Coronavirus (COVID-19) Executive Briefing

Understand the COVID-19 outbreak, its impact on the global economy, and initial implications for specific sectors

Last Updated: April 27, 2020
Twelfth in the series
### Key Developments and Changes Since Last Update

<table>
<thead>
<tr>
<th>343,142 new cases since Thursday; total confirmed cases exceed 2.9 million</th>
<th>- The virus has now spread to 187 countries/regions with more than 2.9 million confirmed cases and more than 200,000 deaths.</th>
</tr>
</thead>
</table>
| China risks a second wave of COVID-19 infection from transmission through asymptomatic and imported cases | - China has reported 118 new asymptomatic cases of COVID-19 since the last update on Thursday.  
- Besides the asymptomatic cases, China reported 20 new imported cases and 12 domestic infections since Thursday’s update. |
| The US records the highest number of infections; eight countries have now reported more cases than China | - US, Spain, Italy, Germany, France, UK, Turkey and Iran surpassed China in terms of confirmed cases, although testing rates in China are low.  
- The number of confirmed cases in the US crossed 960,000, with deaths passing 54,000. |
| No therapeutic or preventative options are available, but the pipeline is crowded | - Currently there are 805 clinical trials for COVID-19 (+80 from the last update). Despite massive efforts, the first vaccine will take at least a year to develop. |
| Upward trends in clinical trial disruption continue with at least 805 trials (+80 from the last update) and 330 Pharma/Biotech companies and CROs (+17 from the last update) are associated with disrupted clinical trials. | - Across the industry, ongoing trials, irrespective of indication, will likely be impacted not just in terms of trial enrollment and patient care but also data collection and analysis. |
| In the short-term, unemployment rates will rise in all major economies | - Last week, 4.4 million people filed unemployment claims in the US, bringing the total to 26.4 million in the last five weeks since a national emergency was declared. |
| GDP growth forecast to fall | - Consensus lowers the estimate of real GDP growth to (-)2.2% for 2020. Economic growth in the US and Europe is forecasted to plunge by 9.1% and 5.8% respectively during the year. |
| A GlobalData poll shows increasing concern, but views on businesses’ growth prospects are improving | --- |
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COVID-19 Infection Update
- Spread of COVID-19
- US records the highest number of infections
- Infection Trajectories

COVID-19 Testing and Management
- Testing Statistics by Country

COVID-19 Vaccine and Therapeutic Development

Economic Impact
- Overview of Top Economies
- Stock Market Indices
- Unemployment
- GDP
- Policy Response
- Company Concerns

Sector Impact
1. COVID-19 Infection Update
COVID-19 Infection Update

- The virus has spread to 187 countries with over 2.9 million confirmed cases
- Case count in the US, Spain, Italy, France, Germany, UK, Turkey and Iran exceeds China’s
- The number of confirmed cases in the US crossed 960,000
- The US has also recorded the highest number of fatalities, which exceed 54,000
- Infection Growth Curves Start to Flatten
- Recorded Deaths Decline
- Case fatality rates exceed 10% in Spain, Italy, France, and UK

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE; World Health Organization
Infection Rates Increase Exponentially

Impact of COVID-19 +/- change between 23 April 2020 and 27 April 2020
as of 27 April 2020

Note: Confirmed cases of COVID-19 does not represent the true extent of cases in each country. The number of confirmed cases is heavily dependent on the extent of testing.

343,142 new cases since Thursday's briefing

COUNTRIES/TERRITORIES AFFECTED
187

CONFIRMED CASES
2,971,669 +343,142

IN TREATMENT
1,899,284 +239,167

RECOVERED
865,836 +80,850

DEATHS
206,549 +23,125

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE
COVID-19 is a Worldwide Problem

**Affected Countries/Regions**
*as of 27 April 2020*

<table>
<thead>
<tr>
<th>Country</th>
<th>Confirmed Cases</th>
<th>Recovered</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>965,942</td>
<td>106,988</td>
<td>54,883</td>
</tr>
<tr>
<td>Spain</td>
<td>226,629</td>
<td>117,727</td>
<td>23,190</td>
</tr>
<tr>
<td>Italy</td>
<td>197,675</td>
<td>64,928</td>
<td>26,644</td>
</tr>
<tr>
<td>France</td>
<td>162,220</td>
<td>45,681</td>
<td>22,890</td>
</tr>
<tr>
<td>Germany</td>
<td>157,770</td>
<td>112,000</td>
<td>5,976</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>154,037</td>
<td>778</td>
<td>20,795</td>
</tr>
<tr>
<td>Turkey</td>
<td>110,130</td>
<td>29,140</td>
<td>2,805</td>
</tr>
<tr>
<td>Iran</td>
<td>90,481</td>
<td>69,687</td>
<td>5,710</td>
</tr>
<tr>
<td>China</td>
<td>82,830</td>
<td>77,474</td>
<td>4,633</td>
</tr>
<tr>
<td>Russia</td>
<td>80,949</td>
<td>6,767</td>
<td>747</td>
</tr>
</tbody>
</table>

Note:
Confirmed cases of COVID-19 do not represent the true extent of cases in each country. The number of confirmed cases is heavily dependent on the extent of testing.

China case counts do not include counts from Hong Kong (1,037 confirmed cases | 772 recovered | 4 deaths), Macau (45 confirmed cases | 31 recovered | 0 deaths) and Taiwan (429 confirmed cases | 281 recovered | 6 deaths)

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE; Verdict Media
Case Count in the US, Spain, Italy, Germany, France, UK, Turkey & Iran Exceeds China’s COVID-19 Confirmed Cases by Country as of 27 April 2020

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE
Infection Growth Curves Start to Flatten

COVID-19 Confirmed Cases Trajectories for Select Countries
Cumulative confirmed cases, by days since 100th case for top 10 countries by confirmed cases till the 60th day, as of 27 April 2020

Note: Confirmed cases of COVID-19 do not represent the true extent of cases in each country. The number of confirmed cases is heavily dependent on the extent of testing.

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE
Recorded Deaths Decline

COVID-19 Death Trajectories for Select Countries
7 day rolling average of new deaths, by days since 5th death for top 10 countries by confirmed cases till the 60th day, as of 27 April 2020

Note: COVID-19 deaths do not represent the true extent of deaths in each country. The number of deaths is heavily dependent on the extent of testing and the attribution criteria used by each country.

Note: China's 7 day rolling average of new deaths continues to decline even after day 60 from day since 5th death

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE
Infection Peak and Decline Forecasts for Select Countries

GlobalData Pharma Analysis

- Peak and recovery curves based on available data for COVID-19.
- Top 10 countries are holding steady this week.
- Spain: slight increase in new cases in the last weeks, recovery week extended by one week.
- Italy: new cases continue to decrease slower than expected, recovery extended to early June.
- Turkey: continues to show a decrease in reported daily new cases, and now expect recovery weeks almost 3 weeks earlier.
- Iran: trending along a flatter growth curve, with recovery weeks expected around end of May and early June.
- Belgium: no obvious peak week, constant level of new cases for several weeks. Plan to lift restricts beginning on May 4th is concerning.

### Estimated Peak Weeks and Decline to Zero New Cases Weeks for Top Infected Countries (Excluding China) as of 27 April 2020

<table>
<thead>
<tr>
<th>Date (Weeks)</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
<td>6</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>US</td>
<td></td>
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<tr>
<td>Spain</td>
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<tr>
<td>Italy</td>
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<tr>
<td>France</td>
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<tr>
<td>Germany</td>
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<tr>
<td>UK</td>
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<tr>
<td>Turkey</td>
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<tr>
<td>Iran</td>
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<tr>
<td>Russia</td>
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<tr>
<td>Brazil</td>
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<tr>
<td>Belgium</td>
<td></td>
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</tr>
</tbody>
</table>

Note: Trends based on available data from China, US, Italy, and Spain, assuming countries will maintain strict lockdown measures and cases will follow the general epidemiological outbreak bell-shaped curve. Lighter coloured squares represent more uncertain estimates.

Peak weeks of outbreak shown in pink. Recovery weeks with decline in daily new cases close to 0 shown in green.

Source: GlobalData Analysis, JHU COVID-19 Database, WHO COVID-19 Situation Reports
GlobalData Pharma Analysis

- Peak transmissions and potential dates for return to normal in the select countries are limited by the testing and reporting capabilities of each country.
- Trajectory dependent on continued implementation of effective social-distancing, high levels of testing and contact tracing, isolation of infected patients, and prevention of travel-related second-wave transmissions.
- Maintaining strong population movement control will be difficult as the number of new cases begin to fall. The public may feel safer to move around, which may result in second waves of peak transmission.
- GlobalData will monitor the evolving situation and consider long-term forecasts in the future.

Infection Peak and Decline Forecasts for Select Countries

![Graphs showing infection peak and decline forecasts for select countries.](image-url)

Source: GlobalData Analysis
Current data suggest a wide range of 25-88% of cases could be asymptomatic carriers.

Data from China indicates 80% of cases could be asymptomatic and not likely to be diagnosed.

A random sampling survey in Austria reported 50% of cases are undiagnosed.

Iceland, where testing is open to everyone, not just symptomatic cases, reported that 50% of cases are asymptomatic carriers.

A study in New York of all women giving birth at a hospital showed 88% of those tested positive were asymptomatic carriers.

The CDC has the most conservative estimate, where 25% are asymptomatic.

Source: GlobalData Analysis
GlobalData Pharma Analysis

- CDC reports people with severe obesity (body mass index [BMI] of 40 or higher) are now considered at risk of developing serious outcomes from COVID-19.
- Not unique to COVID-19: Swine flu outbreak in 2009 also reported severe obesity as a risk factor for severe disease.
- Severe obesity is the most prevalent underlying condition in young COVID-19 patients ages 18-64.
- The US has the highest severe obesity prevalence, at 8%, followed by the UK at 2.5%.

27 Million Severely Obese Patients Across 9 Major Markets Could Face Serious COVID-19

Total Prevalence of Severe Obesity in the 9MM, Men and Women, 2020 (%)

Source: GlobalData Analysis
Breaking News: COVID-19 Infection Statistics

APRIL 27, 2020

Mexico coronavirus infections rise to 14,677 cases and 1,351 deaths
View

China reports 3 fresh COVID-19 cases, no new deaths
View

Coronavirus India Updates: Total Cases At 27,892; Death Toll At 872
View

APRIL 26, 2020

Coronavirus cases in Russia top 80,000
View

Coronavirus live updates: Singapore reports 931 new cases, global numbers above 2.9 million
View

Indonesia reports 275 new coronavirus cases, 23 more deaths
View

US COVID-19 cases top 900,000, deaths touch 52,000
View

More than 2,500 coronavirus deaths in Canada as confirmed cases cross 46K
View

Saudi Arabia records 1,223 new corona cases, three fatalities
View

Source: GlobalData Analysis; Interviews; Press Articles; Company Announcements; Verdict Media
2. COVID-19 Testing and Management
COVID-19 Testing and Management

Testing

- Rapid and Point of Care Testing now make up more than 50% and 30% of pipeline and marketed diagnostic tests, making the prospect of population level testing increasingly likely.
- Supply issues of test reagents continue to have an impact, particularly in countries reliant upon ad hoc test protocols that are dependent upon so-called home-brew reagents.
- Abbott’s launch of the ID NOW molecular point of care test is a potential game changer, allowing a molecular test to detect the virus in as little as five minutes. Abbott is on track to initially provide 50,000 ID NOW COVID-19 tests per day, equating to less than 3 tests for each of the 18,000 ID NOW machines in use in the US.
- US PCR testing volumes appear to be plateauing at 140,000-150,000 tests per day.

Management

- Ventilator shortage became a critical issue after the COVID-19 outbreak, starting from China and Italy, now to the UK and US. According to GlobalData's analysis, approximately 880,000 more ventilators are in demand globally due to the COVID-19 outbreak.
- The Ventilator Challenge consortium, lead by the High Value Manufacturing Catapult research group is best placed to deliver new ventilators soonest, as it is making use of spare production capacity to scale up production of Smiths Detection machines, that are already in use with the NHS, such as the Parapac transport ventilator.
- Non-medical companies globally are developing and building emergency ventilators, with rudimentary designs appearing in developing markets, as inventories of ventilators from established manufacturers are exhausted.
- Donald Trump has now invoked the Defense Production Act, a law stemming from the Korean War, to force General Motors to produce ventilators. GMs’ deal with medical equipment maker Ventec Life is expected to result in shipments from next month.
## Total Tests and Per Million Population Tests for Top Economies as of 27 April 2020

<table>
<thead>
<tr>
<th>Total Tests Performed</th>
<th>Total Tests Performed Per Million Population</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States</strong></td>
<td>United States</td>
</tr>
<tr>
<td></td>
<td>5,441,079</td>
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<tr>
<td></td>
<td>United States</td>
</tr>
<tr>
<td>19,021,098</td>
<td>16,438</td>
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<tr>
<td><strong>China</strong></td>
<td>China</td>
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<tr>
<td></td>
<td>451,786</td>
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<tr>
<td></td>
<td>China</td>
</tr>
<tr>
<td></td>
<td>314</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>Japan</td>
</tr>
<tr>
<td></td>
<td>141,600</td>
</tr>
<tr>
<td></td>
<td>Japan</td>
</tr>
<tr>
<td></td>
<td>1,120</td>
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<tr>
<td><strong>Germany</strong></td>
<td>Germany</td>
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<tr>
<td></td>
<td>2,072,669</td>
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<tr>
<td></td>
<td>Germany</td>
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<tr>
<td></td>
<td>24,738</td>
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<tr>
<td><strong>India</strong></td>
<td>India</td>
</tr>
<tr>
<td></td>
<td>625,309</td>
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<tr>
<td></td>
<td>India</td>
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<tr>
<td></td>
<td>453</td>
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<td><strong>United Kingdom</strong></td>
<td>United Kingdom</td>
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<tr>
<td></td>
<td>669,850</td>
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<td>United Kingdom</td>
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<td><strong>France</strong></td>
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<td>463,662</td>
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<td>France</td>
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<td>1,757,658</td>
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<td><strong>Brazil</strong></td>
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<td>524,536</td>
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<td></td>
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<tr>
<td></td>
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<tr>
<td><strong>South Korea</strong></td>
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<td>601,660</td>
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</tr>
<tr>
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<td>11,735</td>
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<td>1,199,548</td>
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<td>Spain</td>
</tr>
<tr>
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<td>25,645</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
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</tr>
<tr>
<td></td>
<td>510,000</td>
</tr>
<tr>
<td></td>
<td>Australia</td>
</tr>
<tr>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Mexico</strong></td>
<td>Mexico</td>
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<td>57,261</td>
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<td></td>
<td>Mexico</td>
</tr>
<tr>
<td></td>
<td>444</td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td>Indonesia</td>
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<td>59,933</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
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<tr>
<td></td>
<td>219</td>
</tr>
<tr>
<td><strong>The Netherlands</strong></td>
<td>The Netherlands</td>
</tr>
<tr>
<td></td>
<td>193,950</td>
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<td></td>
<td>The Netherlands</td>
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<td>11,319</td>
</tr>
<tr>
<td><strong>Saudi Arabia</strong></td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td></td>
<td>200,000</td>
</tr>
<tr>
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<td>Saudi Arabia</td>
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<tr>
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<td>5,745</td>
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<tr>
<td><strong>Iran</strong></td>
<td>Iran</td>
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<td>421,313</td>
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<td>5,016</td>
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<tr>
<td><strong>Singapore</strong></td>
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<td>121,774</td>
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<tr>
<td></td>
<td>Singapore</td>
</tr>
<tr>
<td></td>
<td>20,815</td>
</tr>
</tbody>
</table>


