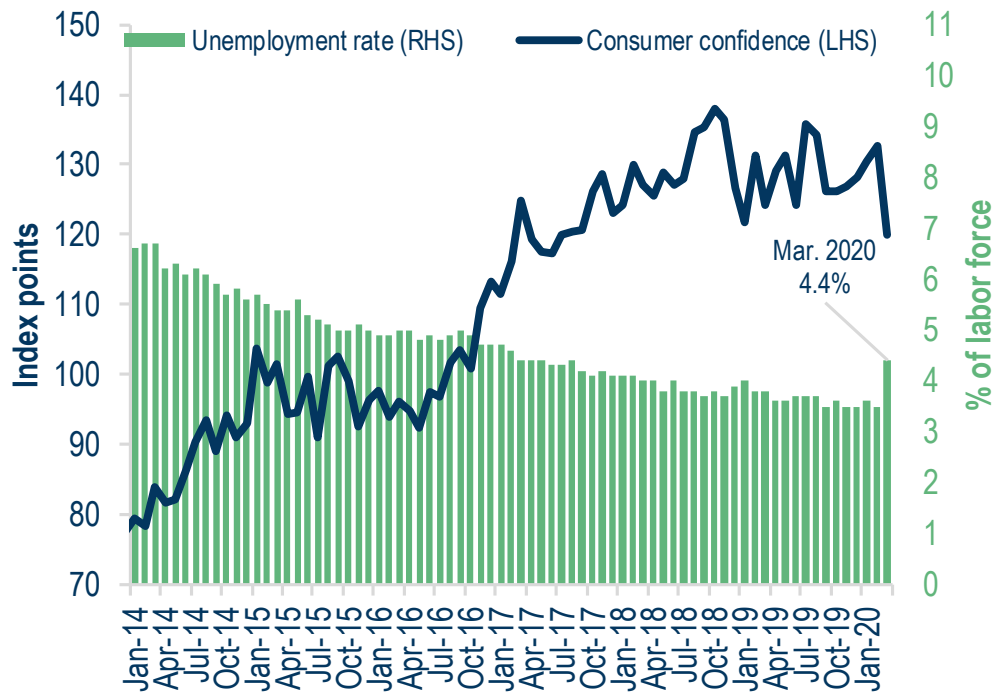
US: Purchasing Managers' Index (PMI)



