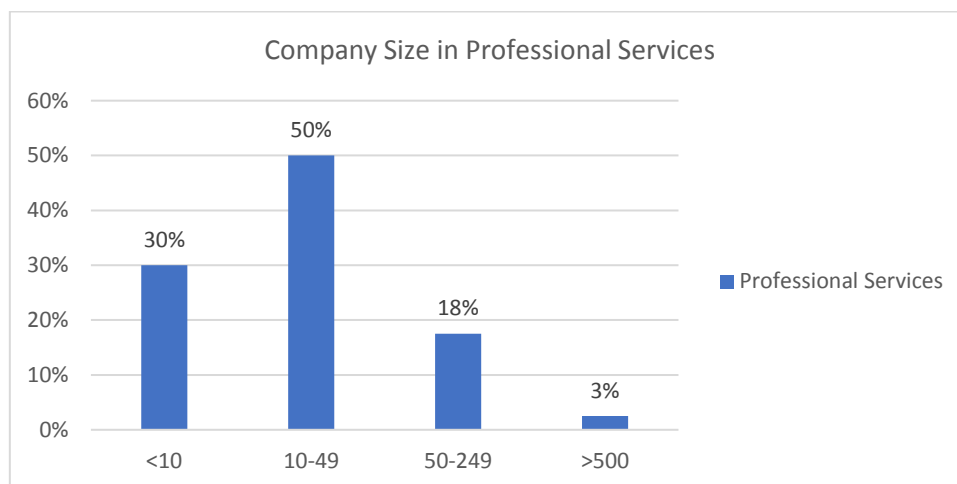


## Sector B: PROFESSIONAL SERVICES

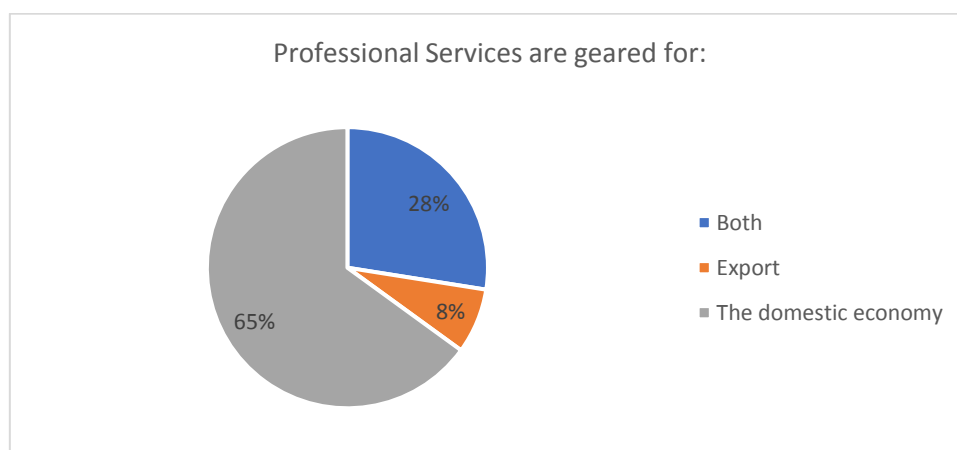
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The professional service industry represents 17% (40 companies) of survey respondents.

30% of companies within the professional service employ less than 10 employees, 50% employ between 10-49 employees, 18% employ between 50-249 employees and 3% employ more than 500 employees.

