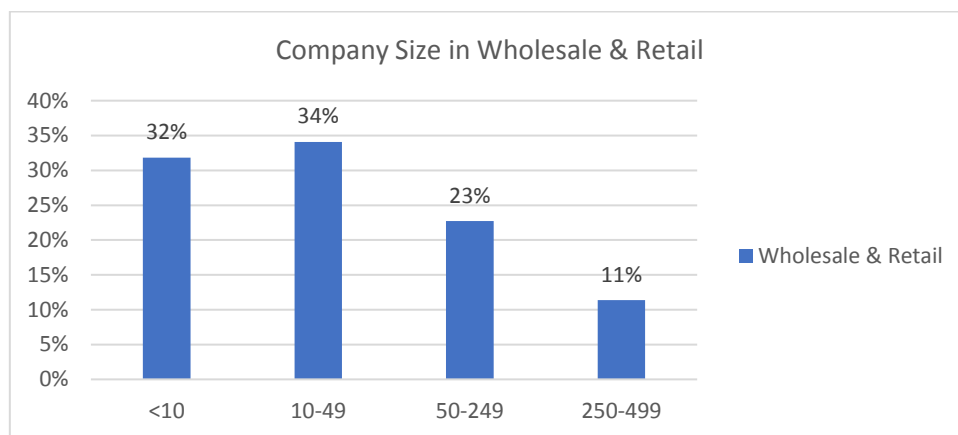


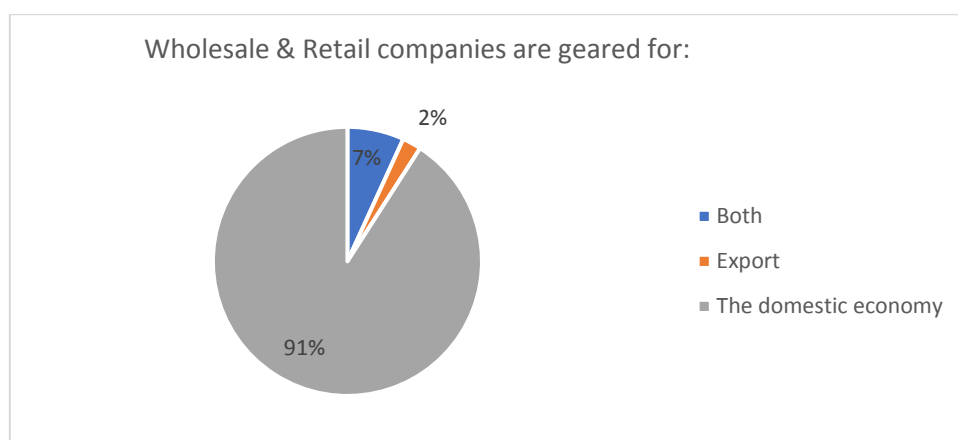
Sector A: WHOLESALE & RETAIL

The wholesale and retail industry represents 19% (44 companies) of survey respondents.

32% of companies within the wholesale and retail industry employ between less than 10 employees, 34% employ between 10-49 employees, 23% employ between 50-249 employees and 11% employ between 250-499 employees.