Source: GlobalData Analysis; Government/Ministry of Health websites; Factly.in; Ourworldindata.org
<table>
<thead>
<tr>
<th>Date</th>
<th>Headline</th>
<th>View</th>
</tr>
</thead>
<tbody>
<tr>
<td>APRIL 27, 2020</td>
<td>Coronavirus Test in 5 seconds using X-ray scan: why this Indian invention is a game changer!</td>
<td><a href="#">View</a></td>
</tr>
<tr>
<td>APRIL 26, 2020</td>
<td>Coronavirus UK: government assessing antibody test kits</td>
<td><a href="#">View</a></td>
</tr>
<tr>
<td>APRIL 26, 2020</td>
<td>Massive 145% profiteering exposed in coronavirus rapid test kits sold to ICMR</td>
<td><a href="#">View</a></td>
</tr>
<tr>
<td></td>
<td>New York to allow coronavirus tests in pharmacies</td>
<td><a href="#">View</a></td>
</tr>
<tr>
<td></td>
<td>Britain sends out mobile units to boost coronavirus testing</td>
<td><a href="#">View</a></td>
</tr>
</tbody>
</table>

Source: GlobalData Analysis; Interviews; Press Articles; Company Announcements; Verdict Media
3. COVID-19 Vaccine and Therapeutic Development
# Examples of Vaccines and Therapeutic Agents in Development for COVID-19

**as of 26 April 2020**

<table>
<thead>
<tr>
<th>Intervention Type</th>
<th>Drug in Trial</th>
<th>Trial Title and Phase</th>
<th>Trial Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Therapeutic</td>
<td>Hope Biosciences’ Stem Cell Therapy</td>
<td>A Clinical Trial to Determine the Safety and Efficacy of Hope Biosciences Autologous Mesenchymal Stem Cell Therapy (HB-adMSCs) to Provide Protection Against COVID-19 (Phase II)</td>
<td>Ongoing, recruiting by invitation</td>
</tr>
<tr>
<td></td>
<td>Pluristem Therapeutics’ emiplacel</td>
<td>Clinical Study of Compassionate Use of Emiplacel (Phase I)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Cytodyn’s leronlimab</td>
<td>Study to Evaluate the Efficacy and Safety of Leronlimab for Mild to Moderate COVID-19 (Phase II)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Oncolimmune’s CD24Fc</td>
<td>A Randomized, Double-blind, Placebo-controlled, Multi-site, Phase III Study to Evaluate the Safety and Efficacy of CD24Fc in COVID-19 Treatment (Phase III)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Pluristem’s emiplacel (trial by Hudson Medical)</td>
<td>A Randomized, Open, Controlled Clinical Study to Evaluate the Efficacy of ASC09F and Ritonavir for 2019-nCoV Pneumonia (Phase III)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Gilead’s remdesivir</td>
<td>Eculizumab (Soliris) in COVID-19 Infected Patients (SOLID-C19) (Phase III)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Sanofi/Regeneron’s sarilumab</td>
<td>A Phase III Randomized Study to Evaluate the Safety and Antiviral Activity of Remdesivir (GS-5734) in Participants with Moderate COVID-19 Compared to Standard of Care Treatment (Phase III)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>F. Hoffman-La Roche’s tocilizumab</td>
<td>Evaluation of the Efficacy and Safety of Sarilumab in Hospitalized Patients With COVID-19 (Phase II/III)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td>Vaccine</td>
<td>Inovio Pharmaceuticals’ INO-4800</td>
<td>Safety, Tolerability and Immunogenicity of INO-4800 for COVID-19 in Healthy Volunteers (Phase I)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Moderna’s mRNA-1273 (trial by NIAID)</td>
<td>Safety and Immunogenicity Study of 2019-nCoV Vaccine (mRNA-1273) for Prophylaxis SARS CoV-2 Infection (Phase I)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>CanSino Biologics’s Coronavirus Disease 2019 (COVID-19) vaccine</td>
<td>Phase I Clinical Trial of a COVID-19 Vaccine in 18-60 Healthy Adults (CTCOVID-19) (Phase I)</td>
<td>Ongoing, recruiting</td>
</tr>
<tr>
<td></td>
<td>Sinovac Biotech’s Coronavirus Disease 2019 (COVID-19) vaccine</td>
<td>Phase I Clinical Study of Coronavirus Disease 2019 (COVID-19) vaccine (Phase I)</td>
<td>Ongoing, recruiting</td>
</tr>
</tbody>
</table>

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements; Verdict Media
With Clinical Investigations of Novel and Existing Drugs Growing Exponentially

Clinical Investigations for therapeutics and vaccines for COVID-19 by numbers as of 26 April 2020

Where is the trials activity?
- 47 (+3) multinational trials, 942 (+54) single country trials (remaining trials have not disclosed locations)

Countries with more than 20 COVID-19 trials

Number of trials in the US and Iran are growing at a much higher rate than other countries

Investigational drugs in COVID-19 trials

Examples of existing drugs in COVID-19 treatment

- Remdesivir +/- additional drugs: 18
- Favipiravir +/- additional drugs: 28
- Interferon (any) +/- additional drugs: 57
- Lopinavir/ritonavir +/- additional drugs: 84
- Chloroquine or hydroxychloroquine +/-: 246
- Trials investigating Vaccine: 75

Examples of investigational drugs in COVID-19 treatment

- Chloroquine or hydroxychloroquine +/- additional drugs
- Interferon (any) +/- additional drugs
- Lopinavir/ritonavir +/- additional drugs
- Remdesivir +/- additional drugs
- Favipiravir +/- additional drugs
- Trials investigating Vaccine

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements; Verdict Media
Despite Massive Efforts, the First Vaccine Will Take at Least a Year to Develop

Summary of COVID-19 Clinical Trial Activity (changes since our last update)

as of 26 April 2020

Sanofi and GSK, two of the largest vaccine manufacturers globally, will collaborate on developing a COVID-19 vaccine using innovative technology from both companies; expected to enter clinical trials in H2 2020.

On April 16, news broke of Gilead’s remdesivir being effective based on its use in a study in Chicago. However, similarly to a study published in the New England Journal of Medicine on compassionate use of Gilead’s antiviral, the study lacked a placebo comparator, making it difficult to quantify the impact of this agent. More recently, two trials for remdesivir in China were either halted or suspended due to a lack of patient enrollment. Trials in the US are unaffected by this setback at the moment.

Chloroquine and hydroxychloroquine, possibly in combination with azithromycin, have been touted as “game changers” by President Trump; however, positive data have only come from trials with questionable design and data interpretation. Increasingly, emerging data are negative. According to a recent study from Brazil, treatment with high-dose chloroquine in combination with both azithromycin and ceftriaxone should not be recommended for COVID-19 treatment because of its potential safety hazards, while a study from the US found hydroxychloroquine alone to be associated with increased mortality, and the combination of hydroxychloroquine/azithromycin did not reduce the need for mechanical ventilation.

"It will take at least a year and a half to have a vaccine we can use."

Anthony Fauci, MD, Director of National Institute of Allergy and Infectious Diseases

Intel from GlobalData’s Investigative Journalist Team

Phase III investigator-led COVID-19 pneumonia trial is expected to have dosed first patient on 24 April. The trial’s 1,500-patient target is likely to be hit in November. Treatments include Sanofi/Regeneron’s Kevzara, Eli Lilly’s Olumiant, convalescent plasma or hydroxychloroquine.

Aqualung Therapeutics eyes Phase Ia ALT-100 safety trial followed by Phase Ib ARDS trial with COVID-19 cohort and expects first tranche out of $15M Series A to close in August.
SARS-CoV-2 Antivirals & Vaccines Are Being Developed Independently…

Independently Developed Antivirals  

*as of 14 April 2020*

- Gilead is developing remdesivir, an antiviral in Phase III trials in China/Asia and the US.
- A drug candidate developed by APEIRON Biologics named APN01 was planned to be tested in China at The First Affiliated Hospital of Guangzhou Medical University in a Phase I pilot trial as a treatment for COVID-19, however this study was withdrawn before initiation.
- Innovation Pharmaceuticals announced that it is evaluating Brilacidin, a defensin-mimetic drug candidate, as a potential treatment for coronavirus. Brilacidin has shown antibacterial, anti-inflammatory, and immunomodulatory properties in several clinical trials.

**"The speed with which remdesivir has moved into clinical development for this coronavirus reflects the pressing need for treatment options and the shared commitment of industry, governments, global health organizations and healthcare providers to respond to this public health threat with the highest urgency."**

Merdad Parsey, MD, PhD, Chief Medical Officer, Gilead Sciences

Independently Developed Vaccines  

*as of 14 April 2020*

- An intranasal COVID-19 vaccine is being developed by US-based clinical-stage biopharmaceutical company, Altmimmune.
- Vaxart is developing an oral recombinant vaccine in a tablet formulation using its proprietary oral vaccine platform, VAAST.
- The MIGAL Research Institute is modifying an Infectious Bronchitis Virus (IBV) vaccine for COVID-19. The vaccine has demonstrated efficacy in pre-clinical trials conducted by the Volcani Institute.
- Clover Biopharmaceuticals is developing a recombinant subunit vaccine using its patented Trimer-Tag technology, based on the trimeric S protein (S-Trimer) of the COVID-19 coronavirus, which is responsible for binding with the host cell.

**"The results of our recently published influenza challenge study demonstrated that our oral tablet vaccine primarily protects through mucosal immunity, a potential key factor when targeting mucosal pathogens such as this new coronavirus."**

Sean Tucker, PhD, Chief Scientific Officer of Vaxart

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements; Verdict Media, Gilead Sciences Inc., Vaxart Inc.
...and Through Partnerships Between Public and Private Sectors

Example Partnership as of 26 April 2020

ReiThera, LEUKOCARE AG., and Univercells, announced a strategic collaboration for the development and large-scale manufacturing of a novel adenoviral vector-based vaccine against COVID-19.

- The vaccine candidate is expected to enter clinical trials during summer 2020 with large-scale vaccine production planned to start soon after. The partners will contribute to the program combining their individual strengths and expertise to accelerate the development of the vaccine.

Bayer announced that its Canadian organization Bayer Inc., Mississauga, Ontario, will partner with the Population Health Research Institute (PHRI) in launching a major clinical research program aimed at identifying potential treatments against COVID-19. The two studies will evaluate the safety and efficacy of different combination therapies including chloroquine and interferon beta-1b.

- Bayer will make a financial commitment of CAD 1.5 million towards the studies and will supply study drugs to support the research. This adds to the CAD 0.5 million committed by the PHRI earlier this month which enabled the development of the research program.

Note: The majority of deals for COVID-19 are partnerships, and these are focused in North America and Asia. There have been no associated M&A deals to date.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements; Verdict Media
The Race Is On, but With Hurdles Along the Way

COVID-19 Impact Assessment
as of 26 April 2020

The pharmaceutical industry race to develop both preventive and therapeutic interventions

- The nearest solutions are antivirals such as Gilead’s remdesivir, but older drugs such as chloroquine and hydroxychloroquine are being touted as potential “game changers.” The number of clinical trials in which chloroquine or hydroxychloroquine are used as a primary or secondary intervention continue to expand.

Restricted manufacturing resulted in drug supply shortfalls

- Multiple companies with facilities in China closed manufacturing plants at the height of the outbreak, per public statements and countries such as India placed restrictions on export of certain active pharmaceutical ingredients (APIs) and finished dose forms.
- In a recent GlobalData poll, about 90% of respondents expressed some level of concern about supply chain disruption due to the coronavirus outbreak.

Respondents’ Perspective on Supply Chain Disruption

*How concerned are you that the coronavirus outbreak will disrupt the drug supply chain? (N = 1,100)*

Based on poll data collected from respondents who visited the Pharmaceutical Technology site between Mar 26-April 1, 2020

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements
Ongoing disruption of non-COVID Clinical Trials

GlobalData Analyst View

“Clinical trials irrespective of indication will likely be impacted, not just in terms of recruitment and immediate patient care but also in terms of data collection and analysis in the months to come. Pharma could see an uptick in virtual trials during and after the pandemic.”

COVID-19 Impact Assessment
as of 26 April 2020

Clinical trials and regulatory delays could impact future approvals and revenues

- Upward trends in clinical trial disruption continue with at least 805 trials (+80 from the last update) and 330 Pharma/Biotech companies and CROs (+17 from the last update) are associated with disrupted clinical trials.
- The FDA has suspended inspection of foreign manufacturing plants and Advisory Committee Meetings have been cancelled or postponed.
- In a recent GlobalData poll, about 75% and 80% of respondents expressed some level of concern about clinical trial or regulatory delays respectively due to the coronavirus outbreak.

Respondents’ Perspective Clinical Trial Delays
What is the likelihood that there will be clinical trials delays as a result of the coronavirus outbreak? (N = 527)

- Very likely: 52%
- Somewhat likely: 23%
- Not likely at all: 25%

Respondents’ Perspective Regulatory Delays
What is the likelihood that there will be regulatory delays as a result of the coronavirus outbreak? (N = 679)

- Very likely: 19%
- Somewhat likely: 62%
- Not likely at all: 19%

Based on poll data collected from respondents who visited the Clinical Trials Arena site between Mar 26-April 2, 2020

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements; Verdict Media
Eli Lilly was the first large global pharmaceutical company to announce clinical trial delays. Additional large pharma companies, including Pfizer, Merck, Amgen and BMS, as well as smaller biotech companies, have followed suit in delaying start of planned trials and suspending recruitment of subjects in ongoing trials. Oncology trials have suffered the most disruption due to the COVID-19 pandemic.