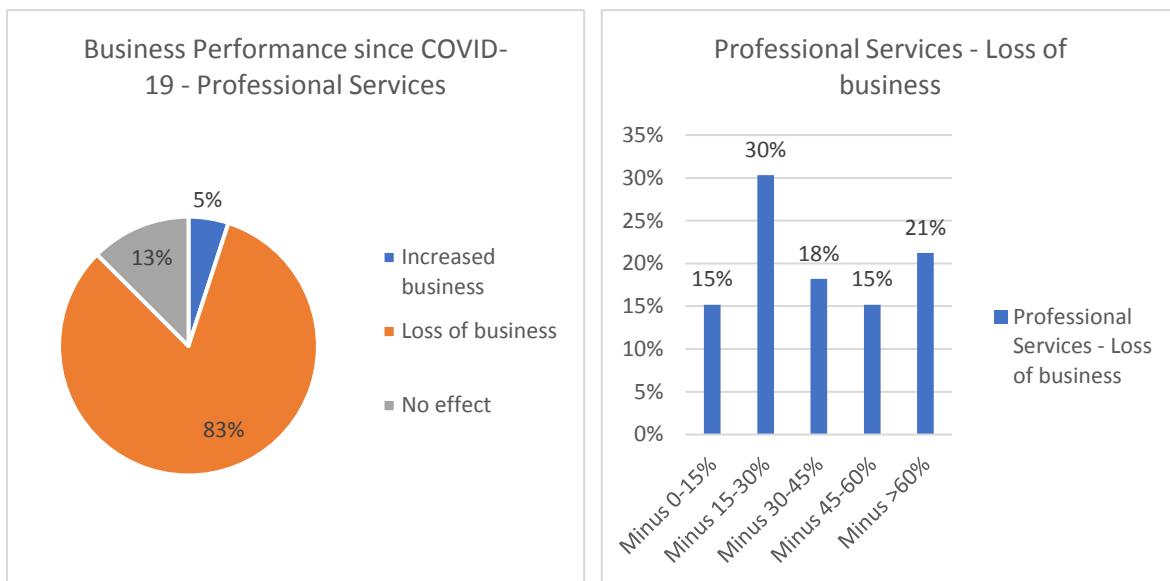


65% of survey respondents in the professional service industry are geared for the domestic economy and 8% are geared for export. 28% are geared for both the domestic economy and export.

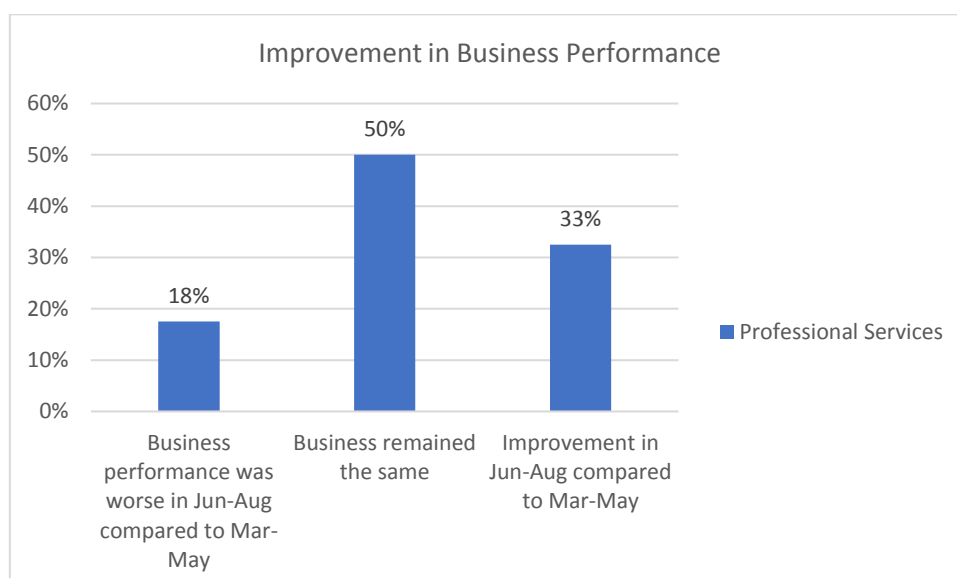


### B 3.1.1 Effect of COVID-19 on Business Operations

When asked how the COVID-19 pandemic affected business, 83% of survey respondents in the professional service industry stated that they had a loss of business. 5% stated that they have increased their business activity, while 13% stated that the COVID-19 didn't affect their business performance. Out of those that reported a loss in business (83%), 15% experienced between 0-15% loss; 30% between 15-30%; 18% between 30-45%; 15% between 45-60% loss and 21% more than 60% loss.