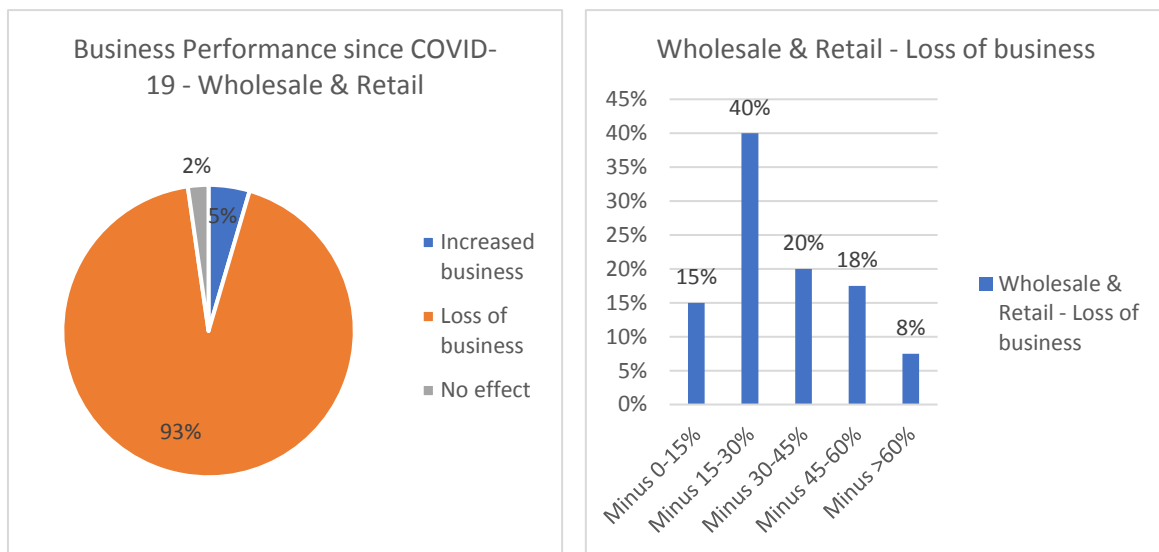


91% of survey respondents in the wholesale & retail industry are geared for the domestic economy and 2% are geared for export. 7% are geared for both the domestic economy and export.

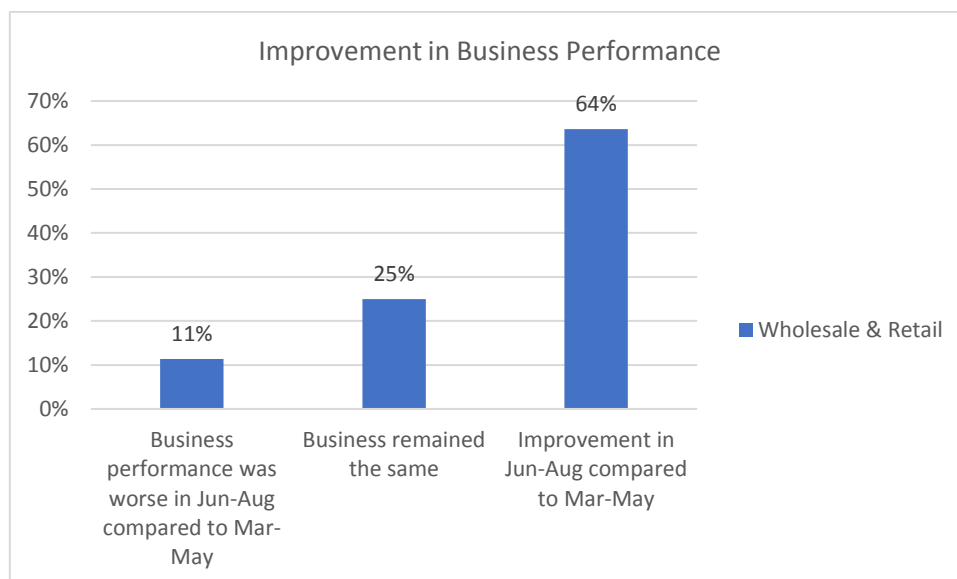


A 3.1.1 Effect of COVID-19 on Business Operations

When asked how the COVID-19 pandemic affected business, 93% of survey respondents in the wholesale & retail industry stated that they had a loss of business. 5% stated that they have increased their business, while 2% stated that the COVID-19 did not have an effect on their business operations. Out of those that reported a loss in business (93%), 15% experienced between 0-15% loss; 40% between 15-30%; 20% between 30-45%; 18% between 45-60% loss and 8% more than 60% loss.

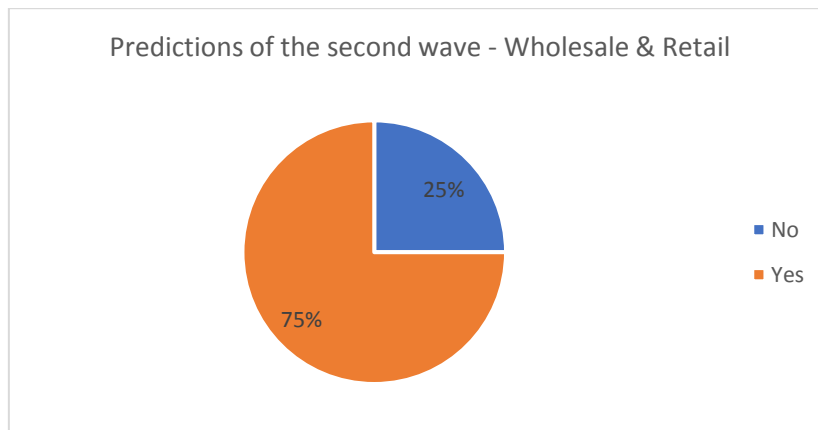


64% of survey companies in the wholesale & retail industry have seen an improvement in their business operations between Jun-Aug when compared to Mar-May. 25% of companies stated that their business remained the same and 11% of companies stated that business performance has worsened in Jun-Aug.