Examples of Disrupted Clinical Activities
as of 26 April 2020

<table>
<thead>
<tr>
<th>Trials disrupted due to COVID-19</th>
<th>Companies reporting trial disruption due to COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall trials disrupted due to the COVID-19 pandemic</td>
<td>All sponsor (Industry and non-industry) 805 (+80)</td>
</tr>
<tr>
<td>Planned trials that have delayed initiation</td>
<td>Companies in a role as sponsor, collaborator or CRO 108 (+3)</td>
</tr>
<tr>
<td>Ongoing trials impacted due to slower enrollment</td>
<td>Companies in a role only as sponsor or CRO 105 (+3)</td>
</tr>
<tr>
<td>Ongoing trials that have suspended enrollment (includes trials suspended before initiation)</td>
<td>592 (+74)</td>
</tr>
</tbody>
</table>

Disrupted Clinical Trials by Therapy Area

<table>
<thead>
<tr>
<th>Therapy Area</th>
<th>Disrupted Trials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oncology</td>
<td>230</td>
</tr>
<tr>
<td>Central Nervous System</td>
<td>132</td>
</tr>
<tr>
<td>Infectious Disease</td>
<td>64</td>
</tr>
<tr>
<td>Gastrointestinal</td>
<td>61</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td>59</td>
</tr>
<tr>
<td>Immunology</td>
<td>54</td>
</tr>
<tr>
<td>Respiratory</td>
<td>46</td>
</tr>
<tr>
<td>Musculoskeletal Disorders</td>
<td>34</td>
</tr>
<tr>
<td>Metabolic Disorders</td>
<td>33</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>26</td>
</tr>
</tbody>
</table>

Disrupted Clinical Trials by Trial Phases

<table>
<thead>
<tr>
<th>Trial Phase</th>
<th>Disrupted Trials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase IV</td>
<td>4%</td>
</tr>
<tr>
<td>Phase 0</td>
<td>2%</td>
</tr>
<tr>
<td>Phase II</td>
<td>32%</td>
</tr>
<tr>
<td>Phase I/II</td>
<td>12%</td>
</tr>
<tr>
<td>Phase III</td>
<td>19%</td>
</tr>
<tr>
<td>Phase I</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements; Verdict Media
US Food & Drug Administration

As of 2018, China ranks second among countries that export drugs and biologics to the United States by import line (13.4 percent)... In addition to these import lines, APIs manufactured by China also come to the U.S. as part of finished drug products manufactured in other countries, for example, India. Therefore, the percentage of APIs produced by China for the United States marketplace is likely underrepresented by our numbers as China is a major supplier of APIs for other countries.

Supply Chain Restoration in China Provides Some Hope

COVID-19 Impact Assessment
as of 26 April 2020

March 8, 2020 – Wuhan, Hubei quarantine is lifted
March 12, 2020 – WuXi AppTec announced that the company’s Wuhan site resumed operations yesterday and will ramp up to full production in following weeks
April 23, 2020 – Shortages of the raw materials required for hydroxychloroquine have been reported in China due to increased production

Source: GlobalData Contract Service Providers Database; Press Articles; Company Announcements
### APRIL 27, 2020

Indian American group sets up Covid-19 plasma therapy programme
[View](#)

Disappointed in clinical trials of two major coronavirus drugs
[View](#)

Off-label drugs may now be used in Philippines coronavirus trials
[View](#)

Coronavirus study: UCSF testing plasma transfusions on COVID-19 patients
[View](#)

### APRIL 26, 2020

New York clinical trial quietly tests heartburn remedy against coronavirus
[View](#)

Covid-19: Gilead's Remdesivir May reduce sperm count and increase abnormalities in mice, shows Chinese study
[View](#)

Canada warns against chloroquine use as coronavirus treatment
[View](#)

WVU Medicine doctor receives approval for coronavirus treatment
[View](#)

### APRIL 25, 2020

Ultraviolet Light technology to treat coronavirus
[View](#)
Breaking News: COVID-19 Vaccine Development

APRIL 27, 2020

Valo Therapeutics to Support development of a pan - coronavirus vaccine
View

Coronavirus crisis puts vaccine trials on the fast track
View

Russian Researchers will test COVID19 vaccine using special mice - consumer watchdog
View

APRIL 26, 2020

Pune's Serum Institute to start making coronavirus vaccine that is under trial
View

Not developing Covid-19 vaccine, clarifies Pakistan
View

APRIL 25, 2020

China approves third coronavirus vaccine for clinical trials
View

Chinese biotech firm says coronavirus vaccine protects monkeys
View

APRIL 26, 2020

Bill Gates’s Coronavirus vaccine could be ready in 12 months
View

UK vaccine trial volunteer says she is 'doing fine' after online death rumours
View

Race for coronavirus vaccines: 3,200 young volunteers from 52 nations have enlisted
View

Source: GlobalData Analysis; Interviews; Press Articles; Company Announcements; Verdict Media
4. Economic Impact
Economic Impact

- Fears surrounding the impact of COVID-19 hit the world’s top economies
- Major market indices are improving
- Oil price dips below zero but rebounds quickly
- Many economists have cut their GDP forecasts; 2020 consensus forecast for GDP growth is currently -2.2%
- Many predict a recession
- The US sees a historic surge in people applying for unemployment benefits
- Governments are responding with aggressive measures
- Central banks have cut interest rates
- Poll insights: Concern over the spread of COVID-19 remains high, business optimism declines
- Poll insights: Hiring is on hold, lays offs expected

Source: GlobalData Analysis; 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE; World Health Organization
COVID-19 has Impacted the World’s Top Economies

<table>
<thead>
<tr>
<th>Countries</th>
<th>Confirmed Cases</th>
<th>Cases per Million Capita</th>
<th>Deaths</th>
<th>Case Fatality Rate</th>
<th>Stimulus ($ Billion)</th>
<th>Stringency Index</th>
<th>Active Jobs (30 Day Change)</th>
<th>Market Index (YTD Change)</th>
<th>GDP Growth (2020 Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>965,942</td>
<td>2,918</td>
<td>54,883</td>
<td>5.7%</td>
<td>4,984</td>
<td>76.19</td>
<td>-22.0%</td>
<td>-11.7%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>China</td>
<td>82,830</td>
<td>58</td>
<td>4,633</td>
<td>5.6%</td>
<td>368</td>
<td>57.14</td>
<td>-16.6%</td>
<td>-7.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Japan</td>
<td>13,441</td>
<td>106</td>
<td>372</td>
<td>2.8%</td>
<td>1,006</td>
<td>66.67</td>
<td>-18.1%</td>
<td>-15.3%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Germany</td>
<td>157,770</td>
<td>1,883</td>
<td>5,976</td>
<td>3.8%</td>
<td>1,231</td>
<td>80.95</td>
<td>-19.4%</td>
<td>-22.0%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>India</td>
<td>27,890</td>
<td>20</td>
<td>881</td>
<td>3.2%</td>
<td>23</td>
<td>100</td>
<td>-28.5%</td>
<td>-22.1%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>154,037</td>
<td>2,269</td>
<td>20,795</td>
<td>13.5%</td>
<td>446</td>
<td>71.43</td>
<td>-39.6%</td>
<td>-24.2%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>France</td>
<td>162,220</td>
<td>2,485</td>
<td>22,890</td>
<td>14.1%</td>
<td>456</td>
<td>100</td>
<td>-18.3%</td>
<td>-25.8%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>197,675</td>
<td>3,269</td>
<td>26,644</td>
<td>13.5%</td>
<td>818</td>
<td>95.24</td>
<td>-24.4%</td>
<td>-30.1%</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Brazil</td>
<td>63,100</td>
<td>297</td>
<td>4,286</td>
<td>6.8%</td>
<td>121</td>
<td>76.19</td>
<td>-29.6%</td>
<td>-53.5%</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Canada</td>
<td>47,147</td>
<td>1,249</td>
<td>2,663</td>
<td>5.6%</td>
<td>139</td>
<td>85.71</td>
<td>-29.4%</td>
<td>-15.7%</td>
<td>-4.0%</td>
</tr>
</tbody>
</table>

Note: Case Fatality Rate is the ratio of total death to total confirmed case. Market Index data is based on MSCI index of respective country. GDP growth estimates are based on consensus data from various analysts and firms. Stringency index, created by Oxford COVID-19 Government Response Tracker (OxCGRT), is the aggregated score based on several different common policy responses governments have taken, such as school and workplace closures and restrictions on travel and gatherings etc.

Major Markets are Improving; Oil Price Dips Below Zero but Rebounds Quickly

Impact of COVID-19 on Asset Prices

Year-to-date performance, Indexed to 100 as of 27 April 2020

- Crude Oil
- NASDAQ
- DAX
- FTSE 100
- MSCI ACWI

- Crude Oil dipped below zero due to supply glut and weak demand. The price rebounded after Trump threatened to “Shoot And Destroy” Iranian gunboats.
- Oil surges over 35% after Saudi Arabia and Russia ends price war, but loses all its gains.
- Volatility significantly increased across major markets.

Note: *All indexes normalized, with value equals 100 on January 1, 2020
Source: GlobalData Analysis; Yahoo Finance; Investing.com; Bloomberg
Active Job Vacancies Plummet, While Unemployment Rises

Job Trends
as of 27 April 2020

Change in Active Jobs by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Active Jobs (% Change, 7 days)</th>
<th>Active Jobs (% Change, 30 days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>-22.83%</td>
<td>-5.80%</td>
</tr>
<tr>
<td>Canada</td>
<td>-29.35%</td>
<td>-7.22%</td>
</tr>
<tr>
<td>Brazil</td>
<td>-29.56%</td>
<td>-9.31%</td>
</tr>
<tr>
<td>Italy</td>
<td>-24.39%</td>
<td>-8.53%</td>
</tr>
<tr>
<td>France</td>
<td>-18.30%</td>
<td>-4.80%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-8.19%</td>
<td>-9.19%</td>
</tr>
<tr>
<td>India</td>
<td>-28.54%</td>
<td>-10.92%</td>
</tr>
<tr>
<td>Germany</td>
<td>-19.40%</td>
<td>-5.59%</td>
</tr>
<tr>
<td>Japan</td>
<td>-18.14%</td>
<td>-5.32%</td>
</tr>
<tr>
<td>China</td>
<td>-16.60%</td>
<td>-3.27%</td>
</tr>
<tr>
<td>United States</td>
<td>-21.98%</td>
<td>-5.45%</td>
</tr>
</tbody>
</table>

Forecasters Sound the Alarm

- The International Labour Organization estimates 6.7% of worldwide working hours will be wiped out in Q2 2020, equivalent to 195 million workers.
- World Travel and Tourism Council (WTTC) estimates job loss of 100.8 million in the travel and tourism industry due to the economic damage caused by COVID19 outbreak.
- Around five million people in China lost their jobs in January and February 2020.
- Last week, 4.4 million people filed unemployment claims in the US, bringing the total to 26.4 million in the last five weeks since a national emergency was declared.
- The IMF estimates unemployment will be more severe in Spain than in Italy. It predicts Spain’s 2020 jobless rate to reach 20.8% compared to 12.7% in Italy.
- According to French government, 10 million people (equivalent to one out of two in the private sector) has been laid off during the lockdown.
- CMIE expects 140 million people in India to lose employment during lockdown period, with the unemployment rate rising to 26.2% in the third week of April.

Source: GlobalData Analysis; Business Insider; International Labour Organization; US Department of Labor; Goldman Sachs; IMF; CNN; CNBC;
Consensus Expects a Global Recession

Estimated 2020 GDP Growth
as of 27 April 2020

Foreasers Sound the Alarm

- **IMF** forecasts the global economy to contract by 3% in 2020 as ‘Great Lockdown’ causes a dramatic drop in economic activity. Economic growth in the US and Europe is forecasted to plunge by 9.1% and 5.8% respectively during the year.

- Declared the global economy to be in recession and estimates $2.5 trillion finance is needed to support emerging economies.

- The World Bank projects South Asian nations will register a growth rate of 1.8%–2.8% in 2020, worst in over 40 years.

- **UNCTAD** projects the world economy, except India and China, to be in recession, forecasting $2-$3 trillion reduction in investments in the commodity-rich exporting nations.

- **Banco Bilbao Vizcaya Argentaria (BBVA)** research forecasts the Spanish economy to contract by 8% in 2020 and recovery to a growth of 5.7% in 2021.

- **Goldman Sachs** projects the global economy to shrink by 2% in 2020

- **Morgan Stanley** expects a global recession in the first half of 2020. It forecasts global GDP to contract by 2.3% in the first half of 2020 compared to 2019.

- **Rating agency, Fitch**, forecasts the global economy to contract by 1.9% in 2020. It also projects the 2020 economic growth of the US, Eurozone and the UK at (-)3.3%, (-)4.2% and (-)3.9% respectively.

Note: Estimates on 2020 GDP growth based on multiple broker projections

Source: GlobalData Analysis; National Statistics Office; The World Bank; Broker Estimates; BBC; Twitter; Reuters
A public health emergency declared. 30-day travel ban from 26 European nations from March 14, 2020. Imposed its most stringent travel advisory, which instructs US citizens not to travel abroad and urges Americans abroad to repatriate on March 19. Extended social distancing guidelines till April 30.

Ten states under a broad lockdown, with around 43 out of 50 states under “Stay at Home” orders. Ramped-up federal assistance to the hardest-hit states. As of April 27, many states started lifting lockdown orders amid very high rate of unemployment claims.

Approved a $4.5 trillion fiscal stimulus package. USDA announced a $19 billion bailout package for farmers. A new relief package worth $484 billion was signed off by the Trump administration on April 22, to support small businesses and hospitals deluged by sick patients.

Announced a 3-phase plan to lift the lockdown: Re-open restaurants, theaters and places of worship with strict social distancing measures followed by re-opening schools and resumption of non-essential travel, and finally lift all restrictions.

Imposed a nationwide two-week lockdown from March 14, with people banned from leaving home except for buying essentials, medicines, or for work. The lockdown was further extended till May 9.

All public transport to cut their services to half and all means of transport should only operate with one-third occupancy.

The government announced a stimulus of $220 billion (15.82% of GDP) to support the economy. Also plans to introduce universal basic income to help people from the economic fallout following COVID19 outbreak.

SMEs and the self-employed allowed to delay tax payment worth 30K over the next six months.

The government has begun a gradual lift of the lockdown and allowed 300,000 non-essential workers to return to work. On April 22, lockdown measures were eased for children, allowing short walks outside. Announced on April 25 to relax measures that will allow outdoor exercise and walk from May 2 onwards if spread of virus slows down.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements, Business Insider, Weather.com; OECD; CNBC; Bloomberg; Reuters
Governments’ Response to the Threat [2/5]

### Italy

- Confirmed cases: 197,675
- Deaths: 26,644
- Recovered: 64,928

- The nationwide lockdown was extended until May 3. The Italian government allowed a few shops and businesses to re-open from April 14 onwards as it seeks to ease restrictions.
- All retail trade is suspended, save for essential goods, and banking, financial, and insurance services. All gatherings of people are forbidden, and the movement of people is restricted.
- Travel that isn’t for essential work, or for health or family emergencies, is banned.
- Italy will allow a narrow range of businesses to resume operations this week.
- Italian government’s total stimulus package is worth $818 billion (41.2% of GDP) to support the country’s economy and healthcare system.
- The government also decided to make $444 billion worth of liquidity and loans available to the companies that have been disrupted due to the coronavirus.
- On April 26, government announced phase two lockdown exit plan allowing factories and building sites to re-open from May 4 onwards.

