



COVID 19 ANALYSIS

P C M I N D U S T R Y

PREPARED BY

MARKET RESEARCH FUTURE

(Part of Wantstats Research & Media Pvt. Ltd.)

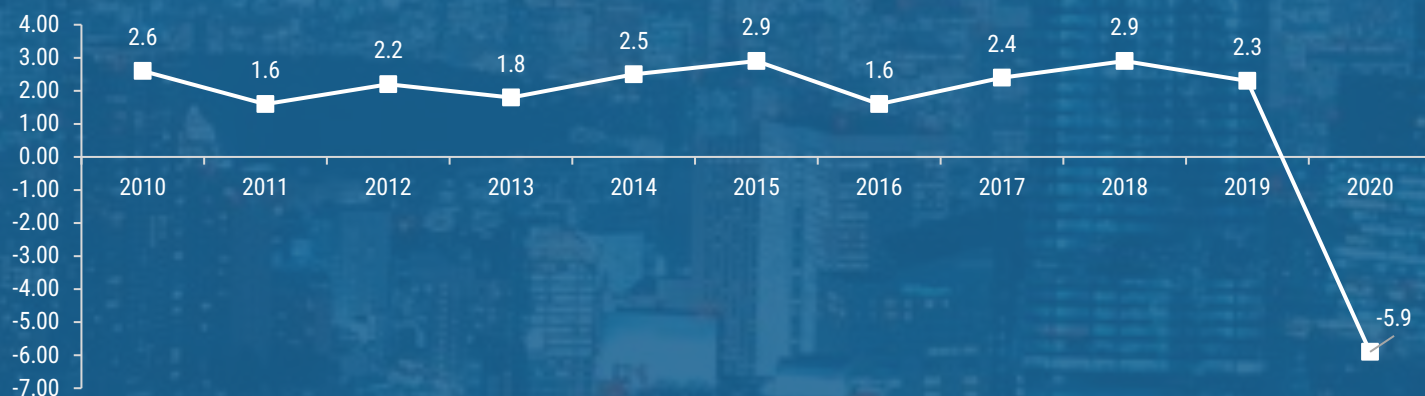


COVID 19 IMPACT ON
**UNITED
STATES**
PCM INDUSTRY

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US-Real GDP Growth (Annual Percent Change) 2010 - 2020



- The US economy shrunk by 4.8 % in the first quarter of the 2020, It's the country's first contraction since 2014 and the biggest largest drop in over a past 10 year.
- Consumer spending declined sharply in first quarter, contributing -5.3 % points to the first quarter's contraction. Falling consumer spending has major effects on overall GDP growth in US, as it accounts for nearly 68 % of GDP.

US-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



- The decline in GDP, due to the spread of COVID-19, as US governments issued 'stay-at-home' orders in March. Which led to rapid changes in demand, as businesses and schools switched to remote work or shutdown, which has affected the overall consumer spending.
- The impact of the COVID-19 pandemic on Consumer Price Index (CPI) data in US was relatively minor for March 2020

US - FDI INVESTMENTS

(2016 - 2019) - USD Million



- Global foreign direct investment (FDI) projects has showed a declining growth rate 2019 and is estimated to follow the same trend due to the impact of COVID-19 pandemic, FDI estimated to fall by up to 40% in 2020 and 2021.
- In US, the FDI inflows in 2018 reached USD 251.8 billion, down 9% from 2017. The decline is mainly due to the fall of one third in cross-border M&A sales.
- The country remained the top destination for FDI due to its large consumer base, a productive workforce, a predictable and transparent justice system, a highly developed infrastructure and a business environment that fosters innovation.
- In 2018, the US is largest investor in the world with FDI outflows reaching USD 342 billion, which is 22% higher to that in 2016. The main investor countries in US were the UK, Japan, Luxembourg, Canada, the Netherlands and Switzerland.