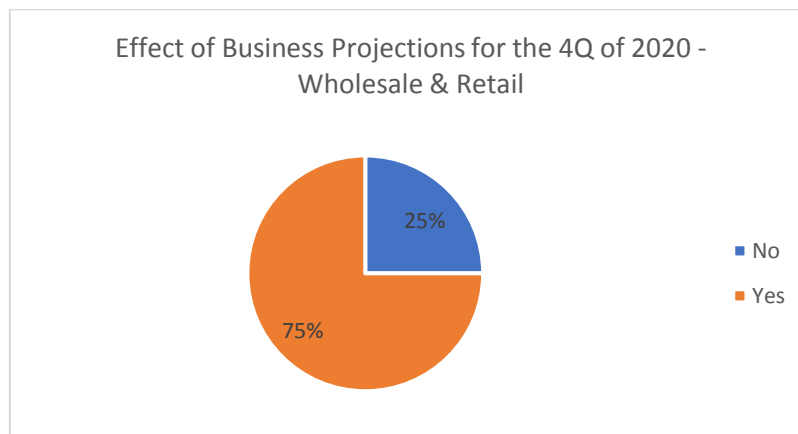


A.3.1.2 Predictions & Effects of the Second Wave

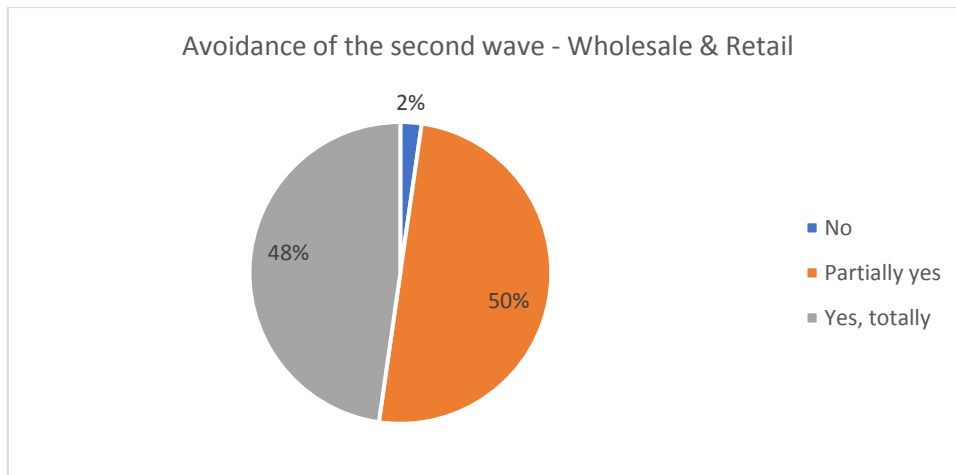
75% of survey respondents in the wholesale & retail industry claimed that they have foreseen a second wave following the increase in Covid-19 cases on the 20th July. The other 25% claimed that they did not foreseen it coming.



75% of survey respondents in the wholesale & retail industry claimed that the second wave affected their business projections for the fourth quarter of 2020. The other 25% claimed that the second wave did not affect their business projections for the fourth quarter.



Comments to this question from the wholesale & retail industry showed that clients decreased from visiting the outlets once number of cases started to increase. This may also be related to customer disposable income which have slumped rapidly down. Furthermore, wholesale & retail industry depends heavily on the hospitality sector. When the number of cases started to increase, local tourism rates have decreased and restrictions on the organisation of weddings were imposed.