### France

- Confirmed cases: 162,220
- Deaths: 22,890
- Recovered: 45,681

- The French government extended the nationwide lockdown until May 11 and announced a plan to ease lockdown measures in two weeks' time, by first lifting restrictions on travel and businesses.
- People were barred from leaving their house without a signed permission form.
- The French government’s stimulus package is worth $455.6 billion (16.8% of GDP), focused on supporting its healthcare system, struggling small businesses, and to revive the economy.
- Support from the State and the Banque de France (credit mediation) to negotiate with its bank a rescheduling of bank credits
- The French government also amended a new budget law under which it will provide state guarantee loans to companies.
- On April 22, announced gradual easing of lockdown in different regions from May 11 onwards. Cafes, restaurants, cinemas will remain closed, and festivals postponed till mid-July.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements, Business Insider, Weather.com; OECD; CNBC; Bloomberg; Reuters
Governments’ Response to the Threat [3/5]

**Germany**

- **Confirmed cases**: 157,770
- **Deaths**: 5,976
- **Recovered**: 112,000

- The German government extended the nationwide lockdown until April 19, 2020 and intends to further extend it to May 3, 2020. Banned public gatherings of more than two people, expanded curbs on social interactions, closed all restaurants, hotels, and other businesses.
- The country will gradually ease lockdown measures, reopening schools in early May along with retail businesses. However, social distancing measures are likely to remain.
- Temporarily closed several schools and workplaces & cancelled many upcoming events, including Leipzig Book Fair and ITB Berlin.
- Closed borders with France, Switzerland, Austria, Denmark, and Luxembourg from March 16, 2020.
- The German government has approved a stimulus package worth $1.22 trillion. Tourism companies allowed to defer tax payments and workers sent home by the employers to be compensated under government subsidy scheme.
- Approved an additional $11.2 billion stimulus package.

**United Kingdom**

- **Confirmed cases**: 154,037
- **Deaths**: 20,795
- **Recovered**: 778

- On March 23, British nationals were advised against all but essential international travel. Travelling citizens were advised to return to the UK. PM Boris Johnson imposed a three-week lockdown to prevent the spread of coronavirus. On April 16, the government extended the lockdown by three weeks.
- On April 26, British foreign Secretary announced that the government is not planning for lockdown exit as the UK is in a very "delicate and dangerous" stage at present.
- The government directed people to stay at home throughout this period except for essential purchases, essential work travel or medical needs.
- Bank of England has slashed interest rates by 0.65% and lowered capital requirement for UK banks.
- Stimulus package worth $446 billion (15.94% of GDP) has been approved by the government for tax cuts and business loan grants.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements, Business Insider, Weather.com; OECD; CNBC; Bloomberg; Reuters
Governments’ Response to the Threat [4/5]

<table>
<thead>
<tr>
<th>Turkey</th>
<th>Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed cases</td>
<td>110,130</td>
</tr>
<tr>
<td>Deaths</td>
<td>2,805</td>
</tr>
<tr>
<td>Recovered</td>
<td>29,140</td>
</tr>
</tbody>
</table>

- On March 27, 2020, Turkey suspended all foreign flights and imposed travel restriction on 30 cities.
- All entry and exit into the municipalities is banned, except for the transport of essential supplies.
- On March 17, 2020, the Central Bank of Turkey lowered the policy rate by 100bps to 9.75% and a package of financial measures was introduced.
- The Turkish government announced a $15.5 billion package to mitigate the potential economic fallout from the deadly pandemic.
- On April 20, announced full lockdown of 31 cities from April 23 onwards for four days.
- An additional $28.7 billion stimulus package has been adopted by the Turkish government on April 26 that will include working allowance, minimum wage support, tax postponement and preservation of commercial life among others.

- On 25 March 2020, a partial lockdown was announced, closing businesses and government offices for two weeks and banning travel between different cities.
- The Iranian government allowed low risk businesses to re-open from April 18 onwards. High risk economic activities such as sports and cultural centers, hotels, shopping malls, salons etc. were suspended until further notice.
- The Central Bank agreed with commercial banks to postpone repayment of loans due in February 2020 by three months and provided temporary loan waivers for non-performing loans.
- Announced a stimulus package worth $56.2 billion - equivalent to 8.5% of GDP - to support vulnerable social groups.
- On 6 April 2020, announced guaranteed bank credit of US$61 to 23 million poor families to boost consumption expenditure.
- On April 26, government allowed mosques to re-opens in COVID-19 free areas of the country.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements, Business Insider, Weather.com; OECD; CNBC; Bloomberg; Reuters
Governments’ Response to the Threat [4/5]

China

<table>
<thead>
<tr>
<th>Cases</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed</td>
<td>82,830</td>
</tr>
<tr>
<td>Deaths</td>
<td>4,633</td>
</tr>
<tr>
<td>Recovered</td>
<td>77,474</td>
</tr>
</tbody>
</table>

- As the number of COVID-19 cases ease, employees are back to work and Chinese factories started its operation. The country also re-opened 500+ cinemas, shops, bars and tourist spots.
- Lockdown lifted from the central Chinese city of Wuhan. Citizens can leave home, with rail and road connectivity re-established.
- With re-emergence of new imported cases, the Chinese government on April 12, decided to tighten border controls and quarantine measures. China has banned all non-residents and outside vehicles from entering the Harbin city that borders Russia.
- The Chinese government has approved fiscal measures worth $368 billion to control the spread of the disease, produce medical equipment, disburse unemployment insurance, provide tax relief, and waive social security contributions.
- On March 30, 2020, People’s Bank of China reduced its 7 days reverse repurchase rate to a record low of 2.2% and injected $7 billion into the financial system to revive the economy.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements, Business Insider, Weather.com; OECD; CNBC; Bloomberg; Reuters
Concern Over the Spread of COVID-19 Remains High, Business Optimism Declines

Poll to Assess Business Sentiment
as of 27 April 2020

How optimistic are you about your company’s growth prospects?
• Very optimistic
• Optimistic
• Neither optimistic or pessimistic
• Pessimistic
• Very pessimistic

Poll to Assess Concern Related to Spread of COVID-19
as of 27 April 2020

How concerned are you about the spread of coronavirus?
• Very concerned
• Slightly concerned
• Neither concerned nor unconcerned
• Not very concerned
• Not concerned

Note: Optimistic includes respondents with response as “very optimistic” and “optimistic”. Pessimistic includes respondents with response as “pessimistic” and “very pessimistic”. Neutral respondents were discounted from the analysis. 16,837 responses were received.

Note: Concern index is based on respondents who answered that they are “very concerned” about the spread of COVID-19. The index is based on a total of 116,623 responses.

Source: GlobalData Analysis
COVID-19 Polls – Impact on Recruitment by Companies

Poll to Assess Impact on Recruitment

Results till 27th March, 2020

Do you see impact on recruitment in your company due to COVID-19 pandemic?
- Lay-offs announced
- Lay-offs expected
- Recruitment on hold
- No impact
- Increased hiring

Note: Analysis based on 11,834 responses received till April 27, 2020

Source: GlobalData Analysis

Around 9% of respondents said that companies have increased recruitment. A metric that has been increasing over the past weeks.

Almost 76% companies have placed hiring on hold, laid off employees or are planning lay-offs.

The share of companies that have either laid-off or are planning to lay-off employees has increased from 39% on week ending March 29th to 43% on week ending April 26th. Although the metric is showing improvement compared to previous weeks.
Breaking News: Unemployment Figures

APRIL 27, 2020
Macau: COVID-19 pushes up jobless rate to 2.1%

View

APRIL 26, 2020
United States: 50 million travel industry jobs may be lost, 50 percent of travel cut — due to coronavirus

View
Belgium: Almost 100,000 people apply for temporary unemployment in Brussels

View
Nigeria: Employers demand 60% salary support from FG to save jobs

View

APRIL 25, 2020
India: Airlines staring at 2.9 million job losses, 47% drop in demand

View

APRIL 24, 2020
Global: WTTC Estimates more than 100 million travel industry job losses

View
South Africa’s poorest workers are more likely to lose jobs, says data report

View

APRIL 23, 2020
US: 26.5 million Americans Lost their jobs in the past five weeks

View
The EU's 100 billion euro scheme to tackle unemployment caused by COVID-19

View
Unemployment around the US will reach 16% this year, CBO says

View
Unemployment rate in Iran drops

View

Source: GlobalData Analysis; Interviews; Press Articles; Company Announcements; Verdict Media
Breaking News: Stimulus Announcements

APRIL 27, 2020
Egypt seeks aid from IMF amid virus-inflicted downturn
View

APRIL 26, 2020
SAARC nations unveil emergency stimulus packages to tackle COVID-19 economic fallout
View
Turkey spends $28.7 billion to protect economy against COVID-19
View
China weighs new fiscal stimulus plan
View

APRIL 25, 2020
$110 trillion renewables stimulus package could create 50 million jobs
View

India Inc awaits govt stimulus to revive corporate, MSMEs amid layoffs and salary cuts
View

UAE's $70 billion stimulus will help buyers get on property ladder, says Seven Tides CEO
View

APRIL 24, 2020
Coronavirus: EU moves towards trillion-euro recovery stimulus package
View
Japan’s stimulus to boost real GDP by 4.4%: economy minister
View
When $8 trillion In global fiscal stimulus still isn’t enough
View

APRIL 23, 2020
Workers and restaurants benefit from Germany’s new €10 billion coronavirus package
View

Source: GlobalData Analysis; Interviews; Press Articles; Company Announcements; Verdict Media
APRIL 27, 2020

UK resists calls to ease lockdown as Johnson set to return to work
View

APRIL 26, 2020

France, Italy and Spain prepare to ease coronavirus lockdowns
View

COVID-19 Informer: Figures paint positive picture as Australia plans for COVID-19 recovery
View

Virus-hit APEC region to post 2.7% economic contraction in 2020
View

Israel: Ministry of Finance Chief Economist Shira Greenberg forecasts a rise in the fiscal deficit to 11% of GDP.
View

S. Korea's economy to shrink 0.3 percent in 2020
View

Some states begin to reopen as US closes in on 1 million coronavirus cases
View

APRIL 25, 2020

India plans to fast track Chinese investments after policy change
View

APRIL 24, 2020

UPDATE 2-Russia lowers interest rate to 5.5% amid coronavirus outbreak
View

Saudi Monetary Authority directs banks to postpone 3-month installment payments
View

Africa faces 'hunger pandemic' as coronavirus destroys jobs and fuels poverty
View

Fitch Affirms Netherlands at 'AAA'; Outlook stable
View

Source: GlobalData Analysis; Interviews; Press Articles; Company Announcements; Verdict Media
5. Sectoral Impact
Aerospace, Defense & Security COVID-19 impact assessment

Interdependent and complex relationship between Aerospace and Defense will spread the damage

Revenue Predictions
§ Commercial Aerospace struggled prior to the outbreak, but now finds itself in a crisis worse than 9/11 and SARS combined. IATA’s estimate of lost airline revenue has been revised upwards four times, and now stands at $315bn as of 23rd April. The immediate impact on OEMs, services and aftermarket parts is catastrophic.
§ The future of Commercial Aerospace depends on whether COVID-19 represents an inflection point resulting in an L-shaped recovery or a prolonged U or W-shaped recovery and reversion to previous growth patterns.
§ Defense prospects are brighter but may be curtailed by medium term fiscal restraint as a result of measures to combat COVID-19, with differing impacts per subsector and per region. Defense is likely to be used as a stimulus in markets with large domestic capacity.

Supply Chain & Demand Disruption
§ The US DoD expects three-month delays on major defense acquisition programmes (MDAPs). It also notes specific vulnerability within aerospace, shipbuilding, and small space launch markets.
§ Long term defense demand will be defined by knock-on macroeconomic impact within 1-2 years.

Sector-specific Stimulus Programs
▪ Largest so far is the US CARES act, providing $17bn in specific funding for businesses critical to national security along with $61bn in aviation and broader aerospace support. There is an expectation of additional funds to mitigate DoD MDAP slippage in CARES Act 2, now being discussed.
▪ Governments are also implementing prompt payment measures to their defense supply chains with a particular focus on supporting SMEs and identifying weak points, specifically on civil aerospace exposure.

Unemployment
▪ Aerospace has already shed thousands of jobs with tens of thousands under furlough. Defense has yet to be majorly impacted, however. Strategic capabilities will be protected, as they are extremely difficult to resurrect in short order once lost. A small number of defense primes, notably Lockheed Martin, have added to headcount recently.

Being A Force For Good
▪ Along with the automotive sector, Aerospace & Defense are at the forefront of efforts to manufacture ventilators at pace using methods such as 3D Printing and leveraging experience with rapid acquisition.
## Aerospace, Defense & Security COVID-19 value chain impact

### Variation in impact across tiers and timeframes

<table>
<thead>
<tr>
<th></th>
<th>Prime Contractors</th>
<th>Tier 1 &amp; 2 Subcontractors</th>
<th>Tier 3 &amp; 4 Components &amp; Fabrication</th>
<th>Tier 5 Raw Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Defense primes face production &amp; supply issues but supported by programme assurance. Civil Aerospace in deep freeze.</td>
<td>High relative vulnerability to civil markets in key areas, risk of failure without state aid.</td>
<td>Disruption to supply chains, labour force and revenue from commercial markets.</td>
<td>Disruption to supply chains, labour force and revenue from commercial markets.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>L or U-shaped aviation recovery defines medium term impact. Prospects for defense budgets also apparent in the mid-term.</td>
<td>Consolidation needs become acute. Debt financing for M&amp;A now more feasible, however.</td>
<td>Diversification to mitigate supply chain and customer risk.</td>
<td>Global recession keeps civil demand checked.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Rebalanced civil aerospace sector and no reversion to previous demand patterns, depressed defense budgets.</td>
<td>Landscape emerges after M&amp;A. Greater supply chain scrutiny from governments throughout the tiers.</td>
<td>Reshoring of some capability to guarantee security of supply (PCB, cables, assemblies etc.).</td>
<td>Broader view of what counts as strategic industry may include some elements of raw material production/supply.</td>
</tr>
</tbody>
</table>

Source: GlobalData

- **Significant negative impact**
- **Moderate negative impact**
- **No impact**
- **Moderate positive impact**
- **Significant positive impact**
Automotive COVID-19 impact assessment

Over $100 billion in lost revenue for North American and European industry alone
That’s assuming a return to production by May. No guarantees that’s the cap on losses...

Revenue Predictions
- The hit to the market will be greater than in the 2007/8 financial crisis.
- Our base COVID-19 light vehicle sales scenario forecasts a fall of 16.2% on 2019 to 75.2 million.
  - Declines heavily weighted to Q2; measures to suppress the virus allow for recovery from Q3 onwards.
- Most plants in Europe and North America are closed: up until end of April, 4.1 million light vehicles will have been removed from production.
- Revenue cost of $131.1 billion to the OEMs here alone.
  - Given base case globally losses scale up to over $450 billion.
- For the aftermarket there will be some income loss from extended service intervals and lower annual distances travelled.