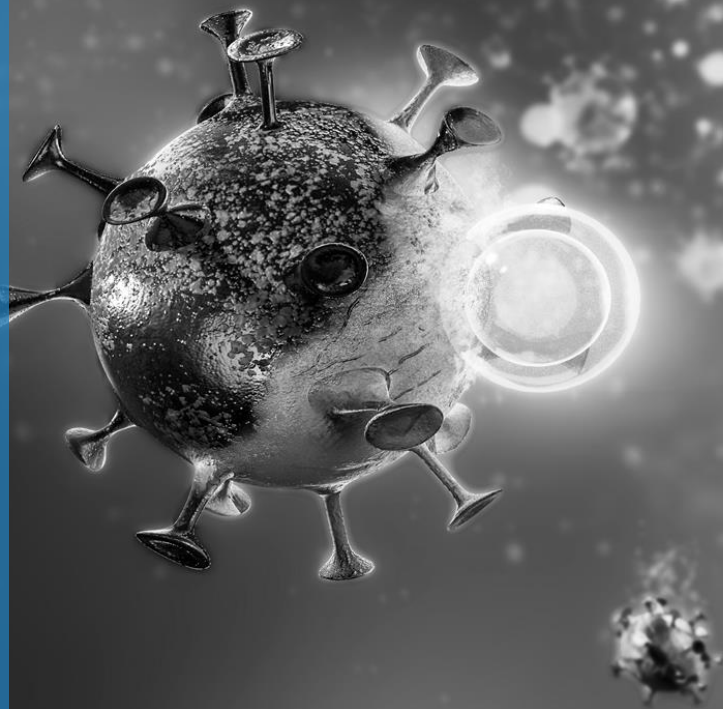




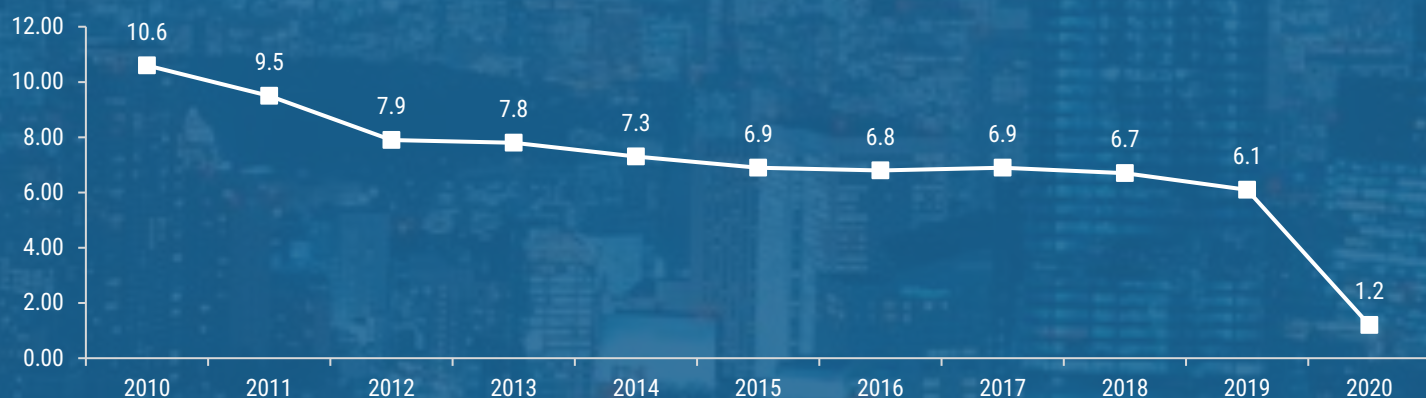
COVID 19 IMPACT ON **CHINA**

PCM INDUSTRY

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China-Real GDP Growth (Annual Percent Change) 2010 - 2020



The Chinese economy contracted by a seasonally adjusted 9.8 percent on quarter in the three months to March 2020, following a 1.2 percent growth in the previous quarter and compared with market estimates of a 9.9 percent decrease. This was the first quarterly contraction on record, as the coronavirus outbreak paralyzed production and activities.

China-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



- China's Consumer Price Index (CPI) growth was measured at 4.3 % YoY in Mar 2020, compared with a rate of 5.2 % in the previous month.
- E-commerce giants Alibaba (BABA), JD.com (JD), and Meituan each announced that they would monitor prices closely and remove overpriced items or ban merchants for price-gouging.

CHINA - FDI INVESTMENTS

(2016 - 2019) - USD Million



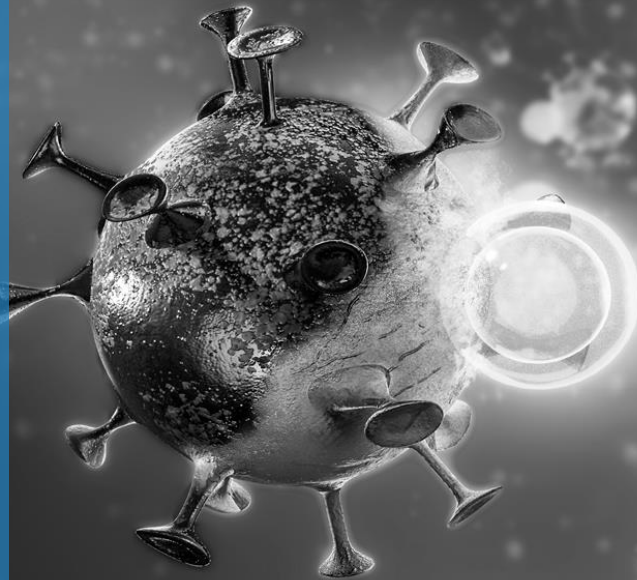
- Foreign direct investment into China tumbled 10.8 percent year-on-year USD 31.2 billion, in the first quarter of 2020 due to the Covid-19 outbreak. Still, investment in the high-tech service industry rose by 15.5 percent, accounting for 29.9 percent of the service industry.
- Among them, information services, e-commerce services, and professional technical services increased by 28.5 percent, 62.4 percent, and 95 percent, respectively. In March only, the FDI plunged 14.1 percent from a year earlier.



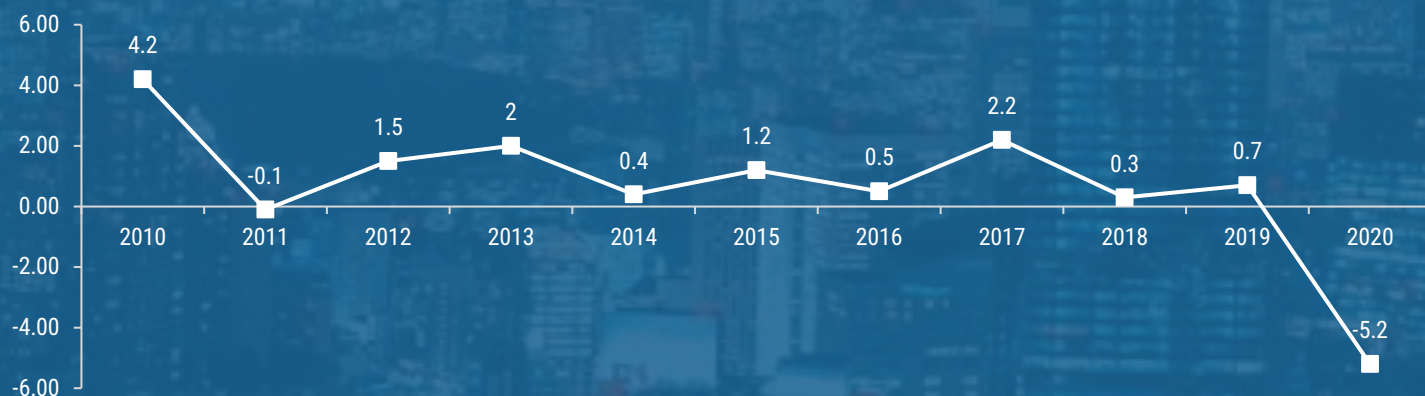


COVID 19 IMPACT ON
JAPAN
PCM INDUSTRY

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Japan-Real GDP Growth (Annual Percent Change) 2010 - 2020



- The gross domestic products (GDP) in Japan averaged USD 2,782.13 Bn from 1960 until 2019, reaching an all time high of 6,203.21 USD Billion in 2012
- As per the experts after the fallout from the coronavirus outbreak, the Japan's economy will boost by up to 3.8 % in coming year.

Japan-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



- Business sentiment among large Japanese companies in the first quarter fell to the lowest level in past five years, majorly affected by the new COVID-19 outbreak and declining exports to China
- The confidence index covering firms capitalized at USD 9.6 million, and stood at minus 10.1 % in the quarter of 2020.

