

The processing economy
without trust problems

LOHN
WHITEPAPER
VERSION 4.2



Be our partner, feel the value!

LOHN L

WHITEPAPER VERSION 4.2

The processing economy without trust problems.

Content

Mechanism of economic business at lohn	1
Annual production achieved in lohn	1
The custom-made production.....	1
The buyers and the producers	2
The lohn mechanism is equally simple and efficient.....	2
Processing mechanism at lohn.Figure1	2
Active lohn and passive lohn	3
Lohn is a major driver of the world economy for the next 50 years	3
Blockchain in performing lohn contracts	4
Reputational risk management.....	5
Sustainable development of producers from emerging economies	5
Smart Contract Rating System	5
Using lohncontrol smart contract in running lohn contracts (Figure 2)	5
"WE DON'T TOUCH THE MONEY".....	6
How does a lohn contract work in blockchain?.....	8
Platform's fee	8
Algorithm for calculating the market price of the LOHN token	9

The interdependence between active request value (ARV) and Market LOHN Value (MkLV)	9
MkLV	9
LOHN token price is always in direct proportion to the market volume	10
How will lohncontract.com actually work?	10
The blockchain architecture	11
The blockchain thus introduces a trustworthy protocol.....	11
Quality products at competitive prices	11
MVP. What is bursadelohn.ro	12
<hr/> Lohncontrol technology. <i>Proof-of-Tasks</i> for blockchain platforms	13
Token Sale	14
Roadmap LOHN	17
Our team	18
Our vision	19
Our product	20
Industrial Global Report	21
Fashion industry- 3000 billions USD	21
Beer industry -590 billions USD	25
Wine manufacturing- 302 billions USD.....	26
Spirits industry - 741 billions USD	27
Non-Alcoholic Beverage market - 1157 billions USD	27
Automation industry -217 billions USD.....	28
Packaging industry-1000 billions USD.....	29

Appliance -437 billions USD	30
Consumer Electronics - 1000 billions USD	31
Semiconductor and Electronic Parts-540 billions USD	31
Chemicals industry - 4318 billions USD	33
Food industry-8100 billions USD	33
Computer hardware industry- 1113 billions USD	36
Software and IT services- 3500 billions USD	37
Autoparts&accessories industry - 2000 billions USD	38
Automobile Engine and Parts industry-301 billions USD	39
Cars and Automobile industry- 2000 billions USD	40
Pharmaceuticals-1000 billions USD	41
Plastic Product and Packaging - 488 billions USD.....	42
Cigarette and Tobacco - 750 billions USD	43
Ship and Boat Building-169 billions USD.....	44
Pulp and Paper industry-380 billions USD	45
Machine tools - 120 billions USD.....	46
Furniture - 470 billions USD.....	47
Toys industry - 180 billions USD	47
Petrochemicals -791 billions USD	48
Metal industry- 2374 billions USD	48

ABSTRACT.

Mechanism of economic business at lohn

Lohn is a widely spread contractual form in various industrial fields of international cooperation relations, especially in the industry of clothing, footwear, furniture, machine building industry, electronics and appliance industry, food industry and petrochemical industry.

According to the specialist's definition, the processing in lohn system consists of an international economic business carried out on a contractual basis between two companies of different countries where one performs, for a retribution in cash or in kind, a custom-made product according to the designs, drawings, usually with raw materials and materials of the other companies, which keep their right to trade that product under its own trademark.

At present, the annual production achieved in lohn at the worldwide level exceeds 10,000 B \$.

Lohn, the custom-made production, is a simple form that can contribute to the advantageous mutual settlement of some international asymmetries related to the available workforce and the cost of workmanship, raw material demand or production capacities.

The custom-made product indicates two aspects:

- a) the finite product is performed with the raw materials and the materials of company that performs the order;
- b) the finite product is manufactured by processing of raw materials and the materials of company that requires the order.

Being about the finite products performed according to the client's indications and drawings and in the quantity required by him, the dispatch is 100% ensured.

The company that launches the order is called **buyer, importer or beneficiary**. The company that performs the product is called **exporter or producer**.

The buyers at lohn are companies that hold prestige marks. We may assert that the main goal for the buyer, followed by lohn operation, is the valuation of capacities of some prestigious marks they benefit of, as well as the managerial and marketing ability.

The producers at lohn have the following specific trading aspects:

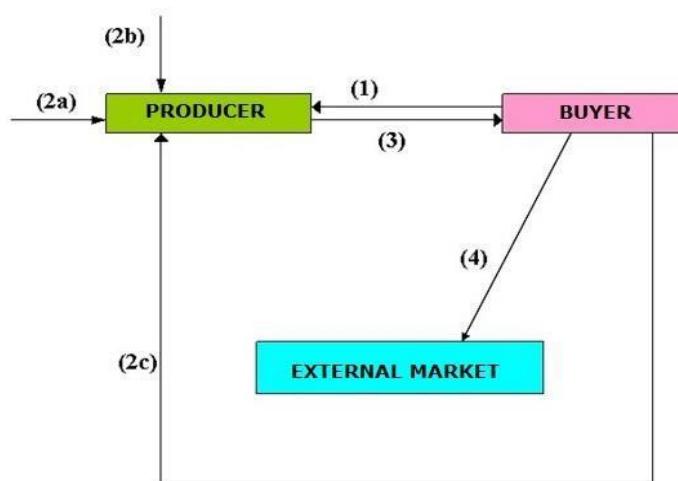
- they benefit of production factors, buildings, cars, utilities and especially workforce with a proper qualification;
- they do not have prestigious trademarks and are only focused on the industrial production side, exploiting the competitive benefits of the origin countries, related to the low cost of workforce and the low level of fees.

The international cooperation based on processing at lohn presents for the producer, the advantage that he is granted the possibility to fully involve in the manufacturing capacity and benefit, too, from the maximum exploitation of this capacity.

In his turn, the buyer is granted the possibility to send for processing the raw materials and materials to a country where the workforce is cheaper than in his own country and obtain products manufactured according to his own project and vision. It is noted that, for many times, the beneficiary makes the producer available, as rental or sale in the account of processing, certain machines, installations and devices that ensure a high labor productiveness and a high technical – qualitative level of the end product.

The lohn mechanism is equally simple and efficient for the buyer

Figure 1. Processing mechanism at lohn



(1): Order

(2a): National labor

(2b): Raw materials, internal materials

(2c): Raw materials, imported

(3): Deliveries

(4): Sale

Thus, the buyer launches the order of product to the producer whom he requires the model, offers him the necessary drawings, usually raw materials, too, entirely or partially, accessories and possibly a special manufacturing know-how. All these items are stipulated by the agreement concluded between the parties, where there are also mentioned a set of clauses such as price at which the producer provides the finite product to the buyer, price that includes mainly the workmanship as asset. The agreement expressly stipulates that the product is performed under the buyer's trademark, who reserves the trading right on his own market and on the worldwide market.

Transport costs are also taken into account in the efficiency of a cooperative action such as custom-made production. The buyer will preferably turn to countries as close as possible to the outlets for the products ordered.

Depending on the buyer's involvement, one can talk about **active lohn** and **passive lohn**.

In the case of **active lohn** the producer processes the materials made available by the buyer and exports them to their owner. It also favors the import of technology, broadens the market, increases the qualification of the labor force, opens the perspectives of the cooperative actions. The buyer can also provide tools for finite products, can provide technical assistance in terms of qualification of the labor force or can be involved in organizing and improving the producer's activity.

Passive lohn is the opposite of the first, i.e. the buyer sends the materials that belong to it for processing in the producer's country and returns them in the finished form in its own country.

The major gap between labor costs in developed countries and emerging or poor economies makes lohn a major driver of the world economy for the next 50 years.

Performing lohn contracts through blockchain will bring important benefits in the future to both buyers and producers. The high transparency of these contracts will eliminate unregistered work as well as the exploitation of vulnerable persons or minors.

Blockchain in performing lohn contracts

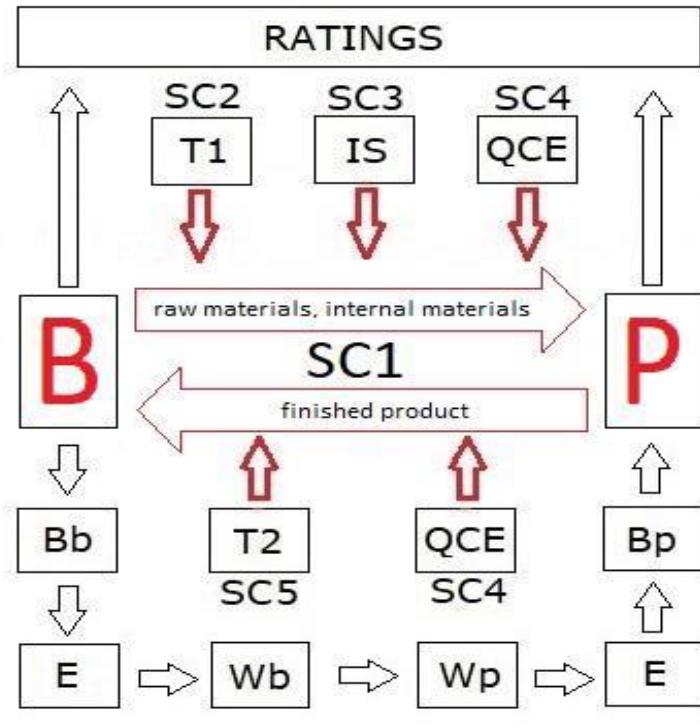
Blockchain through smart contracts can bring indisputable benefits to lohn contracts because it secures on the one hand the buyer's investment that can control and truly manage the producers involved in the development of its products and, on the other hand, provides the psychological comfort required for the producer who, in compliance with the term of the agreement, will definitely receive its payment for the work carried out as soon as possible.

Producer's reputational risk management is one of the major concerns of buyers within a lohn contract because the latter give to producers, whom they know only from third-party references or under a contract governed by local laws, valuable raw materials having the uncertainty of manufacturing some products according to the required standards and at the deadlines stipulated in the contract. By registering with smart contracts each step of the parties within the lohn contract the blockchain will allow the achievement of a reputational profile of both the buyer and the producer. Thus each of the parties can choose the partner they are going to work with in full awareness. Given that lohn contracts are usually performed in emerging countries with less predictable business law, it is very important to secure the relationship between the parties. From the producer's perspective, the development of the production activity based on smart contracts will allow the optimization of production flows, the increase of the accountability of the factors involved due to the rigorous traceability of the product manufactured, the comfort of working with a buyer about whom there are honest and unquestionably accurate information and especially the speed of settlement of the labor provided within the contract.

All of these things contribute to a sustainable development of producers from emerging economies, to create a good reputation regarding compliance with the quality standards of the manufactured products and last but not least to transparency of human rights and work ethic observance for the persons employed by them.

The relationship between the main parties of the lohn contract managed in blockchain by smart contracts will create a relaxed business climate and the secondary actors such as carriers, quality control experts or internal suppliers will be able to contribute through other secondary smart contracts to the smooth performance of the main contract. The economic discipline of each party involved will be guaranteed by the **Smart Contract Rating System**.

Because as long as all the actors involved will have a general rating archived in the project, they will take care that their business reputation remains high.
 Figure 2.



ADENDA

- B - buyer
- P - producer
- QCE - quality control expert
- T - transportator
- IS - internal suppliers
- Bb - buyer bank
- Bp - producer bank
- E - Exchange
- SC - Smart contract
- Wb - buyer wallet
- Wp - producer wallet

Stage 1

To do this, it hires the T1 carrier to deliver the raw materials and the technical documentation for the production. The T1 carrier is registered with the SC2 complementary smart contract.

The fulfillment of the delivery conditions stipulated by SC2 is a prerequisite for the continuation of the contract.

Stage 2

In this stage, the internal IS suppliers deliver the other goods or services necessary for the production (accessories, complementary raw materials, production areas, utilities, etc.) The quality of the goods or services delivered by them is followed by the SC3 complementary smart contract.

Stage 3

At this time, the QCE quality control expert appears, who is hired by the buyer to defend its interests in the relationship with all the parties involved in the production process and to follow the achievement in very good conditions of the manufactured products by observing exactly the technical indications provided. QCE carries out its activity based on the complementary SC4 smart contract and supervises the performance of the T1 carrier, the internal IS suppliers that are paid for by its express indication within SC4 and especially the producer P closely following the stages of the manufacturing process and the rigorous observation of the technological indications. QCE ascertains that all the validity terms of the SC4 complementary smart contract are met and proposes to make payment for the production made to producer P.

Stage 4

The settlement of the lohn contract price can be done within the lohncontrol smart contract by transferring in the manufacturer's wallet a number of LOHN tokens with a total value equal to the lohn contract at the market price at the time of the transfer. In this situation, the producer can use the tokens either by selling them on the free market or by selling them to lohncontract.com platform at market price.

The guarantee of money transfer is based on the "WE DON'T TOUCH THE MONEY" philosophy and is intended to provide maximum confidence to all parties involved in performing the lohn contract.

*The promptness, diligence and proper execution of the conditions for the development of the Main SC1 Smart Contract and the Complementary SC2, SC3, SC4, and SC5 Smart Contracts by the parties involved will be forwarded to an IPFS archive that will establish through a specific algorithm the **Smart Contract Rating Systems** of each part.*

***Smart Contract Rating Systems** will help businesses manage the reputational risk of trading partners.*

How does a lohn contract work in blockchain ?

The contract between the buyer and the producer also involves third entities that lead to the completion in good conditions thereof. These are the carriers who deliver the raw materials and other goods required to achieve the production in the first phase, and then they pick up the finished products to deliver them to the buyer. Domestic suppliers of raw materials, related services and utilities represent another important category for the success of the production. Above all there are the quality control experts natural or legal persons, who follow on behalf of the buyer the entire production process, from the delivery of the raw materials, the quality thereof, supply or delivery times, the quality of the goods or services provided by the domestic supplier, the timeliness of the deliveries or of the transportation of the goods and, in particular, the proper execution of the production by observing the buyer's technological indications.

The contribution of each of the involved parties is governed by IF/THEN-type smart contracts subordinated to the main contract between the buyer and the producer. Chaining and the proper execution of these complementary smart contracts lead in the end to a rigorous achievement of the main contract between the parties.

lohncontrol smart contract in running lohn contracts (Figure 2) Closing mechanism for blockchain bidding

Example:

Buyer B concludes with producer P a lohn contract (governed by an IF / THEN-type SC1 smart contract) for the production of goods with a determined value.

1. Until choosing a winning bid of a producer, the buyer must acquire a number of LOHN tokens equal to the total bid amount + **the 3% commission due to the lohncontract.com platform.**
2. The purchased tokens will be immobilized in the lohncontrol smart contract until the contract is concluded and then transferred to the manufacturer who will sell the tokens on the free market or to the lohncontract.com platform.
3. Token acquisition is primarily from the free market and if there are not enough tokens available for sale, they can be purchased in addition to the platform's stock at market price.
4. The tokens can be transferred to the manufacturers as a payment and they can keep or sell them either on the free market of lohncontract.com at the market price.
5. The Market LOHN Value(MkLV) will be calculated in real-time and will be displayed continuously on the platform's front page.

The use of the platform by buyers, as manufacturing order makers is conditional upon the immobilisation in a lohncontrol smart contract of a number of LOHN tokens equal to the amount that it has to pay for the placed order. This means that all the time active request value (AVR) must be covered by LOHN token. If the active requests amount increases, the LOHN tokens that are in a predetermined number will have to cover this value and automatically will increase too. Because the 1B LOHN token to the \$ 0.06 ITO value can only cover a \$ 60M active request, any \$ 60M increase in the value of active requests placed on the platform will cause a proportional increase in the token value LOHN that has to support the platform as a kind of escrow agent. This increase, proportional to the platform's use, was determined by a mathematical calculation materialized in a growth algorithm that includes multiple variables such as the availability of LOHN tokens on the free market or **MkLV = ARV/ATxATL**

where

MkLV - Market LOHN Value

ARV - Active Requests Value

AT - Available Tokens and its represent the difference between CT (circulating tokens) and TUC(tokens used in contracts)

AT=CT – TUC

CT - Circulating Tokens

TUC - Tokens Used in Contracts

ATL - Available Tokens Liquidity (%)

For example if:

ARV=100Millions USD

AT=1Bilion LOHN tokens

ATL=100%

then

MkLV = ARV/ATxATL=100M/1Bx100%liquidity

MkLV=0,10USD

Or if :

ARV=150Million USD

AT=800Milion LOHN tokens

ATL=60%

then

MkLV = ARV/ATxATL=150M/800Mx60%liquidity

MkLV=0,3125USD

Or if :

ARV=300Millions USD

AT =600Millions LOHN tokens

ATL =40%

then

MkLV = ARV/ATxATL=300M/600Mx40%liquidity

MkLV=1,25USD

So, the LOHN token price is always in direct proportion to the market volume of lohncontract.com and growth will be exponential as the project goal is reached and **ROI rate** will be very high.