Sources: Markit Economics, Datastream, Coface

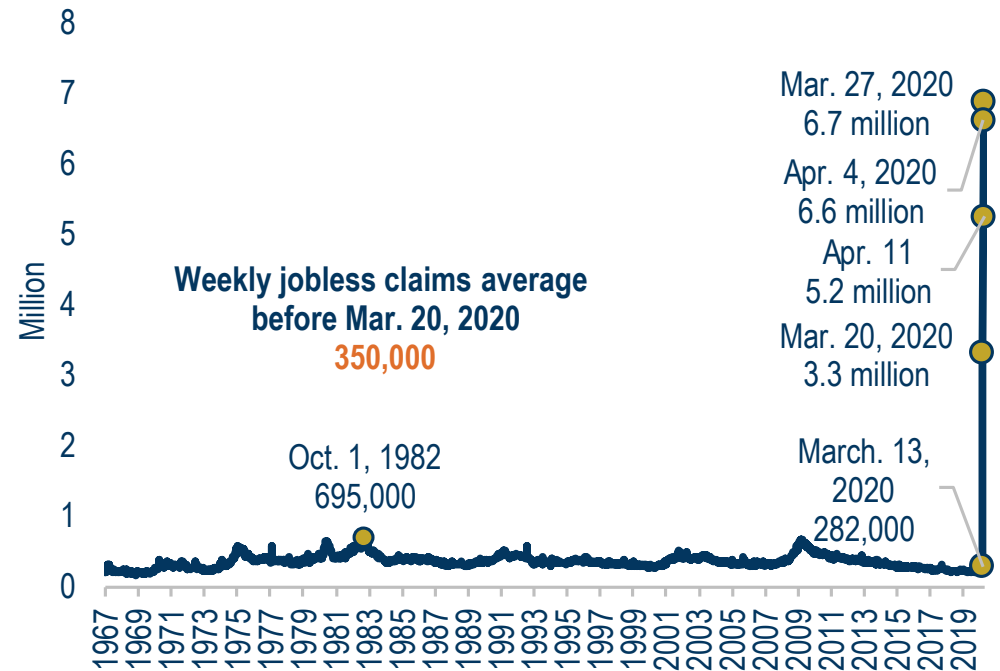
# UNITED STATES: THE STRONG LABOR MARKET UNDERMINED BY COVID-19

## US: Consumer confidence & unemployment rate



Sources: Conference Board, Bureau of Labor Statistics, Datastream, Coface

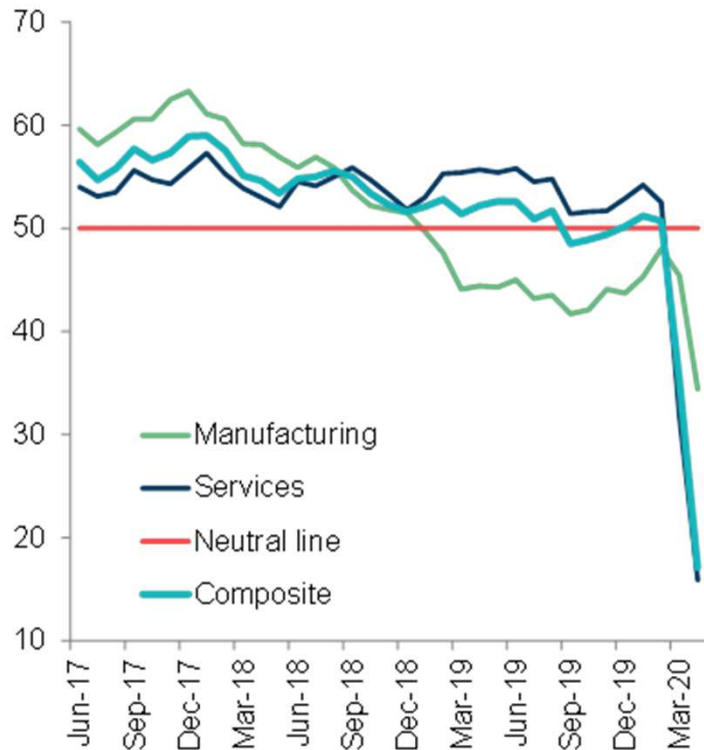
## US: Weekly jobless claims



Sources: Department of Labor, Datastream, Coface

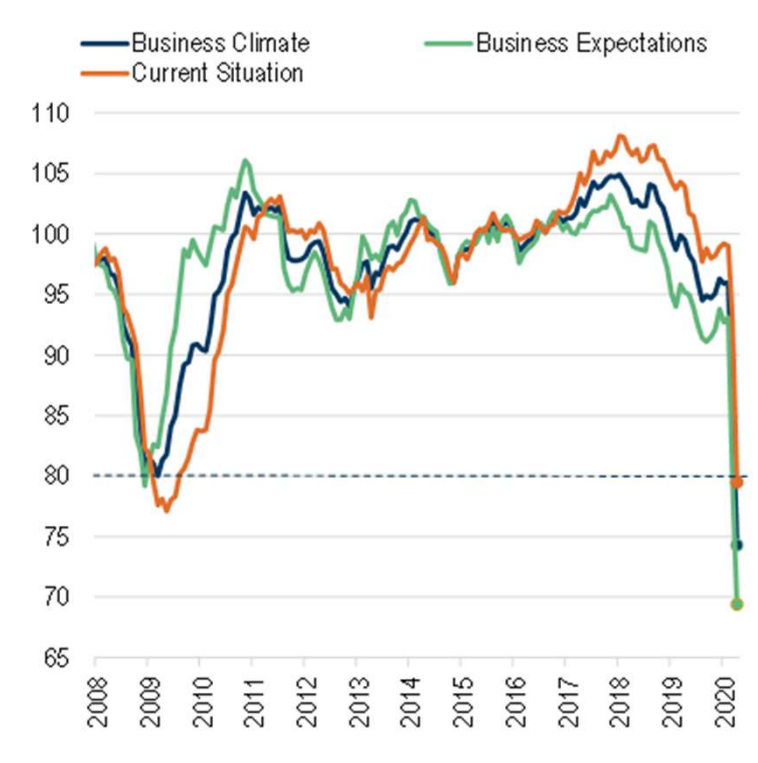
# THE GERMAN ECONOMY IS GOING INTO RECESSION