Supply Chain & Demand Disruption
- The complexity of supply chains was revealed as production at FCA and Hyundai plants in Europe and South Korea was disrupted due to Wuhan’s shutdown.
- Concern moved from supply chain disruption to the demand side.
- Suppliers contribute ~60% of a vehicle translating to $78.7 billion in lost revenue in Europe and North America alone up until April.
  - Profit hit at an average 3% margin is nearly $2.4 billion.

Unemployment
- Demand decimation and production stoppages damaging all parts of the value chain.
- Furloughing of staff is widespread: dealers, suppliers and OEMs all applying measures to try and conserve cash.

Sector-specific Stimulus Programs
- The tools to stimulate demand, such as scrappage from the last crisis, are not viable just yet.
- Will be required once the public health risk subsides, with emphasis on green vehicles.

Being A Force For Good
- Sector at forefront to manufacture ventilators and masks.
- Vehicles have been donated and payments made to help communities.
- OEMs extending warranties and offering payment holidays to customers.

Source: GlobalData Analysis
Difficult to see beyond a rebasing of the entire value chain at this point: structural imbalances finally addressed

But last pandemic did give way to the ‘roaring twenties’...

<table>
<thead>
<tr>
<th>Supplier Network</th>
<th>Auto Manufacturers</th>
<th>Sales &amp; Marketing</th>
<th>End Market</th>
<th>Sale &amp; Post-sale Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Devastating, unless can pivot to new markets or highly automated production.</td>
<td>Double whammy. Supply chain disruption mutates into demand decimation.</td>
<td>Day job disrupted, messaging shifts away from product to CSR.</td>
<td>Lockdowns limit vehicle need. Big ticket items move right to the back of the queue however much one digitalizes.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>M&amp;A need accelerates. Technology and geographic portfolios reassessed.</td>
<td>Cash conservation is king, R&amp;D checked. Back to basics. Capacity rationalization looked at. OEMs do right by society and don’t wait to be impelled by legislation.</td>
<td>Sales and marketing function reset at OEMs. Messages focus on positive CSR aspects of the products.</td>
<td>Digital comms and virtual commuting take hold. Only vital journeys undertaken, demand becomes normalized to utility and not wealth.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Leaner, more agile, supplier base results. Industry 4.0 fully implemented and industrial manufacturing repatriated.</td>
<td>Supply chains remapped. Single source risks mitigated. Industry rationalized, less need to foist upon consumers unwanted tech for unsustainable advantage.</td>
<td>Simplified but more oligopolistic marketing function emerges. Increased spend on advertising as non-price competition becomes more important.</td>
<td>Sector moves from push-to-pull. Industry no longer pushes product into people’s hands who can ill-afford it. Damage to PCP market after macro damage.</td>
</tr>
</tbody>
</table>

Source: GlobalData

- Significant negative impact
- Moderate negative impact
- No impact
- Moderate positive impact
- Significant positive impact
Banking COVID-19 impact assessment

COVID-19 is creating conditions of acute economic stress and disruption worldwide
Retail banks will play a critical operational and strategic role in helping absorb the first-round adjustment costs

Revenue Predictions
- In the near-term, COVID-19 will be analogous to the credit crisis, creating a period of economic paralysis and leaving a massive hole in banks’ balance sheets.
- Fee and interest income will fall, driven by reduced use of cards (interchange fees), and the obligation to provide payment holidays and waive interest and overdraft charges.
- Non-performing loan (NPL) ratios will increase, particularly across SMEs in sectors such as retail, travel, tourism, and entertainment.
- New mortgage lending will freeze. Net interest margins will remain low and/or be compressed further by rate changes.
- Short-term costs will increase amid lost productivity from increased work from home, and scenario analysis and stress testing of possible COVID-19 impacts.

Supply Chain & Demand Disruption
- Massive increases in digital activity, both from employees working from home and customers using mobile apps/websites, will drive increased risk of performance disruption.
- Much longer than normal lead times for infrastructure components (such as, servers, storage, parts and networking gear).

Sector-specific Stimulus Programs
- Various measures are being implemented including fiscal stimulus steps, rate decreases, liquidity measures, and a relaxation of capital rules.
- Operational challenges and lack of policy clarity have left some banks fearful of “writing blank cheques” when providing emergency finance.

Unemployment
- The International Labour Organization (ILO) estimates job losses of around 25 million worldwide.

Being A Force For Good
- By taking various counter-cyclical measures, banks will play a critical role in protecting employees, customers and the wider economy.

Source: GlobalData Analysis
## Banking COVID-19 value chain impact

Significant negative impact across the entire value chain but ultimately “forcing” through necessary business model change

<table>
<thead>
<tr>
<th>Channels</th>
<th>Products</th>
<th>Operations</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong>&lt;br&gt;Rapid change in channel usage, diverting primarily to call centres.</td>
<td>Loss of income, “forced” lending to vulnerable segments, and waived fees and charges.</td>
<td>Operational workarounds to affect process changes quickly at expense of long-term process simplification.</td>
<td>Legacy systems creak amid increased volume and velocity of data processing and new time-to-market imperatives.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong>&lt;br&gt;Banks that built out mobile as a full sales and service channel reap benefits.</td>
<td>Cautious resumption of lending but with non-traditional credit risk metrics.</td>
<td>Growing reliance on open banking partnerships to refine credit assessment and remote on-boarding.</td>
<td>Cloud migration, software-as-a-service partnerships, and data consolidation to enable more personalized digital interactions.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong>&lt;br&gt;Accelerated decline in branch usage and conversion of digital holdouts.</td>
<td>More flexible product options, greater personalization and hybridization of features.</td>
<td>Increased process automation to improve business resilience and re-on-shoring of business-critical activities.</td>
<td>Cloud-native, mobile-native, micro-services architectures to optimize agility and flexibility.</td>
</tr>
</tbody>
</table>

Source: GlobalData
Construction COVID-19 impact assessment

Global construction output to fall by 1.4% in 2020

Sharp declines in activity expected in Europe and North America

Output predictions

- The construction industry will be subdued beyond the immediate period of lockdowns and other containment measures despite huge government stimulus packages.
- GlobalData predicts that global construction output will contract by 1.4% in 2020, a sharp downward revision compared to the forecast of 3.1% in the pre-COVID-19 case.
  - Western Europe output will contract by 5.1%
  - North America output is expected to drop by 4.3%.
  - North-East Asia output will grow by just 1.2%

Sector specific stimulus

- Governments and public authorities will advance spending on infrastructure projects as soon as normality returns to reinvigorate the industry.
- This will be spread across all areas of transport infrastructure and energy and utilities.

Supply chain & demand disruption

- The construction industry will be heavily affected by the economic downturn. Planned projects are at a high risk of being delayed or cancelled.
- In the short term there is a high risk of projects in execution being halted because of lockdowns, a lack of materials, and other supply chain disruption.
- Projects at pre-construction stages will be severely delayed, given disruption processing building permits, tendering, and awarding contracts.

Unemployment

- While European governments are still permitting construction sites to remain open, there are reports of staff being laid off.

Source: GlobalData Analysis
Construction COVID-19 Sub-sector impact. Note: no value-chain analysis for construction so sub-sectors are shown instead

All sectors to experience short term disruption, with commercial and industrial hit hard

*Infrastructure investment will be a focus for efforts to boost the recovery*

<table>
<thead>
<tr>
<th>Sub-sector</th>
<th>Impact Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>Commercial construction is likely to be the hardest hit in the early part of 2020, with sectors such as retail, leisure and hospitality already suffering from the knock-on effects of the decline in trade, travel, and consumer and business confidence.</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>Spending on energy and utility projects will be severely impacted by global supply chain disruptions and plunging oil prices. However governments and public authorities will likely advance spending on power and utilities projects as soon as normality returns.</td>
</tr>
<tr>
<td>Industrial</td>
<td>The industrial sector is most at risk from the severe drop in economic activity. Immediate priorities for manufacturers will be to stay afloat and rebuild core operations, rather than expand and invest in new premises or capacity.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Infrastructure projects will be a priority for government investment as soon as normality returns, to reinvigorate the industry. With interest rates at record lows, borrowing costs will be at a minimum, but success will depend in part on the financial standing of governments post COVID-19.</td>
</tr>
<tr>
<td>Institutional</td>
<td>Governments across the world are preparing to fight the virus outbreak by strengthening their healthcare infrastructure, and building of new hospitals is rising sharply. This investment helping to support the expansion in institutional buildings.</td>
</tr>
<tr>
<td>Residential</td>
<td>The residential sector will struggle as unemployment rises, despite low interest rates and direct government support. There is a high risk that a considerable proportion of the early stage projects in the sector will be cancelled or pushed back, and few new projects will start in Q2 2020.</td>
</tr>
</tbody>
</table>

*Source: GlobalData*
Consumer COVID-19 impact assessment

Furloughs, lay-offs and job insecurity continues to affect consumers’ willingness to spend, with the greatest impact on high-end or ‘non-essential’ products.

Unemployment

- Unemployment and job insecurity will continue to focus consumers’ spend on essential goods, with premium and non-essentials falling by the wayside.

Revenue predictions

- Geographic and product diversification will provide resilience to companies from the worst effects of COVID-19.

- The number of meals eaten at home will remain at an all-time high, with the highest increase being lunches eaten at home. These lunches, now prepared at home rather than being pieced together in the forms of meal-deals and foodservice, present opportunities for eating together, with unique new product opportunities.

- Simple and filling food, as well as emotionally comforting treats like chocolate and biscuits, are expected to do well during lockdown.

- Consumer goods choices will continue to reflect the weather, but mass unemployment will alter spending on consumer goods. Meat and ice cream are expected to do well where it’s sunny, although a shift to private label and bulk products is most likely.

Supply chain & demand disruption

- Falling oil prices are positive for key industries like FMCG logistics and couriers, as business costs come down.

- Demand for online delivery is high during lockdowns. Retailers are adapting to accommodate this through click and collect as well as increased home delivery services.

- Several supermarkets have unveiled new ways to shop in-store, using their own proprietary apps. These apps use the smartphone’s camera to scan barcodes so customers can scan and pack as they pick up their shopping. This reduces the potential for infection from fomites.

- Coca-Cola reported volume losses of 25% due to a mixture of changing demand and the closure of foodservice outlets.

Being a force for good

- While Corporate Social Responsibility continues to be in the spotlight, some local organizations, such as Feed Britain are taking it one step further and developing social business models. These companies run at-cost distributing meals and ingredients from local suppliers, and profits go to charity to ensure key workers get hot meals.
## Consumer COVID-19 value chain impact

COVID-19 could change longer-term consumer behavior, the most successful companies will alter their strategies to accommodate this.

<table>
<thead>
<tr>
<th>Short-term impact</th>
<th>Mid-term impact</th>
<th>Long-term impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplier Network</strong></td>
<td>Consumer Goods companies will experience short term delays from suppliers, especially those from further afield.</td>
<td>Consumer Goods companies are likely to be forced to analyse their sourcing strategies.</td>
</tr>
<tr>
<td><strong>Manufacturers</strong></td>
<td>Manufacturing will experience minor short term disruption from ill staff and supplier disruption. Focus will shift away from smaller convenience products.</td>
<td>Product development will be hampered by COVID-19 disruption. The sales mix is likely to change—favourable for some, though others will struggle.</td>
</tr>
<tr>
<td><strong>Logistics and distribution</strong></td>
<td>Delays in distribution networks may prevent revenue maximization.</td>
<td>Longer-term effects might persist for some time, causing on-going difficulties.</td>
</tr>
<tr>
<td><strong>Channels</strong></td>
<td>Online orders and convenience stores are become more popular.</td>
<td>Online retailers will become increasingly important for consumer goods manufacturers.</td>
</tr>
<tr>
<td><strong>Consumers</strong></td>
<td>Major shifts in consumption behaviour are occurring rapidly making it difficult to react.</td>
<td>A global recession will increase demand for value products.</td>
</tr>
</tbody>
</table>

### Notes:
- New supplier networks might be created with the aim of building more resilience into overall arrangements.
- While weaker businesses and brands might fail, those left should be well placed to fill any voids.
- “New normal” patterns will bed in.
- Overall channel mix will likely be altered for some time, requiring greater operational complexity to be managed.
- Long-lasting impacts force CPG companies to alter pricing and promotion strategies.

### Source:
GlobalData

### Impact Levels:
- **Significant negative impact**
- **Moderate negative impact**
- **No impact**
- **Moderate positive impact**
- **Significant positive impact**
Insurance COVID-19 impact assessment

Economic instability will have the longest impact on the industry

Premium impacts

- The Chinese insurance industry is expected to generate ¥4,467.06bn ($629.8bn) in gross written premiums (GWP) in 2020. This forecast was revised down from an initial estimate of ¥4,754.22bn ($670.29bn) before COVID-19, representing a decline of 6.0%.
- The reliance on health insurance in the US could cause premiums to surge by up to 40% as the insurers face an unprecedented number of claims.
- According to Secured Retirement Institute, the sale of fixed-rate deferred annuity products in the US registered a growth of 57% in March 2020, when compared to the previous month.

Changing claims landscape

- Travel insurance claims are anticipated to reach record levels due to trip cancellations. In the UK, the ABI estimates claims costs will reach £275m.
- Workers compensation premiums are expected to decline due to falls in global employment rates. However, claims relating to workers compensation linked to coronavirus in California are expected to reach US$33.6bn.

Economic instability

- A global recession would initially be felt in commercial lines with business closures reducing demand. This will trickle through to personal lines as consumers’ disposable incomes fall.
- Volatility in financial markets has raised the pressure on insurers’ balance sheets as exposure to corporate bonds has increased in recent years in search of better returns.
- The expected recession exposes vulnerability on multiple fronts. Carriers already expect a decline in the volumes in both retail and commercial segments. During this time, any catastrophe event could make recapitalisation extremely difficult, resulting in potential business failures.

Being a force for good

- Some motor insurance providers in the US are refunding premiums to policyholders who are unable to use their vehicles during the lockdown due to considerable fall in claims.
- Insurance regulators are extending the premium payment grace period, policy term periods and expiry dates in markets impacted by the pandemic.