The platform operates in 32 industrial branches globally and has a target for the next three years of 0.1% of global lohn production estimated at USD 10,000 B as per the international economic statistics.

How will lohncontract.com actually work?

The platform will be a dynamic, complex ecosystem that will integrate all parties involved into a lohn contract and their relationships will be managed independently in the blockchain through the lohncontrol Smart Contract that will release the payments due to each one to fulfill the tasks initially allocated.

The main actors of this ecosystem will be buyers from developed economies who want to produce quality and cheap goods and manufacturers from developing economies interested in these orders. The relationship between them will be possible with the participation of some directly involved actors such as transport companies, connected logistics, warehouses, then quality control experts who are engaged in industrial production processes and finally the providers of payment solutions within the smart the contract, which closes the economic circuit.

Equally important in the performance of the lohn contract but with indirect involvement in the smart contract are the secondary actors in the second series, namely raw material suppliers, internal suppliers, utilities suppliers and then framework providers for software infrastructure, financial risk management, data providers, financial risk insurance, legal services.

In the production process management area, industrial process engineers, industry specialists, development partners will be involved, and the ecosystem will mobilize financial institutions: clearing houses, friendly banks, escrow partners, funding solutions, blockchain accounts on the settlement area.

The blockchain architecture of the lohncontract.com ecosystem is designed to provide psychological comfort to all parties involved who will know that the payment for the services provided or the goods delivered under the lohn contract will be made independently by the smart contract at the time of the assumed tasks.

The blockchain thus introduces a trustworthy protocol without which firms located in different parts of the world, from different economic cultures, would not be able to interact or would do so and would incur high financial risks.

The **Smart Contract Rating System** is a section of the lohncontract.com ecosystem that continually archives blockchain on the percentage of task accomplishment and market behaviour of each party involved in a lohn contract generating a trustworthy rating that will provide a precise orientation in choice of business partners. There will be an uninterrupted concern for each smart contract actor to protect his image and business history through honest and professional conduct as a good qualifier will also bring his expected customers.

The lohncontract.com trading platform will provide small and medium-sized businesses around the world with access to some of the business opportunities currently reserved to major economic players, linking through disruptive technology-blockchain niche projects to manufacturing and commercialization of industrial goods, projects which exploits the appeal of consumer markets for quality products at competitive prices.

The platform provides the means, working methods and tools needed for a complex industrial production process in an honest, trustworthy and safe domestic environment for all parties to a lohn contract.

The lohn, which is based on low labour costs and raw materials in emerging economies, will be a business solution as long as there are developed and developing countries in the world.

MVP.

What is bursadelohn.ro

bursadelohn.ro is a B2B platform dedicated to the lohn textile industry in Romania. The idea has been developed from concept to reality in 2016 and has become fully operational in 2017. It is the only platform of its kind in the world and has been developed by a in-house manufacturer, so the project is based on concrete entrepreneurial experience. It operates in a market that topped about 6 billion euros in exports and attracted organically about 10% of Romanian lohn-textile companies.

The interest in this platform, for both buyers and manufacturers who are using it as a good tool in future production planning, has prompted us to build a project that works on a global scale. The meeting with blockchain technology that introduces a trustworthy protocol in to the business relationship and eliminates third-parties has revealed us how to build this global platform and how to finance the implementation of such a large-scale project through an ICO.

This is how the lohncontrol.com project has appeared. It is pursuing a 16-month period for development the concept from scratch, build a presentation site for ICO, and, in particular, coagulate a team of experts for the future platform, the team that will be able to manage and implement the project both in emerging and developed countries.

Lohncontrol technology. *Proof-of-Tasks* for blockchain platforms.

Lohncontrol project proposes a new consensus protocol that builds upon the ***Proof-of-Tasks*** by implementing it with Proof-of-Stake mining architecture of Ethereum smart contracts.

How does ***Proof-of-Tasks*** work?

In the ***Proof-of-Tasks*** blockchain consensus protocol the platform lohncontract.com mine only the template of the blocks. Such a template has two things in them – the header information about tasks and the reward address for the validators.

The header information inside a block points to a random stakeholder. These stakeholders then validate the pre-mined blocks.

The more stack a validator holds, the chances of them approving a block increases. Only after the validation, that particular block gets into the blockchain.

This is how ***Proof-of-Tasks*** uses the best of the consensus algorithm ***Proof-of-Stake*** to validate and add a block to the blockchain.

Moreover, the network pays both: the platform miner, lohncontract.com and the validators the fair share of the transactional fees.

Thus the system acts against the “tragedy of the commons” and creates a better solution for block validation.

The impact of the ***Proof-of-Tasks*** consensus protocol is similar with ***Proof-of-Stake***: more secured against any attack and a not power-hungry system.

The Lohncontrol Smart Contract will work through dedicated APIs for each section of the platform.

TOKEN SALE

- Ticker LOHN
- Token type utility ERC20
- Total Tokens 1.000.000.000
- Circulating Tokens 1.000.000.000
- ITO Token Price 1 LOHN = 0.06 USD
- Fundraising Goal:
 - Min. 100.000.000 LOHN
 - Max. 400.000.000 LOHN
- Whitelist Yes
- KYC Yes (over 10.000\$ invested)
- Min Personal Cap 1 ETH
- Accepts: ETH
- Can't participate: USA, CANADA, CHINA, SOUTH KOREA, SEYCHELLES

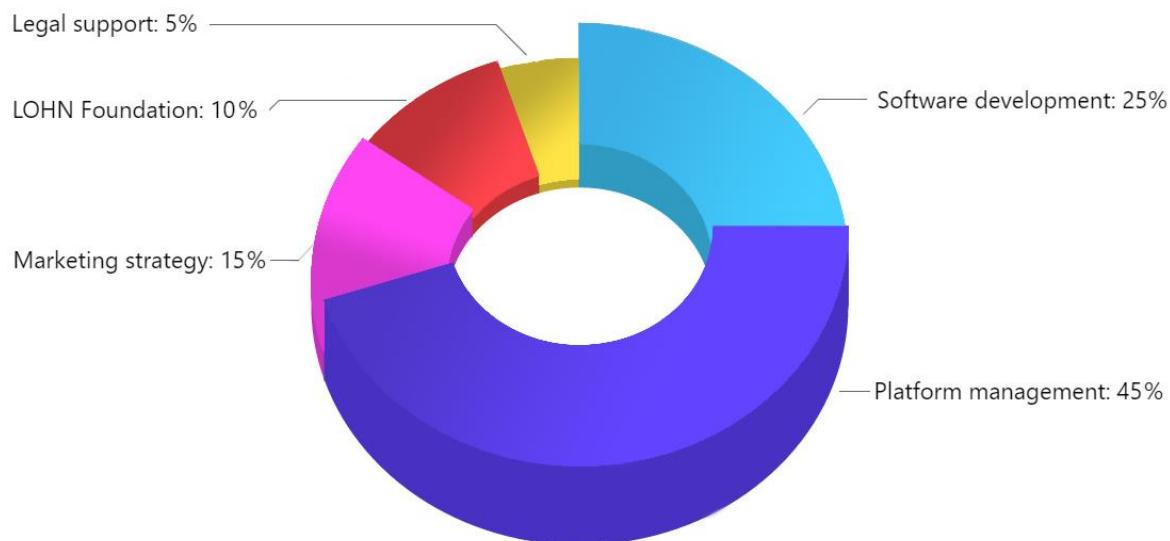


- ITO 40% (Initial Token Offering)
- TEAM 22%
- LOHN FOUNDATION 5%
- LOHN STOCK 33%

The reserve required to ensure the operation of the platform lohncontract.com.

Locked in smart contract.

FUNDS DISTRIBUTION



Software development 25%

Platform management 45%

Marketing strategy 25%

LOHN Foundation 10%

Legal support 5%

ROADMAP LOHN

Q1 2017

Established bursadelohn.ro a regional hub for the processing economy.

ROADMAP LOHN

Q1 2017

Established bursadelohn.ro a regional hub for the processing economy.

It's our working platform ,also our MVP (minimum viable product) and is the first operational trading platform which precedes lohncontract.com

Q1 2019

Upgrade MVP bursadelohn.ro.

Sketching of the lohncontract.com platform architecture.

Q2 2019

Listing LOHN on ICO platforms.

Q3 2019

Private sale.

100.000.000 LOHN

Discount 50% for early investors.

Q4 2019

ITO

Token price: 0.06 USD

300.000.000 LOHN

Accepts: ETH

Q1 2020

Operational VS 1.0 smart contract lohncontrol.com, blockchain solutions for processing economy.

Building of the lohncontract.com platform architecture.

Q2 2020

Is finished ecosystem between lohncontract.com and lohncontrol.com.

The smart contract lohncontrol governs this ecosystem.

Q3 2020

Branches establishment in Ethiopia and Maroc.

Branches aim to attract local producers to the platform.

Q4 2020

Branches establishment in Vietnam, Bangladesh, Pakistan, India and Sri Lanka.

Branches aim to attract local producers to the platform.

Q1 2021

Branches establishment in Cuba, Costa Rica and Chile.

Branches aim to attract local producers to the platform.

Q2 2021

lohncontract.com runs 0.1% from world industrial production in lohn. This means 10B USD.

OUR TEAM



Irina Masnita
Industrial management



Laurentiu Popa
CTO



Oana Taroiu
Quality manager



Sorin Visinescu
Risk manager



Raphael Ragaven
Logistic manager



Andrei Danciu
Legal



Daniela Ghitoiu
Customers manager



Vasile Lupu
Art Director



Hakan Isidogru
Strategy & business development



Ovidiu Stancale
Industrial management



Catalin Iordache
Concept manager



Hamza Khan
Advisor



The team is a complex team of people with strong expertise in customer management, logistics, quality management, legal services and frameworks, industrial engineering, payment solutions and financial risk management. It was built on the architecture of the lohncontrol project in the sense that each member of the team covers one section of the trading platform and has the responsibility to manage this section through the acquired experience.

The team is made up of entrepreneurs with many projects and people accustomed to the rhythm and rigor of multinational work. Each of them has performed in the activities, he/she has developed by acquiring a know-how that made him/her eligible for the lohncontrol team. In the project they will capitalize their own gained experience and will add value to the business services ecosystem that lohncontrol proposes. The team is a great puzzle of expertise and abilities in main or complementary activities of processing economy.

OUR VISION

The lohn (processing economy) has been and will be a solution to produce goods at reasonable and high-quality prices through the efficient use of labor and cheap raw materials in emerging economies. It is also a business model that creates economic and social progress across the world bringing together markets with productive resources and capabilities.

The trading platform developed by the lohncontrol project will create global opportunities for small and medium-sized businesses that are responsible for generating 60% of GDP. It will give them a visibility that they do not have at this time and will encourage the development of direct business between them. This means low manufacturing costs and greater adaptation to market demands. Those who will win at the end of this interaction will be consumers who will get good products at realistic prices.

The platform will revolutionize the processing economy, over 50 years old, creating a new business model with rigorous management and user friendly experience provided by blockchain technology. The blockchain will introduce a new element in the relationship between the parts of a processing economy (lohn) contract, namely the trustworthy protocol.

This trust provided by the lohncontrol smart contract within the trading platform will mean a guarantee of honesty for all parties involved. In this way those who will order consumer goods will have the certainty that they will receive them and its will be made to the quality standards imposed by them and those who will produce them will have the comfort that they will receive the money for their work.

OUR PRODUCT

Lohncontrol proposes the lohncontract.com trading platform that will in fact be a business services platform for processing economy. The targeted users are the small and medium-sized firms worldwide, responsible for 60% of GDP, who will have the opportunity to develop business directly between them, escalating geographical, cultural or linguistic barriers.

Specifically, a small company from a developed economy will have an organized trading environment and some secure business tools to launch orders for the manufacture of goods according to their own specifications. Its partner may also be a small production company in an emerging economy. The platform will provide a safe and honest environment in which they can develop joint business.

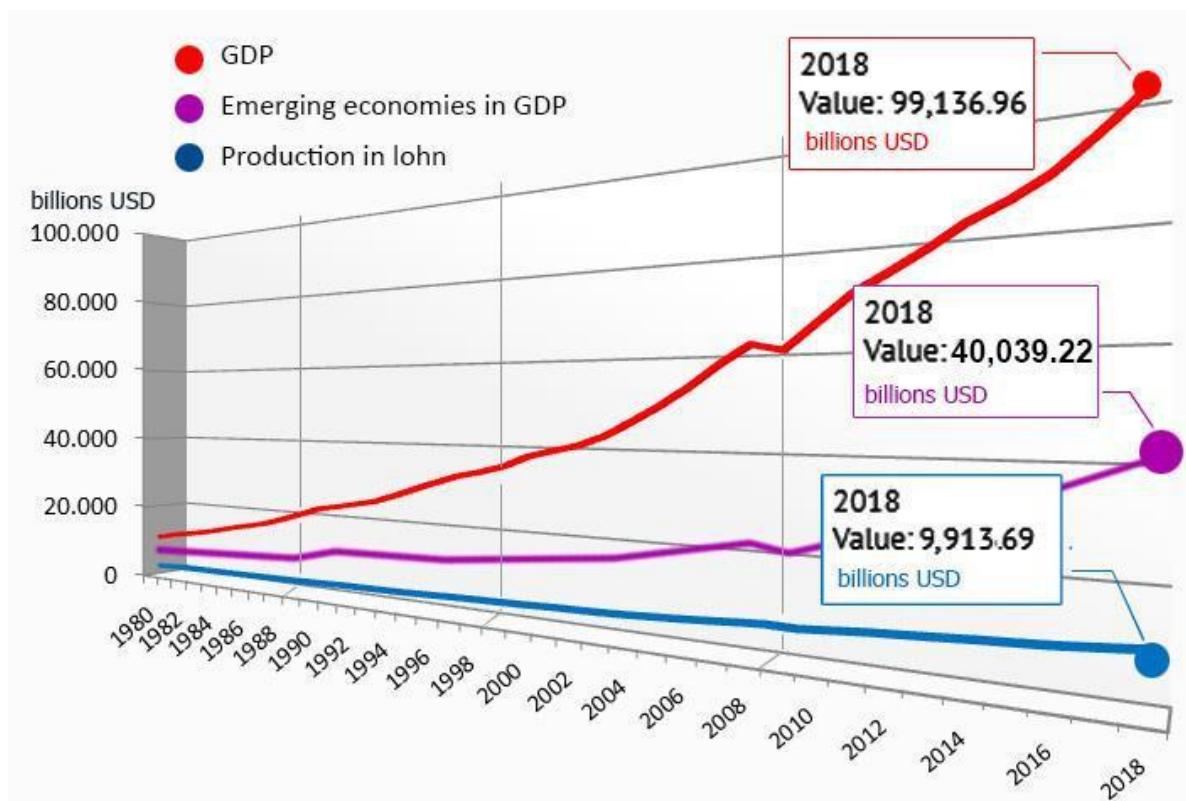
The platform creates an ecosystem in which buyers and producers will be the main actors in processing economy activities. In addition, other companies will offer complementary services or products: suppliers of raw materials, logistics, quality management, industrial process management, legal services and settlement of payments between the parties.

Never the small and medium-sized firms around the world have been in a single project with so many working tools to grow their businesses and optimize their profits. lohncontract.com, the business services platform developed by the lohncontrol project, it will be such a place. The platform operates in 32 industrial branches globally.

INDUSTRIAL GLOBAL REPORT

Global industrial production is concentrated in highly-engineered countries that are the largest owners of international brands and the largest consumers of goods on one hand and on the other hand in emerging economies where the main attractiveness is related to the low production costs. Low production costs are the result of several factors with separate or simultaneous action, namely labor cost, proximity of basic raw material, low electricity and water price, permissive waste management and recycling legislation, cheap infrastructure or tax incentives that stimulate and protect foreign investments.

Emerging countries are responsible today for 40% of GDP, which in absolute figures means 40,000 billion USD per year, of which at least 25% represents lohn industrial production for major international brands, especially in fashion, appliance, electronics, ship and boat building or metal industry.



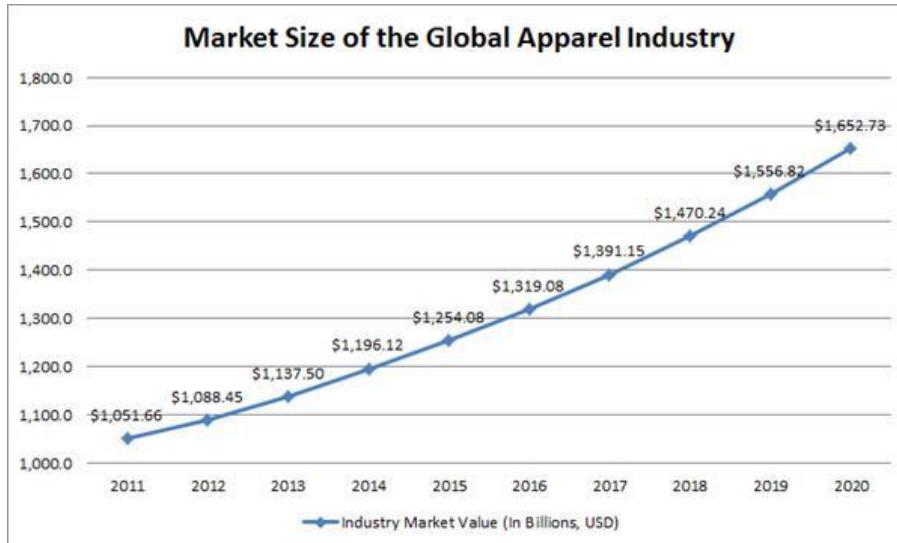
The industries that most exploit the low production costs in emerging countries are manufacturing industries or industries that develop near inexpensive natural resources.