JAPAN - FDI INVESTMENTS

(2016 - 2019) - USD Million



- Japan's FDI (Foreign Direct Investment) increased by USD 1 bn in Feb 2020, compared with a drop of USD 1.5 USD in the Jan 2020
- According to the 2019 UNCTAD World Investment Report, FDI flows to Japan remain low compared to most other developed nations across the world.
- Furthermore, inflows are relatively unstable, with FDI reaching USD 9.9 Bn in 2018, down from 17.75 bn in 2016 and USD 10.4 bn in 2017. This was mainly due to massive divestments from the Japanese retail and communications sectors.





COVID 19 IMPACT ON

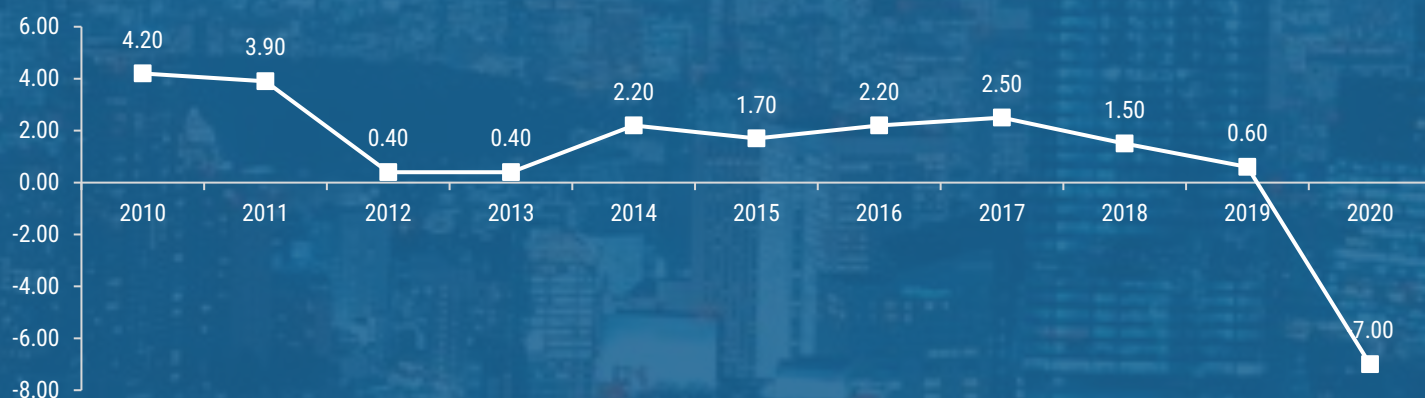
GERMANY

PCM INDUSTRY

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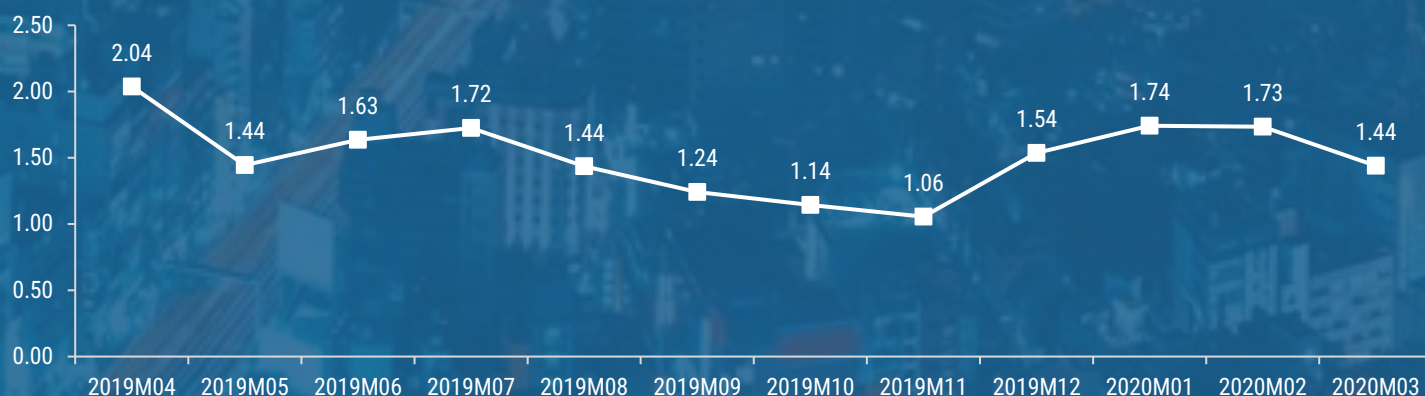


Germany-Real GDP Growth (Annual Percent Change) 2010 - 2020



Germany is the fifth largest economy in the world and the largest within the Euro Area. Germany is the second largest exporter in the world and exports account for more than one-third of national output. As such, the export of high added value products has been the main driver of growth in recent years. Composition of the GDP on the expenditure side: household consumption (55 percent), gross capital formation (20 percent, of which 10 percent in construction, 6 percent in machinery and equipment and 4 percent in other products) and government expenditure (19 percent). Exports of goods and services account for 46 percent of GDP while imports for 39 percent, adding 7 percent to total GDP.

Germany-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



In Germany, the most important categories in the consumer price index are Housing, water, electricity, gas & other fuels (32 percent of the total weight), Transport (13 percent), Recreation, entertainment & culture (11 percent) and Food & non-alcoholic beverages (10 percent). The index also includes Miscellaneous goods & services (7 percent), Furniture, lighting equipment, appliances & other household equipment (5 percent), Restaurant & accommodation services (5 percent), Health (5 percent) and Clothing & footwear (5 percent). The remaining 7 percent of the index is composed by Alcoholic beverages & tobacco, Communication and Education.

GERMANY - FDI INVESTMENTS

(2016 - 2019) - USD Million



- Germany is considered an attractive country for foreign direct investment (FDI), but the global recession and subsequent Eurozone crisis have hampered the influx of FDI in recent years. In 2018, FDI inflows in Germany - at USD 25.7 billion - decreased by 30% compared to the previous year. This is mainly due to uncertainty caused by the Brexit and US tax reforms, a tight labour market, as well as the stagnation in the PCM INDUSTRY.
- FDIs in Germany are mostly owned by the Netherlands, Luxembourg, the US and the UK, which represent more than half of the total stock. Switzerland, France, Italy, Belgium, Austria, Japan, Spain and Denmark are also investing in the country.
- Investments are mainly oriented towards manufacturing and trade, finance and insurance, information and communication, real estate.