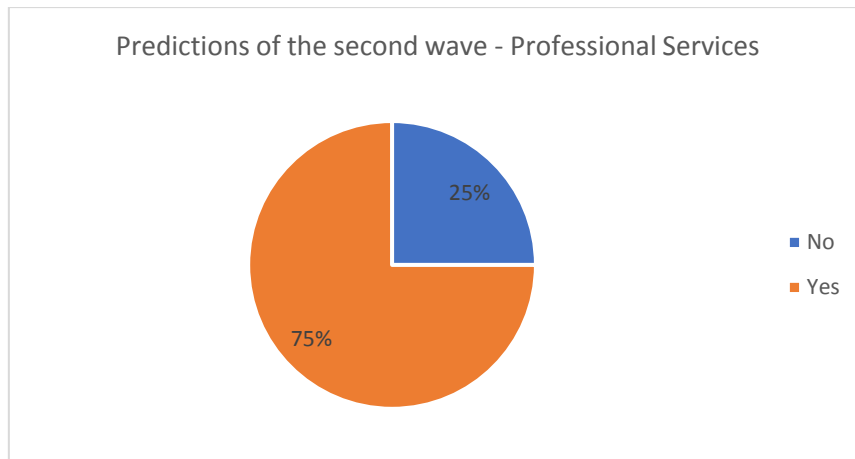


33% of survey respondents in the professional service industry have seen an improvement in their business operations between Jun-Aug when compared to Mar-May. 50% of companies stated that their business remained the same and 18% of companies stated that business performance had worsened in Jun-Aug.

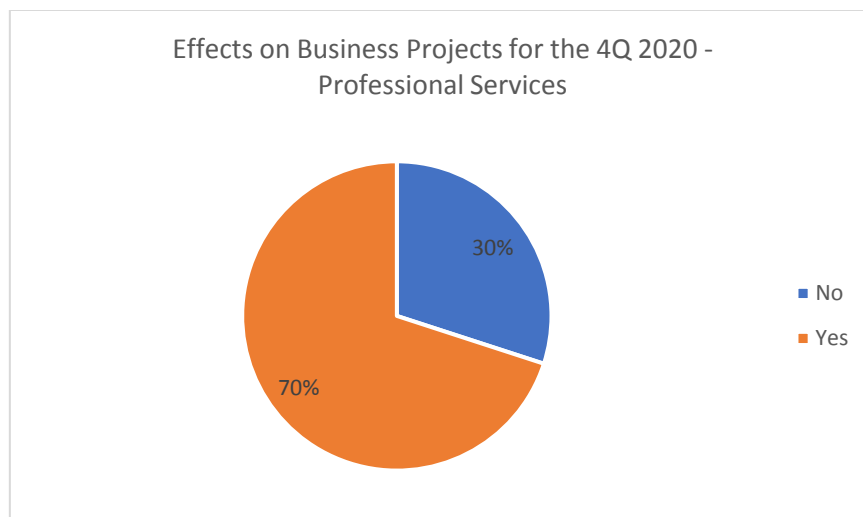


### B.3.1.2 Predictions & Effects of the Second Wave

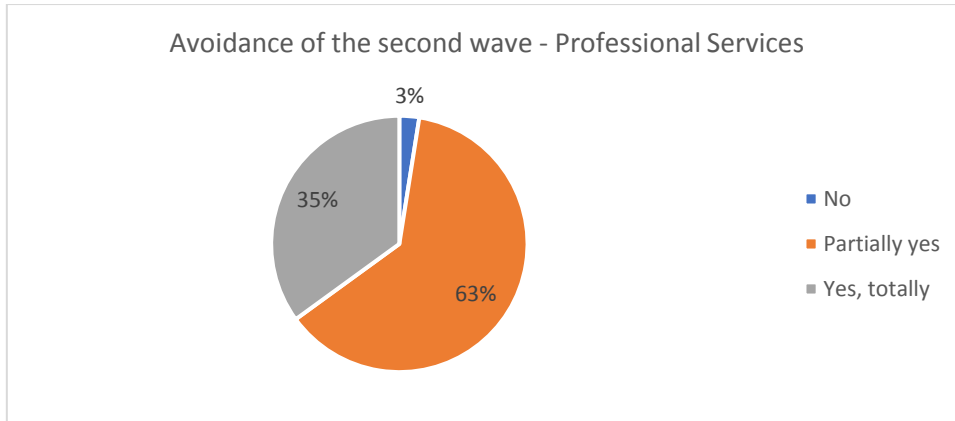
75% of survey respondents in the professional service industry claimed that they have foreseen a second wave following the increase in Covid-19 cases on the 20th July. The other 25% claimed that they did not foreseen it coming.