Source: GlobalData Analysis
Insurance COVID-19 value chain impact

Long term benefits are possible across the value chain despite short term pain

<table>
<thead>
<tr>
<th>Product development</th>
<th>Marketing &amp; distribution</th>
<th>Underwriting &amp; risk profiling</th>
<th>Claims management</th>
<th>Customer service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>There will be little capacity for new product development as the industry responds to the crisis.</td>
<td>The sale of new policies has been paused in some lines of business as insurers limit their exposure.</td>
<td>Policy terms must be reviewed in order to understand potential hidden exposures.</td>
<td>The surge of claims will put increasing strain on claims management. With social distancing measures making it challenging to effectively process claims.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>The cost of claims will result in a lack of funds for innovation as core product lines are protected.</td>
<td>The industry will need to engage with customers and highlight the changes which have occurred to policies.</td>
<td>The impact on reinsurance will become evident as natural catastrophes occur.</td>
<td>In the medium term claims will begin to stabilize after the peak of the virus is reached.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Changes in consumer habits which occurred as a result of lockdown measures will create demands for new policies to be developed.</td>
<td>New policies will have a reliance on technology particularly those which are usage-based, resulting in the need for new distribution channels.</td>
<td>The industry will benefit from the wealth of data which will become available allowing for improved underwriting accuracy relating to future pandemics.</td>
<td>The need for a contactless claims process will result in significant investment in technology which enables virtual claims processing.</td>
</tr>
</tbody>
</table>

Source: GlobalData
Medical COVID-19 impact assessment

Governments around the world are approving stimulus packages to ensure hospitals can continue to operate during the crisis

With hospitals focusing on COVID-19 patients, the more lucrative procedures are taking a back seat

Revenue predictions

- GlobalData expects the current spend for disposable hospital supplies to increase $8B worldwide, substantially up from the current estimate of $16.4B, based on worst-case scenario assumptions.
- The key beneficiaries of this increase are Cardinal Health Inc., Molnlycke Health Care AB, and McKesson Corp., which collectively account for 38% of the global disposable hospital supplies.
- Other beneficiaries include 3M Health Care due to its supply of N95 filter face masks.
- General Surgery, Orthopedic and Cardiovascular devices are now reporting impacts on business, including delayed product launches, repositioning of inventory and extended lines of credit.
- 15–30% of elective surgeries are likely to be cancelled.

Unemployment

- Medical manufacturers’ available jobs fell 22% in the last month.
- Quest Diagnostics has increased the number of active jobs by 8.8%, between December and February 2020.

Supply chain & demand disruption

- Qiagen will meet shortages of essential COVID-19 test reagents by quadrupling production of its RNA extraction kit by end of April, eventually aiming for a 13-fold increase by end of 2020.
- SI-Bone suspends the planned Q2-Q3 launch of its cellulite reduction RAP device until the Aesthetic market stabilises.
- Abiomed is moving inventory to US, Japan and Germany.
- iCAD secures a loan and 4-year line of credit to ensure its continued trading.
- Shortages of N95 masks force end users to use disinfectants in order to reuse masks.

Sector-specific stimulus programs

- US Congress approved a $100B stimulus package for US hospitals to help address the pandemic.
- Experts believe that most of this money won’t go to lifesaving care or equipment, but to underwrite the astronomical administrative costs of negotiating a complicated network of private insurance providers and other bureaucratic functions.

Source: GlobalData Analysis
Medical COVID-19 value chain impact

Disruption in medical markets is expected to continue through the end of 2020. Companies with minimal supply chain disruption are better equipped to perform well over the long term.

<table>
<thead>
<tr>
<th>Short-term impact</th>
<th>Mid-term impact</th>
<th>Long-term impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplier Network</strong></td>
<td>Logistics and dearth of device components supplies will be major issues for all.</td>
<td>As concerns over availability of materials subside, manufacturing process will begin to resume, though will initially lag relative to regular operations.</td>
</tr>
<tr>
<td><strong>Manufacturers</strong></td>
<td>Most Medical companies will show a decline in revenues in Q1 and Q2 due to the limited number of procedures being done.</td>
<td>Developers of COVID-19 interventions could thrive; the bulk of the industry will be challenged with supply chain interruptions, and limited procedures.</td>
</tr>
<tr>
<td><strong>Sales &amp; Marketing</strong></td>
<td>With disruptions in face-to-face meetings, sales forces will lower effectiveness using virtual and electronic marketing tools.</td>
<td>Sales will begin to recover once supply chains and procedures are not disrupted.</td>
</tr>
<tr>
<td><strong>End Users (Patients, Physicians, Hospitals)</strong></td>
<td>Physicians are currently overworked, understaffed, and have inadequate supplies to handle large influxes of patients with severe disease.</td>
<td>Healthcare providers will continue to struggle with providing adequate patient care as long as there are shortages in any aspects of patient care.</td>
</tr>
</tbody>
</table>

Source: GlobalData

- Significant negative impact
- Moderate negative impact
- No impact
- Moderate positive impact
- Significant positive impact

62
Mining COVID-19 impact assessment

COVID-19 is impacting both the demand and supply side of the mining sector

Demand side
- The latest forecast for global construction output growth is a decline of 1.4%, versus initial expectations of 3.1% for 2020.
- A slowdown in construction has impacted copper and steel demand
- Lower automotive manufacturing will also impact demand for steel, aluminium, platinum and palladium.

Capital expenditure
- Original guidance for the leading miners’ capex growth was 11% in 2020. However, capex is being cut back.
  - In April, Rio Tinto advised capex for the full year would be between US$5-6 billion, down from the previous guidance of $7 billion, partly due to COVID-19, but also partly due to the strength of the US dollar.
  - On 24 April, Freeport-McMoRan announced a cut in capex from the initial guidance of US$2.8bn to US$2.0bn.
  - Antofagasta’s capex will be less than $1.3bn, compared with original guidance of $1.5bn due to suspension of work on the Los Pelambres expansion project.

Supply side
- Suspensions of mining activity have now ended in Argentina, South Africa, India and Zimbabwe, while lockdowns continue in Bolivia (to 30 April) and Namibia (4 May). In Quebec, the government extended restrictions to 4 May, however, it is allowing mines to reopen from 15 April as essential services if they comply with strict measures to limit the spread of the virus.

Operations
- Mining companies are undertaking a range of measures to minimize the potential for infections and the impact of the virus on mining operations.
  - With concerns over infections being brought in by FIFO workers, Rio Tinto is trialing a rapid blood-testing system for FIFO workers before they board their flights to its Western Australian mines. The test screens for viral-related antibodies and should anyone test positive, they self-isolate and seeks out a COVID-19 test. Workers also complete a questionnaire the day before travel and are assessed at the airport by medical personnel.

Source: GlobalData Analysis
## Mining COVID-19 value chain impact

The speed of recovery will also vary by commodity

<table>
<thead>
<tr>
<th>Prospect &amp; Exploration</th>
<th>Mine Development</th>
<th>Extraction &amp; Processing</th>
<th>Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Construction activities have been slowed by lockdowns, whilst investment decisions have stalled pending market improvements.</td>
<td>Large numbers of mines have been temporarily closed in several markets, except where mining is considered an essential service. Interruptions to supply chains will affect production.</td>
<td>Demand for many commodities, such as base metals and PGMs has dropped significantly with the slowdown of the global economy.</td>
</tr>
<tr>
<td>Much prospecting and exploration has been deferred due to financial consolidation by mining companies.</td>
<td></td>
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</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>Investments will depend on the recovery of commodity prices and ability to source the required workforce to develop each site.</td>
<td>Delay to recovery of equipment and consumables suppliers could impact supply chains. However, miners will attempt to redress production deficits.</td>
<td>Recovery in China and public sector investments will support demand for commodities for industrial production and infrastructure construction. However, lower luxury purchases affects PGMs, diamonds, etc.</td>
</tr>
<tr>
<td>Continued closure of borders and travel restrictions will hinder explorers, whilst investor sentiment will impact capital raising.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Recovery in commodity demand will spur an increase in mine development activity to meet future demand requirements.</td>
<td>Improvements to emergency response plans and investments in worker health. Increased investment in technology and potentially an increase in automation.</td>
<td>As the global economy returns to growth, demand growth for commodities will return to pre-COVID expectations.</td>
</tr>
<tr>
<td>Exploration budgets may be constrained in many commodities whilst markets recover.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: GlobalData

- Significant negative impact
- Moderate negative impact
- No impact
- Moderate positive impact
- Significant positive impact
The oil & gas industry is heavily impacted on all fronts as falling demand and geopolitical ambitions are greatly impacting company finances. Upstream sector will bear the brunt of the COVID-19 outbreak as the falling oil prices will impact production economics.

**Revenue predictions**
- Lockdown measures have brought a sharp drop in global oil and gas demand, with the IEA estimating global oil demand could fall by 29 percent in April 2020.
- The crash in prices - aggravated by a rapid build in liquids storage that caused lower utilization at producers’ end - will significantly impact revenue and profit margins.

**Capex realignment**
- IOCs, NOCs, and independents alike are cutting capex and opex in tune with the low oil prices, which have been battered further by COVID-19 pandemic.
- Announced cuts to capex guidance for 2020 now exceed US$89 billion as of 26 April 2020, considering 140+ companies.
- Capex revisions are primarily being felt in cuts to drilling in the US shale plays, in postponement of project FIDs and reductions to exploration budgets.
- Major FID postponements to date include Woodfibre LNG, Rovuma LNG, and the Scarborough gas field and Pluto LNG expansion.

**Supply chain disruption**
- Production shutdowns in China have disrupted raw material and equipment supply chains across all industries, especially those that are heavily dependent on China.
- Restrictions aimed at limiting the spread of COVID-19 are hampering progress for some ongoing projects, with a major example being the Tortue LNG project in Mauritania and Senegal, delayed for around 1 year.

**Government policy responses**
- OPEC and other major producers collectively agreed over 9.7 million bpd of oil production cuts in order to offset reduced demand.
- Canada, Ghana are among the first countries that are planning for a fiscal stimulus to support the country’s ailing oil and gas industry from the downturn.
- Highly oil-dependent countries, such as those in the Middle East and North Africa could face deep economic stress due to this downturn.

**Unemployment**
- Shrinking E&P activity and closing oil and gas plants are leading to layoffs in the services industry.
  - Halliburton announced job cuts in Texas and Oklahoma.
# Oil & Gas COVID-19 Value Chain Impact

Low prices coupled with a prospect of low demand does not bode well, and forces to rethink on project timelines and cost cutting across value chain. Projects with high capital intensity are at a high risk of cancellation or FID delay.

<table>
<thead>
<tr>
<th></th>
<th>Upstream</th>
<th>Midstream</th>
<th>Downstream</th>
<th>Petrochemicals</th>
<th>Equipment &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Companies to restructure with focus shifting to cleaner options - gas, light oil, renewables etc.</td>
<td>Review of supply chain infrastructure for oil and gas. Reassessment of risk clauses for supplier and contractors.</td>
<td>Focus on large integrated refineries to continue. Demand for cleaner fuel will increase further.</td>
<td>No perceptible impact on demand. Focus shift to large integrated complexes for better profitability.</td>
<td>Consolidation on E&amp;S is expected. Diversification of sector, geography and service.</td>
</tr>
</tbody>
</table>

Source: GlobalData

- **Significant negative impact**
- **Moderate negative impact**
- **No impact**
- **Moderate positive impact**
- **Significant positive impact**
Payments COVID-19 impact assessment

The long-term prospects for payments look bright as consumers shift to electronic tools over cash
COVID-19 may be the trigger that finally heralds the long-awaited “cashless society”

Revenue Predictions
- Decline in electronic payments growth to at least 2023 will hit projected electronic payments revenue.
- Long-term revenue will grow as consumers move away from cash.
- Regulators will take aim at card fees once the dust settles – if merchants take less cash they will resume complaints, lobbying, and lawsuits aimed at reducing interchange again.
- E-commerce revenue will increase more rapidly than originally forecast – companies with a strong online presence will do well.

Unemployment
- Payments will be less affected than other sectors.
- Working remotely is feasible for almost all payments companies.
- Banks will see furloughs and layoffs as the likely recession bites.

Cash On A Sharp Decline
- Cash is shunned as a disease vector and central banks, card schemes and other industry players rush to push consumers away from it.
- ATM network operators will see their business shrink rapidly.

Growth Prospects
- E-commerce is already performing more strongly than forecast and will continue to do well as consumers move from physical retail to online.
- Mobile payments have a major growth opportunity at the POS.
- P2P and especially instant payments also have major growth opportunities.

Being A Force For Good
- Banks are offering repayment holidays on credit card debt to support those hit financially.
- Card schemes – most notably Mastercard – roll out increases to contactless payment limits to reduce consumer exposure to disease vectors (and try to kill off cash use).

Supply Chain Impact
- Many payments companies are mostly software based, and these will be sheltered from the impact.
- Terminal manufacturers, card manufacturers and ATM manufacturers will all see a hit as trade slows.

Source: GlobalData Analysis
## Payments COVID-19 value chain impact

Cash is on the way out, though, which will buoy electronic payment spending specifically.

<table>
<thead>
<tr>
<th>Source: GlobalData</th>
<th>Significant negative impact</th>
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<th>No impact</th>
<th>Moderate positive impact</th>
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</tr>
</thead>
</table>

### Long-term economic depression will impact consumer spending strongly, hitting payments revenue

**Short-term impact**

<table>
<thead>
<tr>
<th>Banks/Issuers</th>
<th>Acquirers and Processors</th>
<th>Schemes</th>
<th>Card and terminal manufacturers</th>
<th>Alternative Payment Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue will be hit hard by reduced consumer spending under lockdown.</td>
<td>Consumer spending reduction hits revenues hard. E-commerce specialists will see growth as consumers shun physical stores.</td>
<td>Schemes are less exposed to changes in transaction numbers – their networks will remain necessary and funded.</td>
<td>Supply chains impacted by lockdowns. In-store payments greatly reduced and stores close, cutting down demand.</td>
<td>Specialists in e-com, mobile, and real-time payments benefit immediately from consumers turning to remote channels and low-contact tools.</td>
</tr>
</tbody>
</table>

### Mid-term impact

<table>
<thead>
<tr>
<th>Banks/Issuers</th>
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<th>Card and terminal manufacturers</th>
<th>Alternative Payment Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic payments overall will go up, but growth will be lower than pre-COVID forecasts as economic downturn bites.</td>
<td>As lockdowns lift, physical stores will see increased traffic, though merchant partners may struggle with lower overall spending.</td>
<td>Schemes will gain from greater electronic payments usage as cash falls off.</td>
<td>Spending reductions will bite hardest in face-to-face commerce, and merchants may struggle. Banks may shift to virtual card issuing.</td>
<td>With strong enough marketing and a good enough initial user impression, alternative tools can funnel ex-cash users to their platforms.</td>
</tr>
</tbody>
</table>

### Long-term impact

<table>
<thead>
<tr>
<th>Banks/Issuers</th>
<th>Acquirers and Processors</th>
<th>Schemes</th>
<th>Card and terminal manufacturers</th>
<th>Alternative Payment Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>More instant card issuing and remote card issuing – lower cost base will offset revenue losses as regulators target card fees.</td>
<td>Ramping up of e-commerce demand puts the big, merged processors and e-com specialists in strong positions.</td>
<td>Schemes’ positions are not guaranteed – vulnerable to disruption from real-time payment systems which have a big opportunity to grow.</td>
<td>In-store payments will recover, but remote digital spending will gain a lot of ground. Grow prospects overall lower than pre-COVID.</td>
<td>Strong, sustained growth as consumers who adopted tools during the crisis maintain usage habits.</td>
</tr>
</tbody>
</table>
Pharma COVID-19 impact assessment

The COVID-19 pandemic has propelled the pharmaceutical industry into action to develop both preventive and therapeutic interventions. The industry is in a period of uncertainty but companies that are investing in R&D for COVID-19 drugs and vaccines are likely to fare better than their counterparts...