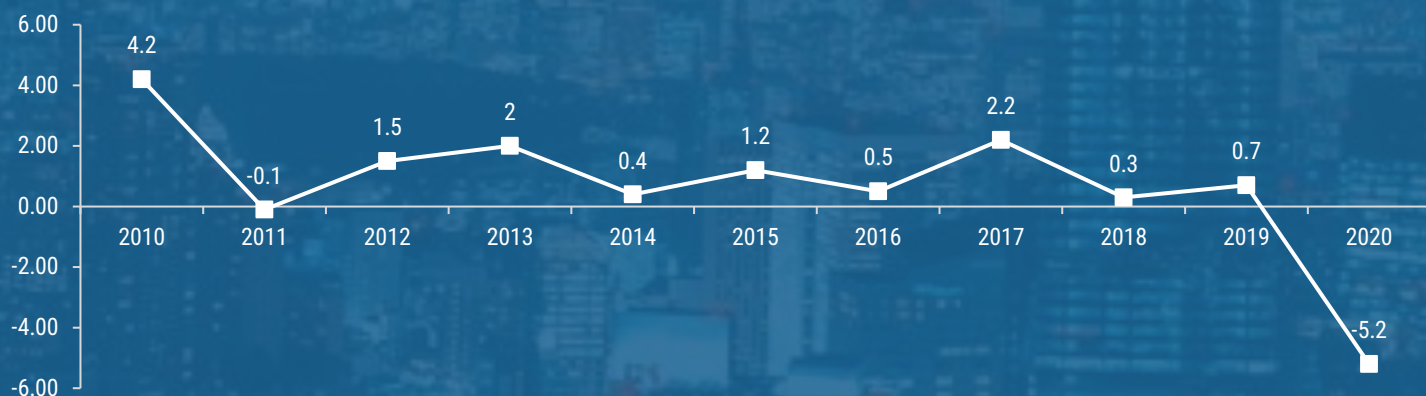
COVID 19 IMPACT ON **INDIA**

PCM INDUSTRY

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India-Real GDP Growth (Annual Percent Change) 2010 - 2020



- India has emerged as the fastest growing major economy in the world and is expected to be in top three economic powers of the world over in coming years, owing to its its strong democracy and partnerships.
- India's nominal GDP growth rate is estimated at 12 % in 2019-20. Due to current COVID-19 impact, the expert have estimated growth for fiscal year 2021 with the lowest figures India has seen in three decades.

India-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



- India's consumer price index or retail inflation has shown 5.9% YoY in March 2020 amid coronavirus-induced nationwide lockdown.
- With falling crude oil prices, lower food prices, and weaker consumer demand for non-essential products due to the spread of COVID-19, The CPI is expected to show moderation in the coming months.

INDIA - FDI INVESTMENTS

(2016 - 2019) - USD Million



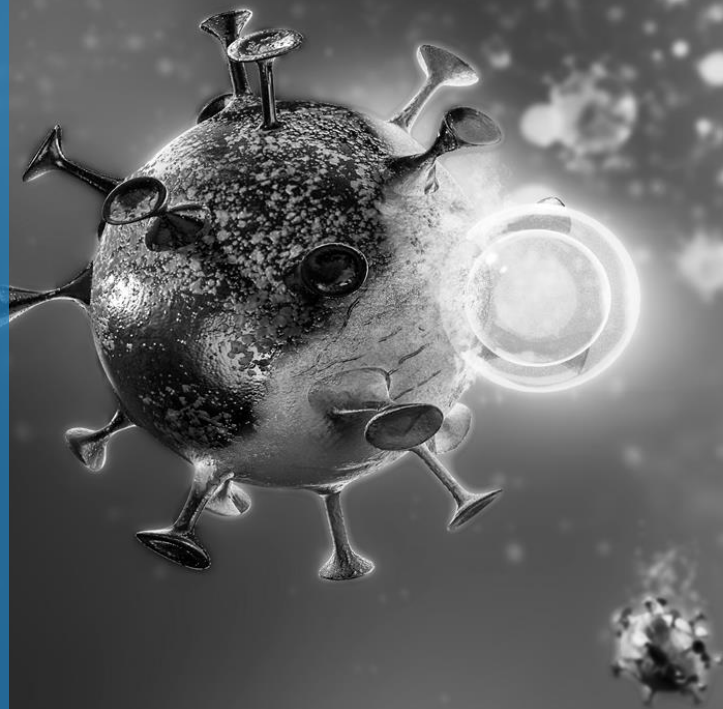
- India's Foreign Direct Investment (FDI) equity inflows reached USD 456.79 Bn during April 2000 to December 2019, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- FDI equity inflows in India stood at USD 36.79 Bn during April-December 2019, the service sector attracted the highest FDI equity inflow of USD 6.52 Bn, followed by computer software and hardware USD 6.34 Bn, telecommunications sector USD 4.29 Bn and trading USD 3.52 Bn.
- The Major investor are Singapore, Mauritius, Netherlands, Japan and US.