**Germany: Purchasing Managers' Index**



Source: IHS Markit, Datastream, Coface

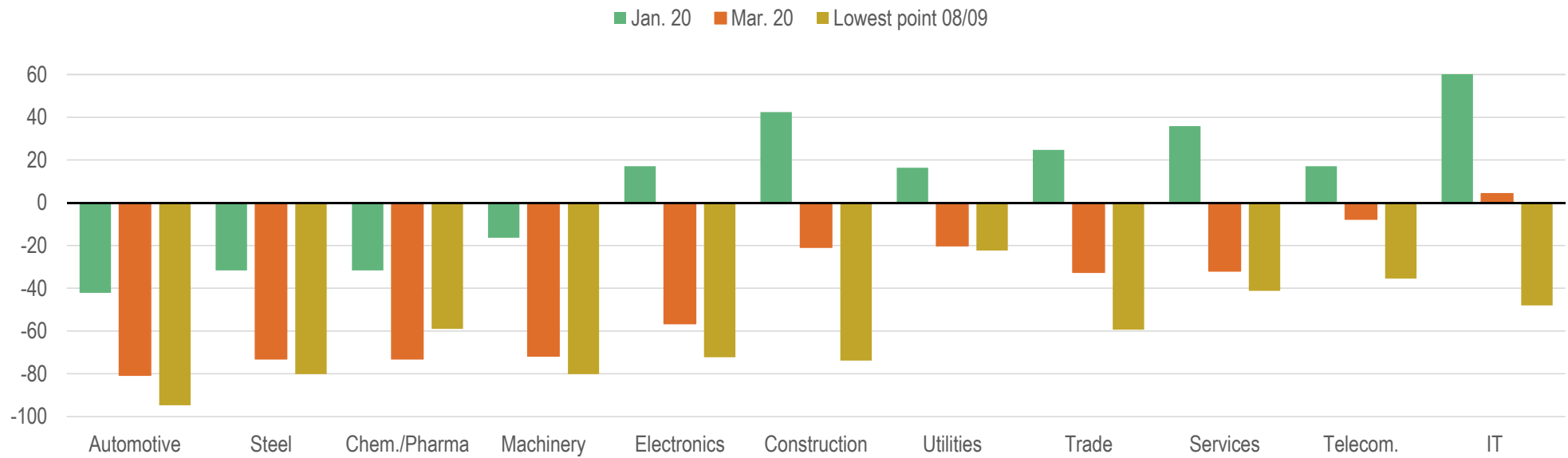
**Ifo Business Climate and its sub-indicators (in Points)**



Source: Ifo, Datastream, Coface

# GERMANY: WHICH SECTORS ARE IN THE CROSS-FIRE?

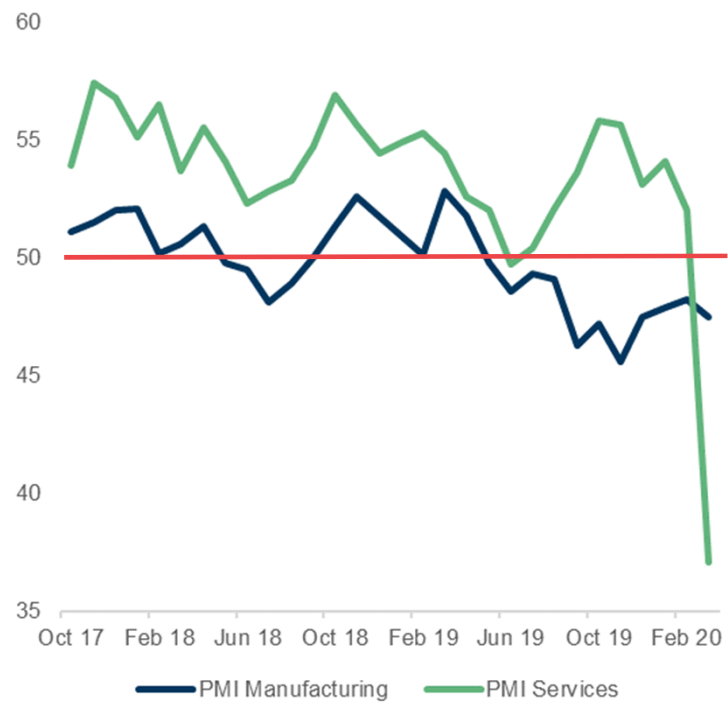
## ZEW Sentiment indicators of different sectors (in points)





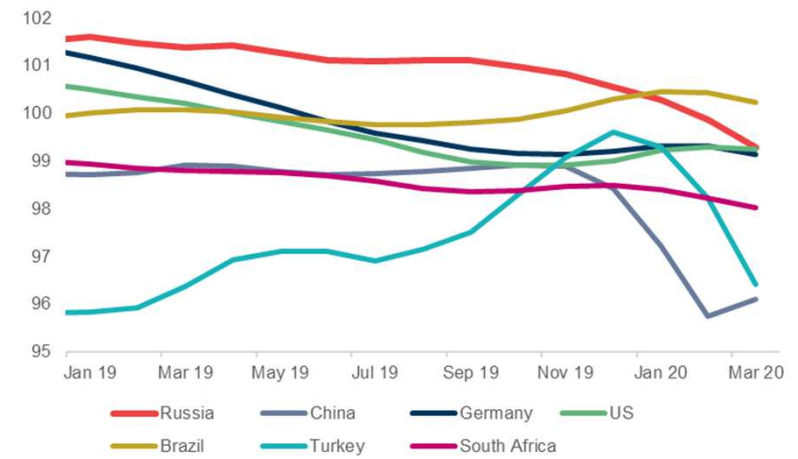
# FIRST SIGNS OF COVID-19 EFFECTS ON RUSSIA

Russia: Purchasing Managers' Index (PMI)