Product Development
- The pharmaceutical industry is racing to develop both preventive and therapeutic interventions.
  - There are currently 1,067 clinical trials for COVID-19.

Clinical Trials and Regulatory
- Upward trends in clinical trial delays continue.
  - At least 805 trials and 330 Pharma/Biotech companies and CROs are associated with disrupted trials.
  - The FDA has suspended inspection of foreign manufacturing plants and Advisory Committee Meetings have been cancelled or postponed.

Supply Chain
- Companies with facilities in China closed manufacturing plants at the height of the outbreak.
- Restrictions on export of active pharmaceutical ingredients (APIs) and finished dose forms in countries such as India.
- Ban on parallel exports and hoarding in countries such as the UK.

Finance and Business Development & Licensing
- Drop in completed venture capital (VC deals) in Feb 2020 vs Feb 2019 (54% in value, 90% in volume); followed in increase in March.
- Infectious Diseases VC deals are 2nd most funded vs. 5th position in 2019.

Marketing and Commercial Activities
- Cancellation of clinical events will limit face time with physicians, which may result in weaker launches and reduced sales.
- Sales representatives’ visits to physicians will be restricted, forcing companies to find alternatives to reach their audience.
- Sales of immunosuppressive drugs could decline while sales of anti-hypertensive, respiratory drugs, analgesics, NSAIDs, anti-pyretics and painkillers could increase.

Patient Access to Services
- Telemedicine is becoming a critical strategy to limit the risk of person-to-person transmission.

Being A Force For Good
- A consortium of Big Pharma companies and the Bill and Melinda Gates Foundation are pooling assets, resources, and knowledge to fight COVID-19.

Source: GlobalData Analysis
In the short-term, impact will overall be negative, slowly recuperating over time  
*Adverse impacts to sales, drug development, and patient care will resolve as the outbreak is addressed by containment measures and the anticipated launches of interventions*

<table>
<thead>
<tr>
<th>Short-term impact</th>
<th>Drug Development</th>
<th>Supply Chain &amp; Manufacturing</th>
<th>Sales &amp; Marketing</th>
<th>End Users (Patients, Physicians, Hospitals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developers of COVID-19 interventions could thrive; the bulk of the industry will be challenged running trials and supply chain interruptions.</td>
<td>Logistic and supplies of APIs and intermediates will be a major issue for all players involved in the manufacture and marketing of finished dose forms.</td>
<td>With disruptions in face-to-face meetings, sales forces will lower effectiveness using virtual and electronic marketing tools.</td>
<td>Physicians are currently overworked, understaffed, and have inadequate supplies to handle large influxes of patients with severe disease.</td>
<td></td>
</tr>
<tr>
<td>Mid-term impact</td>
<td>Developers will have to cut losses and terminate COVID-19 programs if they do not appear promising.</td>
<td>As concerns over availability of APIs subside, manufacturing process will begin to resume, though will initially lag relative to regular operations.</td>
<td>Sales will begin to recover once supply chains and sales forces are not disrupted by COVID-19 and associated safety measures.</td>
<td>Healthcare providers will continue to struggle with provided adequate patient care as long as a shortage in any aspect of patient care is deficient.</td>
</tr>
<tr>
<td>Long-term impact</td>
<td>Experience in developing COVID-19 agents could be leveraged for other investigational programs.</td>
<td>Growth will be derived from opportunities to manufacture and support distribution of COVID-19 interventions.</td>
<td>The approval of an effective therapeutic or vaccine for COVID-19 could drive blockbuster revenues for a developer.</td>
<td>The availability of a vaccine or therapeutic will significantly improve public health, reducing stress on the healthcare system.</td>
</tr>
</tbody>
</table>

Source: GlobalData

<table>
<thead>
<tr>
<th>Impact Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant negative impact</td>
</tr>
<tr>
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</tr>
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</tr>
</tbody>
</table>
Power COVID-19 impact assessment

New capacity auctions and contract awards are deferred
Several under-construction projects are experiencing delays due to supply-chain disruption and manpower shortage

Revenue predictions
- Eurelectric estimates new utility investments will drop 10-15%.
- We expect generators to retire aging and expensive fossil fuel power plants and reduce investments on new capacity.
- The drop in energy prices and market uncertainty significantly impede PPA negotiations.
- Power utilities are downgrading earnings following reduced demand.
- 9% average downward earning revisions for global top 220 utilities

Supply chain & demand disruption
- In the US, about 4.9GW, or 39%, of new utility-scale capacity is expected to be either canceled or indefinitely postponed from April through September.
- The impact of COVID-19 on the Indian wind gearbox supply chain is expected not only on the home market, but also on the US market.
- Production at some wind turbine assemblies and component production facilities, for example in Spain, Italy, the UK and India, have been suspended to stem the spread of coronavirus.
- Covid-19 may impact India’s coal-fuelled power plants using Chinese equipment due to disruptions in O&M, major overhauls and critical spares.

Unemployment
- Wind: AWEA reports coronavirus threatens 35k jobs in US.
- Solar: marketing jobs at stake as retail/ direct sales are prohibited.

Sector-specific stimulus programs
- In 14 European countries a temporary moratorium has been announced on energy bills.
- Austria introduced the new “Corona law”, extending the construction duration for wind power projects by six months.
- Utilities have suspended service shutoffs of customers impacted, waived penalties, and introduced flexible payments.
- GE Renewables is making 3D-printed shields for used-masks.
- Bloom Energy is refurbishing ventilators.
- US utilities have donated over $10m.
- Enel drew a new insurance plan to cover its 68k employees for COVID-19 infection.

Source: GlobalData Analysis
Power COVID-19 value chain impact

Distribution utilities to face cash flow issues due to payment delays.
*Investments in RE sector looks promising in medium-to-long run, despite the short term impact*

### Short-term impact
- **OEMs & Equipment Vendors**
  - Shutdowns cause delays in supply.
  - Facing severe pressure from customers.
- **Power Producers**
  - Fall in electricity prices and low demand to impact 2020 revenue.
  - Operating at low PLFs. Working with reduced staff.
- **Transmission**
  - Staff under pressure; constant surveillance & response to generation/consumption imbalances.
- **Distribution & Retail Sales**
  - As governments announce moratoriums, losses will increase.
  - Reduced consumption affects sales.
- **Services – EPCs, PMCs**
  - Most construction halted.

### Mid-term impact
- **OEMs & Equipment Vendors**
  - Focus on strict deadlines to deliver order-backlogs.
- **Power Producers**
  - Projects will be delayed or cancelled.
  - New auctions/contracts to be deferred.
- **Transmission**
  - New large projects could be announced to boost sector.
- **Distribution & Retail Sales**
  - Non-collectible write-offs will increase.
  - Increased spend in employee HSE.
- **Services – EPCs, PMCs**
  - Legal complexities to arise due to COVID-induced delays.

### Long-term impact
- **OEMs & Equipment Vendors**
  - Project owners try to mitigate risks by local sourcing.
- **Power Producers**
  - Slow change in generation, new-capacity mix; RE & gas to replace coal.
- **Transmission**
  - Safety & surveillance technology adoption to increase.
- **Distribution & Retail Sales**
  - Increased competition from distributed energy resources.
- **Services – EPCs, PMCs**
  - New business from construction starts to meet capacity addition targets.

**Source:** GlobalData

<table>
<thead>
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</tbody>
</table>
Retail impact assessment

Impact on retail will be devastating, increasing the shift online and shaking out weaker operators even faster

Global recession will limit the bounce-back in spend in some sectors

Industry predictions
- The enforced boost to online shopping will convert many more shoppers to the channel, reducing the need for expensive store space even further, and placing yet more strain on retail landlords.
- Working from home will become more widespread, which will help to boost local services, including retail, though on a small scale.
- While some consumers will have saved during lockdown, and are ready to spend, others will be without jobs and unable to spend, increasing the demand for discounters and value-led retail.
- Mature Western markets will suffer the most from lost spending during COVID-19, but a global recession will hit all markets.

Unemployment
- Food retailers and online businesses have taken on large numbers of new employees to support high demand from locked-down consumers and to cover staff absences.
- However, as life returns to a new normal, many retailers will not have survived, and overall retail employment will fall.

Supply chain & demand disruption
- Some are still panic buying, but supply chains have had to adapt to greater consumption of grocery as more meals are made at home in lockdowns.
- The cancellation of fashion orders in the wake of store closures is putting severe strain on suppliers and the huge quantities of unsold stock will flood the market pushing prices down further and increasing the strain for surviving businesses.
- Hobby-related items bought to relieve isolation boredom – e.g. arts & crafts, toys, home baking, gaming, sports equipment will not enjoy similar growth post-pandemic as consumers will have less spare time and less replacement needs.

Sector-specific stimulus programs
- Retail is a major employer, so any government stimulus programs tend to have a major impact – UK has cancelled property tax on business for the year and pays 80% of salary of furloughed workers.

Being a force for good
- Brands are diverting production to aid health workers and supporting local communities. As they have a direct connection with the public, retailers are keen to be seen to playing their part in the community.

Source: GlobalData
## Value chain impact

The shift online and acceleration of store closures will shake out weaker non-food operators faster, placing strain on the supply chain

Fewer non-food retailers will mean fewer suppliers and prices will rise

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Manufacturers</th>
<th>Distribution</th>
<th>Point of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Food suppliers are finding it difficult to meet demand. Non-food suppliers are suffering from cancelled orders.</td>
<td>Food manufacturers and processors restricting ranges to meet demand. Non-food manufacturers left with unsold stock and cancelled orders will collapse.</td>
<td>Warehouses and distribution struggling with demand in food and online, and unsold stockpiling up as non-essential stores close.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>Prices will rise in food. The non-food suppliers will begin to suffer and many may have to close.</td>
<td>Stockpiling in food lessens and the chain starts to return to normal. Non-food manufacturers hit hard and more business failures.</td>
<td>As COVID-19 takes hold across populations there are fewer resources to support distribution.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Higher food prices will remain until supply returns to normal and non-food prices will rise as fewer suppliers.</td>
<td>Higher prices in non-food as fewer manufacturers to choose from and negotiate. Loyalty and support will be rewarded.</td>
<td>Businesses will step up digital and technology investment to improve online capabilities and the ability to flex demand.</td>
</tr>
</tbody>
</table>

Source: GlobalData
Sports COVID-19 impact assessment

Over $100 billion in lost revenue for North American and European industry alone
That’s assuming a return to production by May. No guarantees that’s the cap on losses...

Revenue Predictions
- The hit to the sports market will likely be greater than in the 2007/8 financial crisis.
- Premier League stands to lose $1.2 billion if 2019-20 season left unfinished.
- Cancellation of Indian Wells competition stands to cause regional economic losses of about $406 million for Coachella Valley region.
- BCCI set to be hit with costs of Rs 3,869.5 Crore in the event of the cancellation of the Indian Premier League.
- Local economies for the European Championships stand to miss out. In 2016, this equated to $1.445 billion.
- Cancellation of The Open Golf Championship will cost the competition and the local Kent economy an estimated $185.4 million.

Supply Chain & Demand Disruption
- Cancellation of the Championships at Wimbledon will see sellers of 'strawberries and cream' event miss out on $556,235.
- Bookmakers hit hard by the cancellation of horse racing events. Expected losses of $392 million from the UK’s Grand National.
- City of Nice, France, to miss out on potential $120 million economic boost from cancellation of the Tour de Frances’ Grand Depart.
- Local area of Augusta set to miss out on $120 million boost to economy following cancellation of the Masters.

Unemployment
- Many athletes will be forced into early retirement or will look for other careers, especially in individual based sports such as Tennis and Boxing.
- Furloughing of staff is widespread: sponsors, teams and leagues all introducing cost-cutting solutions.

Sector-specific Stimulus Programs
- Sport England has made $240.2 million of funding available to help the sport and physical activity sector.
- The Lawn Tennis Association (LTA) has introduced a $24.6 million relief fund for British players and coaches.

Being A Force For Good
- Brooks Koepka donated $100,000 to a relief fund in his hometown.
- Spanish athletes donated $260,000 to the Red Cross of Spain.
- NBA star Zion Williamson has announced plans to cover the salaries of staff at the Smoothie King Center.

Source: Sportcal Analysis
Difficult to see beyond a rebasing of the entire value chain at this point: structural imbalances finally addressed

But last pandemic did give way to the ‘roaring twenties’…

<table>
<thead>
<tr>
<th>Media Rights</th>
<th>Broadcasters</th>
<th>Sponsorship Sector</th>
<th>Event Hosting</th>
<th>Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Significant hit to revenue. Broadcasters refuse to pay right instalments. Confusion regarding length of current deals.</td>
<td>Substantial hit from loss of subscriptions caused by widespread live sport cancellation</td>
<td>Marketplace has been completely disrupted. An unessential area for brands and an easy cost to cut from budget</td>
<td>Huge financial drain on those committed to hosting postponed events.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>Lower revenues as the sector struggles to attract interest in a struggling economy</td>
<td>Depending on the length of postponements, will continue to struggle. Greater competition for audiences upon backlog of live events</td>
<td>A re-evaluation expected on the value of sponsorship rights in sport. Tightened purse strings will lower expectations</td>
<td>Falling interest in large scale event hosting Money reallocated to other domestic areas.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>High demand returns. Becomes a sellers’ market, as businesses flock back for biggest rights on offer.</td>
<td>Demand for sports content remains high in the long-term. No qualms, proving sports continue</td>
<td>Sport will continue to offer prime marketing opportunities. Millions of fans will attract millions of dollars</td>
<td>Renewed interest in sustainability. Focus remains on legacy of an event, which is key to reinvigorate host economies</td>
</tr>
</tbody>
</table>

Source: Sportcal

- Significant negative impact
- Moderate negative impact
- No impact
- Moderate positive impact
- Significant positive impact
Travel & Tourism COVID-19 impact assessment

Airlines industry hit hardest, IATA forecasts $314bn in lost revenues in 2020
That’s assuming that governments intervene and provide stimulus packages. With people not traveling, the lodging and intermediaries industries are also deeply impacted.

Revenue Predictions
- The disruption caused by COVID-19 is becoming more quantifiable. United announced a Q1 pre-tax loss of $2.1bn and a 17% year-on-year fall in revenue. This was mirrored in Delta’s Q1 results announcement. Revenues plunged 18% to $8.6bn and CEO, Ed Bastian, said Q2 revenue would likely fall 90% from the same period of 2019 – a stark warning about the airline’s short-term prospects. The company’s net loss for the period was $534m and it admitted to burning through $100m of cash per day, a rate it hopes to halve by the end of June.
- Accor’s Q1 results paint a similar picture. Consolidated revenue totalled €768m (US$829.3m), which was down 17% as reported and 15.8% like-for-like. Revenue per available room fell 25.4%.
- GlobalData predicts international travel to China to fall by 38% in 2020, and France, the most-visited country in the world, will fall by 41%. These projections are not exceptions: similar falls in visitation are forecast in many countries.

Unemployment
- Widespread furloughing of staff in the lodging and airline industries.