70% of survey respondents claimed that the second wave affected their business projections for the fourth quarter of 2020. The other 30% claimed that the second wave did not affect their business projections for Oct-Dec 2020.



Comments to this question from the professional service industry show that most businesses are at a standstill, and are expecting a further contraction by September. Some professional services are mostly dependent on events which have been shut down, and tourism which is more likely to be on the decrease in Oct-Dec 2020.

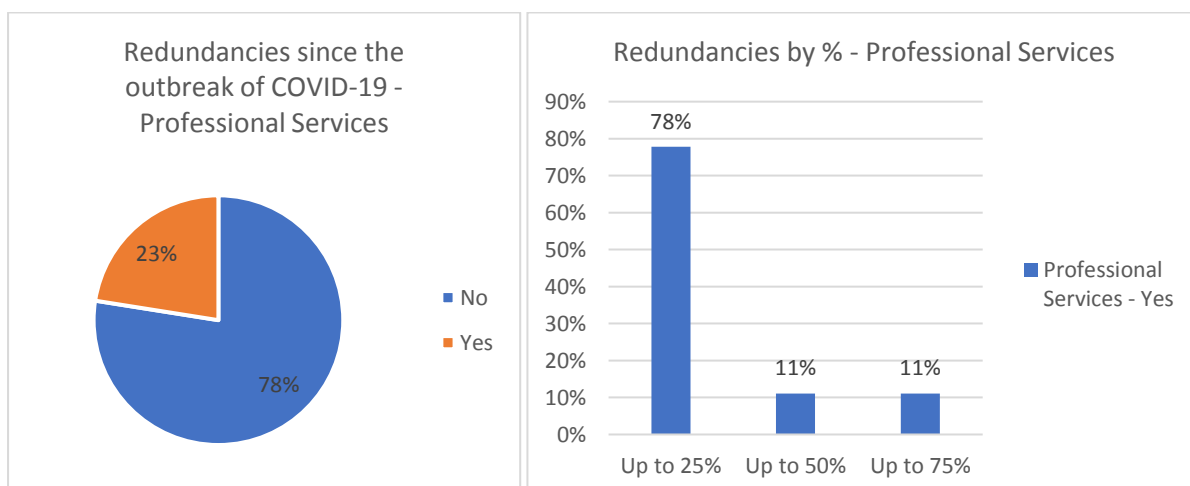


35% of survey respondents from the professional service industry claimed that the second wave could have been entirely avoided, and 63% claimed that it could have been partially avoided. Only 3% of survey respondents from this sector claimed that the second wave could have not been avoided.