FASHION INDUSTRY, ESTIMATED TO 3000 BILLIONS USD IN 2018 INCLUDES:

<https://fashionunited.com/global-fashion-industry-statistics>

<https://www.mckinsey.com/industries/retail/our-insights/the-state-of-fashion>

1. Apparel - 1470 billions USD



<https://fee.org/articles/fast-fashion-has-changed-the-industry-and-the-economy/>

<https://www.shopify.com/enterprise/ecommerce-fashion-industry>

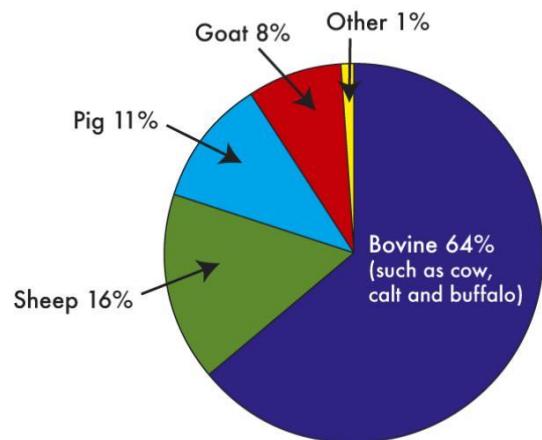
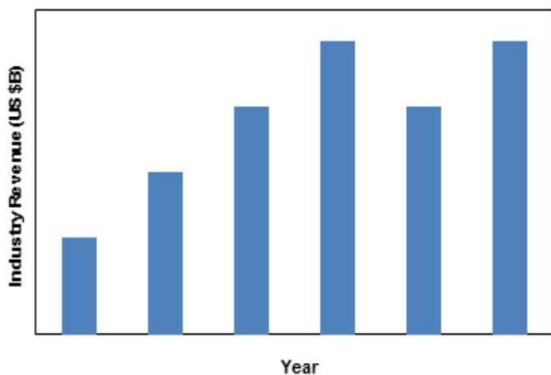
<https://edgexpo.com/fashion-industry-waste-statistics/>

2. Footwear industry - 251 billions USD



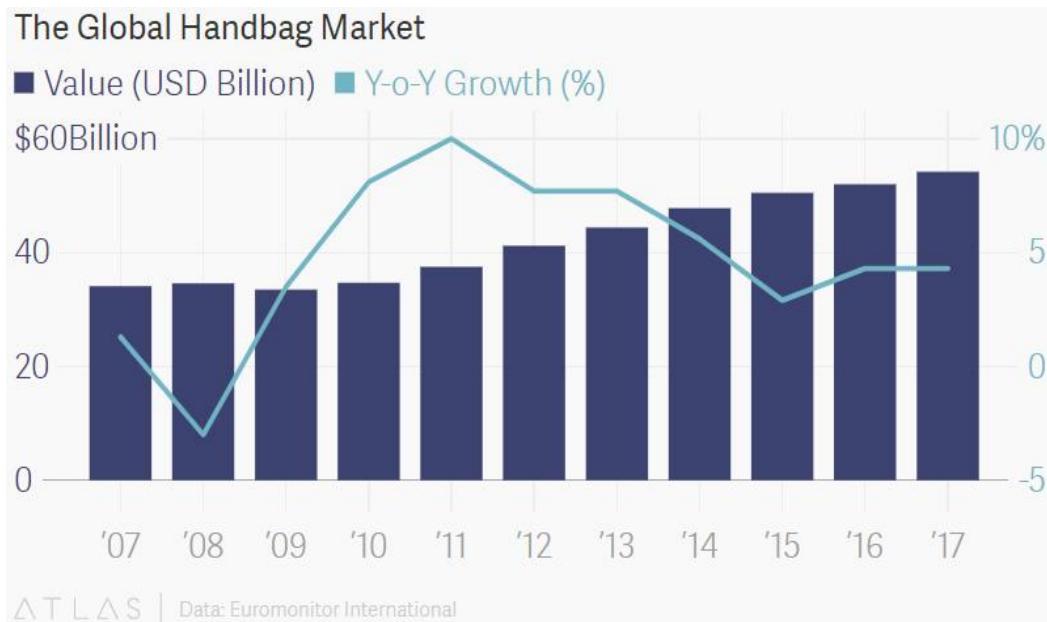
3. Leather industry -200 billions USD

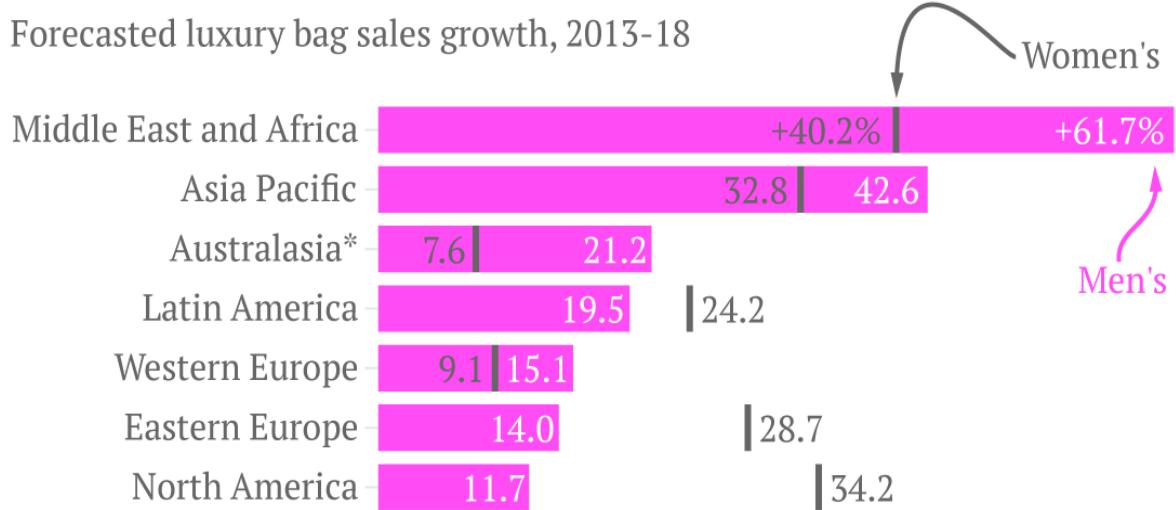
Global Leather Goods Industry Annual Forecast: 2013-2018 (\$B) - SAMPLE FIGURE



4. Handbag and Purse industry - 151 billions USD

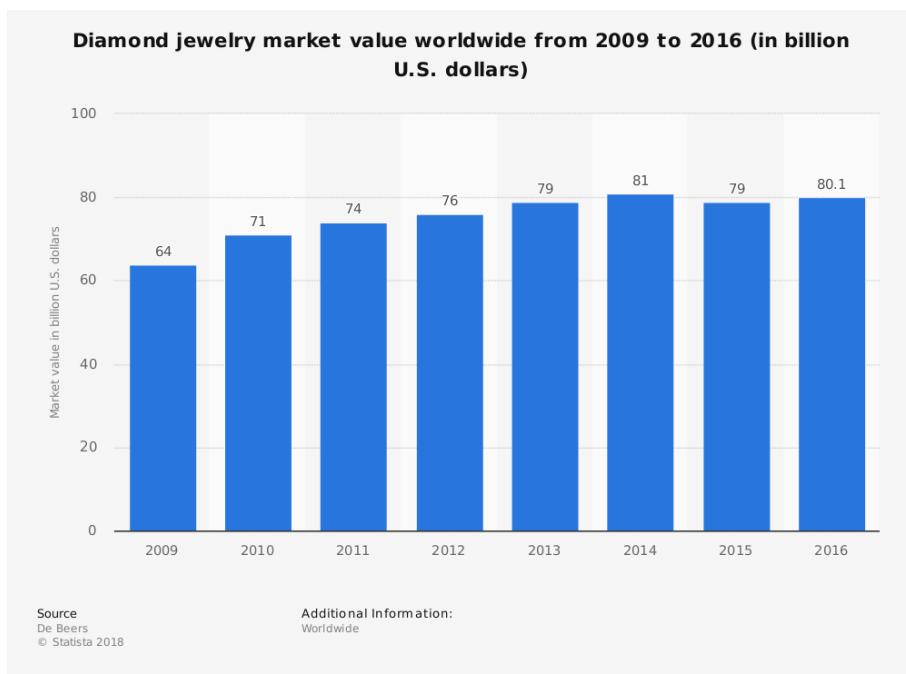
<https://www.statista.com/outlook/358/100/bags-accessories/worldwide#market-revenue>





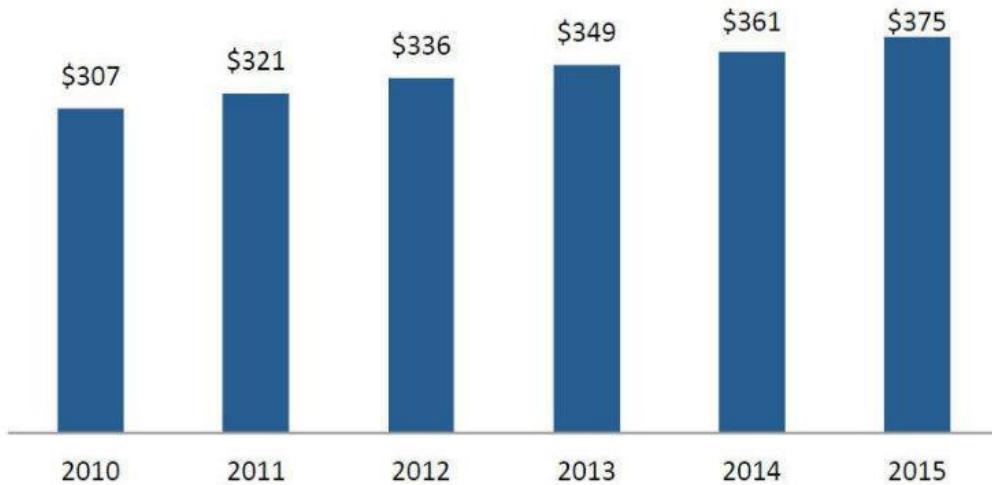
5. Jewelry industry - 350 billions USD

<https://www.bloomberg.com/professional/blog/global-jewelry-market-poised-grow-gold-demand-falls/>



6. Cosmetics industry-532 billions USD in 2018

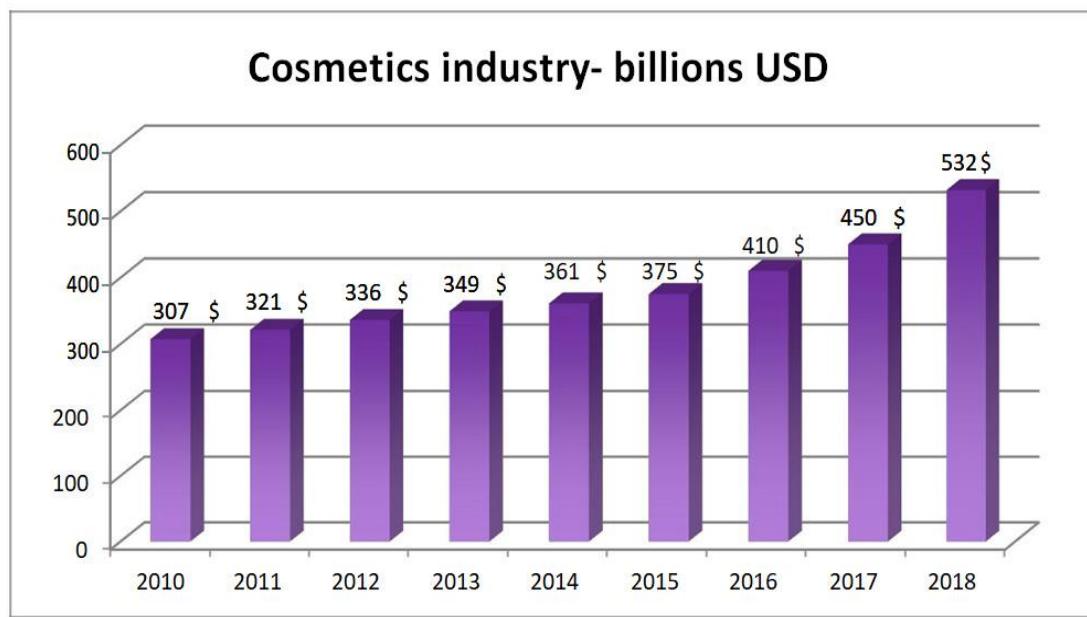
Figure 2. Estimated Global Cosmetics Market Size (USD Bil., at Constant Exchange Rates)



Market size at retail selling prices. Consists of skincare, haircare, makeup, fragrances and hygiene products. Excludes soaps, oral hygiene, razors and blades.

Source: L'Oréal/Fung Global Retail & Technology

<https://www.reuters.com/brandfeatures/venture-capital/article?id=30351>

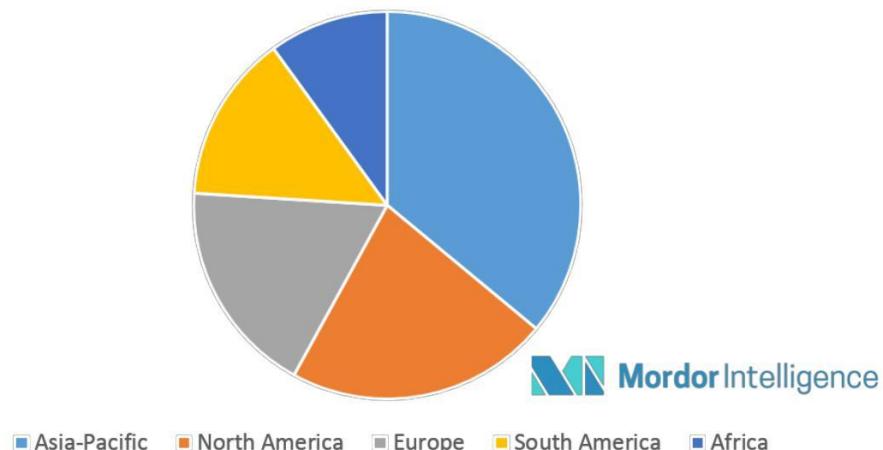


BEVERAGE INDUSTRY INCLUDES:

7. Beer industry -590 billions USD in 2018

<https://globenewswire.com/news-release/2017/11/16/1194096/0/en/Global-Beer-Market-2016-2022-Industry-Trends-will-reach-USD-750-00-Billion-by-2022.html>

Beer Market Share By Region



The Countries Spending the Most on Beer

Beer sales revenue per capita in 2017 in USD



@StatistaCharts Source: Statista Alcoholic Drinks Report 2018 – Beer

statista

<https://www.statista.com/chart/12508/the-countries-spending-the-most-on-beer/>

8. Wine manufacturing- 302 billions USD in 2017

<https://globenewswire.com/news-release/2018/04/09/1467083/0/en/Global-Wine-Market-Will-Reach-USD-423-59-Billion-by-2023-Zion-Market-Research.html>



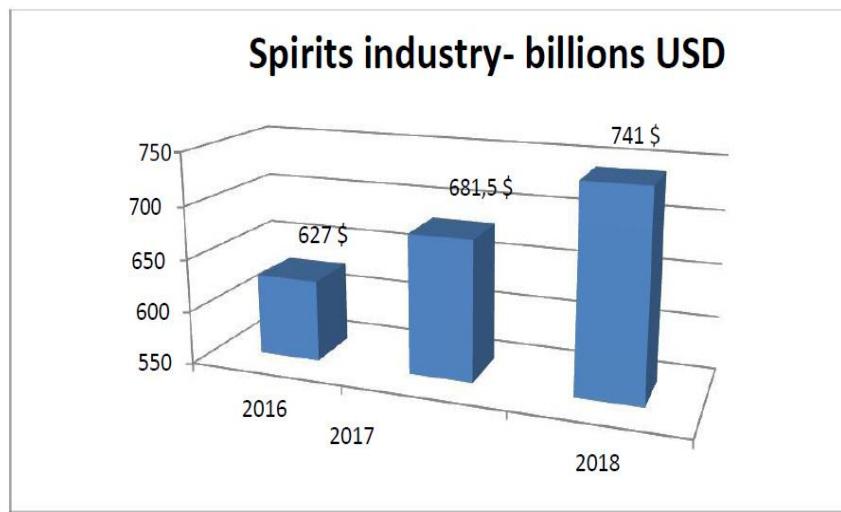
<https://www.statista.com/chart/3445/the-worlds-biggest-wine-producers/>