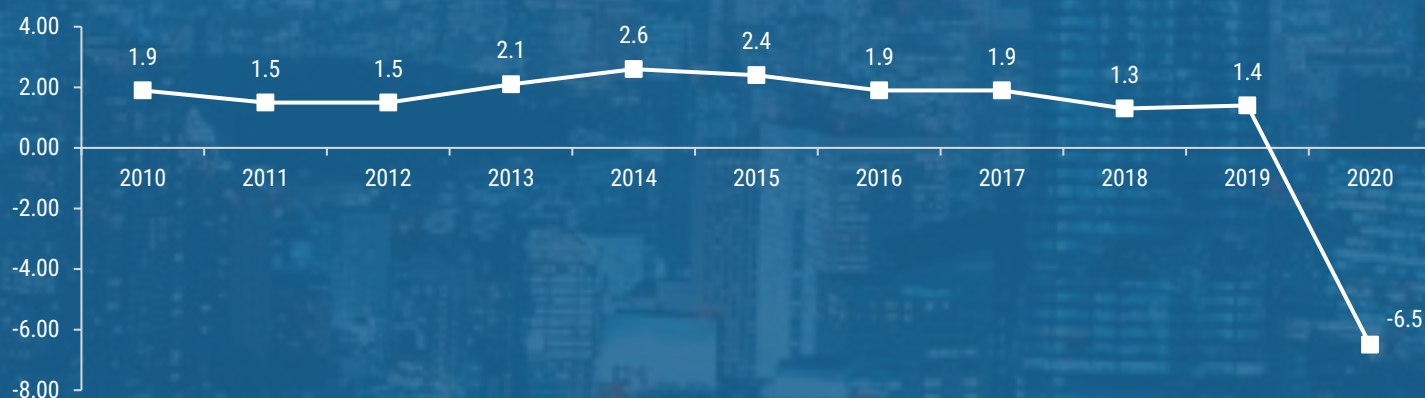


COVID 19 IMPACT ON
**UNITED
KINGDOM**
PCM INDUSTRY

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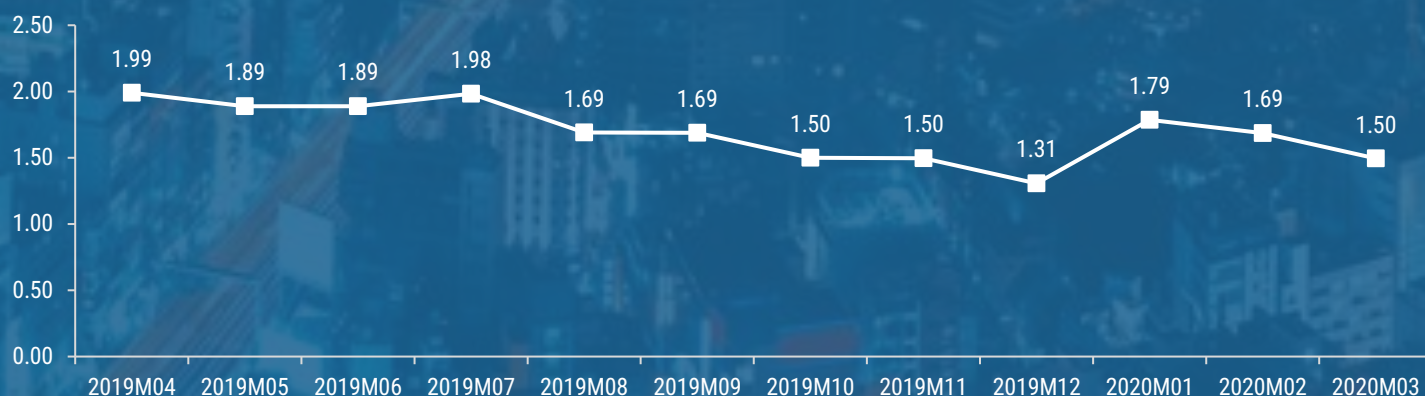


UK-Real GDP Growth (Annual Percent Change) 2010 - 2020



- Like all other European countries, the United Kingdom is also in a state of lockdown, followed by measures of social distancing.
- As a consequence of COVID 19 pandemic, the UK economy has taken a sudden and dramatic hit, more severe than the global financial crisis of 2008.

UK-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



- Consumer Price Index (CPI) in the UK reached an all time high of 108.60 points in February of 2020.
- In UK, the most important categories in the CPI (consumer price index) are Transport and Recreation and Culture.

UK - FDI INVESTMENTS (2016 - 2019) - USD Million



- According to the UNCTAD World Investment Report, FDI inflows to the UK amounted to USD 64.5 bn in 2018, compared to USD 101.2 Bn in 2017.
- The UK stood at the sixth recipient of global FDI flows, behind the US, China, Hong Kong, Singapore and the Netherlands. Flows were also considerably below the record high of 196.1 Bn USD recorded in 2016. The Brexit process has raised concerns among some investors about the increase in trade costs with Europe and the volatility of the pound sterling.
- The main investment partners of the UK were the United States, the British offshore islands the Netherlands, Luxembourg, Belgium, Japan and Germany.
- Most FDI flows are directed to the energy and waste sectors, trade and repair, metal products and machinery, financial services, and activities related to administrative and support services.