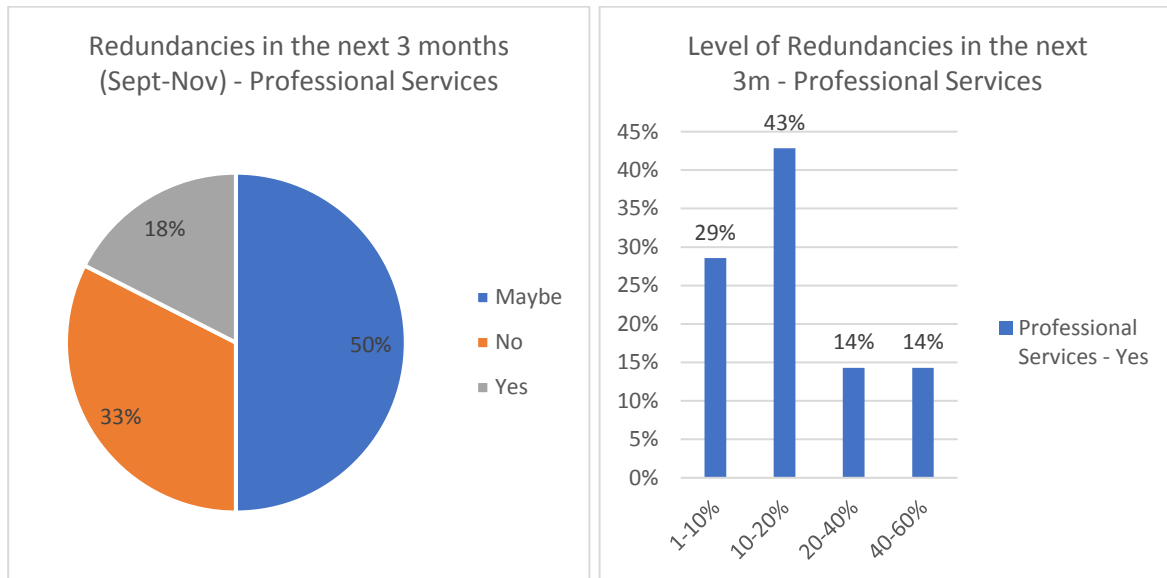
Survey respondents from this sector blame the increase of the second wave on the lack of airport control and opening of mass events. Most companies stated a more prudent and phased approach with enough time to adjust or scale back recently introduced measures would have resulted in fewer case. Travellers to Malta including tourists should have been subjected to a swab test prior to departure, and local tourism should have been given a priority over the organisation of mass events.

**B.3.1.3 Redundancies**

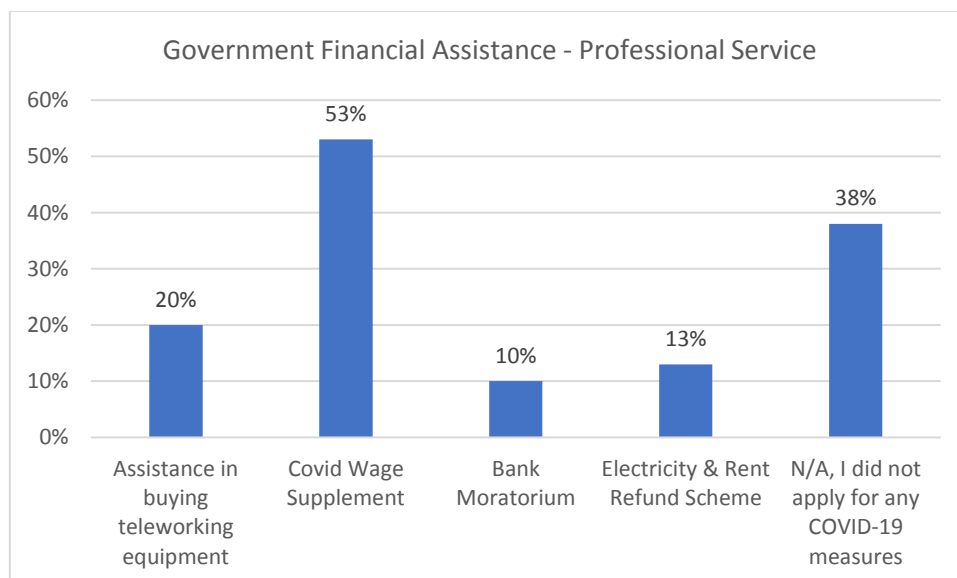
Since the outbreak of COVID-19, 78% of survey respondents in the professional service industry did not do any redundancies. 23% have made some redundancies, out of which 78% made redundancies up to 25%, 11% by up to 50% and another 11% by up to 75%.



When asked about the expected reduction in labour force from current levels in the coming 3 months (Sep-Nov), 33% of respondents from the professional service industry stated 'No', 18% stated 'Yes' and 50% are 'Still Undecided'. Out of those that answered in the affirmative (18% amounting to 7 companies), 29% are forecasting between 1-10% loss; 43% are forecasting between 10-20% loss; 14% are forecasting between 20-40% and another 14% are forecasting between 40-60% loss.