<https://www.statista.com/chart/6402/which-countries-drink-the-most-wine/>

9. Spirits industry - 627 billions USD in 2016 with annually growth 8,7%

<https://www.prnewswire.com/news-releases/opportunities-in-the-global-spirits-sector-analysis-of-opportunities-offered-by-high-growth-economies-300498566.html>



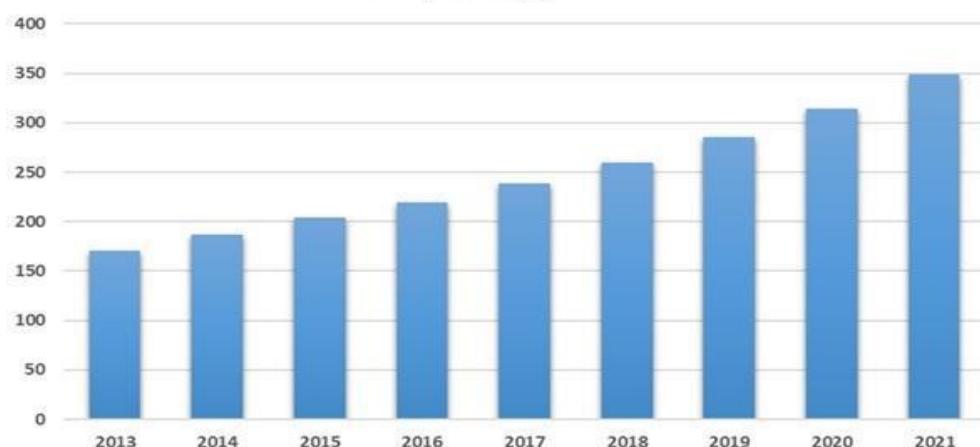
10. Non-Alcoholic Beverage Market By Product (Bottled Water, Carbonated Soft Drinks (CSD), Fruit Beverages, Functional Beverages, and Sports Drinks) - 1157 billions USD in 2017

<https://www.zionmarketresearch.com/report/non-alcoholic-beverage-market>

a) Bottled Water industry-260 billions USD in 2018

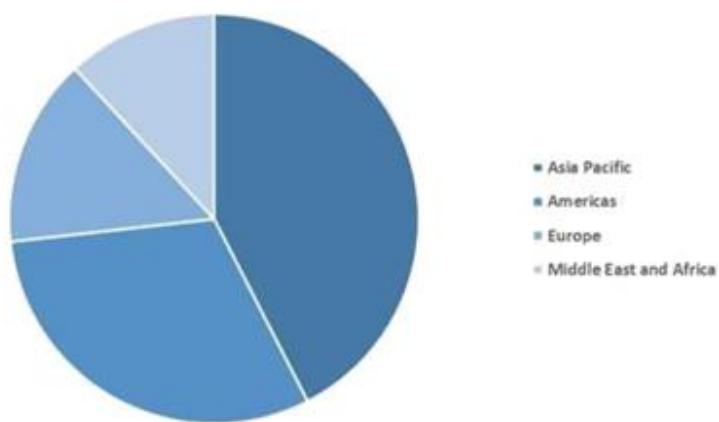
<https://blog.marketresearch.com/the-global-bottled-water-market-expert-insights-statistics>

Global Bottled Water Market, Market Size, 2013-2021, Value, \$ Billion



Source: The Business Research Company

Global Bottled Water Market, 2017, Split By Region



Source: The Business Research Company

b) Carbonated Soft Drinks (CSD)-392 billions USD in 2016

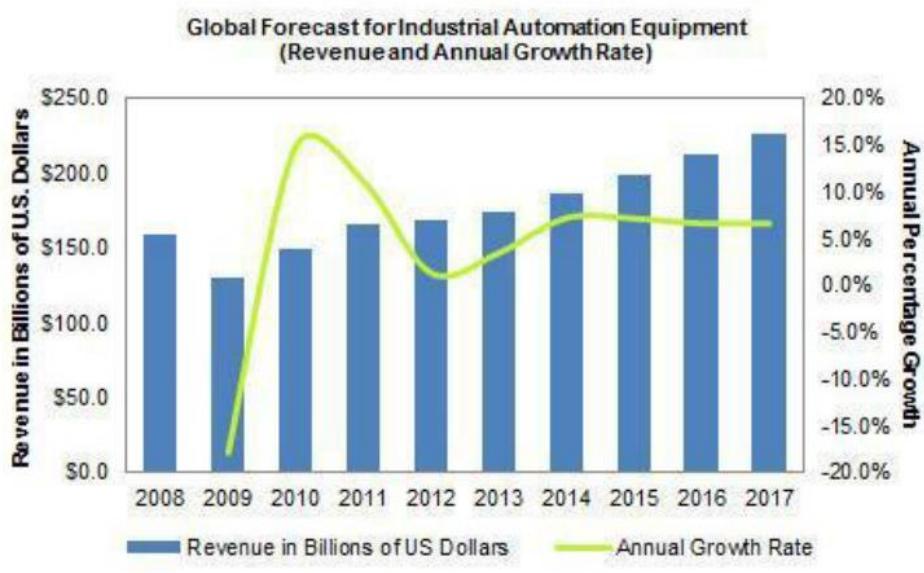
<https://www.grandviewresearch.com/industry-analysis/carbonated-soft-drinks-market>

11. Automation industry -217 billions USD in 2017

<https://www.statista.com/statistics/257170/global-automation-market-revenue-by-end-market/>

<https://www.mordorintelligence.com/industry-reports/global-factory-automation-and-industrial-controls-market-industry>

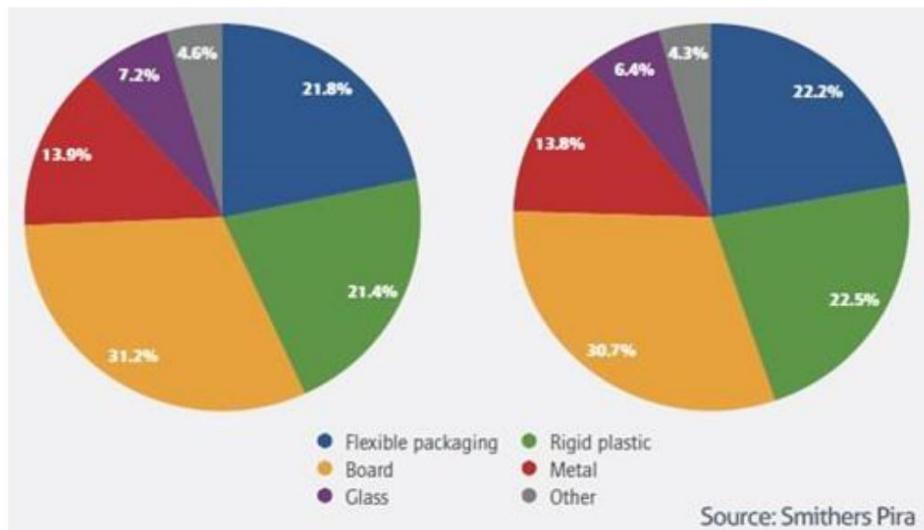
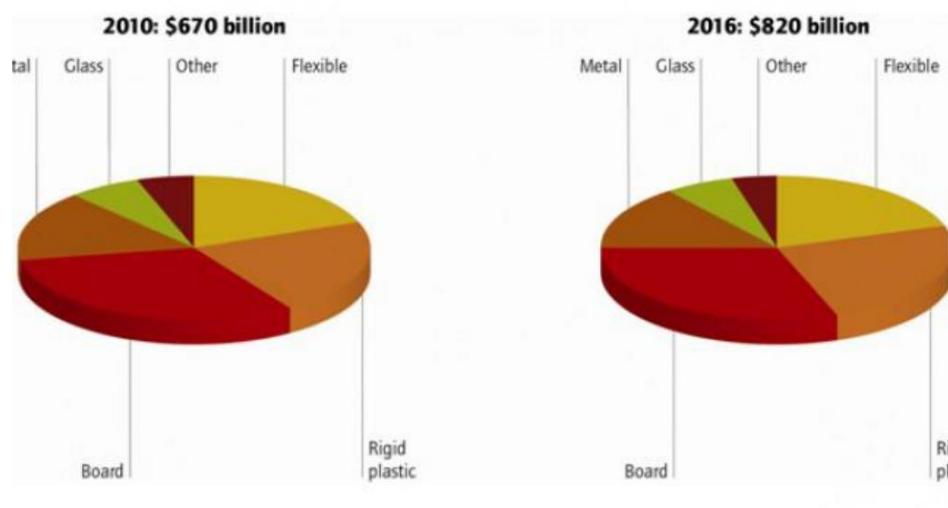
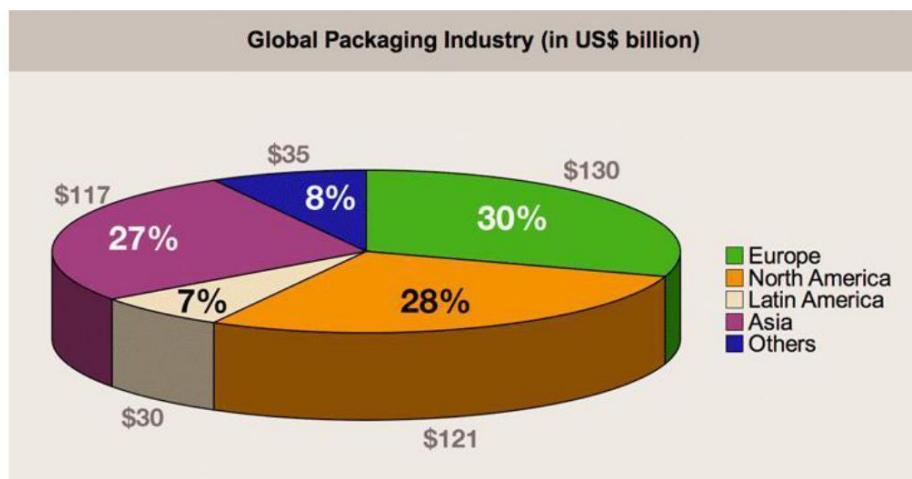
<https://news.ihsmarkit.com/press-release/design-supply-chain/industrial-automation-equipment-see-stronger-growth-2014-after-two>



Source: IHS, March 2014

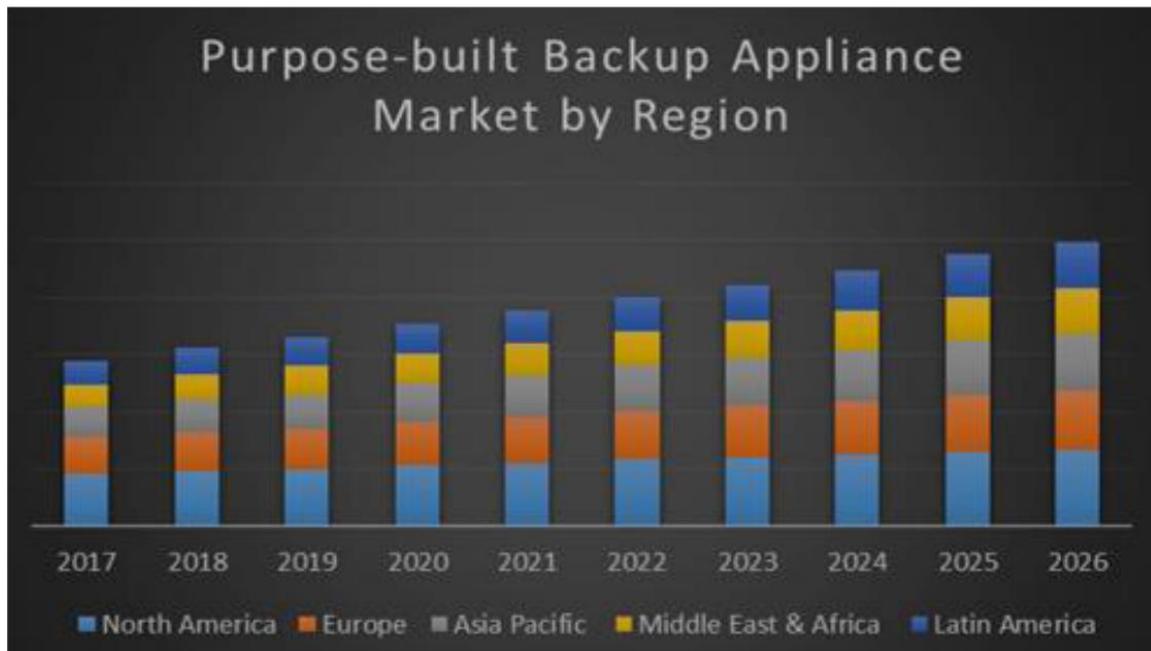
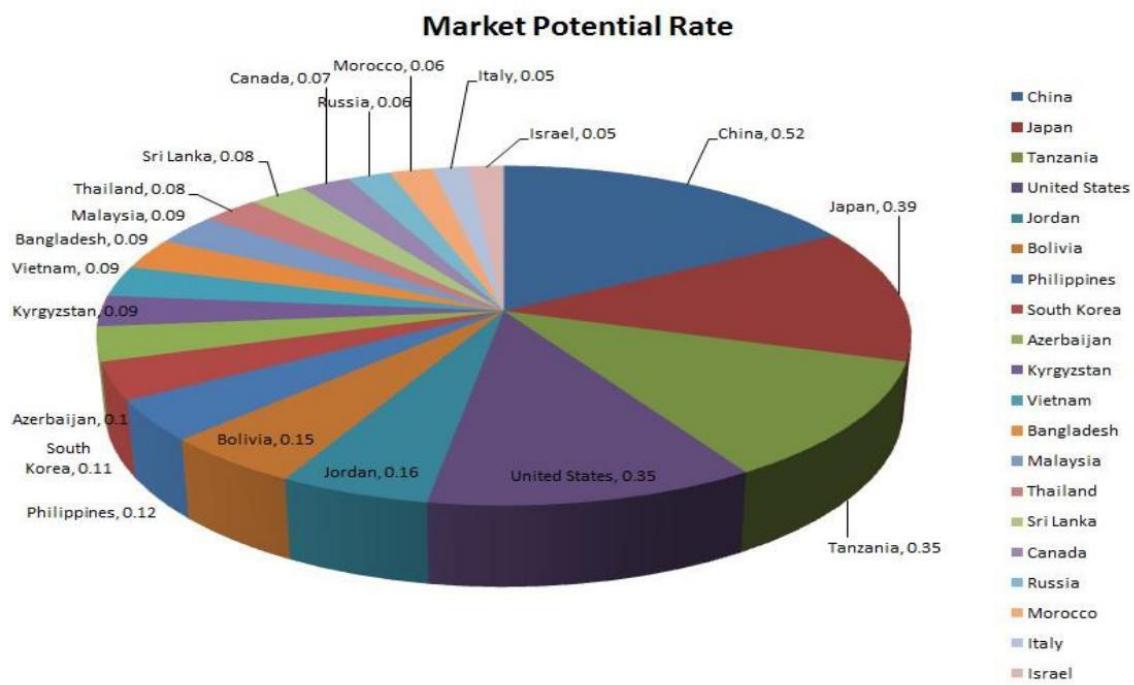
12. Packaging industry-1000 billions USD

<https://www.smitherspira.com/resources/2016/february/global-packaging-material-outlooks>

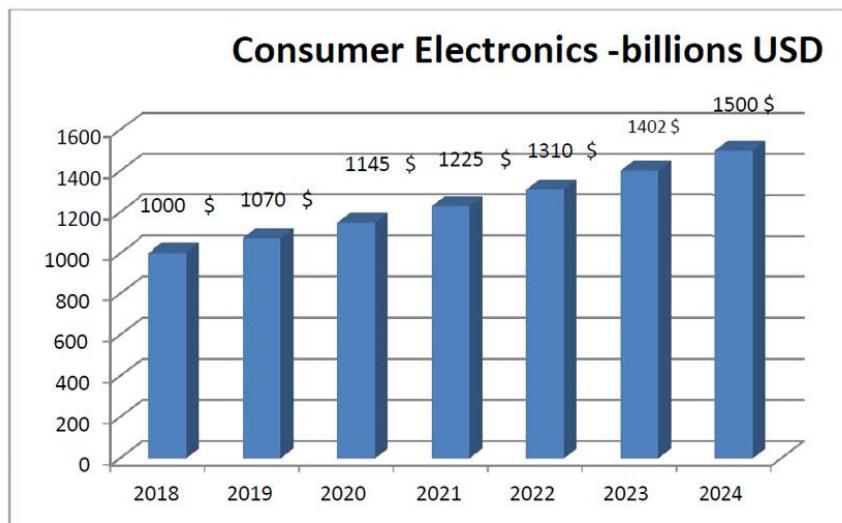


13. Appliance -437 billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/household-cooking-appliance-manufacturing.html>



