

# COVID-19 IMPACTS ON THE CREDIT & BUSINESS INFORMATION INDUSTRY

## Introduction

A cross-section of 22 companies from the credit and business information industry have recently completed a survey to assess the impact of the COVID-19 pandemic on their business operations. Except for 2 respondents, the answers come from Europe-based companies.

## Single Main Impact

For 31,82% of respondents, the single main impact relates to business organizational aspects, ranging from changes to the company's travel policy, organization of meetings, adjustments to working hours / locations, IT enhancements or updates, etc.

27,26% of companies selected changes to consumer demand – both increases or decreases - as the main consequence of the COVID-19 pandemic.

Other impacts are:

- Adaptation to the existing portfolio of products and services (13,64%)
- Supply chain disruptions (9,09%)
- Other (13,64%)

Only 4,55% of respondents declared no direct impact as a result of COVID-19.

## Revenue

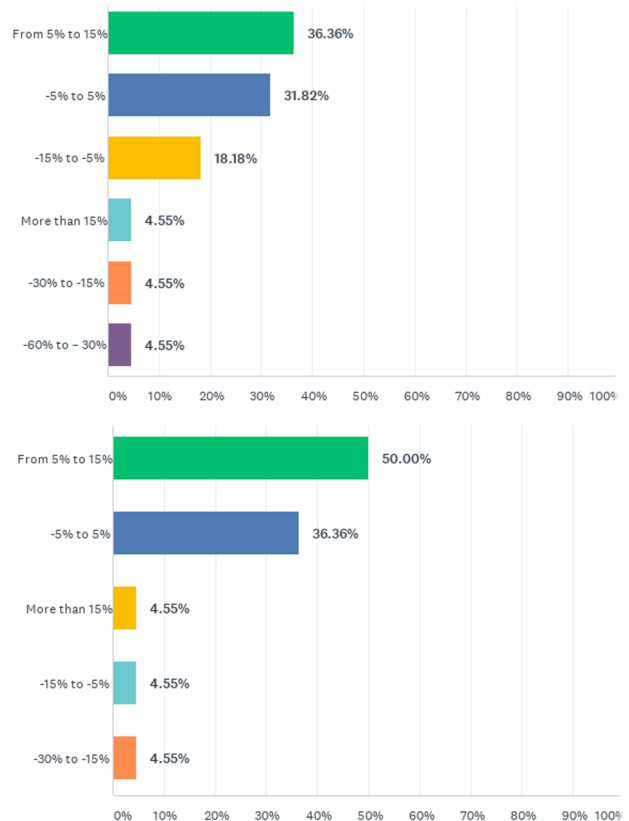
40,91% of respondents saw their revenue increase more than 5% in the past six months, with one respondent recording an increase above 15%.

31,82% said that their revenue had stayed stable (i.e. between -5% and 5%).

27,28% experienced a decrease above 5% in the last six months.

Looking forward, 50% of respondents expect their company revenue to increase between 5-15% in the coming six months and 36,36% to stay stable.

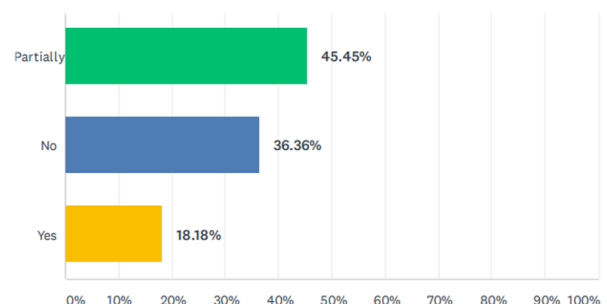
Table 1. Revenue evolution (last six months and next six months)



## Access to data on relief measures

Less than 20% of practitioners consider that governments and other public authorities are fully disclosing information on benefits and beneficiaries of the measures being implemented (temporary layoffs, credits backed up by the government, etc) to support business as a result of the pandemic. 45,45% consider that such disclosure is partial at best. As a consequence, it is not possible to fully assess the economic impact of the pandemic on the creditworthiness of corporates or, even, the identity of supported firms.

Table 2. Is data on relief measure available?



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## Economic Outlook

58,09% of respondents think that their national economy is in a “somewhat weak” situation, slightly better than those that think the same about the European economy (68,18%).

Concerning how both economies will do in the next six months, views are identical and almost evenly split among those that think that they will do better (36,36%), worse (31,82%) and stay more or less the same (31,82%).

## Concerns Going Forward

Three concerns comfortably top the list for credit and business information industry practitioners:

- 68,18% fear an economic recession, either at national and/or European level.
- Same percentage fear a decrease in client spending
- 64,64% are afraid that there can be a relapse of the health crisis

Other concerns, such as lack of information for decision-making (22,73%), lower productivity (13,64%) or a reduction in the workforce (13,64%) are significantly less relevant.

## Structural changes

Although it may be early to assess the long-term impacts of the pandemic, 50% of respondents think that this crisis will produce structural changes in the credit market which may influence the business. Among the cited changes:

- Crowding out of private investments and financiers' need to mitigate risks by public investment schemes. At the same time, growing uncertainty in the private credit and financial markets will require more sophisticated data solutions / risk monitoring and management services.
- Rise in NPLs / insolvencies, which will call for adaptations to risk models and measures of risk. Consumer credit will be reduced significantly.
- Digitalisation / AI / data analytics will accelerate. It will be essential to develop data and scoring solutions better adapted to the new and to enhance cost-efficiencies at companies.