### B.3.1.4 Financial Assistance by Government



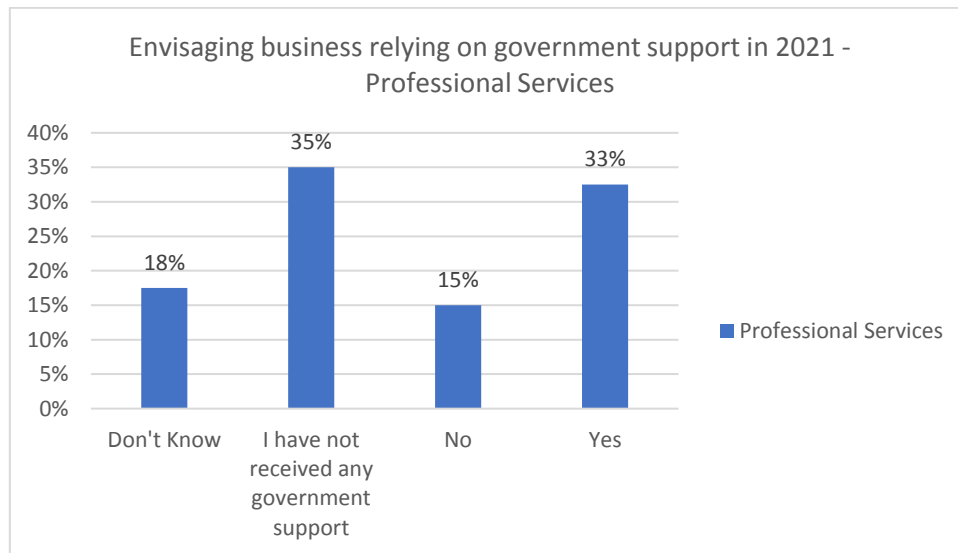
Most survey respondents in the professional services (53%) are benefitting from the Covid Wage Supplement. 20% have applied for assistance to buy teleworking equipment, 13% have

applied for an electricity & rent refund, and 13% have applied for bank moratoriums. 38% of survey respondents have not applied for any COVID-19 related measures.

Recommendations for government in providing additional support in Q4 2020, from the professional service include the below:

- Extension of the COVID wage supplement and introduce more sectors that can benefit
- VAT reduction and refund of PPE extra costs
- Initiation of the Electricity and Rental subsidy (this was not yet commenced when the survey was published)
- Vouchers to be used in all outlets
- Teleworking assistance

These comments are placed in order of priority by survey respondents.

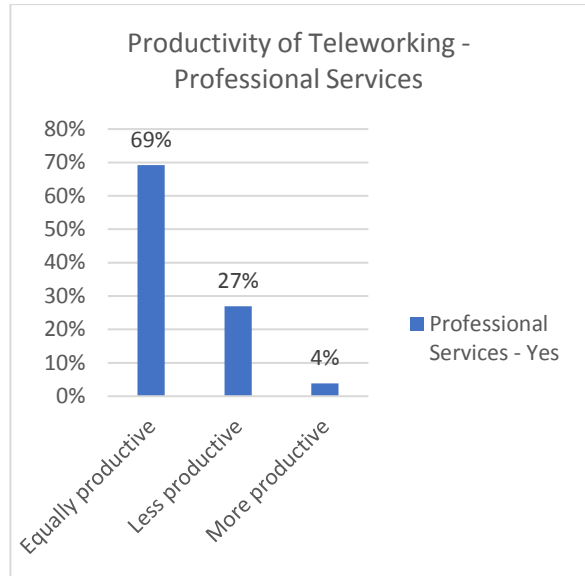
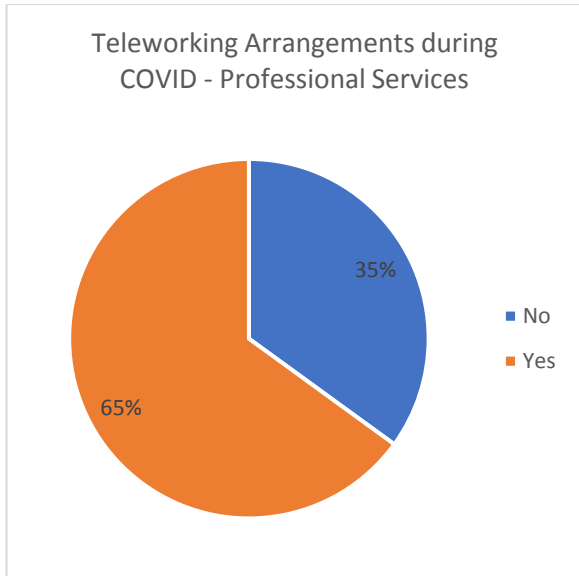