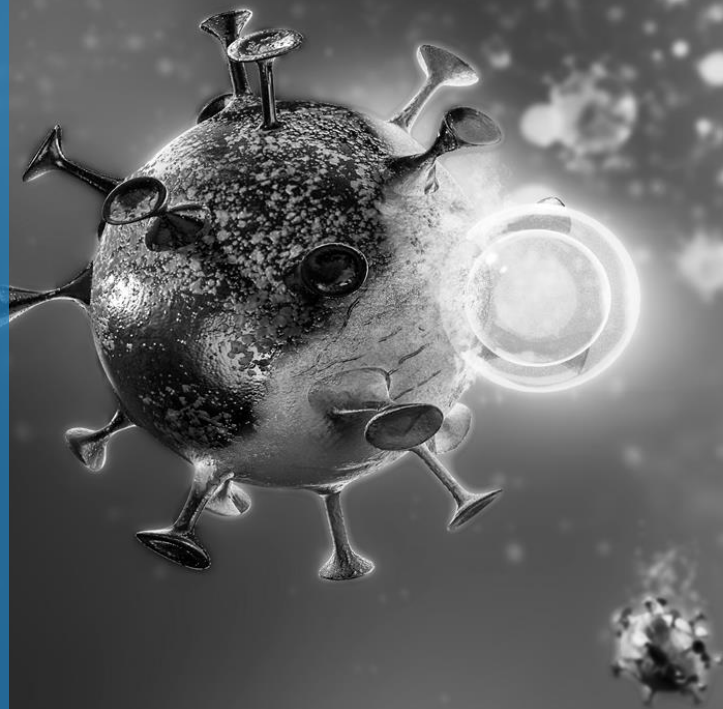


COVID 19 IMPACT ON

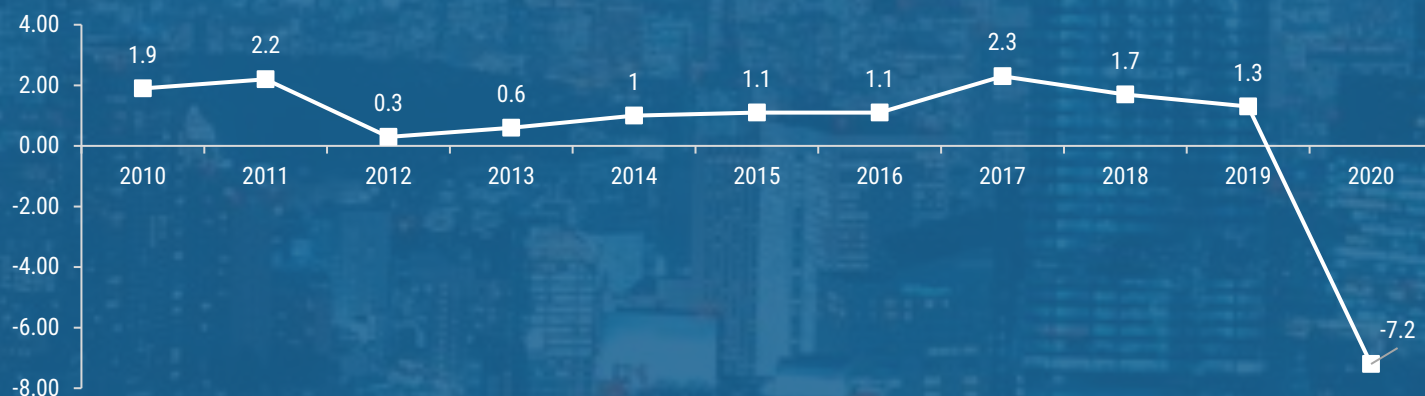
FRANCE

PCM INDUSTRY

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France-Real GDP Growth (Annual Percent Change) 2010 - 2020



France is the seventh largest economy in the world and the second largest in the Euro Area. the biggest sector of the economy is household consumption (55 percent) followed by government expenditure (24 percent) and gross fixed capital formation (22 percent). Exports of goods and services account for 29 percent of GDP while imports account for 31 percent, subtracting 2 percent from total GDP.

France-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



In France, the most important category in the consumer price index is services (48 percent of total weight), in particular actual rentals and services for dwellings (7 percent), health services (6 percent), transport (3 percent), and communication (2 percent). The index also includes manufactured products (26 percent) such as medical products (4 percent) and clothing and footwear (4 percent); food (16 percent); energy (8 percent) such as petroleum products (4 percent); and tobacco (2 percent).

FRANCE - FDI INVESTMENTS

(2016 - 2019) - USD Million



- According to the World Investment Report 2019 published by UNCTAD, France attracted a significant amount of FDI in 2018. FDI flows to France increased by 25% (to reach USD 37 billion). The FDI stock in 2018 in France was about USD 824,9 billion, it represents an increase of 0.7% in comparison with 2017. This was mainly due to large mergers-acquisitions deals and "urban free zones" that support small businesses and local services in underprivileged inner-city areas. France is the 12th recipient of FDI in the world.
- According to the Global Investment Trend Monitor published by UNCTAD, France was the 4th country receiving FDI flows during the first half of 2019, receiving USD 33 billion in FDI. Luxembourg, the Netherlands, the United Kingdom and Switzerland are the main investors in France and represent more than 50% of the stock of FDI. Germany, Belgium, the United States, Italy, Spain, Japan and Canada were the other main investing countries in 2018 (INSEE, 2019).