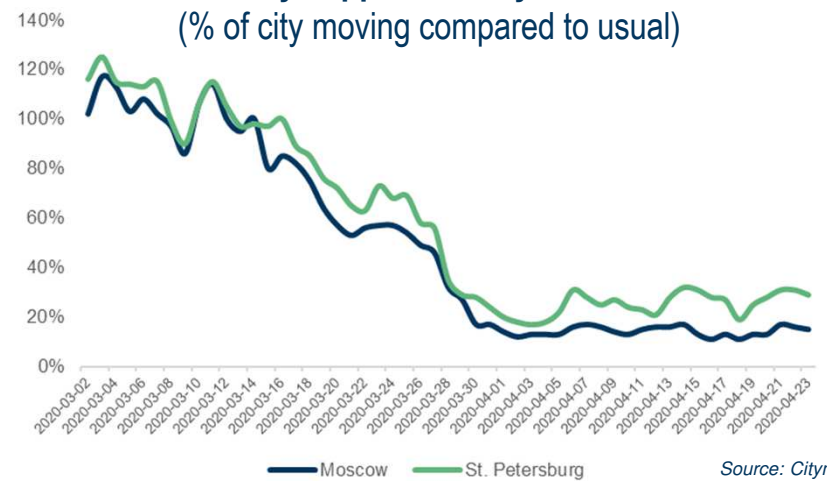
Source: Markit

Business confidence indicators



Source: OECD

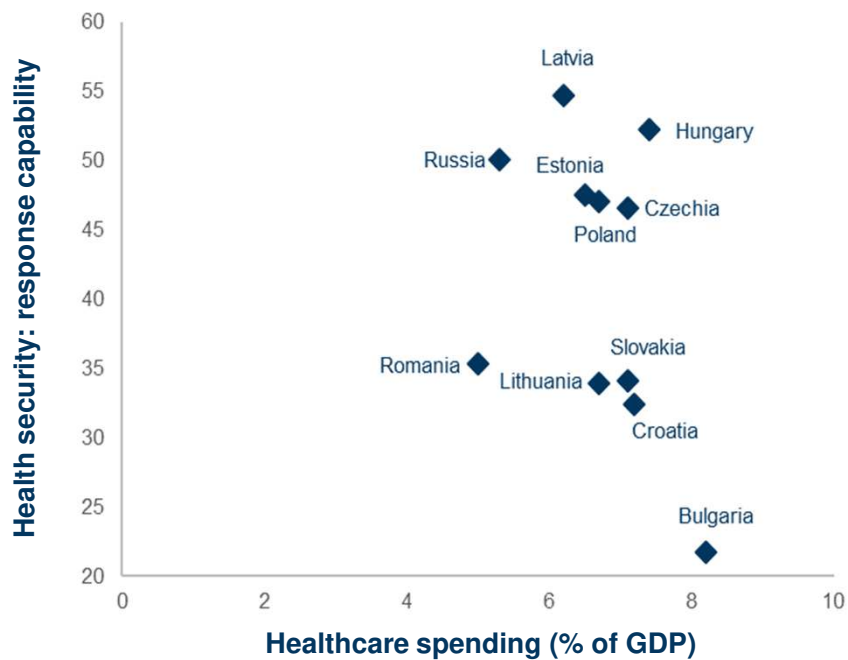
Citymapper Mobility Index (% of city moving compared to usual)



Source: Citymapper

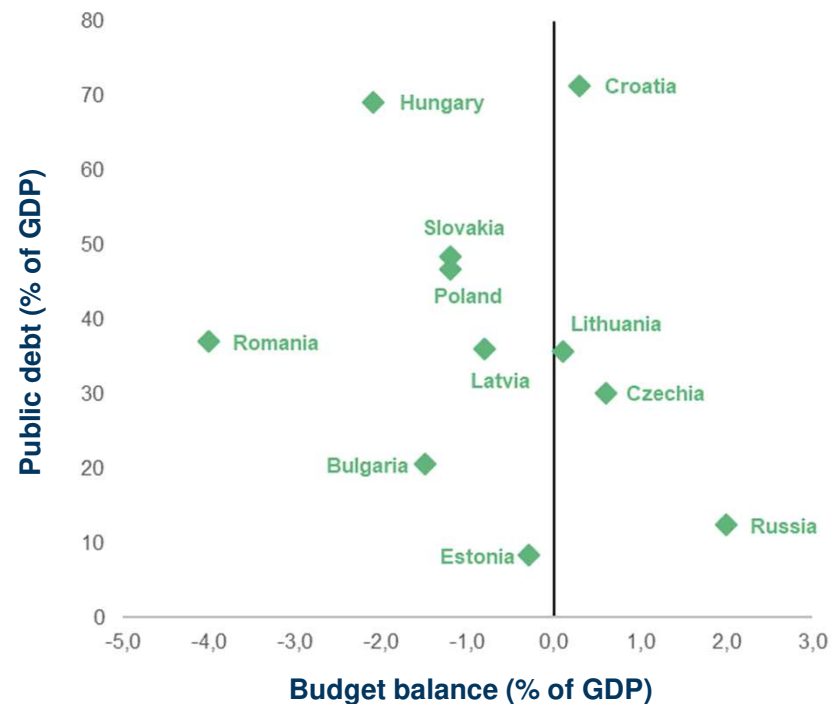
# IS THE CEE REGION READY TO TACKLE WITH COVID-19?