33% of survey respondents in the professional service industry envisage relying on government support in year 2021. 15% of respondents claimed that they will not be relying on government supports and 18% are still uncertain. 35% of survey respondents within this sector have not received government support, thus have not commented to this question.

Some companies within this sector have already reduced their workforce due to lack of business and not being eligible for government's scheme. Thus, this sector is urging government to include other sectors in the Covid Wage supplement scheme and other co-related financial assistance, to be able to retain employees and avoid redundancies.

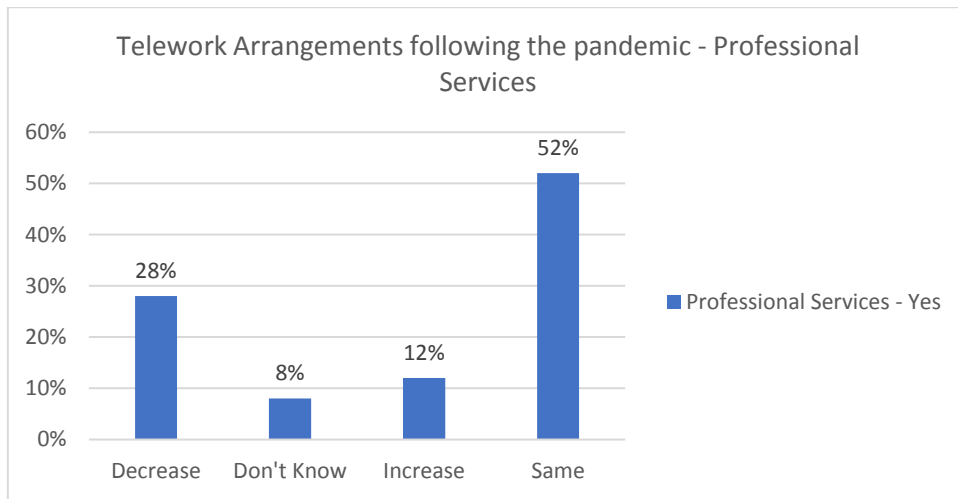
### **B.3.1.5 Teleworking Arrangements**

65% of survey respondents in the professional service industry claimed that they have made used of teleworking arrangements during COVID. The other 35% have not.



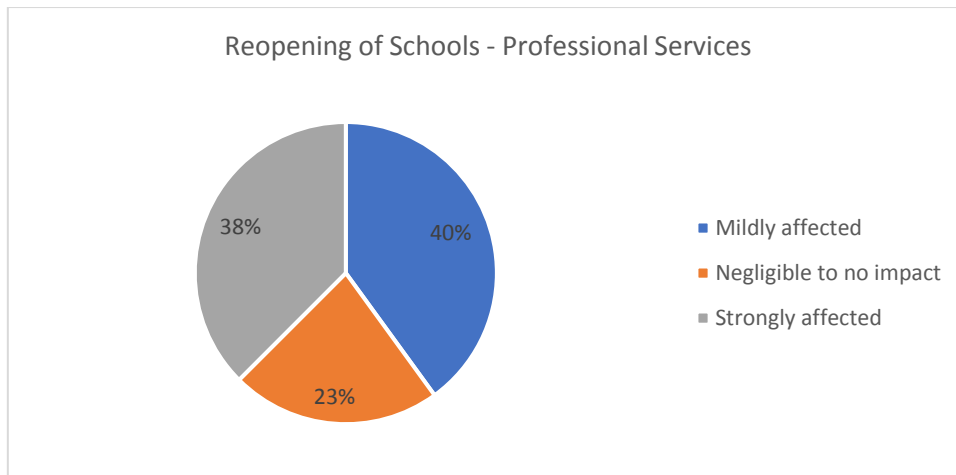
From companies that made use of teleworking arrangements, 69% stated that employees have been equally productive, 27% stated that employees have been less productive and 4% stated that employees have been more productive.

