

HIGHLIGHTS: TIC Council Webinar - 'The Impact of COVID-19 Crisis on the TIC Sector'

TIC Council brings together the independent testing, inspection and certification (TIC) organisations and business strategy consultants to discuss the economic impact of COVID-19

On 14 April, the **TIC Council** hosted an international online webinar targeting the needs and concerns of its members representing leading companies in the TIC industry. This marks the official launch of a series of webinars hosted by the TIC Council on various topics, starting with the current market challenges and trends during the containment of COVID-19.

The first webinar, titled '*The Impact of Covid-19 Crisis on the TIC Sector*', was presented by Bennet Summers and Henry Charrington from OC&C Strategy, a global strategy consulting firm, advising top management of large organisations in developing sustainable strategies." This presentation addressed multiple factors relating to the crisis of COVID-19 and how it impacts the TIC market. The key points of OC&C Strategy findings are:

- Before the outbreak of COVID-19, the TIC market had performed well with underlying growth of +9% since 2017.
- However, since we are currently in 'peak uncertainty' with recent forecasts on global GDP growth impact of COVID-19 ranging from -2% to -7%.
- COVID-19's impact on TIC markets depends on each industry sector's level of resilience. The level of disruption for oil, gas and aerospace industries contrasts heavily in comparison to food, agriculture and pharma TIC service providers.
- The factors which determine the extent to which TIC players can return to their maximum operational capacity consist of: 'Labour intensity, Government authorisation that testing is an essential activity and the geographical factors holding up operations'.
- In terms of supply chains, the biggest impacts lie for sectors which have highly disrupted global supply chains for goods and specialised workforces. Therefore, remote and digital testing are the most advocated forms of adaptation for TIC players to carry out their services.
- The impact of COVID-19 has affected customer behaviour, as importance of customer demands lies ahead of the regulatory minimum rate. This leads to a desire for 'end to end' visibility to establish a degree of confidence and assurance.
- Flexibility in capacity is key for TIC players. As private labs have been central to expanding COVID-19 testing capacity in countries with the most aggressive responses. For example, Germany and South Korea's testing response took advantage of outsourced testing infrastructure since January/ February 2020.

In summary, this webinar stressed the importance of strategic planning is critical to face and survive the deep structural shifts that are likely to be accelerated as we emerge from COVID-19 crisis. With operational disruptions predicted for certain TIC industry sectors for over 12 months, it is imperative to understand the tasks at hand, to adapt and overcome these uncertain times.

Watch this space as we will post the list of upcoming webinars shortly.

About the TIC Council

TIC Council is an international association representing over 90 international independent third-party testing, inspection, certification and verification organisations. The industry represents around a million employees across the world with annual sales of approximately USD 200 billion.