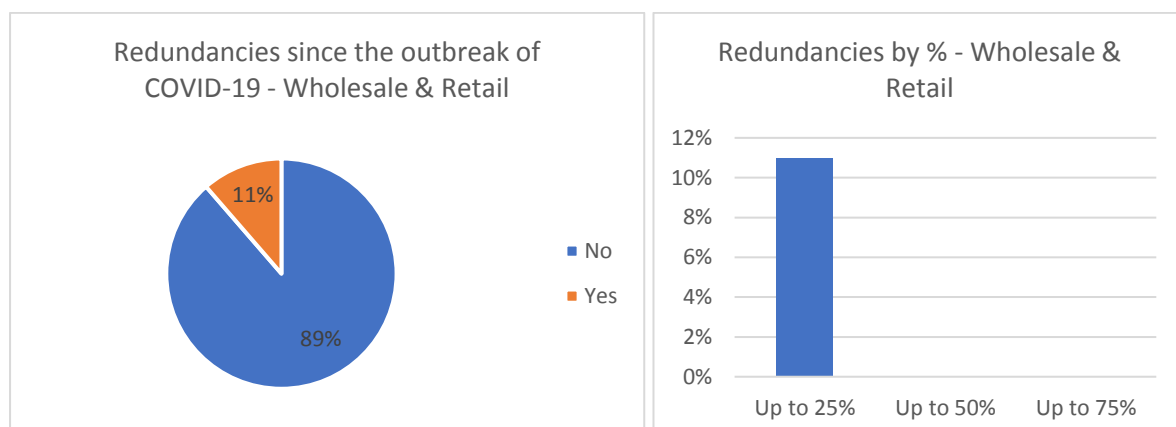


48% of survey respondents from the wholesale & retail industry claimed that the second wave could have been entirely avoided, and 50% claimed that it could have been partially avoided. Only 2% of survey respondents from this sector claimed that the second wave could have not been avoided.

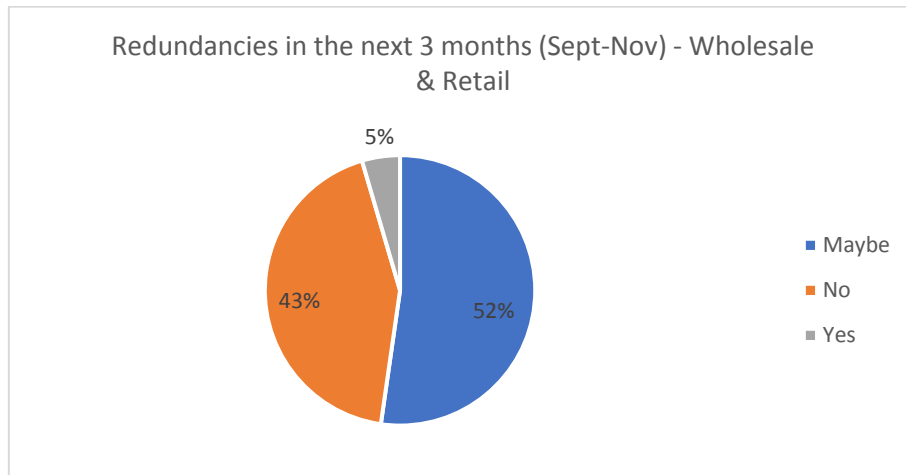
Survey respondents from the wholesale & retail sector blame the increase of the second wave on the lack of airport control and the opening of mass events. Some stated that attracting the wrong tourism segment was the main case for this, as one could have opted to target older tourists which would not attract big crowds. Others have claimed that each and every ban was lifted too early and never put in place again when cases started to increase. Survey respondents claimed that government should have opened Malta more gradually, sensibly and with adequate precautions.

