



COVID 19 ANALYSIS

CHEMICALS & MATERIALS INDUSTRY

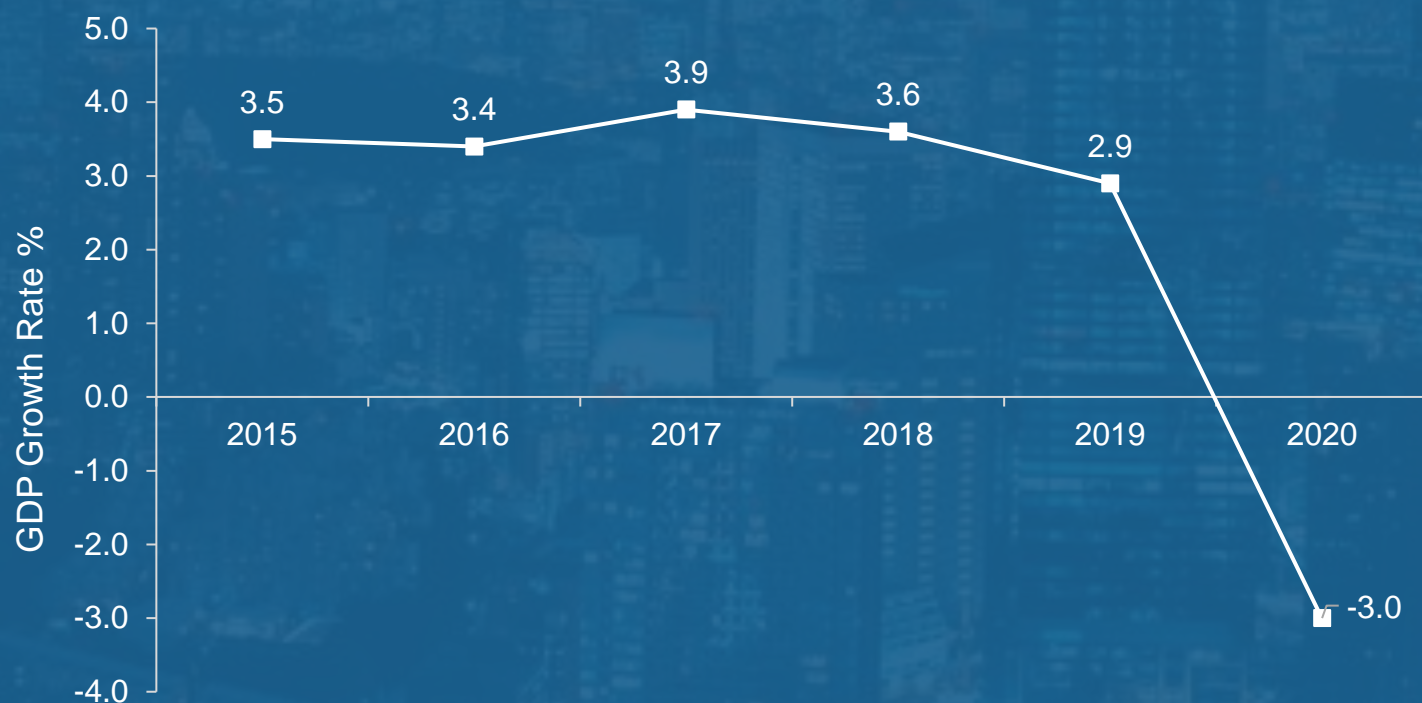
PREPARED BY
MARKET RESEARCH FUTURE
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DUE TO COVID-19 THE GLOBAL ECONOMY WILL CONTRACT BY (-3)% IN 2020



Global GDP Growth Rate

2015 - 2020



- The IMF forecasted that the global economy is projected to contract by ~-3% in 2020 which would be worse than the 2008-09 financial crisis.
- The IMF expect that the over 170 countries will have negative per capita income in 2020