14. Consumer Electronics - 1000 billions USD

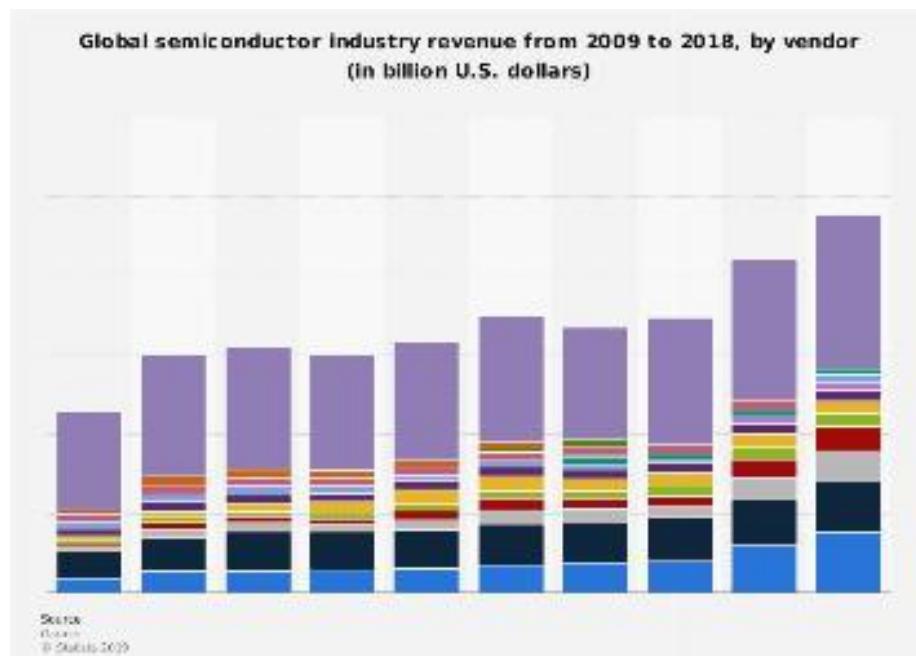


<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/consumer-electronics-manufacturing.html>

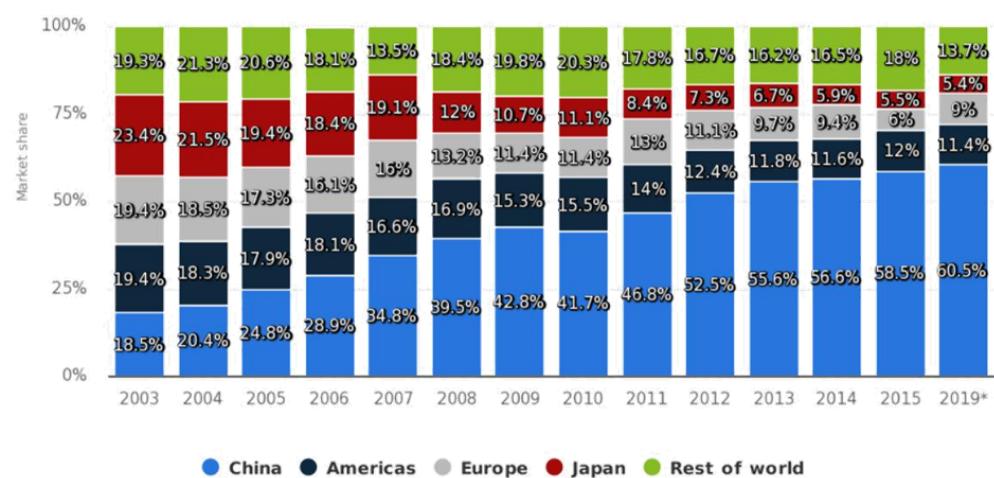
<https://globenewswire.com/news-release/2018/01/29/1313412/0/en/Consumer-Electronics-Market-to-hit-1-500bn-by-2024-Global-Market-Insights-Inc.html>

15. Semiconductor and Electronic Parts-540 billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/semiconductor-electronic-parts-manufacturing.html>



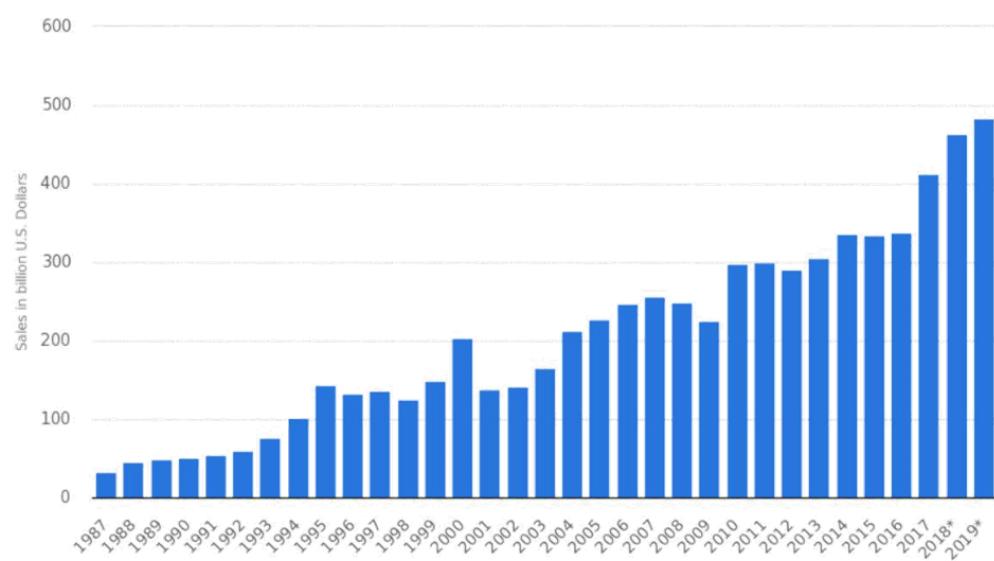
Semiconductor consumption market share worldwide, from 2003 to 2019, by region



Sources
PwC; SIA; IC Insights; Gartner; CCID Consulting
© Statista 2018

Additional Information:
Worldwide; Europe; China; Japan; 2003 to 2015

Semiconductor sales revenue worldwide from 1987 to 2019 (in billion U.S. dollars)

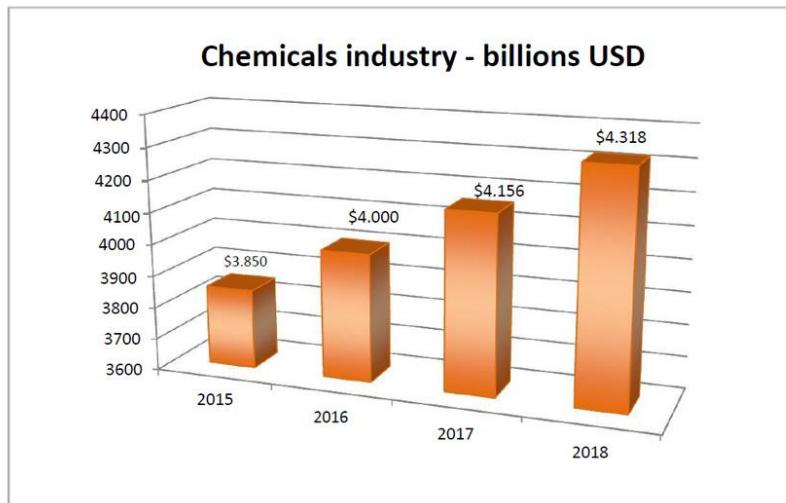


Sources
WSTS; SIA
© Statista 2018

Additional Information:
Worldwide; WSTS; 1987 to 2017

16. Chemicals industry - 3850 billions USD in 2015 with annual growth rate of 3.9%

[https://www.ey.com/Publication/vwLUAssets/ey-chemicals-trends-analyzer/\\$FILE/ey-chemicals-trends-analyzer-may-2017.pdf](https://www.ey.com/Publication/vwLUAssets/ey-chemicals-trends-analyzer/$FILE/ey-chemicals-trends-analyzer-may-2017.pdf)

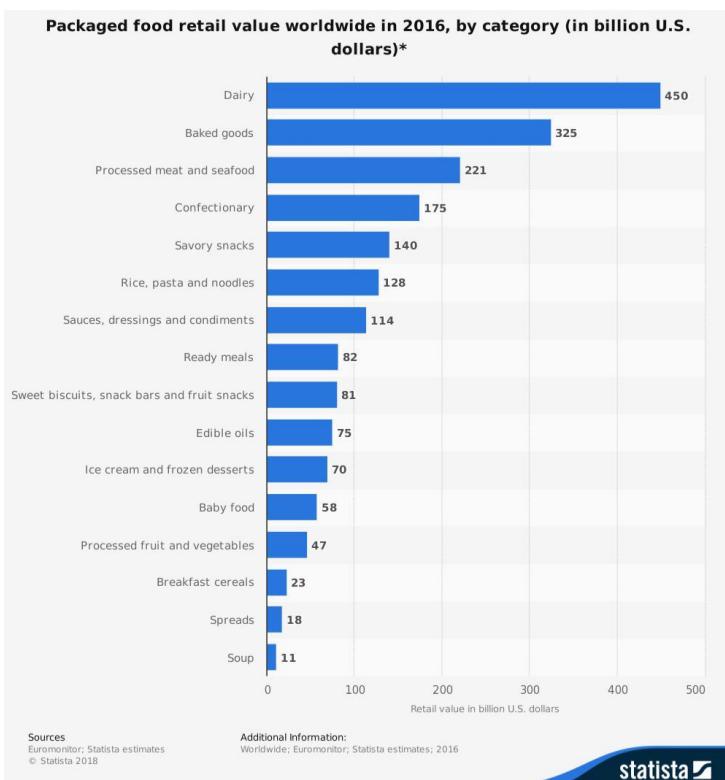


Fertilizers and agricultural chemicals -377 billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/fertilizers-agricultural-chemicals-manufacturing.html>

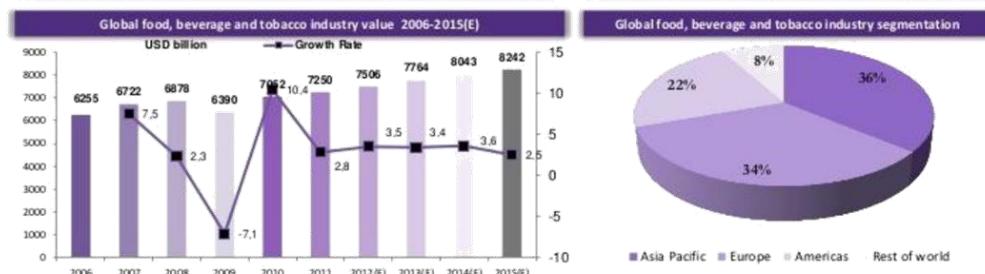
17. Food industry-8100 billions USD

<https://www.plunkettresearch.com/statistics/Industry-Statistics-Global-Food-Industry-Statistics-and-Market-Size-Overview/>



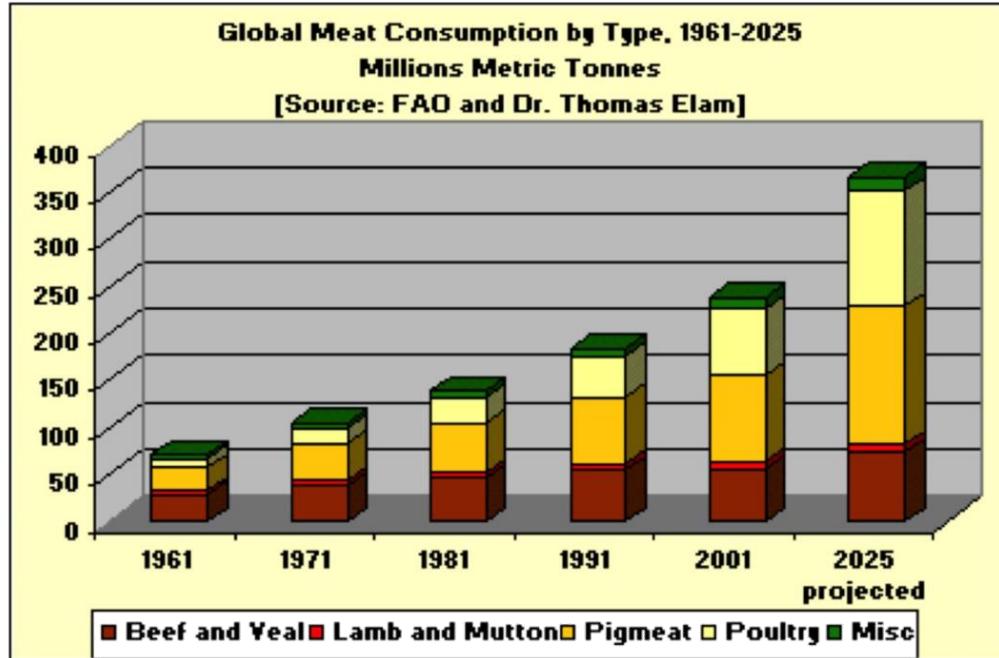
Global food, beverage and tobacco industry is projected to reach value of USD 8.2 trillion in 2015

The global food, beverage and tobacco industry is expected to grow at CAGR of 3.2% for the five year period 2010-2015. The industry is highly fragmented with leading incumbents, such as Coca-Cola, PepsiCo and Nestle, holding just over 8% of the total industry value.



- The Asia-pacific region accounts for the largest share of global food, beverage and tobacco industry followed by Europe and the Americas.
- Factors driving growth in the F&B industry in the developing countries are different from those in the developed countries. While growing population, favourable demographics and rising income levels are expected to be key drivers in developing countries; rising health consciousness and increasing need for convenience foods are expected to drive growth in developed countries.

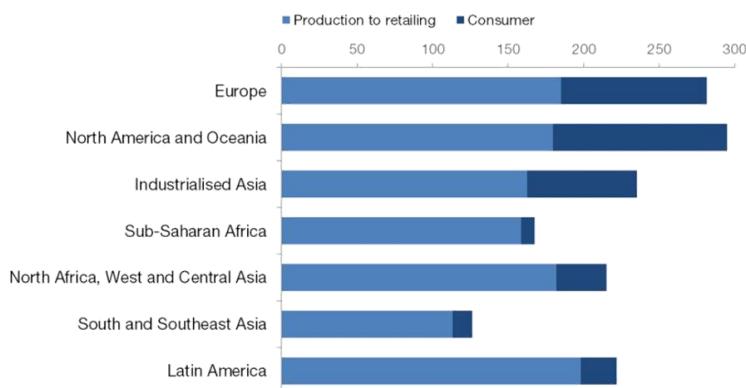
Sources
© 2012 Grant Thornton International Ltd. All rights reserved.
1 – Datamonitor



Which regions waste the most food?