A.3.1.3 Redundancies

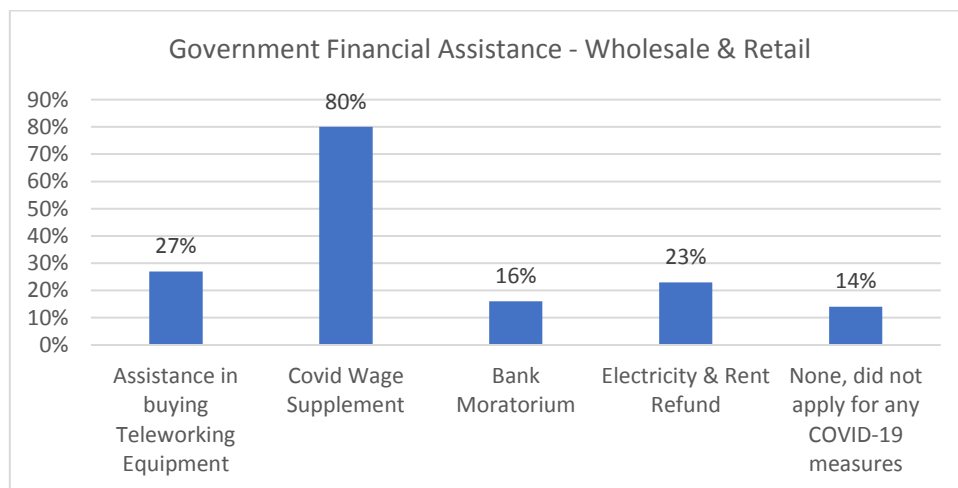
Since the outbreak of COVID-19, 89% of survey respondents in the wholesale & retail industry did not do any redundancies. 11% have made some redundancies, but all 5 companies have made redundancies up to 25% of their workforce.



When asked about expected reduction in labour force from current levels for the next 3 months (Sep-Nov), 43% of respondents from the wholesale & retail industry stated 'No', 5% stated 'Yes' and 52% are 'Still Undecided'. Out of those that answered in the affirmative (5% amounting to 2 companies), one company (employing between 50-249 employees) is forecasting a between 1-10% loss and another one (employing between <10 employees) is forecasting between 40-60% loss.



A.3.1.4 Financial Assistance by Government

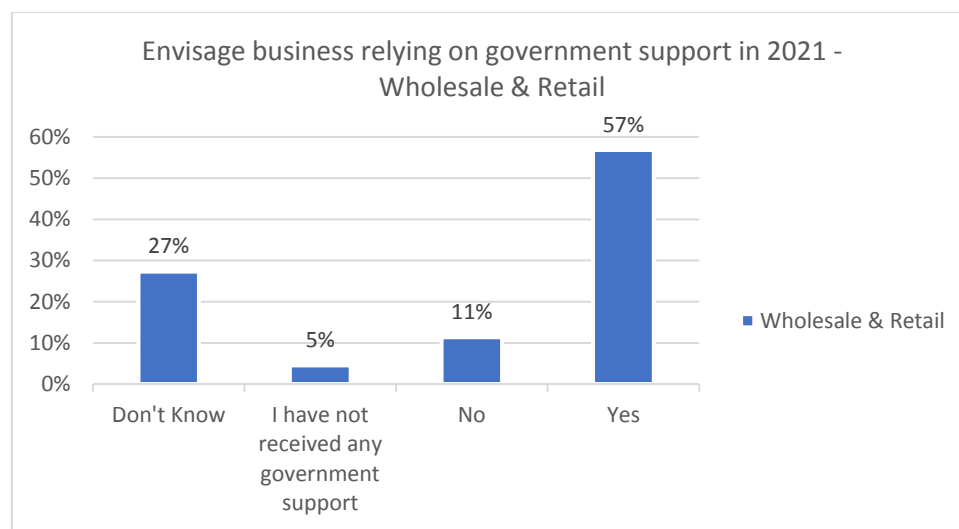


Most survey respondents in the wholesale & retail sector (80%) are benefitting from the Covid Wage Supplement. 27% have applied for assistance to buy teleworking equipment, 23% have applied for an electricity & rent refund, and 16% have applied for bank moratoriums. 14% of survey respondents have not applied for any COVID-19 related measures.

Recommendations for government in providing additional support in Q4 2020, for the wholesale & retail sector include the below:

- Extension of the COVID wage supplement by at least 3 months
- Increase of quarantine leave benefit for employer to at least 75% of wage incurred
- Extension of Bank relief measures like moratoriums
- More Tax breaks
- Initiation of the Electricity and Rental subsidy (this was not yet commenced when the survey was published)
- Repetition of the voucher system