Source: IMF & MRFR internal analysis

THE MAJOR ECONOMIES SUCH AS US, CHINA, JAPAN, GERMANY INDIA HAS SHOWN CONTRACTIONS

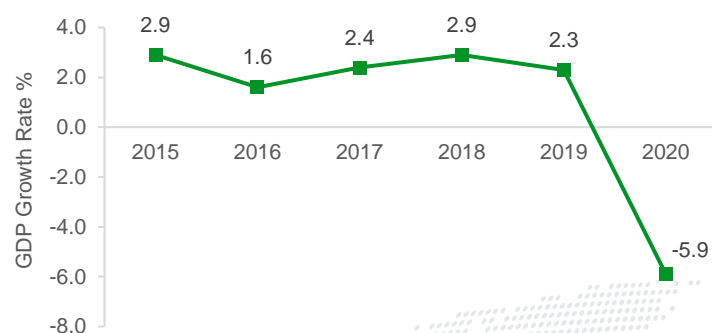


Global GDP Growth Rate

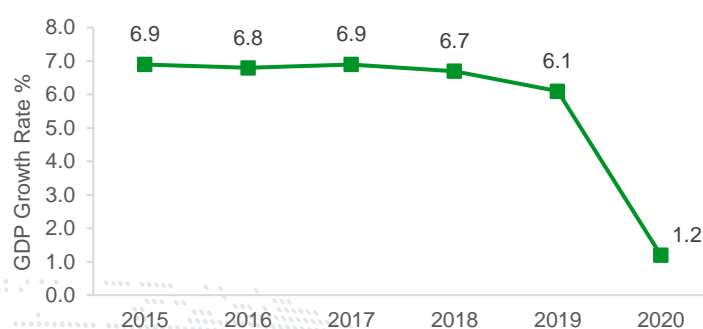
2015 - 2020



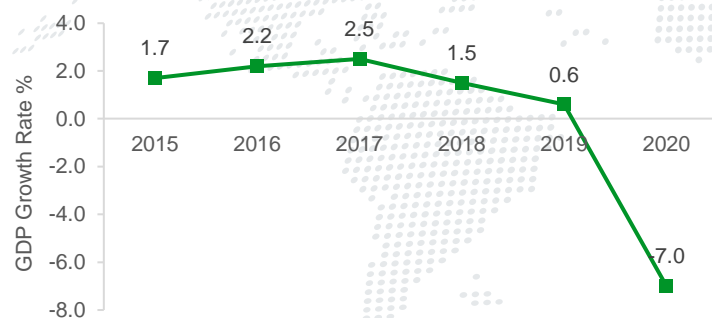
US



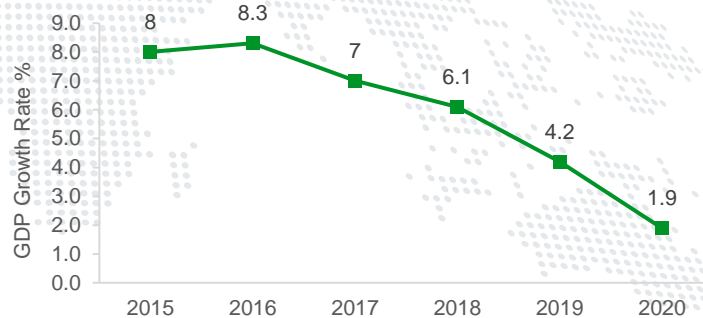
CHINA



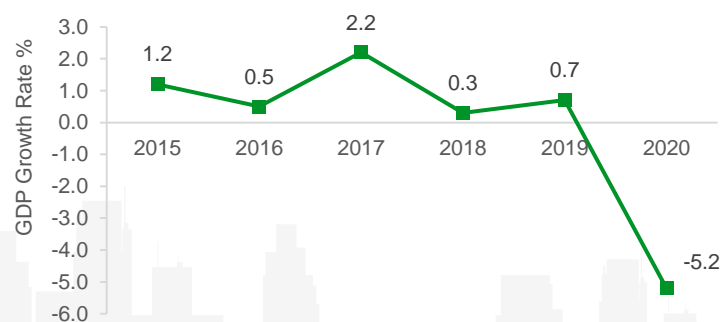
GERMANY



INDIA



JAPAN

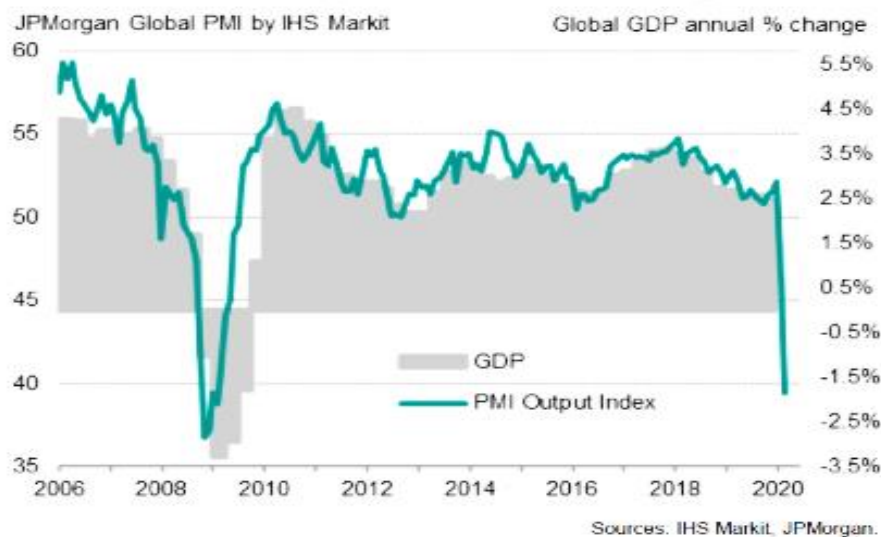