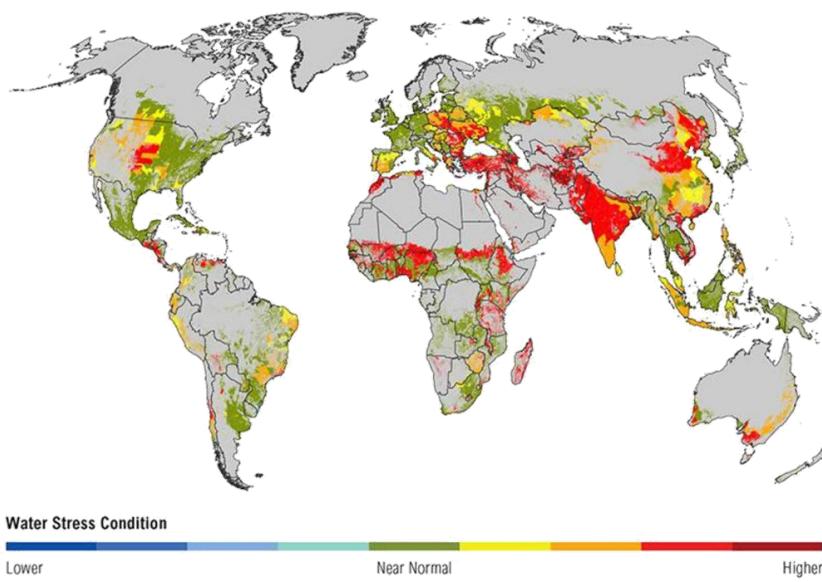
Per capita food losses and waste, kg/year

WORLD
ECONOMIC
FORUM
COMMITTED TO
IMPROVING THE STATE
OF THE WORLD



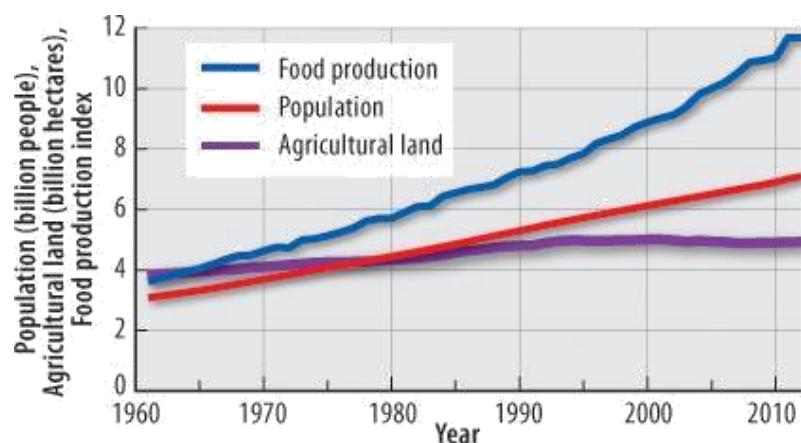
Source: The Food and Agriculture Organization of the United Nations (FAO)

Water stress will increase in many agricultural areas by 2025 due to growing water use and higher temperatures (based on IPCC scenario A1B)



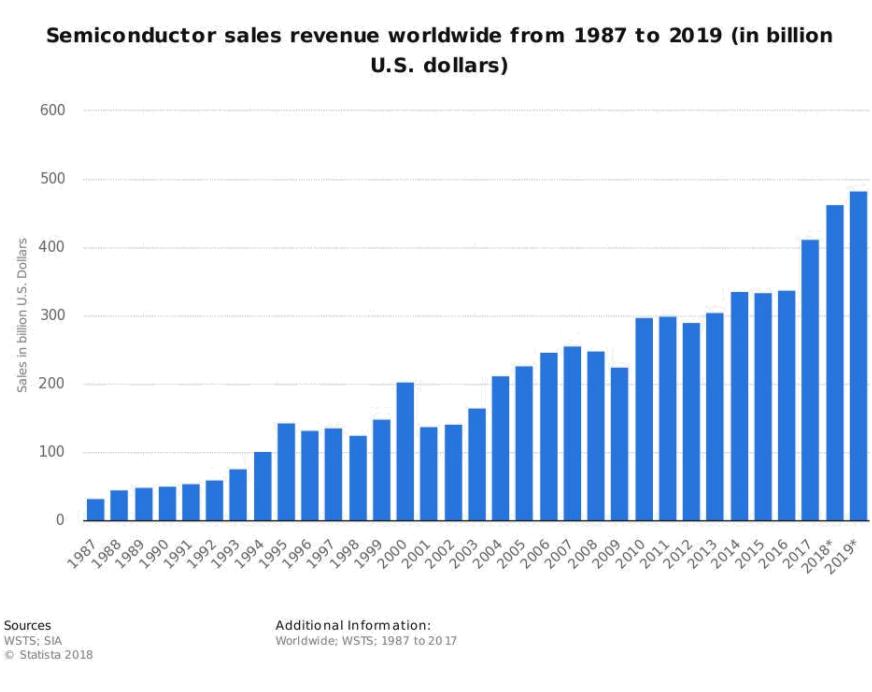
WORLD RESOURCES INSTITUTE

Sources: <http://ow.ly/rpfMN>

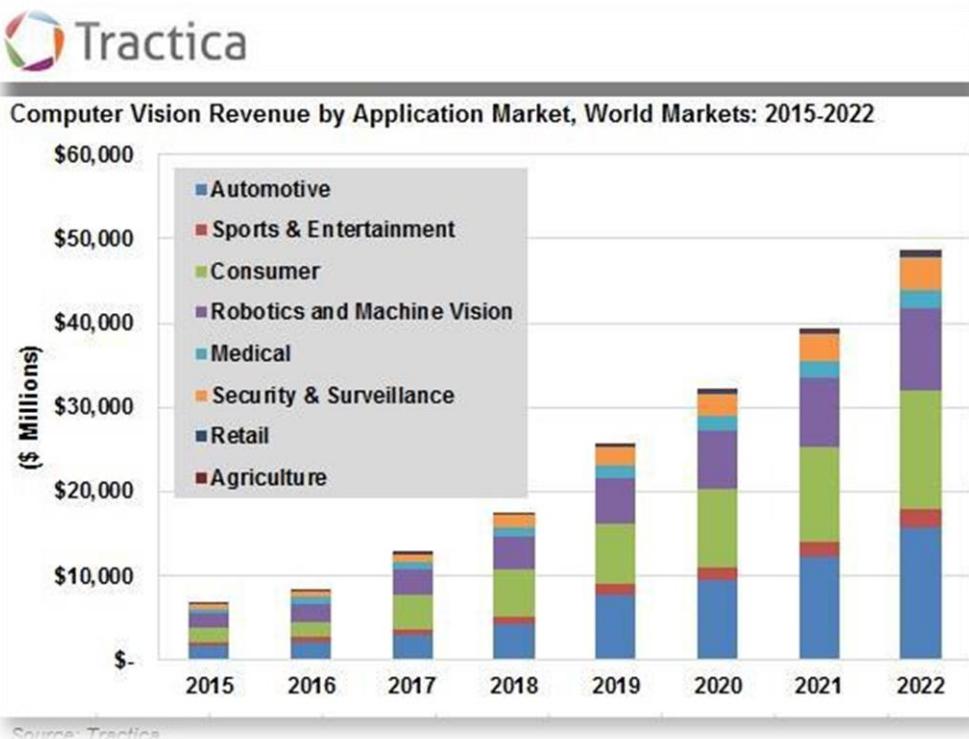


18. Computer hardware industry- 1113 billions USD in 2018

<https://www.statista.com/statistics/422802/hardware-spending-forecast-worldwide/>

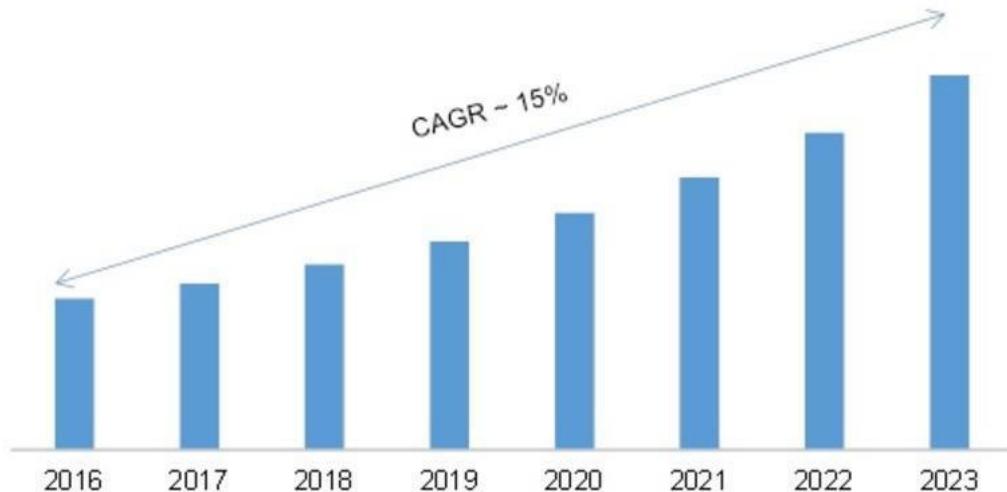


https://venturebeat.com/wp-content/uploads/2018/04/global_games_market_2012-2021_per_segment.png?fit=400%2C225&strip=all

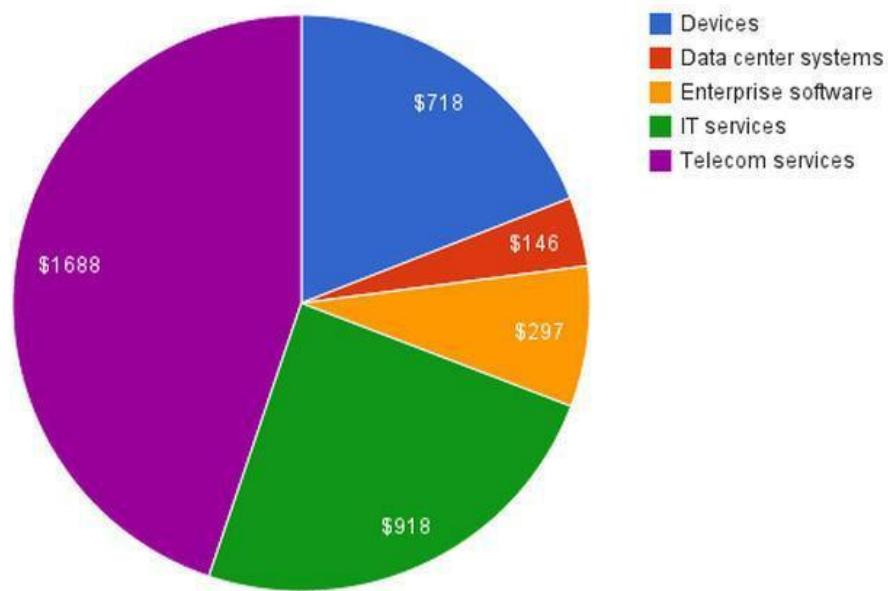


19. Software and IT services- 3500 billions USD

<https://www.gartner.com/newsroom/id/3482917>



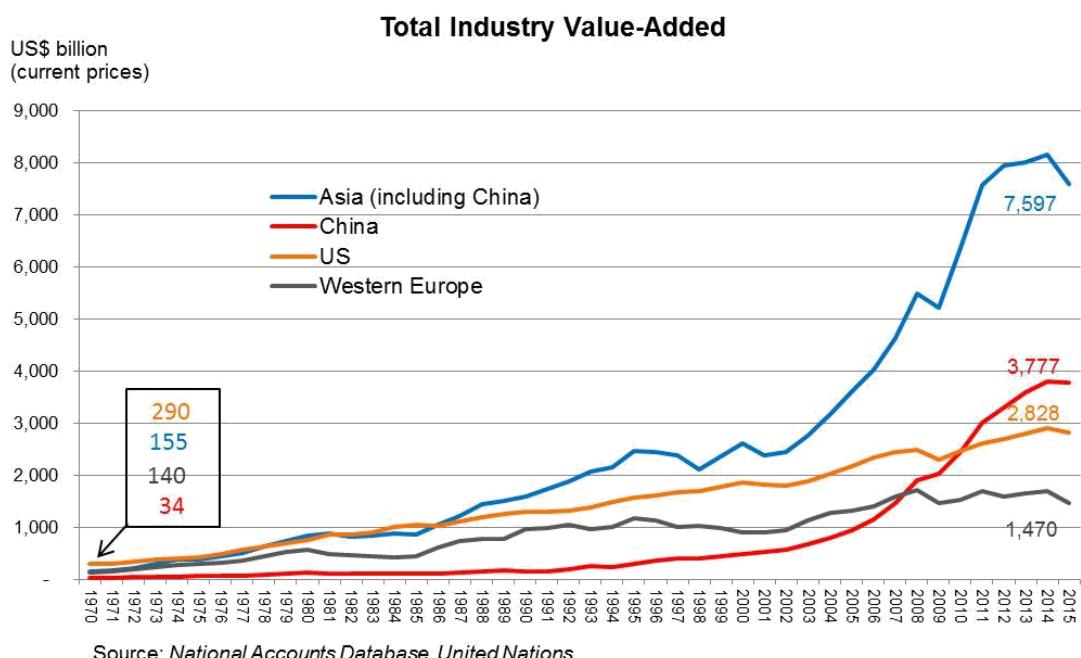
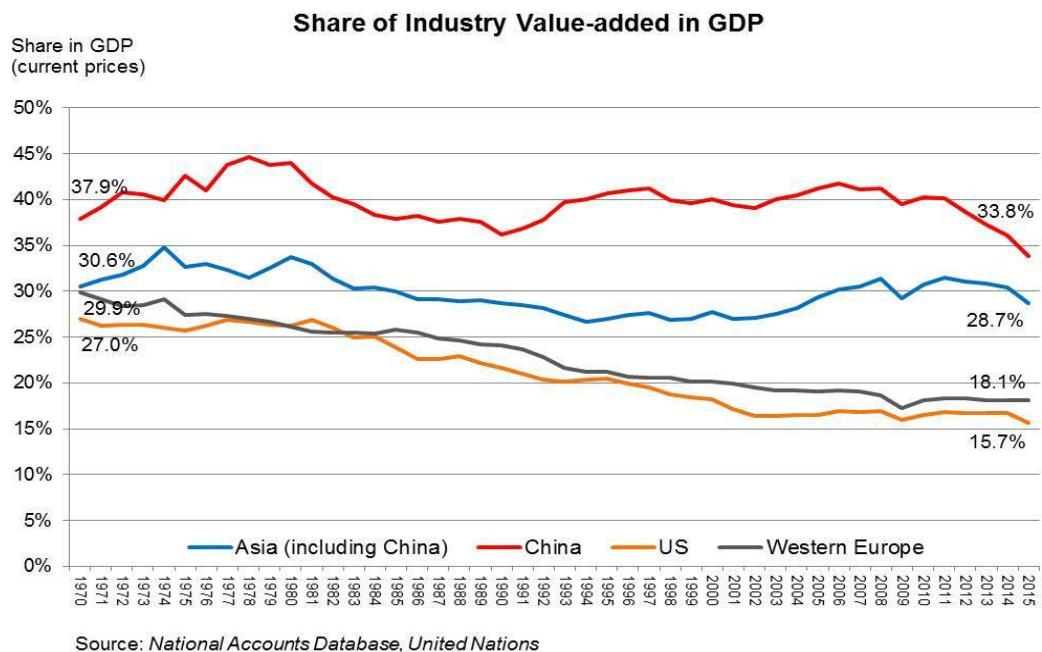
2013 worldwide IT spending forecast (US\$ billions)



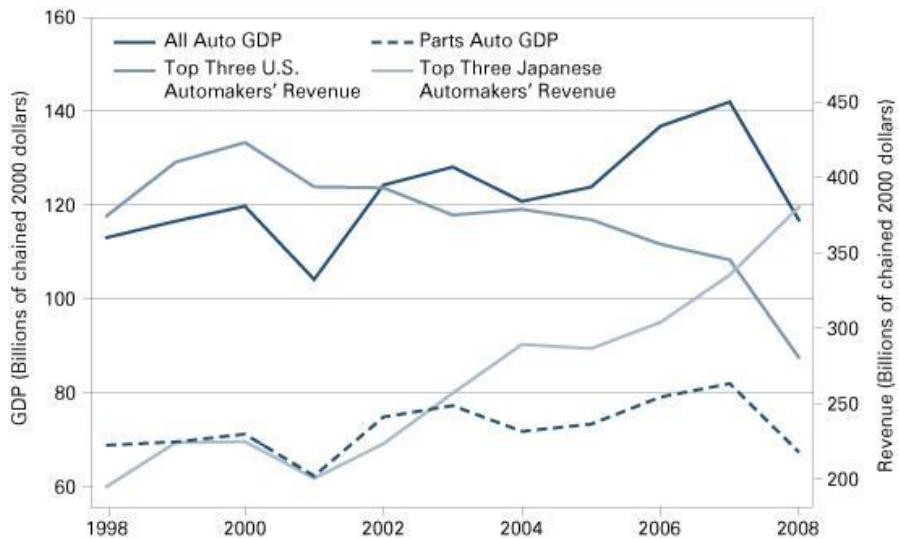
<https://www.comptia.org/images/default-source/researchreports/2018-industry-outlook/slide3.png?sfvrsn=2>

20. Autoparts&accessories industry - 2000 billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/auto-parts-accessories-manufacturing.html>



21. Automobile Engine and Parts industry-301 billions USD



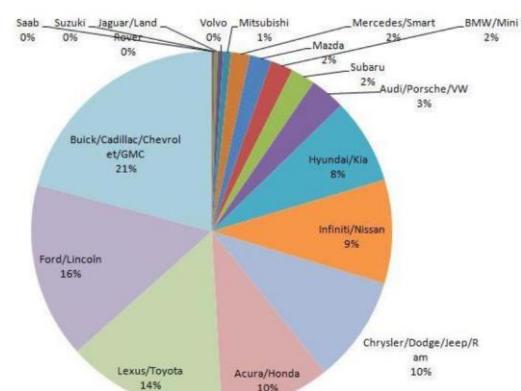
<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/automobile-engine-parts-manufacturing.html>