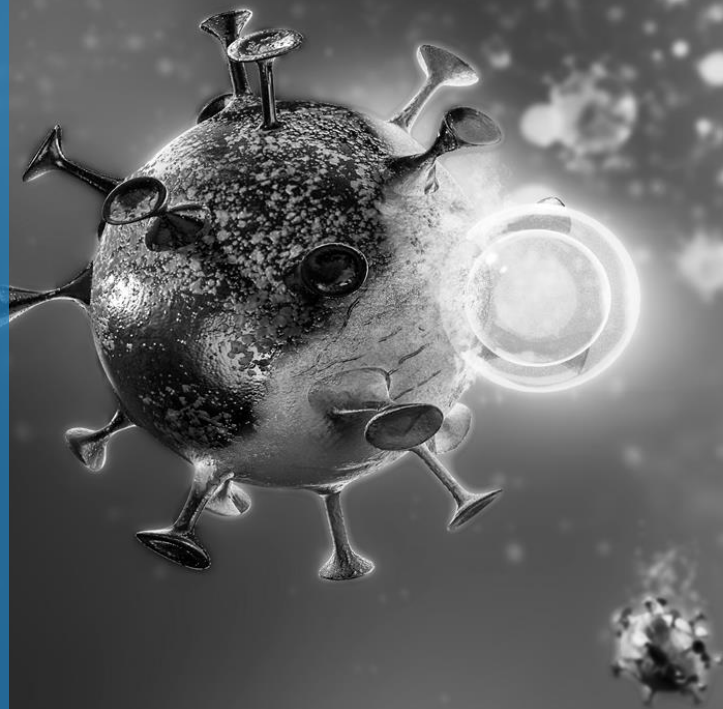




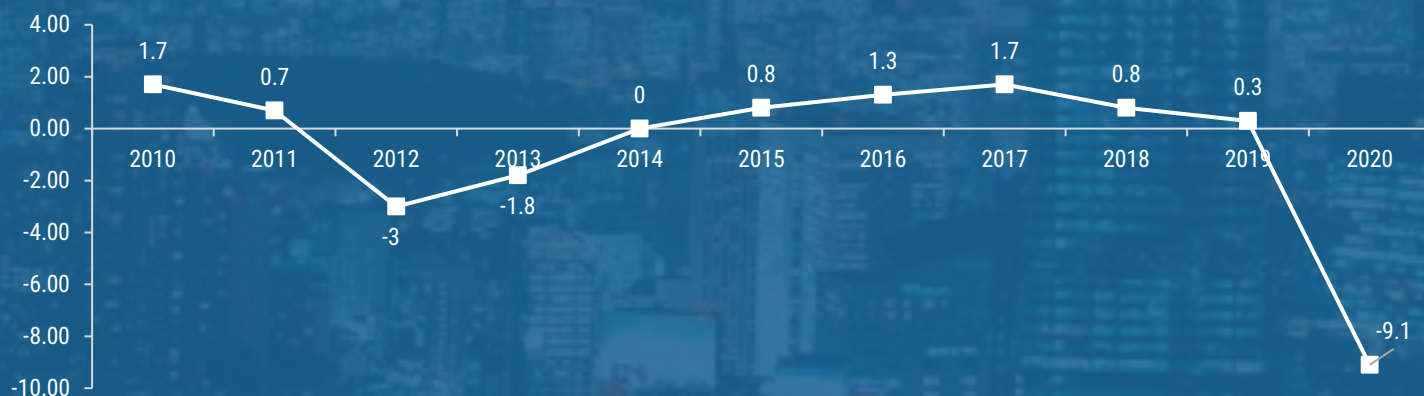
COVID 19 IMPACT ON **ITALY**

PCM INDUSTRY

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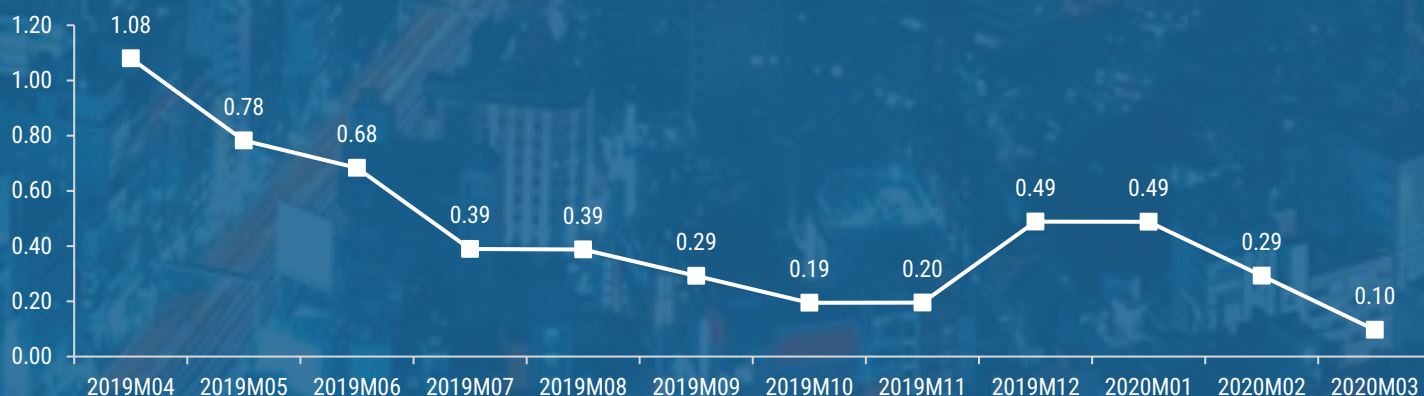


Italy-Real GDP Growth (Annual Percent Change) 2010 - 2020



- The GDP (Gross Domestic Product) in Italy was worth 2030 billion USD in 2019, Which represents 1.68 % of the world economy.
- Italy also entered into a recession in the first quarter of 2020 with GDP decreasing by 4.7% compared to the previous quarter due to the impact of COVID 19, the country's GDP had contracted for the first time since 2014.
- The Country follows contracting of 0.3 % in the last three months of 2019

Italy-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



- Italy's Consumer Price Index (CPI) has shown a growth rate of 0.1 % YoY in March 2020, compared with a rate of 0.3 % in the February 2020.
- Consumers in Italy are unable or reluctant to purchase goods and services. Given the current environment of uncertainty and lockdown, enterprises are likely to delay investments, purchases of goods and the hiring of workers.

ITALY - FDI INVESTMENTS

(2016 - 2019) - USD Million



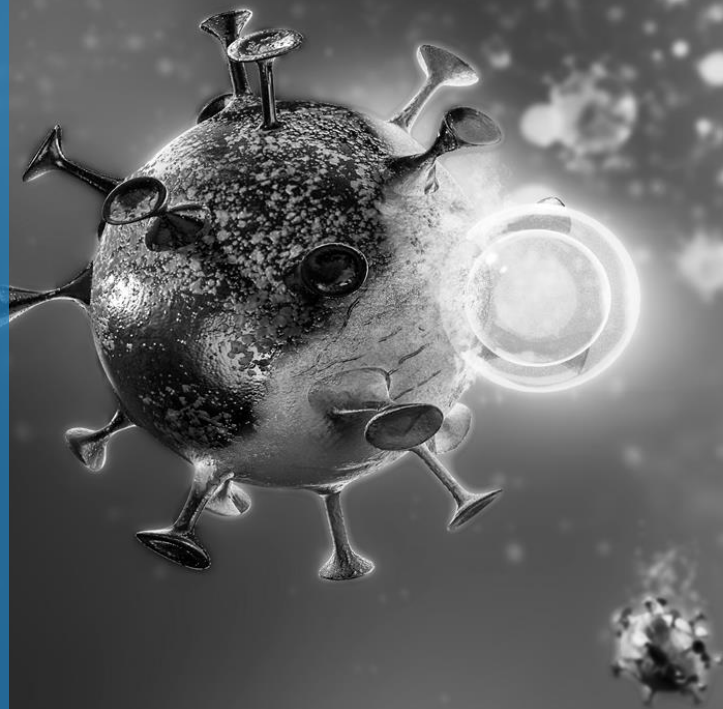
- After a highly volatile period of FDI flows in Italy between 2008 and 2012, investments to Italy have stabilized and maintained a sustained pace.
- According to the World Investment Report 2019 of UNCTAD, Foreign Direct Investment inflows stood at USD 24.3 billion in 2018, up from USD 22 billion in 2017, Italy was ranked 19th in the world and 5th in Europe for inward FDI flows in 2017 (\$ 17 bn).
- The main investing countries in Italy are France, the US, the United Kingdom and Germany





COVID 19 IMPACT ON
BRAZIL
PCM INDUSTRY

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Brazil-Real GDP Growth (Annual Percent Change) 2010 - 2020



Brazil is the tenth largest economy in the world and the biggest in Latin America. The services sector is the most important and accounts for 63 percent to total GDP. The biggest segments within services are government, defense, education and health (15 percent of total GDP); other services (15 percent); wholesale and retail trade (11 percent); real estate (8 percent); and financial services (7 percent). Also, industry contributes to 18 percent of GDP, with manufacturing (11 percent) and construction (4 percent) accounting for the largest share. Exports of goods and services account for 13 percent of GDP while imports account for 12 percent, adding 1 percent of total GDP.

Brazil-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



In Brazil, the inflation rate measures a broad rise or fall in prices that consumers pay for a standard basket of goods. The most important categories of the index are: Food and beverages (26 percent of the total weight); transport (18 percent); housing (15 percent); health care (12 percent); and personal expenses (11 percent). Also, clothing accounts for 6 percent; education for 5 percent; household goods for 4 percent; and communication for 4 percent.

BRAZIL - FDI INVESTMENTS

(2016 - 2019) - USD Million



In Brazil, Foreign Direct Investment refers to net inflows of foreign direct investments received from abroad, including equity capital and intercompany loans.