Source: IMF & MRFR internal analysis

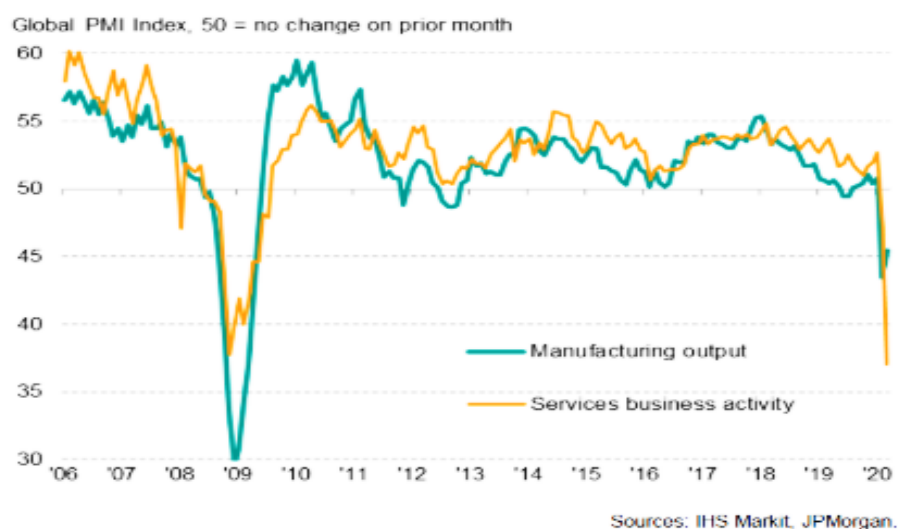


Global Purchasing Managers Index

Global PMI output & economic growth



Global PMI output indices



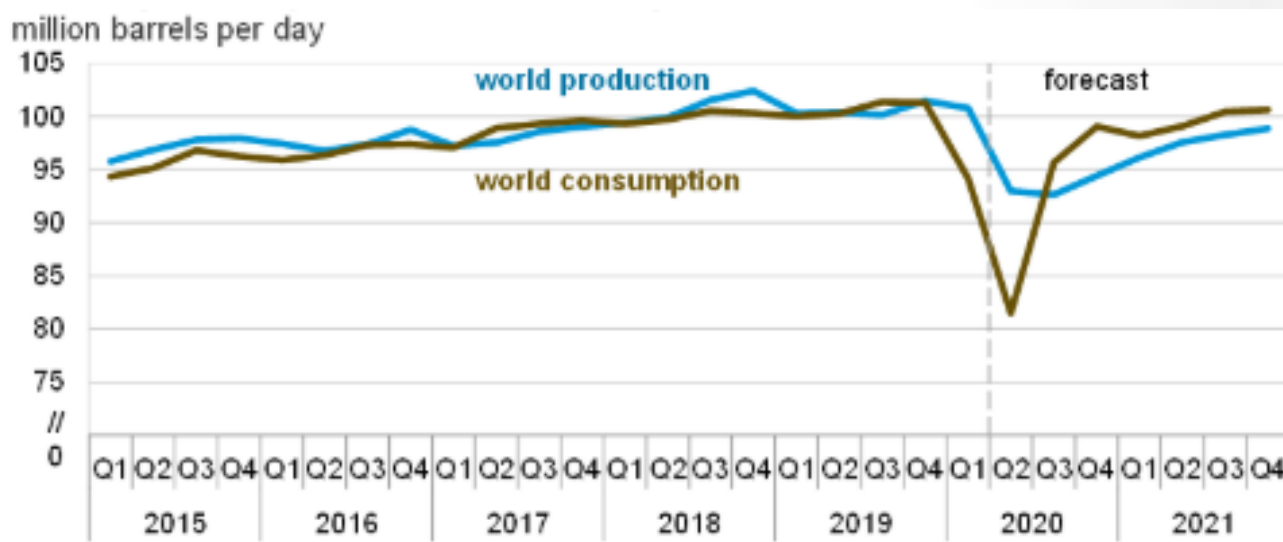
- The purchasing managers index has declined drastically due to the lock-down effect of COVID-19
- The manufacturing index was at the steepest rate since 2009 and service sector activity has affected severely

which is at 22 years low.