### Health indicators: healthcare spending and health security index



Source: World Bank, GHS Index, wiiw

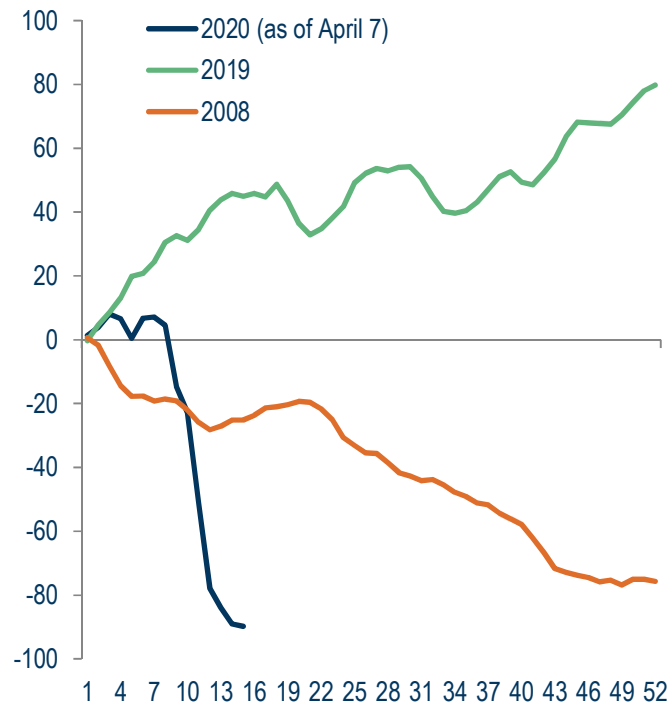
### Fiscal indicators: budget balance and public debt as a percentage of GDP