Prominent reasons for FDI Investments in Brazil are as follows-

- Extensive natural resources
- A large middle-class and a large domestic market (5th largest population in the world)
- A strategic geographic location
- A diversified economy, well anchored in international exchanges (FDI inflows and foreign exchanges reserves are important, low external debt)
- Export sectors, especially in industry, represent investment opportunities, thanks to the weakness of the real exchange rate
- After recent corruption scandals, the fight against corruption is intensifying, which could benefit investment in the long-term.





COVID 19 IMPACT ON

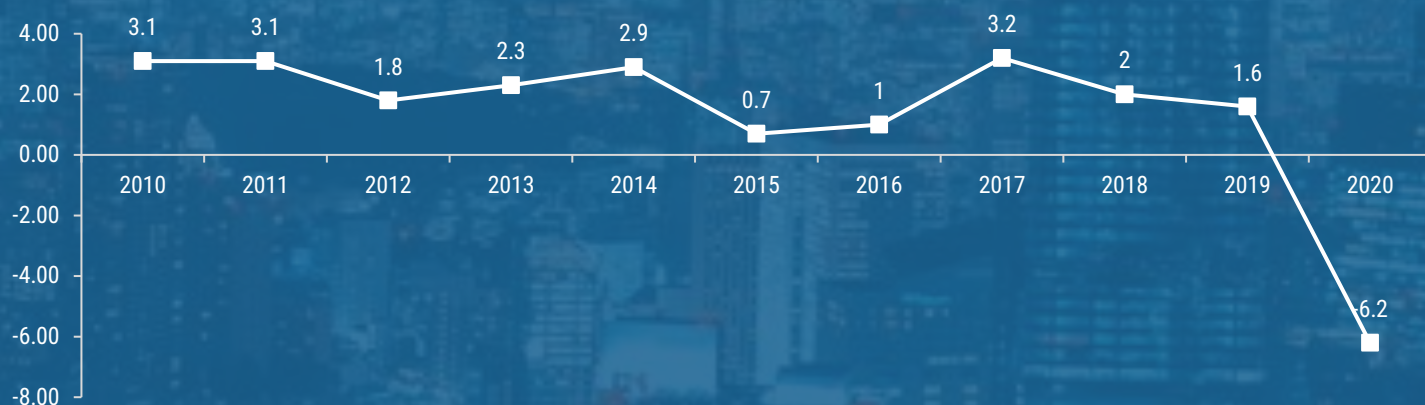
CANADA

PCM INDUSTRY

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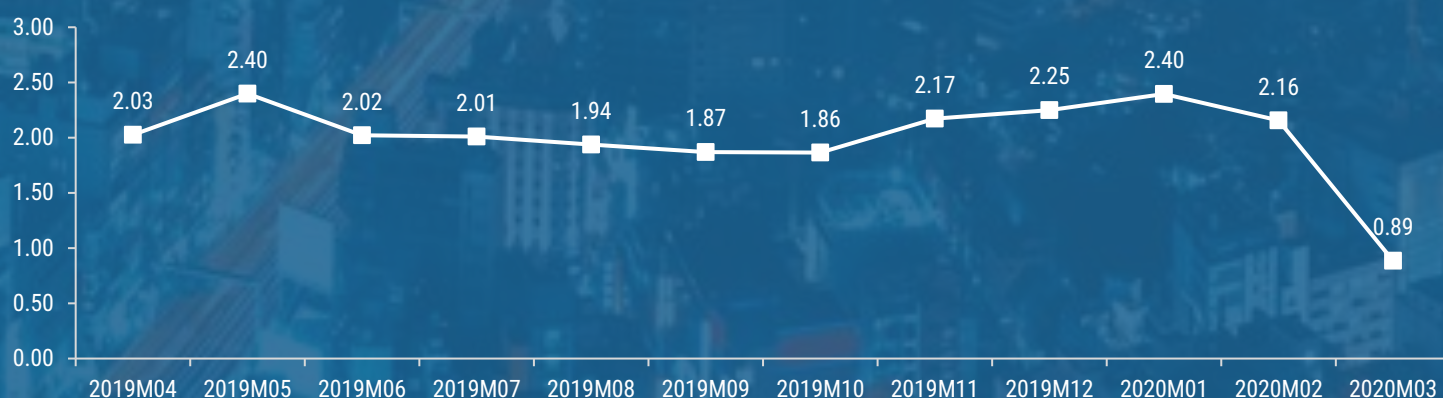


Canada-Real GDP Growth (Annual Percent Change) 2010 - 2020



- The Gross Domestic Product (GDP) in Canada expanded 1.50 percent in the fourth quarter of 2019 over the same quarter of the previous year.
- In Canada, services account for more than 70 percent of GDP. Within services the most important are finance, insurance, real estate, rental and leasing and management of companies and enterprises (21 percent of total GDP); retail and wholesale trade (12 percent), health (8 percent) and public administration (6 percent). Manufacturing accounts for 13 percent of the output and construction for 6 percent. Mining and oil and gas extraction constitute only 4 percent of GDP, yet Canada is a net exporter of energy. Finally, agriculture, forestry, fishing and hunting account for 2 percent of output.

Canada-Consumer Price Index (CPI) April 2019 - March 2020 (% Change)



Consumer Price Index CPI in Canada decreased to 136.60 points in March from 137.40 points in February of 2020. The goods and services in the CPI basket are divided into 8 major components: Food; Shelter; Household operations, furnishings and equipment; Clothing and footwear; Transportation; Health and personal care; Recreation, education and reading, and Alcoholic beverages, tobacco products and recreational cannabis. CPI data are published at various levels of geography including Canada, the ten provinces, Whitehorse, Yellowknife and Iqaluit, and select cities.

CANADA - FDI INVESTMENTS

(2016 - 2019) - USD Million



- Foreign Direct Investment in Canada increased by 10630 CAD Million in the fourth quarter of 2019.
- According to UNCTAD's 2019 World Investment Report, Canada was the 11th destination for FDI in the world in 2018, climbing 4 places compared to the previous year. Canada attracted USD 39.6 billion of FDI in 2018, an increase of 60% compared to 2017, where Canada suffered from a decline in inflows.
- The United Kingdom, Switzerland, Japan, Brazil, Germany and China are other major investing countries in Canada. These investments are mainly oriented towards professional, scientific and technical activities, manufacturing, mining and hydrocarbons sector, finance and insurance, wholesale and retail trade.



Thank You

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