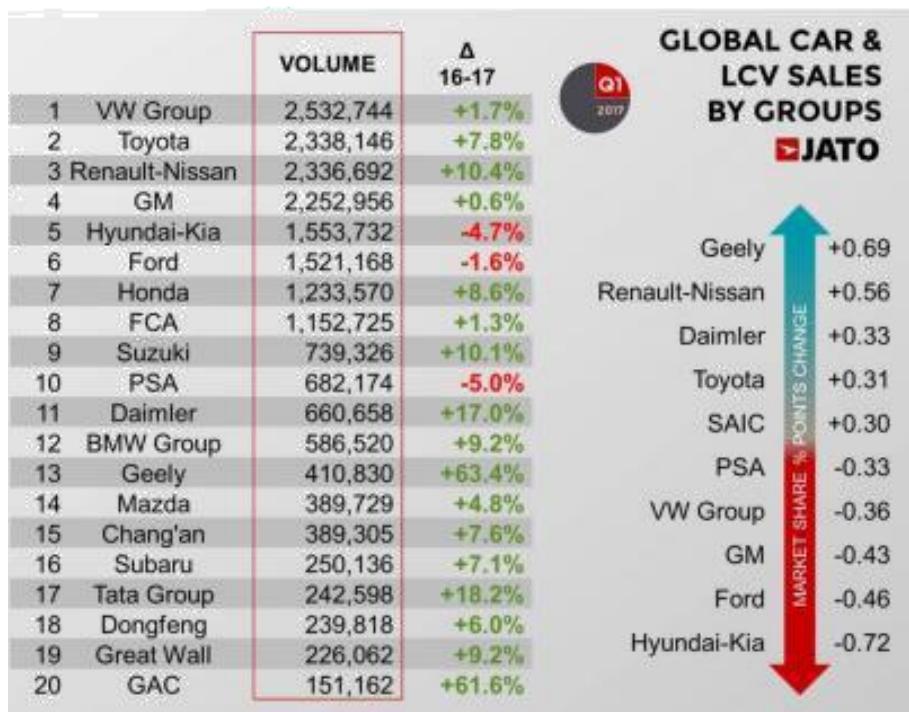
22. Car and Automobile industry - 2000billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/car-automobile-manufacturing.html>



Saab	546
Suzuki	1,643
Jaguar/Land Rover	3,247
Volvo	4,795
Mitsubishi	6,893
Mercedes/Smart	16,760
Mazda	19,387
BMW/Mini	19,919
Subaru	21,683
Audi/Porsche/VW	31,233
Hyundai/Kia	76,339
Infiniti/Nissan	92,370
Chrysler/Dodge/Jeep/Ram	95,102
Acura/Honda	98,059
Lexus/Toyota	141,846
Ford/Lincoln	156,626
Buick/Cadillac/Chevrolet/GMC	207,028
<i>Left out Scion</i>	

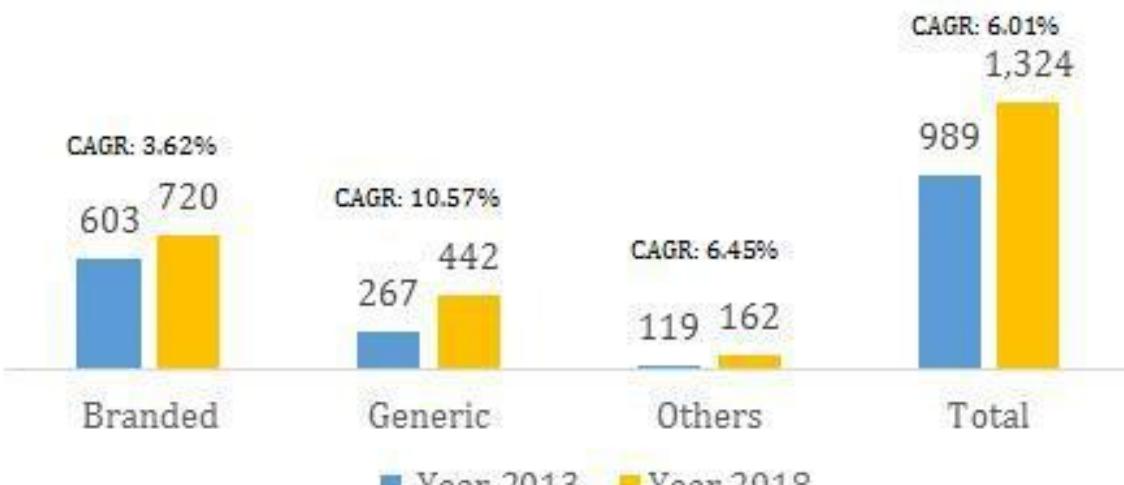




23. Pharmaceuticals-1000 billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/pharmaceuticals-medicine-manufacturing.html>

Figure 1: Global Pharmaceutical Sales (\$ billion)

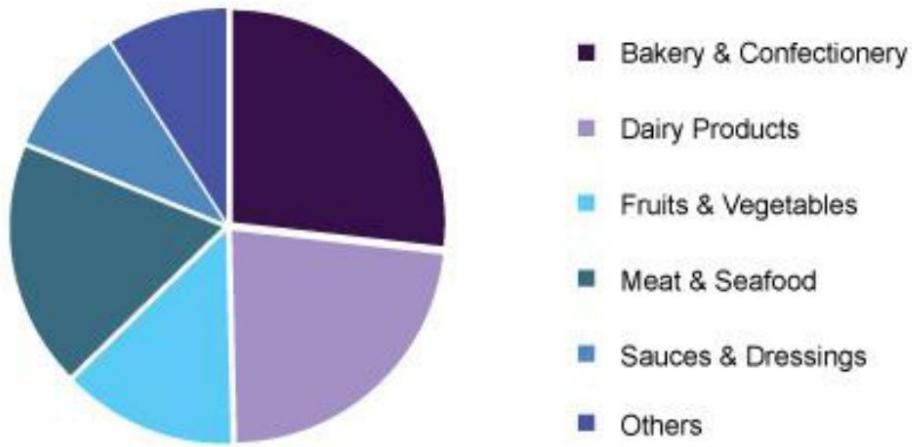


Source: IMS Health

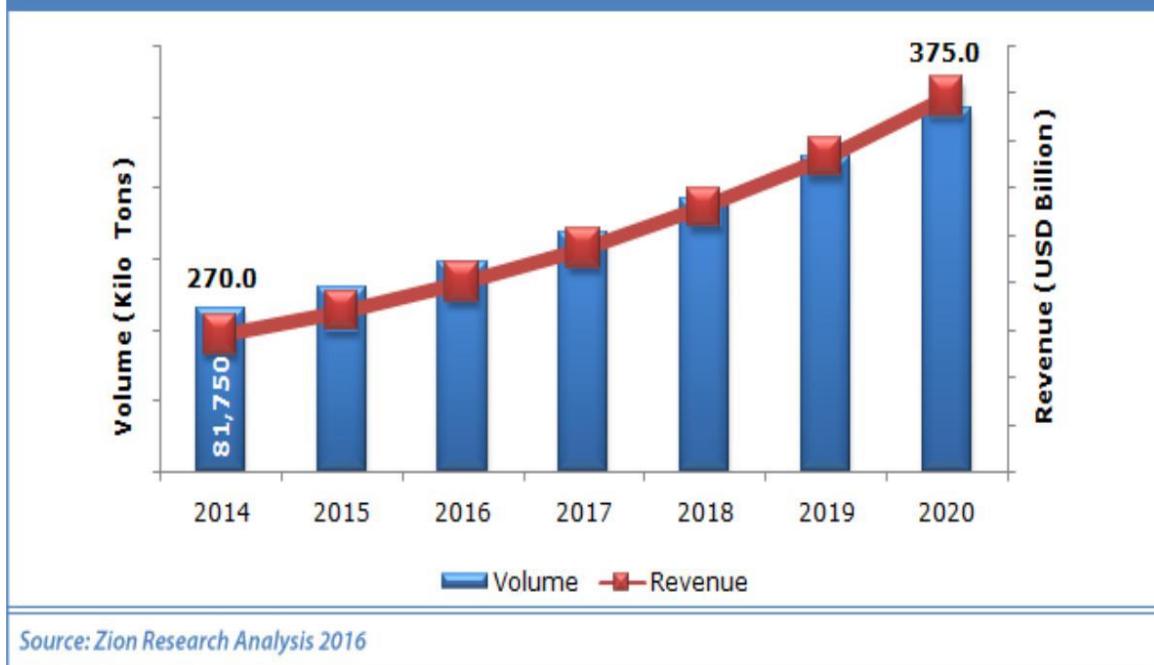
24. Plastic Product and Packaging - 488 billions USD

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/plastic-product-packaging-manufacturing.html>

Global food packaging market share, by application, 2017 (%)



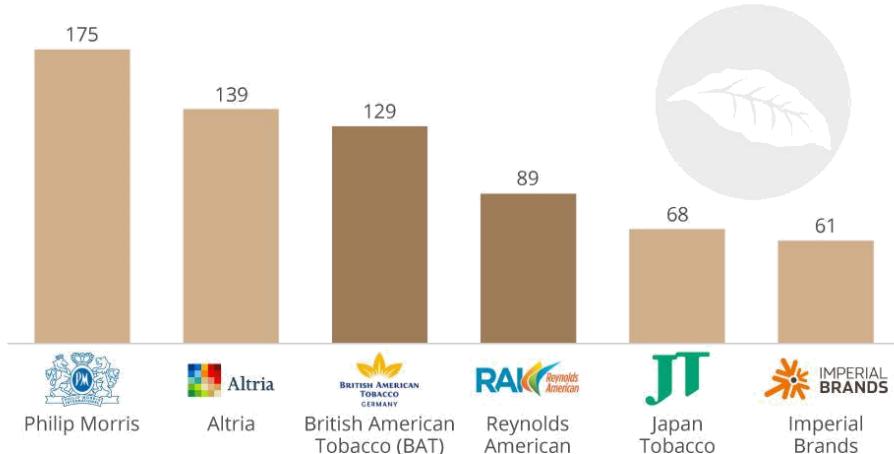
Global Plastic Packaging Market, 2014 – 2020 (Kilo Tons) (USD Billion)



25. Cigarette and Tobacco - 750 billions USD

Big Tobacco: BAT Bags Camel

Listed tobacco companies worldwide in 2016, based on enterprise value (in billion U.S. dollars)



Enterprise value is defined as market value of common stock + market value of preferred equity + market value of debt + minority interest - cash and investments.

As of November 2016
CC BY SA
 @StatistaCharts Source: Seeking Alpha

statista

Money to burn: Europe's most expensive cigarettes

Price of a premium pack of 20 cigarettes in selected European countries in 2017



CC BY SA
 @Statista_Charts Source: Tobacco Manufacturers Association

statista

http://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DO9DCKFM

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/cigarette-tobacco-manufacturing.html>

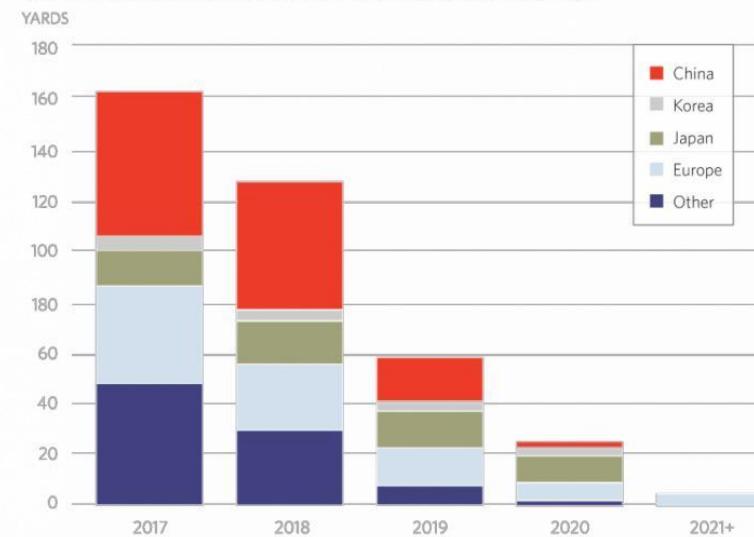
- ② 1. Philip Morris International Inc. PM 0.05% - \$175 billion.
- ② 2. Altria Group Inc MO 1.09% - \$139 billion.
- ② 3. British American Tobacco - \$129 billion.
- ② 4. Reynolds American - \$89 billion.
- ② 5. Tokyo-listed Japan Tobacco Inc (TYO: 2914) - \$68 billion.
- ② 6. London-listed Imperial Brands PLC (LON: IMB) - \$61 billion.

<https://www.benzinga.com/news/17/01/8917180/the-biggest-big-tobacco-companies>

26. Ship and Boat Building-169 billions USD

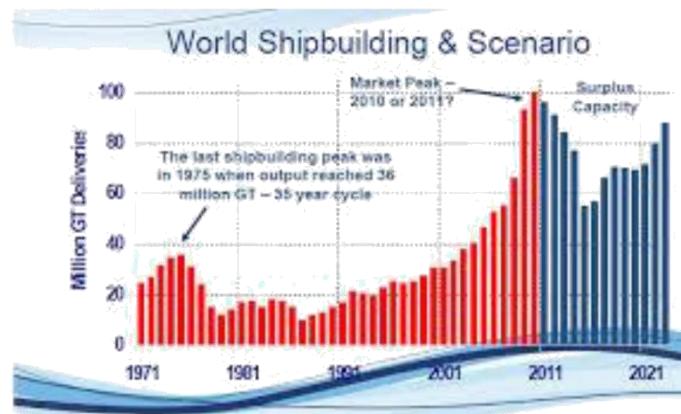
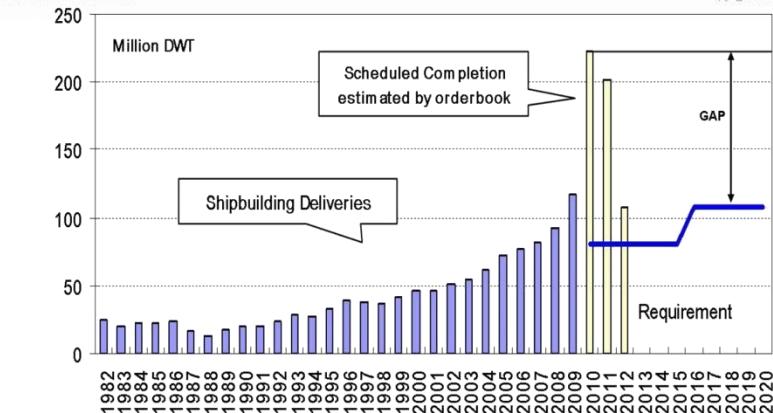
Global Shipbuilding Delivery

Number of shipyards scheduled to deliver their last ships currently on order by year.



Source: Clarkson's Research

Copyright Stratfor 2017



<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/ship-boat-building.html>

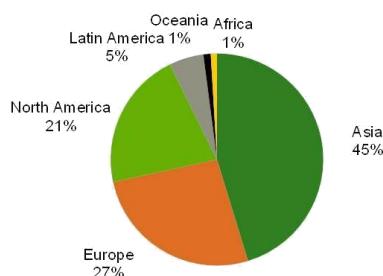
27. Pulp and Paper industry-380 billions USD

<https://www.worldatlas.com/articles/all-about-the-pulp-and-paper-industry.html>

<https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/paper-pulp-mills.html>

<https://www.ibisworld.com.au/industry-trends/market-research-reports/manufacturing/pulp-converted-paper-product/>

Global Paper Production 2013
by Region

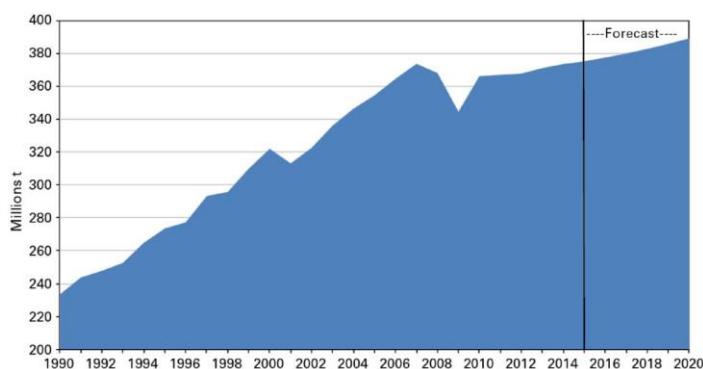


Total Production: 403 Million Tonnes (2012: 399 Million Tonnes)