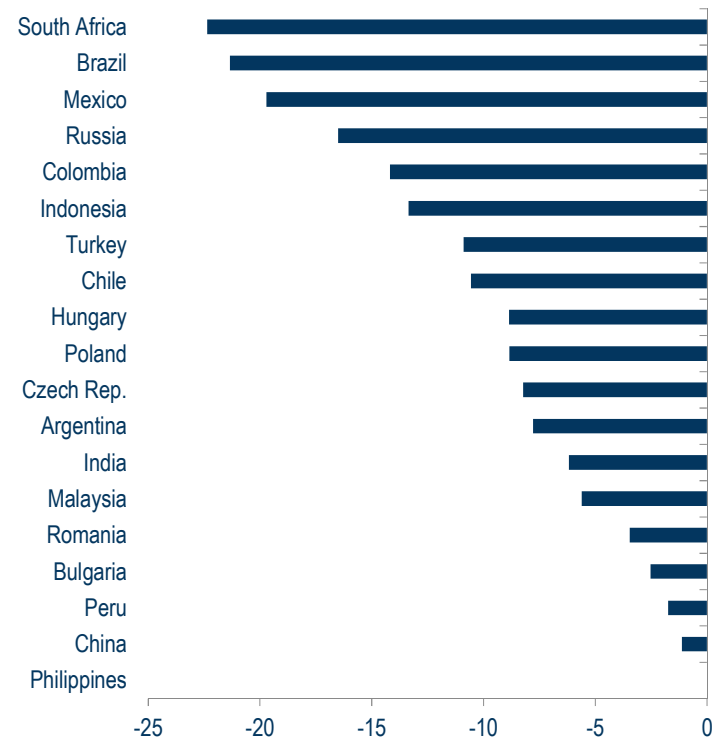
Source: wiiw, Coface

# EMERGING MARKETS: CAPITAL OUTFLOWS

**Portfolio flows to 24 emerging markets**  
(weekly, yearly sum, bonds and equity, USD bn, source: IIF, Coface)



**Local currency vs USD**  
(% change between in Q1, negative = depreciation, source: IMF, Coface)

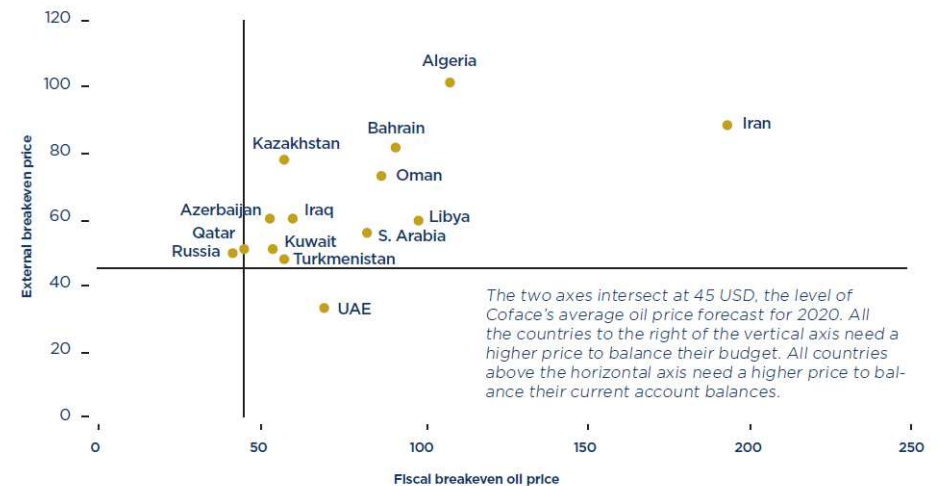


# LOWER EXPORT AND FISCAL REVENUES OIL PRICES

**Oil price**  
(USD, Brent barrel)



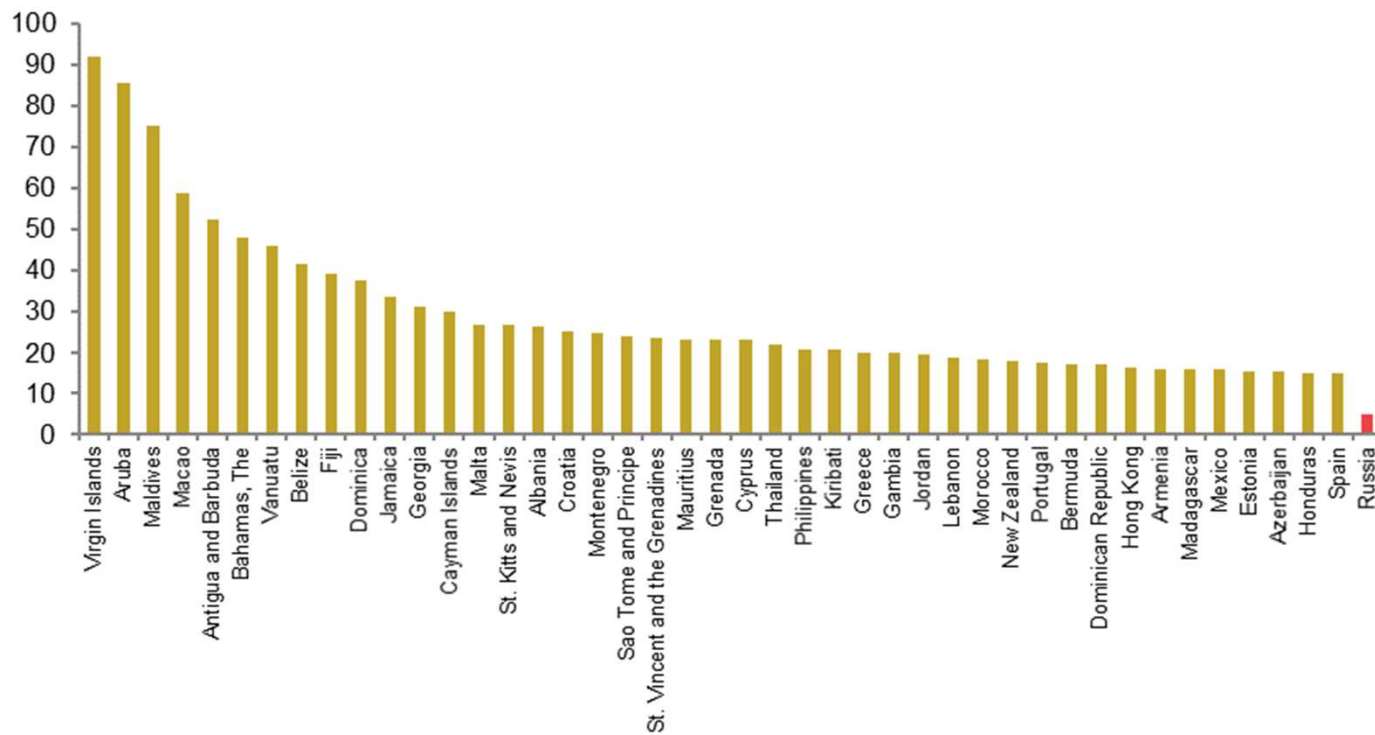
**Oil exporting countries: fiscal and external oil breakeven price (USD p.b.)**