Demand Disruption
- Travel restrictions significantly disrupt worldwide demand, both in terms of domestic and international travel.
- Even where people can travel, airlines and hotels report low occupancy as consumer confidence tanks. This has led to the voluntary suspension of operations in some cases.
- Early signs of recovery are emerging in China, where restrictions are slowly being lifted. Hotels are reporting increased occupancy rates and some domestic flights are seeing load factors as high as 60%.

Sector-specific Stimulus Programs
- The US has been the most proactive nation, offering much-needed support for aviation and lodging. The use of loans, however, could check airlines’ recovery due to the added costs they will create.
- The first high profile case of aid for a European airline has now been announced as Air France-KLM has secured at least €9bn ($9.7bn) from the Dutch and French government through a combination of loans and state-guaranteed funds.

Being A Force For Good
- Some hotels and cruise ships have been used as healthcare facilities or to house essential workers.

Source: GlobalData Analysis
Travel & Tourism COVID-19 value chain impact

Demand for travel will return, but likely to be in stages as governments ease restrictions at different times

Consolidation may prove to be a positive in the long term as it will reduce price competition. Airlines the most likely to benefit from this.

<table>
<thead>
<tr>
<th>Planning &amp; Booking</th>
<th>Transport</th>
<th>Lodging</th>
<th>Excursions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Devastating. Depend on people booking travel in large numbers and that is not occurring at present.</td>
<td>Demand has plummeted. Immediate focus is on survival.</td>
<td>A plunge in transport demand has severely weakened demand for lodging.</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>Uncertainty over the length of travel restrictions but an immediate easing looks unlikely.</td>
<td>Demand will return in waves as restrictions are lifted at different times in different markets.</td>
<td>Demand will return in waves as restrictions are lifted at different times in different markets. Maintaining price discipline will be crucial.</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Travel will return. Intermediaries are seen by many as a necessary aid when booking so demand will return.</td>
<td>Those who survive will benefit from consolidation and pent up demand. Consolidation reduces price competition.</td>
<td>Consolidation reduces price competition. Accommodation sharing sites will suffer due to loss of hosts and increased hygiene concerns.</td>
</tr>
</tbody>
</table>

Source: GlobalData

- Significant negative impact
- Moderate negative impact
- No impact
- Moderate positive impact
- Significant positive impact
Telecom & Technology COVID-19 impact assessment

The hyper-digital imperative of COVID-19 has put the spotlight on the telecom and tech sectors

The response of the industry has been swift and largely effective, but the sector will not be immune from longer-term economic impact

Revenue impact
- Telecom operators are holding up well or growing.
- Telecom infrastructure is holding up well or growing.
- Some operators are bringing forward CapEx for critical upgrades.
- Collaboration and other cloud services are growing exponentially.
- But many other IT infrastructure and services projects are stalled.

Supply chain & demand disruption
- Apple, Samsung and others have confirmed supply chain disruption.
- This will impact near and mid-term 5G device launch plans.
- Enterprise IT saw a very rapid and intense demand spike for certain networking and capacity services.
- Other, less critical projects are on hold indefinitely.
- There has been minimal impact on the infrastructure supply chain.

Unemployment
- Telecom operators are not yet reporting job cuts or furloughs.
- Similarly, technology companies are not yet reporting job cuts.
- Cisco and other leading tech companies are, conversely, proactively stating a no job-cut policy, and advocating that position.
- But many IT services projects are on hold, which will likely impact the industry.
- Less well-funded start-ups are reporting job losses.

Being a force for good
- The tech sector has been at the forefront of humanitarian efforts.
- Telecom operators are adjusting contract terms and pricing to help alleviate pressure on consumers.
- Operators and tech companies are providing network connectivity to areas with no access.
- IT companies—normally keen competitors--are working together with governments by providing AI, compute and other resources.
- Cloud service providers are prioritizing capacity for healthcare, emergency and education requirements.

Source: GlobalData Analysis
## Telecom & Technology COVID-19 value chain impact

In many ways the telecom and technology sector is built for the demands of COVID-19

*Mid-term and long-term outlooks will depend on how well businesses learn lessons and put them to work for the future opportunity*

### Component Supply Chain
- **Short-term impact**: Painful slowdown as consumer market stalls. Biosensors are a bright spot.
- **Mid-term impact**: Challenging market for rest of 2020 and into 2021.
- **Long-term impact**: Will bounce back when consumer confidence returns. Biosensors up to 10% of sensor market by 2025.

### Product Development
- **Short-term impact**: Digital innovation now more important than ever and can be done remotely.
- **Mid-term impact**: Telecom and tech companies are learning lessons fast about customer requirements.
- **Long-term impact**: Broader acceptance of advanced technologies such as AI and analytics will drive innovation.

### Sales & Marketing
- **Short-term impact**: Tech industry well-equipped for remote working, but demand will be low.
- **Mid-term impact**: Modest bounce-back can be expected as project on hold begin to restart.
- **Long-term impact**: The industry and customers will be digitally transformed, including both internal and partner sales.

### Customer Demand
- **Short-term impact**: Short-term demand spikes offset by delivery and engineering issues; IT services will be hardest hit.
- **Mid-term impact**: Assuming some economic bounce back, on-hold projects should resume and customers will be digitally enlightened.
- **Long-term impact**: Customers will have an even greater appreciation of technology and will be more digitally engaged.

### Customer Experience
- **Short-term impact**: Customer service personnel shortfalls offset by cloud and other digital capabilities.
- **Mid-term impact**: Customer engagement will return to full service but enhanced by better digital awareness.
- **Long-term impact**: Those caught flat-footed with poor digital customer experience arrangements will be transformed.

*Source: GlobalData*
Wealth management COVID-19 impact assessment

Wealth managers are adapting to remote working while managing clients at a key moment of truth: portfolio losses

Though profits will be down across the board, wealth management will fare better than other banking sectors

Revenue predictions

- Execution-only revenue will increase as clients reposition portfolios out of equities benefiting those with large brokerage operations.
- AUM levels will be down massively leading to a short-term reduction in recurring stable revenue.
- Past experience with the GFC suggests the second half of 2020 will be more challenging than the immediate crisis period.
- Revenue is expected to decline, though no wealth manager should be sent into a loss as commissions and bonuses similarly fall.
- On average, we expect a 15% reduction in revenue over the course of 2020 compared to the strong results of 2019.

Unemployment

- Wealth managers and banks are pledging not to reduce headcount, adding to running costs during crisis.
- Hiring of new advisers, the key method for expansion in private wealth will be disrupted, negatively impacting net inflows.
- Retail investors are likely to run down savings as unemployment bites into cash flow.

Supply chain & demand disruption

- Markets, after their initial drops, have proven volatile with wild swings that make timing investments difficult.
- Advisers formerly dependent on face-to-face meetings must adapt to home working and managing concerned clients remotely. TD Ameritrade has launched a series of webinars to help its advisors adapt.
- Adviser efficiency, previously rising, will decline. Training in newly rolled-out digital tools like BNP Paribas Wealth Management’s new Client Experience program is key to mitigating this decline.

Sector-specific stimulus programs

- Quantitative easing will boost asset prices long term as per the global financial crisis.
- The flood of 0% or near 0% cash is forcing a rethink of leverage.
- Emergency early withdrawals from pension/superannuation are draining assets from the sector at bad valuations.

Being a force for good

- Sector helping high profile donations, notably Jack Dorsey’s $1bn gift.
- Independent financial advisers and major brands like Raymond James are at the forefront of local fundraising for hospitals and community services.
# Wealth management COVID-19 value chain impact

## Churn in the portfolio will benefit those earning off of investor buying and selling in the short term

*Longer term investors will transition to providers with better digital offerings*

<table>
<thead>
<tr>
<th></th>
<th>Brokerages/ custodians</th>
<th>Asset managers</th>
<th>Private banks (HNW segment)</th>
<th>Financial Advisors (retail segment)</th>
<th>Robo-advisers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term impact</strong></td>
<td>Higher volatility increases trading income though asset values will be down</td>
<td>AUM/NAV declines will result in revenue hit</td>
<td>AUM decline will hit revenue as net inflows decline</td>
<td>AUM decline will hit revenue as net inflows decline</td>
<td>Net inflows as investors take up low cost options, flat-rate fees unaffected by market losses</td>
</tr>
<tr>
<td><strong>Mid-term impact</strong></td>
<td>Depending on the length and severity of the recession, trading volume could drop significantly</td>
<td>Uncertainty and recession will push clients into low fee earning products</td>
<td>Global recession will negatively impact wealth creation, on-boarding will be a challenge for remote working</td>
<td>Financial stress will reduce capacity for saving and investing by target</td>
<td>Fee-conscious investors will turn to low cost digital options such as robo-advisers</td>
</tr>
<tr>
<td><strong>Long-term impact</strong></td>
<td>Financial markets are leading indicators and once recovery takes hold prices will rise</td>
<td>Rising markets will boost AUM/NAV boosting revenue</td>
<td>Recovery will see a return to previous volumes</td>
<td>Recovery will see a return to previous volumes</td>
<td>Use of digital wealth managers will be extended</td>
</tr>
</tbody>
</table>

*Source: GlobalData*
Many countries are in lockdown. Pubs, clubs, bars and restaurants have closed, and consumers have massively reduced their out-of-home socializing. As a result, the foodservice channel has effectively either closed or prioritized delivery and online ordering.

Coca-Cola claimed that the closure of movie theatres, restaurants and stadiums is hurting its business, with its global volumes down 25% in April.

Multiple foodservice brands have returned millions of dollars in the Paycheck Protection Program due to a change in the US Treasury’s rules. Public companies may also be barred from accessing the latest round of small business funding.

GlobalData’s latest forecasts (which are currently updated weekly), show a decline of 13.5% in profit sector operator sales for 2020 relative to 2019, equivalent to $490 billion in lost revenue.
Sector Impact: Foodservice [2/2]

COVID-19 Impact Assessment
as of 24th April, 2020

- The ONS reported that the accommodation and foodservice sector in the UK had the second-highest closure of all sectors, with 82% of respondents claiming that they had temporarily closed. Almost 87% of the accommodation and foodservice businesses that remained open reported “substantially lower than normal” turnovers, suggesting that it will be a long road back to normality after COVID-19.

- Foodservice operators and third-party delivery companies are adopting ethical and community-focused business models. A majority of consumers say that products’ social responsibility inform their choices. It’s likely that brand-associated GoFundMe pages and pay-it-forward donations of food to medical workers and vulnerable people will help.

- Operators and their suppliers should make maximum use of the new ways consumers are socializing. Online applications such as House Party offer a way to at least re-connect with consumers. With companies like Chipotle teaming up with Zoom to create a virtual lunchtime hangout, other restaurants, in particular smaller operators, would benefit from seizing such online opportunities.

- The future will likely involve greater uptake of takeaway and delivery services and building supplementary retail operators for some. As far as possible, building capabilities in these areas, from packaging know-how through to online ordering, delivery (or using third parties), and “contactless” operations will be key.

- The first signs of weakness in major company business models are appearing, even within food delivery. In the UK, the Competition & Markets Authority has given provisional agreement to Amazon’s investment in Deliveroo, with the potential failure of the business being cited as a key reason.

- Drone delivery innovation gathers pace. Foodservice outlets seek alternative means of business, coinciding with the potential acceleration of 5G connectivity. Irish start-up, Manna, has adapted drones for food delivery, highlighting the significance of access to essential items in an era of social distancing.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements
Industry Leader View

"We are also anticipating an increased demand for food and beverage packaging products with schools and universities closing and shifting demand towards supermarkets."

Jean-Marc Galvez
President of Berry Consumer Packaging International
7th April, PackagingNews.co.uk

Sector Impact: Packaging [1/2]

COVID-19 Impact Assessment
as of 27th April, 2020

- COVID-19 has impacted consumer habits around the world, with many shoppers now having to deal with food shortages and delivery bottlenecks in order to feed themselves and their families. At the forefront of COVID-19 food habits is the reliance on shelf-stable food products. In the early days of the pandemic, panic buying saw many consumers stockpile items such as beans, soups and other canned foods.
- As consumers are keeping in-store shopping visits to a minimum, they frequently try to buy large amounts to last longer. This clearly opens a space for bulk packaging that comes with useful functional features to support consumers in these difficult times.
- Packaging companies continue to innovate and update their services in light of the epidemic and altering demand patterns. For instance, companies like Macpac continue to update their operations to produce safety visors at cost price for medical workers. Another example is Smurfit Kappa’s “Design for Help” ranges of corrugated solutions, such as workplace dividers.
- Recyclers in the UK reported strong increases in the amount of recycling, with the Environment Exchange (t2e) reporting an increase of 48% of aluminium packaging in Q1 (35,232 tonnes) compared to the same period in 2019, but this will not necessarily result in a lowering of aluminium prices due to COVID-related market uncertainty.
- New Amcor research suggests that consumers are still focused on sustainability, with 65% of consumers claiming that it was their primary packaging requirement. Furthermore, 13% of online shoppers cited a lack of packaging information available online, highlighting an opportunity for e-retailers to add sustainability information.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements
Industry Leader View

"The COVID-19 outbreak highlights plastic's sterilization benefits over more recyclable alternatives. rPET offers a potential compromise of sustainability to industries in need of aseptic processing."

Sector Impact: Packaging [2/2]

COVID-19 Impact Assessment
as of 27th April 2020

- Updated governmental actions are playing a role in how packaging companies operate at present – helping to ease pressures. From enabling “green lanes” for distribution of these products in Europe, to relaxation of the limits on high-density polyethylene (HDPE) / polypropylene (PP) bags in India, these can help the industry maintain essential supplies to companies and consumers.

- Supply chain disruption and higher demand in many areas are resulting in companies re-evaluating their own supply chains and operations. With international disruption, there is a focus on more national or local level supply. As part of this, there is evidence that contract manufacturing and co-packaging enquiries are on the rise and specific food and beverage solutions are also in high demand.

- The need for sterile containers showcases rPET as a useful material in essential items like hand sanitizer bottles. It can then be recycled and used in other consumer packaging. Investment into rPET will continue further and demonstrate its usefulness as a superior sustainable option to virgin plastics.

- Packaging manufacturers are seeking ways to clarify safety issues relating to specific packaging types – for instance, plastics and packaging manufacturer, Swiss Pack, has highlighted that differences between cardboard (which is then often lined with ink and plastic film) and plastics might not be as great as some reports suggest.

- The use of single-use plastics is again rising in the COVID-19 era, contradicting the recent trend towards protecting the environment. While multinationals like Nestle and Mondelez have signed the European Plastics Pact to make 100% of packaging recyclable or reusable, reducing the use of virgin plastic by one third by 2025, the immediate threat of the pandemic is forcing short-term forgiveness. “Eco” driven innovation in single use plastics will be key in addressing these concerns.

Source: GlobalData Analysis; Client & Subject Matter Expert Interviews; Press Articles; Company Announcements
Contact Us

For any questions or further enquiries please contact us at: covid@globaldata.com

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