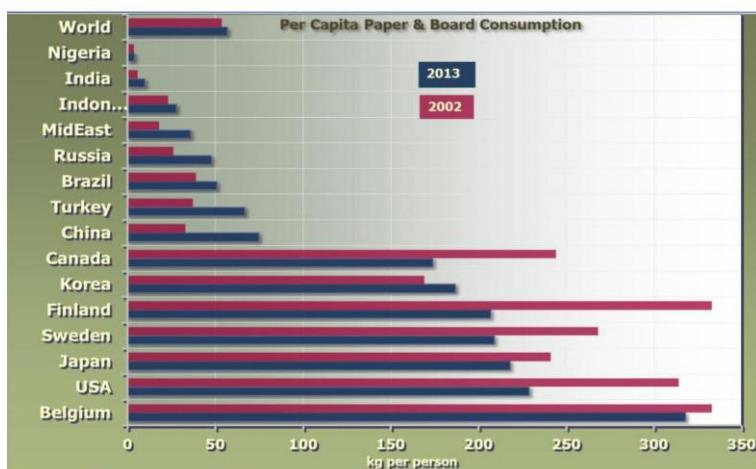
Source: PPI



World P&B production forecast to 2020

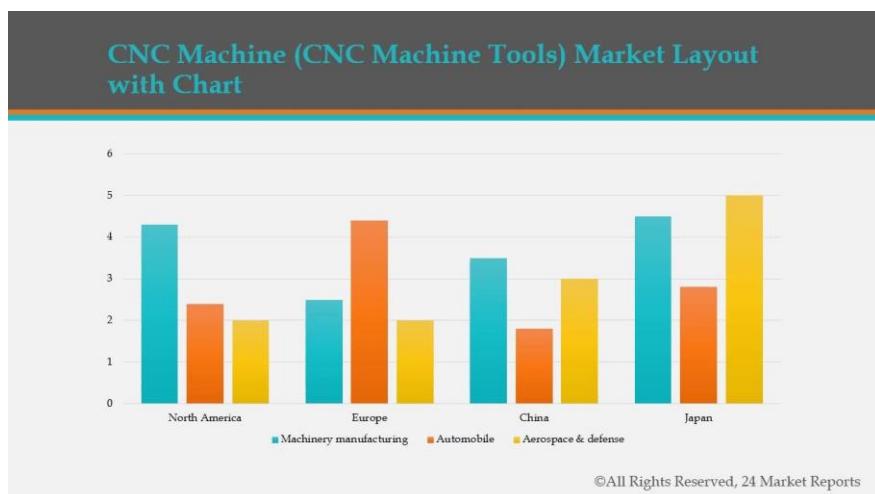


Source: Hawkins Wright Estimates



28. Machine tools - 120 billions USD

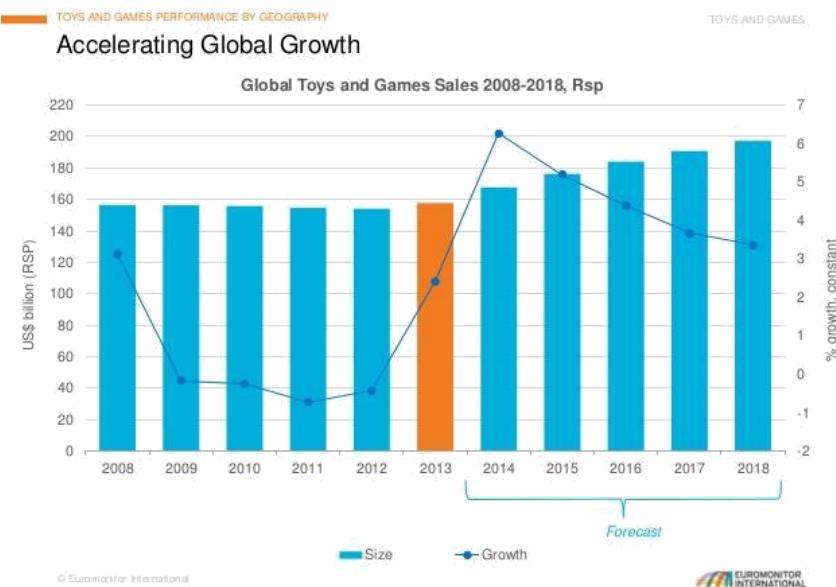
<https://www.manufacturingtomorrow.com/article/2017/12/6-ways-industry-40-is-changing-machine-tools/10787/>



29. Furniture - 470 billions USD

<https://globenewswire.com/news-release/2018/09/07/1567975/0/en/Global-Furniture-Market-Will-Reach-USD-472-30-Billion-By-2024-Zion-Market-Research.html>

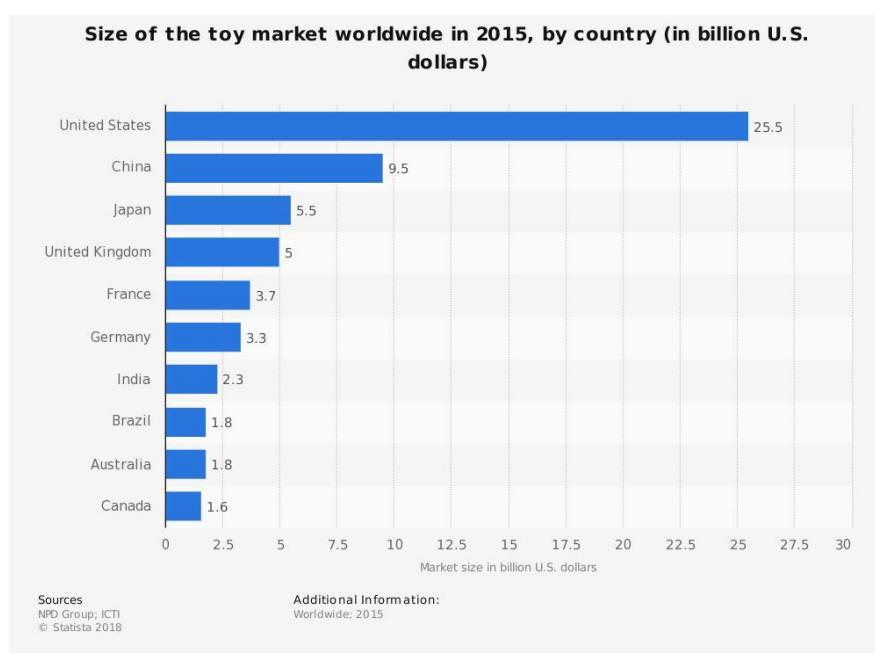
<https://brandongaille.com/44-furniture-industry-statistics-and-trends/>



30. Toys industry - 180 billions USD

<https://www.statista.com/topics/1108/toy-industry/>

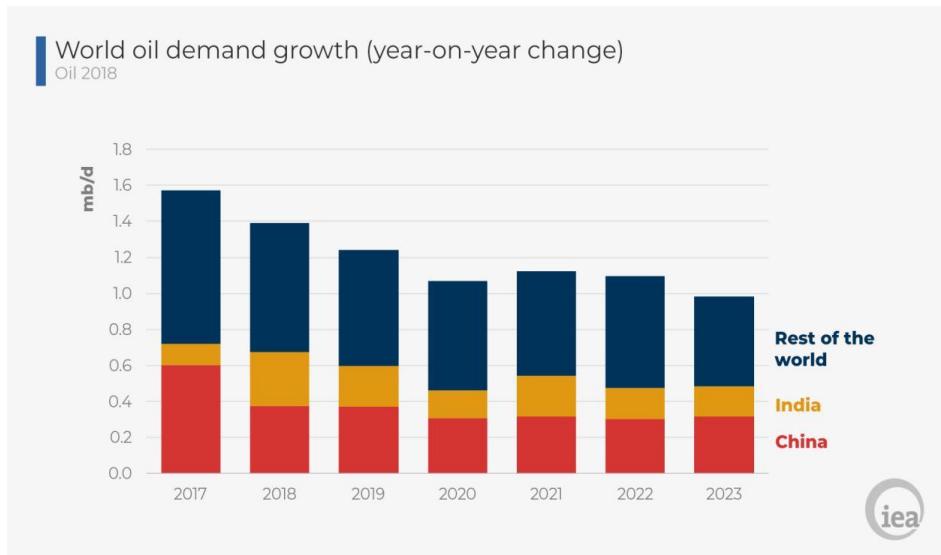
<https://www.toyassociation.org/ta/research/data/population/toys/research-and-data/data/global-sales-data.aspx>



31. Petrochemicals -791 billions USD

<https://www.processingmagazine.com/global-petrochemical-market-estimated-to-reach-791-billion-by-2018/>

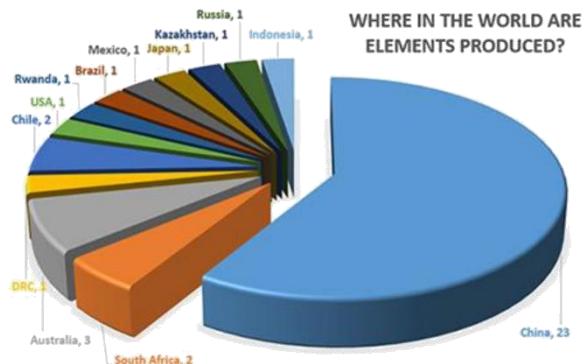
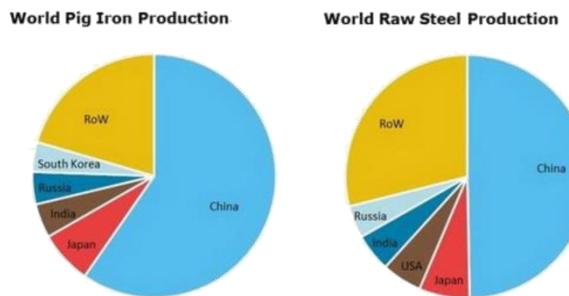
<http://cdn.ihs.com/www/pdf/asia-chem-conf/Eramo.pdf>

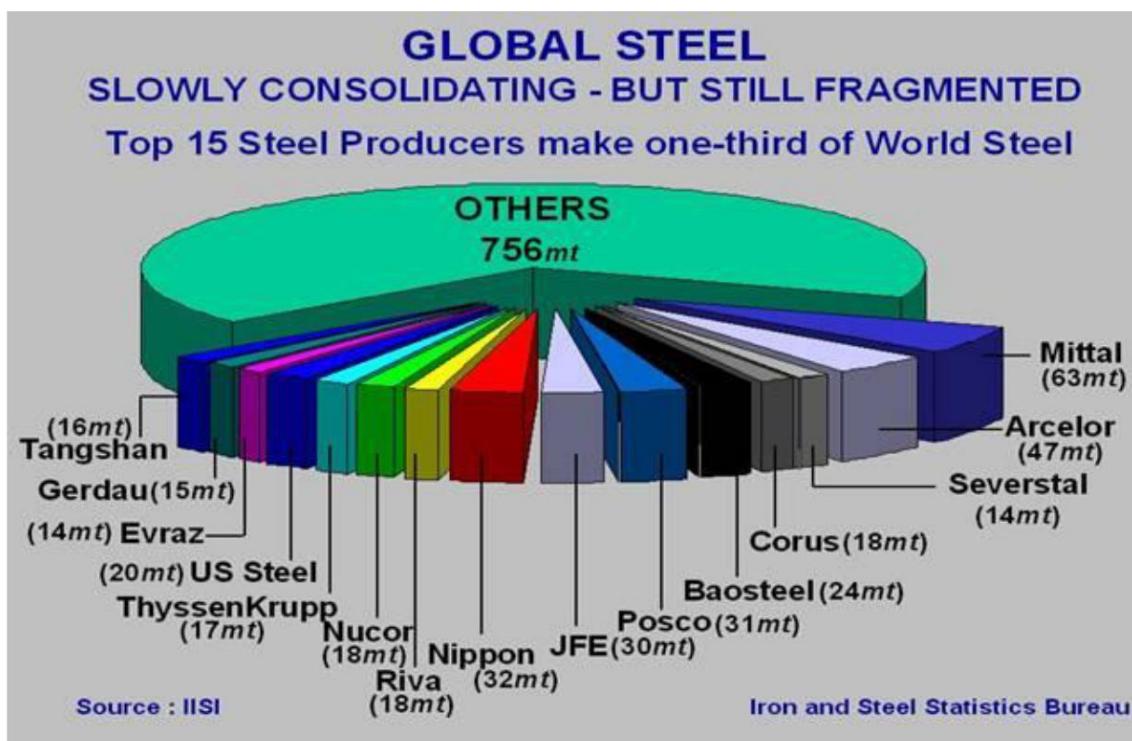


32. Metal industry - 2374 billions USD

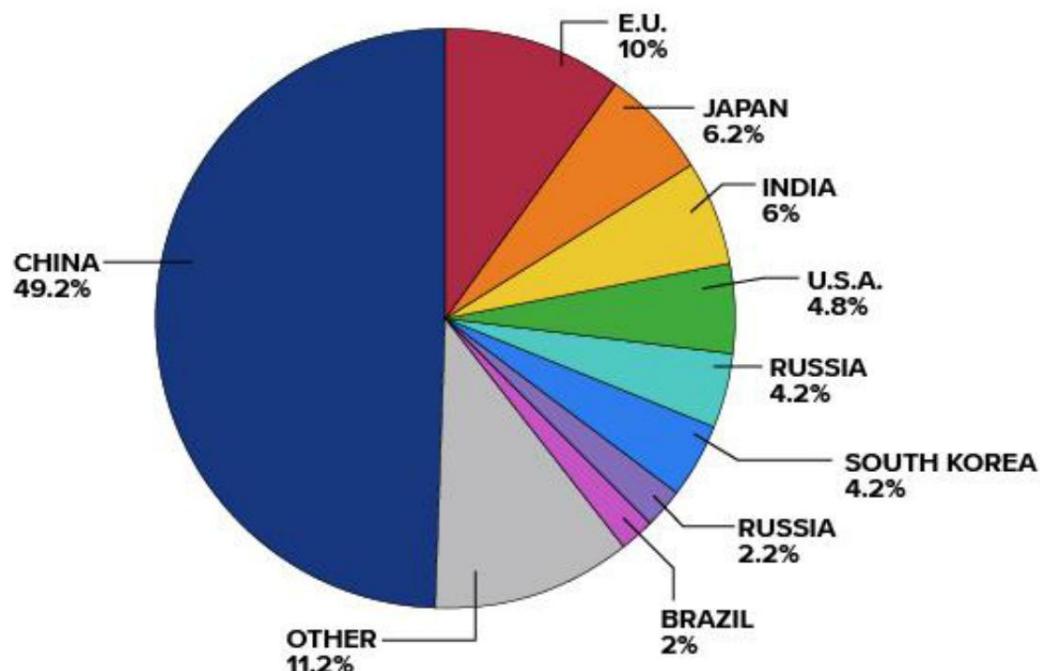
<https://www.lucintel.com/metal-market-2017.aspx>

<https://www.worldsteel.org/media-centre/press-releases/2018/world-steel-in-figures-2018.html>





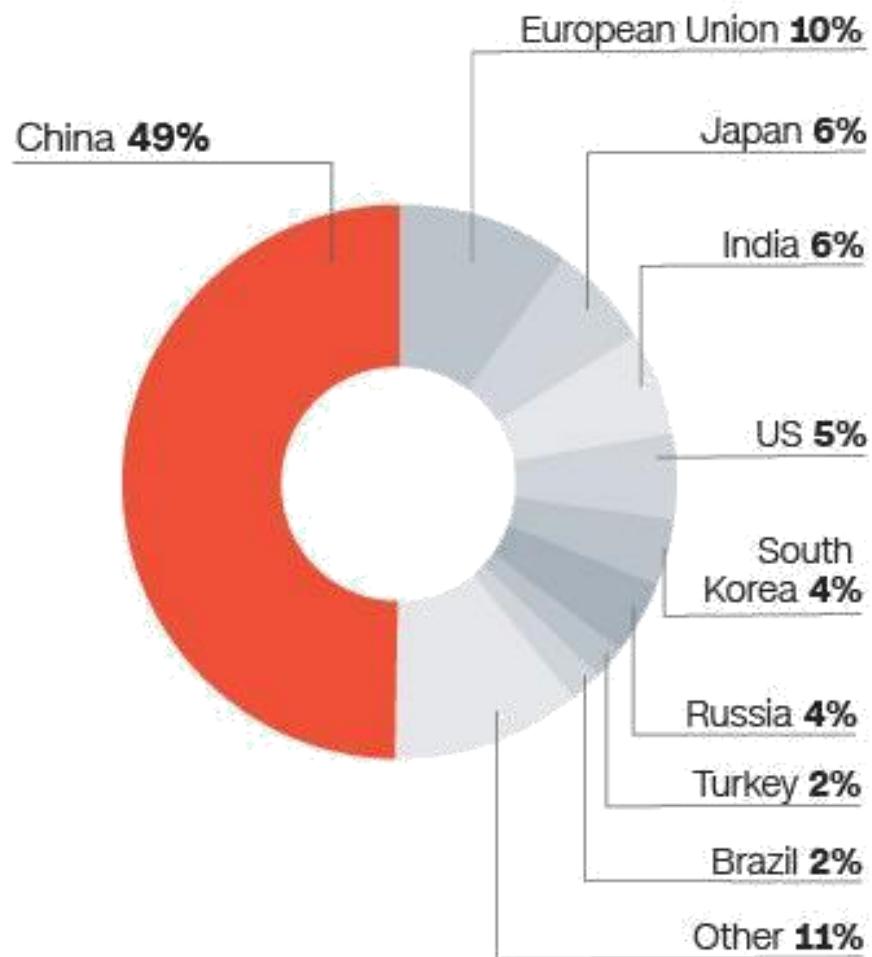
GLOBAL STEEL PRODUCTION IN 2017



Source: Worldsteel



Top steel producers



Source: WorldSteel, 2017

Notes: Percentages rounded to nearest whole number.