Sources: National authorities, IMF, Coface

# LOWER EXPORT AND FISCAL REVENUES TOURISM REVENUES

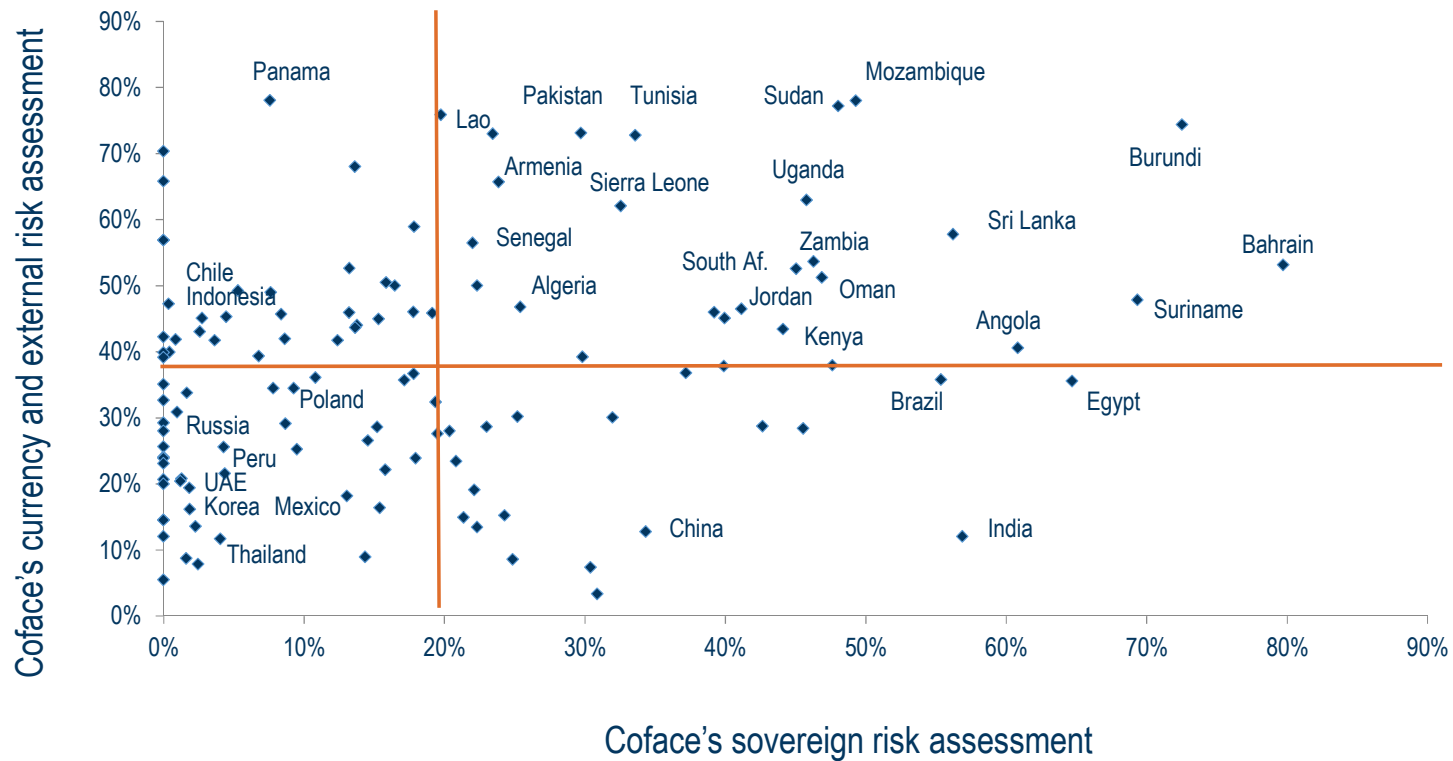
**Tourism sector as a % of GDP**  
(all countries higher than 15% + Russia)