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

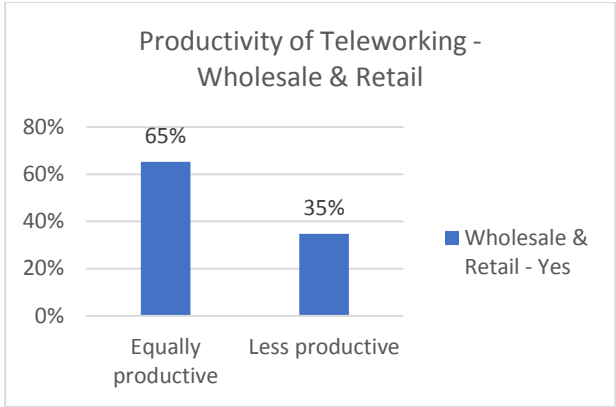
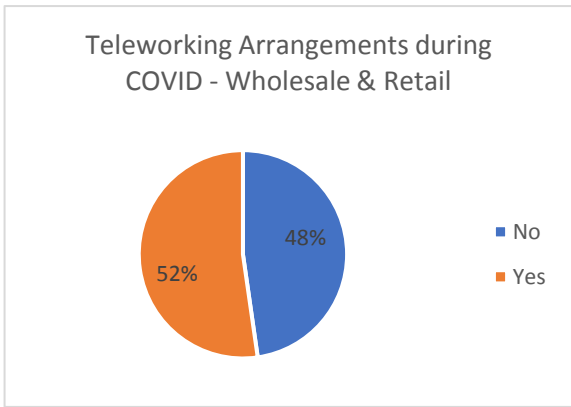


57% of survey respondents in the wholesale & retail sector envisage relying on government support for the year 2021. 11% of respondents claimed that they will not be relying on government supports and 27% are still uncertain. 5% of survey respondents within this sector have not received government support, thus have not commented to this question.

From comments written, there seems to be a lot of uncertainty amongst businesses in general as the situation is very unstable. If the number of cases remain or continue to increase, most businesses would still require government's support. This is being felt more by the wholesale and retail sector as customers' confidence in retail will still be affected badly for at least the second quarter of the year. Furthermore, since wholesale and retail are co-dependent on other sectors like hospitality and tourism, the lack of tourists perceived in the first quarter of next year is another indicator for loss in business. Unless government's support is secured, most companies would have no other option than to make people redundant.

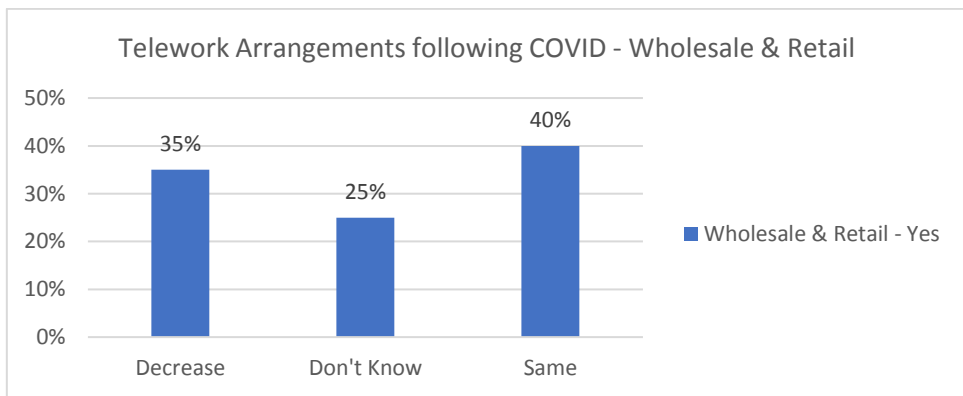
A.3.1.5 Teleworking Arrangements

52% of survey respondents in the wholesale & retail industry claimed that they have made used of teleworking arrangements during COVID. The other 48% have not.



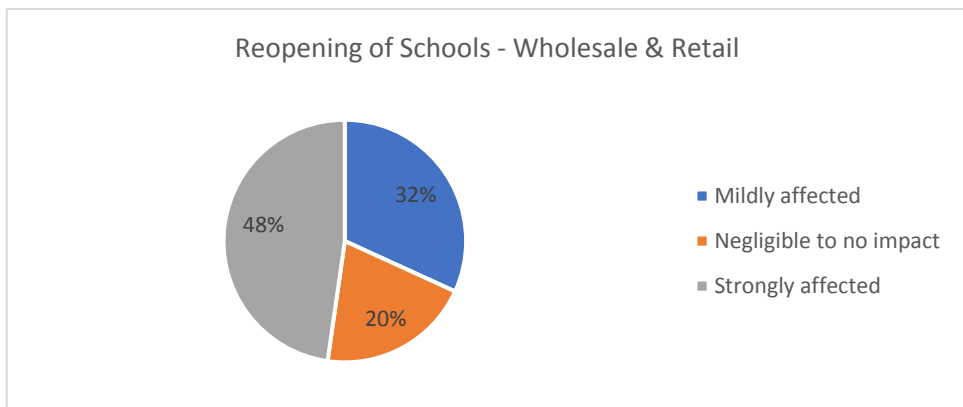
Out of the companies that made use of teleworking arrangements, 65% stated that employees have been equally productive while 35% stated that employees have been less productive.