Source: JP Morgan, HIS Markit & MRFR Analysis



Global Crude Supply & Demand



- The Saudi Arabia & Russia crude production war and Covid-19 lockdown effect has disrupted the crude oil production and the prices.
- This has impacted the production, investments and raw material prices of chemicals & materials



Impact of COVID-19 on Production Facilities

SR. NO.	DATE	COMPANY NAME	DESCRIPTION
1	Feb 2020	Shandong Dadi Supu Chemical	<ul style="list-style-type: none"> Delayed the production of iso-propyl alcohol plant in Jiangsu, China
2	March 2020	Tata Chemicals	<ul style="list-style-type: none"> Tata Chemicals had shut down the plant at Andhra Pradesh (IND) & Tamil Nadu (IND) Scale down the production at Gujrat plant location
3	March 2020	Eastman Chemicals	<ul style="list-style-type: none"> Stopped the production of benzoate ester plasticizers, benzoic acid, and sodium benzoate at its Wuhan plant
4	March 2020	Milliken & Co.	<ul style="list-style-type: none"> Scaled up the production of antimicrobial fabrics
5	April 2020	Air Liquide S.A	<ul style="list-style-type: none"> Scaled up the production of medical gases
6	April 2020	Mitsui Chemical	<ul style="list-style-type: none"> It has started manufacturing of raw materials (non-woven) for PPE
7	May 2020	Borealis	<ul style="list-style-type: none"> It has started production of melt blown fabrics for face mask application
8	May 2020	Mitsui Chemical	<ul style="list-style-type: none"> Mitsui Chemicals and Nagoya University did the partnership to produce reusable 3D printed mask
9	May 2020	INEOS	<ul style="list-style-type: none"> INEOS has built 2 hand sanitizer plants in U.S. each will produce over 1 million bottles each month

Source: Primary interviews, secondary research and MRFR analysis



CHALLENGES OF CORONAVIRUS

on **CHEMICALS & MATERIALS INDUSTRY**

Challenges in Chemicals & Materials Industry



Temporary Production Shut Down

- Lockdown of countries leads to temporary shut down of production units
- Availability of raw material, workforce and transportation are other reasons behind the shut down of production units



Supply Chain Disruption

- To reduce the cost of production, most of the chemical companies has implemented various supply chain strategies such as lean manufacturing, outsourcing and offshore production
- The COVID-19 has disrupted the supply chain of manufacturing companies



Labor Workforce

- Due to uncertainty of plant shut down and transportation restriction, lock down of cities leads to migration of labor force



Price Fluctuations in Raw Material

- Chemicals supply tightness due to production cuts in China & globally leads to higher prices of raw material
- Weaken demand of raw material due to temporarily shut down of factories

Saudi- Russia crude oil trade war



Uncertain Demand

- The uncertain situation leads to weaken domestic and global demand



Import & Export

- Uncertain demand outlook leads to negative impact on the export demand
- Uncertain lockdowns, temporary shut down and supply chain interruption leads to confine the import demand

Opportunities in Chemicals & Materials Industry



DISINFECTANT CHEMICALS

- Iso-propyl alcohol
- Sodium chloride
- sodium hydroxide



PROTECTIVE CLOTHING

- Protective fabrics
- Spunbonded non-woven
- Breathable films



MEDICAL GRADE ADHESIVES



MEDICAL PLASTICS

- Medical grade plastics





SOLUTIONS TO COVID 19

SOLUTIONS TO FIGHT AGAINST COVID19



**Ensure Employee
Health**



**Look for Efficient
Supply Chain**



**Adopt New /
Update the
Business Model**



**Look for M&A
Opportunities**



**Competitive
Cost Position**



**Look for Benefits
from Government
Stimulus**

SOME OF OUR CLIENTS



INEOS

EVONIK
INDUSTRIES

Bayer



MITSUBISHI
CHEMICAL

CLARIANT

HUNTSMAN
Enriching lives through innovation

ARKEMA
The world is our inspiration

DU PONT

CUMI

SINOPEC
中國石化

صدارة
Sadara

ExxonMobil

DOW

Ampacet
Managing the Elements of Success™

Thank You

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