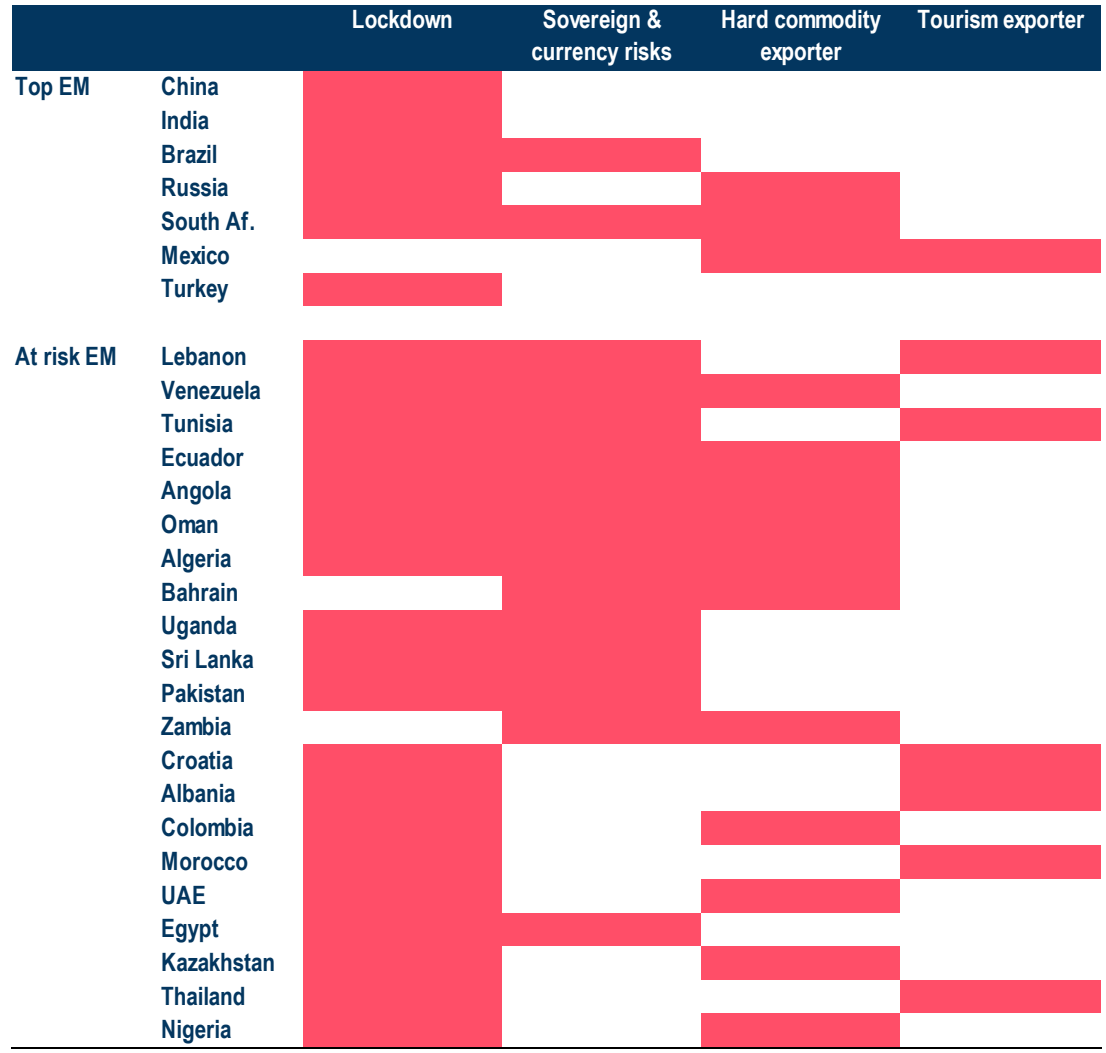
Sources: World Bank, Coface

# CURRENCY RISK IS KEY IN THE SHORT-TERM, SOVEREIGN RISK IS KEY IN THE MEDIUM-TERM

**Coface's sovereign and currency/external risks**  
(100% = very high risk, source: Coface)



# HEAT MAP OF RISKY EMERGING MARKETS



Source: Coface

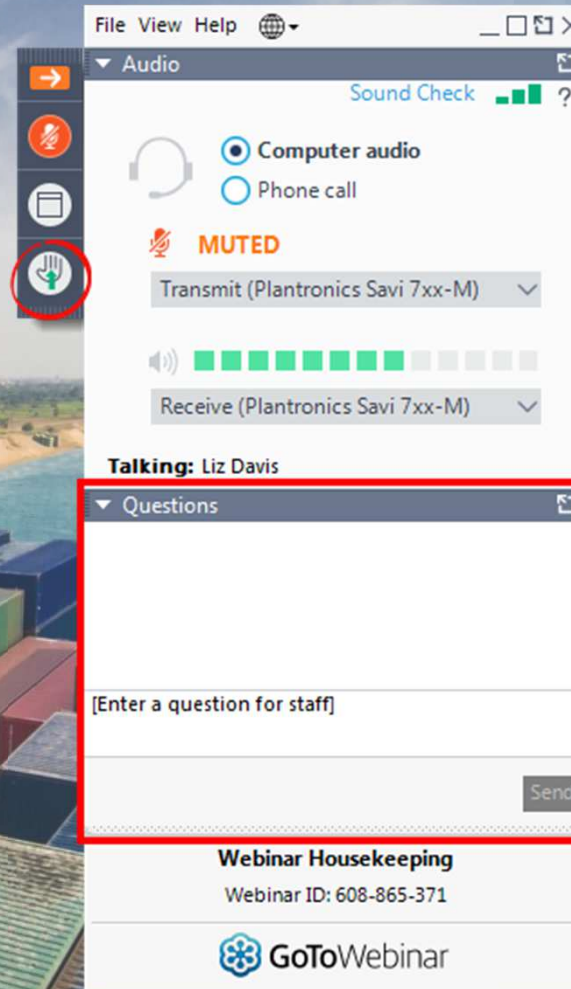


# Q&A SESSION

## Any questions?

Please submit your text questions and comments using the Questions panel.

**Note:** Today's presentation is being recorded and will be provided within the next few days.



The screenshot displays a software interface for a webinar. At the top, there is a menu bar with 'File', 'View', and 'Help' options. Below this is a 'Questions' panel, which is highlighted with a red border. The panel contains a text input field with the placeholder text '[Enter a question for staff]' and a 'Send' button. Above the questions panel, there is an 'Audio' control panel. It shows 'Computer audio' selected, 'Phone call' unselected, and a 'MUTED' status. Below the muted status, there are dropdown menus for 'Transmit (Plantronics Savi 7xx-M)' and 'Receive (Plantronics Savi 7xx-M)'. A volume indicator is also present. The background of the interface shows a stack of blue and green shipping containers.