30% of company respondents stated that teleworking arrangements will decrease following the pandemic. 35% stated that it will remain the same and 22% are still uncertain.

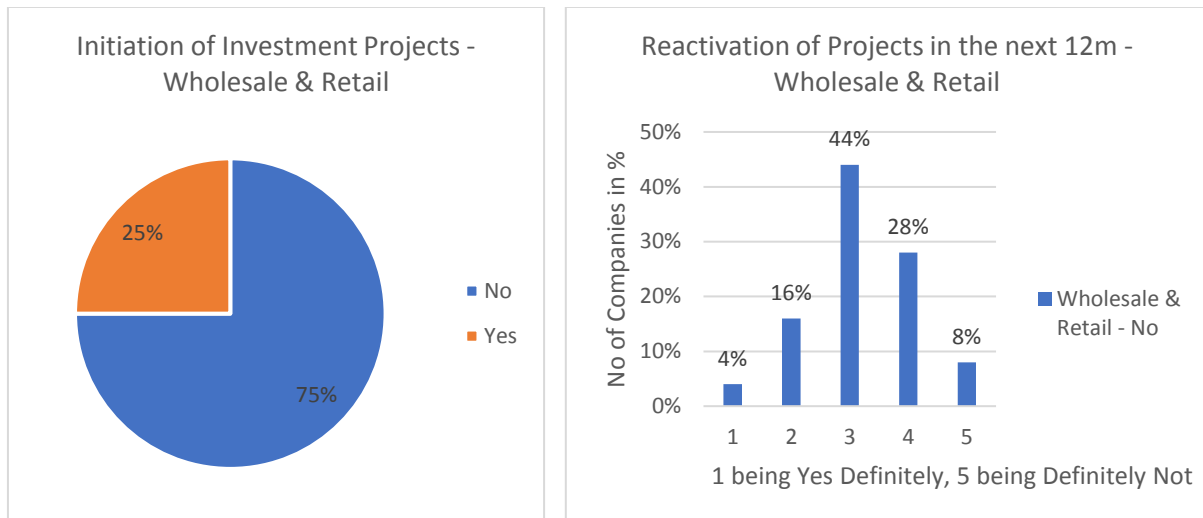


A.3.1.6 Reopening of Schools

48% of survey respondents in the wholesale & retail industry stated that their business operations will be strongly affected with the reopening of schools, while 32% will be mildly affected. 20% of respondents will have no impact.



A.3.1.7 Initiation of Investment Projects



25% of survey respondents in wholesale & retail sector have already initiated investment projects that have been postponed due to COVID-19. However, the other 75% have not initiated any projects as yet.

The majority (44%) of those that have not initiated their projects are not certain whether they will do so in the next 12 months. 20% are likely to initiate and 36% are not likely to initiate by next year.

A.3.1.8 Major employment related matters faced by the Wholesale & Retail Industry

When asked about major employment related matters that are affecting businesses in the wholesale & retail industry due to the current situation, companies mentioned the below comments:

- Lack of business for current size of workforce
- Less spending power from consumers and delayed payments from clients
- Difficulties in recruitment: lack of skilled workers, higher wage requests
- Quarantine Leave and increased sick leave
- Stress amongst employees and management

A.3.1.9 Recovery of Business

Whilst 9% of businesses have already reached pre-COVID levels, most businesses from the wholesale & retail sector that have participated in this survey require more than year (62%) to recover their business activity to pre-Covid levels. 2% are perceiving a recovery between 0-4m, 11% between 4-8m and 16% between 8-12m.

Recovery of Business Activity to pre-COVID levels - Wholesale & Retail