52% of survey respondents stated that it will remain with the same teleworking arrangements as this is possible for their line of work. 28% stated that teleworking arrangements will decrease following the pandemic, as some companies require being at the place of work due to meeting customers. 12% stated that they might actually increase teleworking arrangements and this will further to possible if government offers assistance in setting-up home offices. 8% are still uncertain.

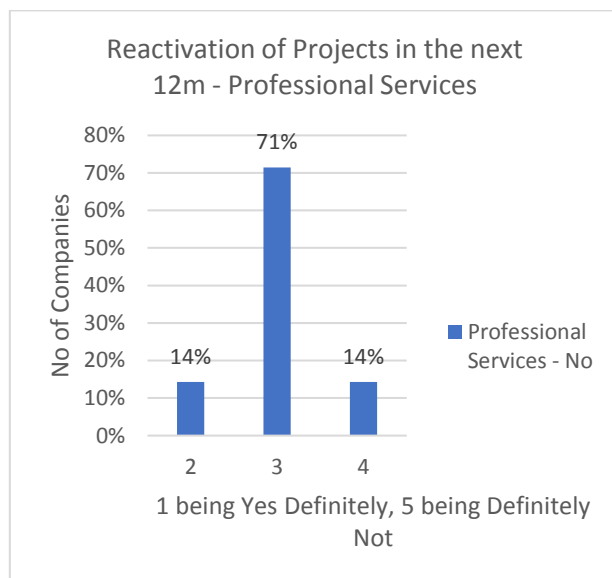
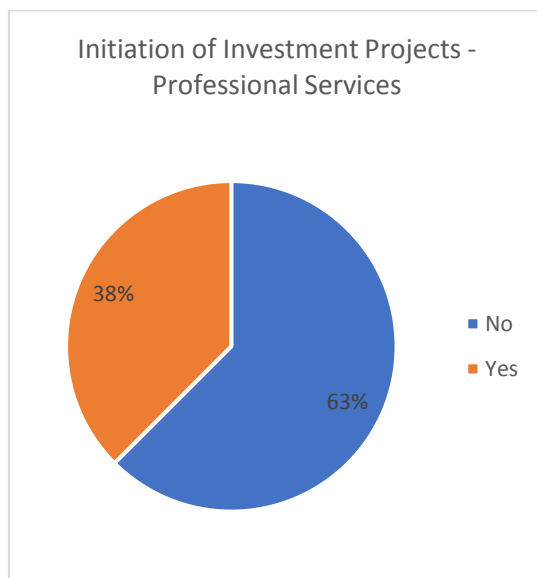


### B.3.1.6 Reopening of Schools

38% of survey respondents in the professional service industry stated that their business operations will be strongly affected with the reopening of schools, while 40% will be mildly affected. 23% of respondents will have no impact.



### B.3.1.7 Initiation of Investment Projects



38% of survey respondents in the professional service have initiated investment projects that have been postponed due to COVID-19. However, the other 63% have not initiated any projects.

The majority (70%) of those that have not initiated their projects are not certain whether they will do in the next 12 months. 14% are likely to initiate and 14% are not likely to initiate.

### B.3.1.8 Major employment related matters faced by the Professional Service

When asked about major employment related matters that are affecting businesses in the professional service due to the current situation, companies mentioned the below comments:

- Decrease in client cash flow and cancellation of events



- Costs of home office setup
- Departments' bureaucracy (e.g. ID Malta)
- Space limitation due to social distancing
- Unmotivated employees working on reduced hrs
- Stress amongst employees: scared to get in contact with guests
- Absenteeism and false sick leave increase
- High employee turnover and difficulties in finding skilled employees
- Increase in quarantine leave due to testing

### B.3.1.9 Recovery of Business

Whilst 5% of businesses have already reached pre-COVID levels, most businesses from the professional services that have participated in this survey require more than year (61%) to recover to pre-Covid levels. 15% are perceiving a recovery between 4-8m and 20% are perceiving a recovery between 8-12m.

