

COVID-19: Business & Employment Projections

Survey, June 2020



Aims of the Survey

BUSINESS & EMPLOYMENT PROJECTIONS

Aim 1

Take stock of the situation to determine the extent to which the situation has evolved over the past weeks

Aim 2

Determine employers' projections for the coming months

Aim 3

Assist companies by lobbying with other social partners and government at large

Aim 4

Propose a set of recommendations based on companies needs

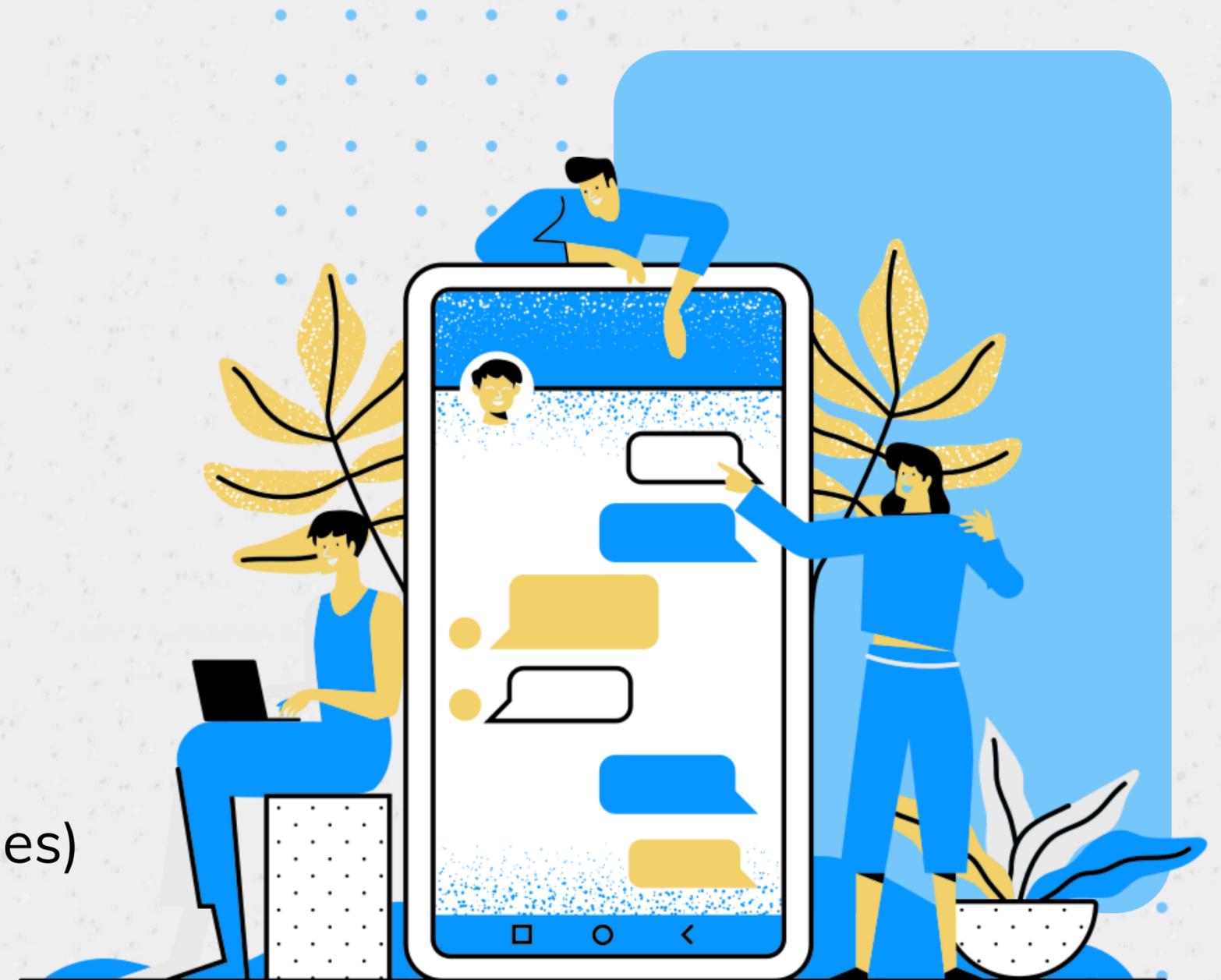
Methodology

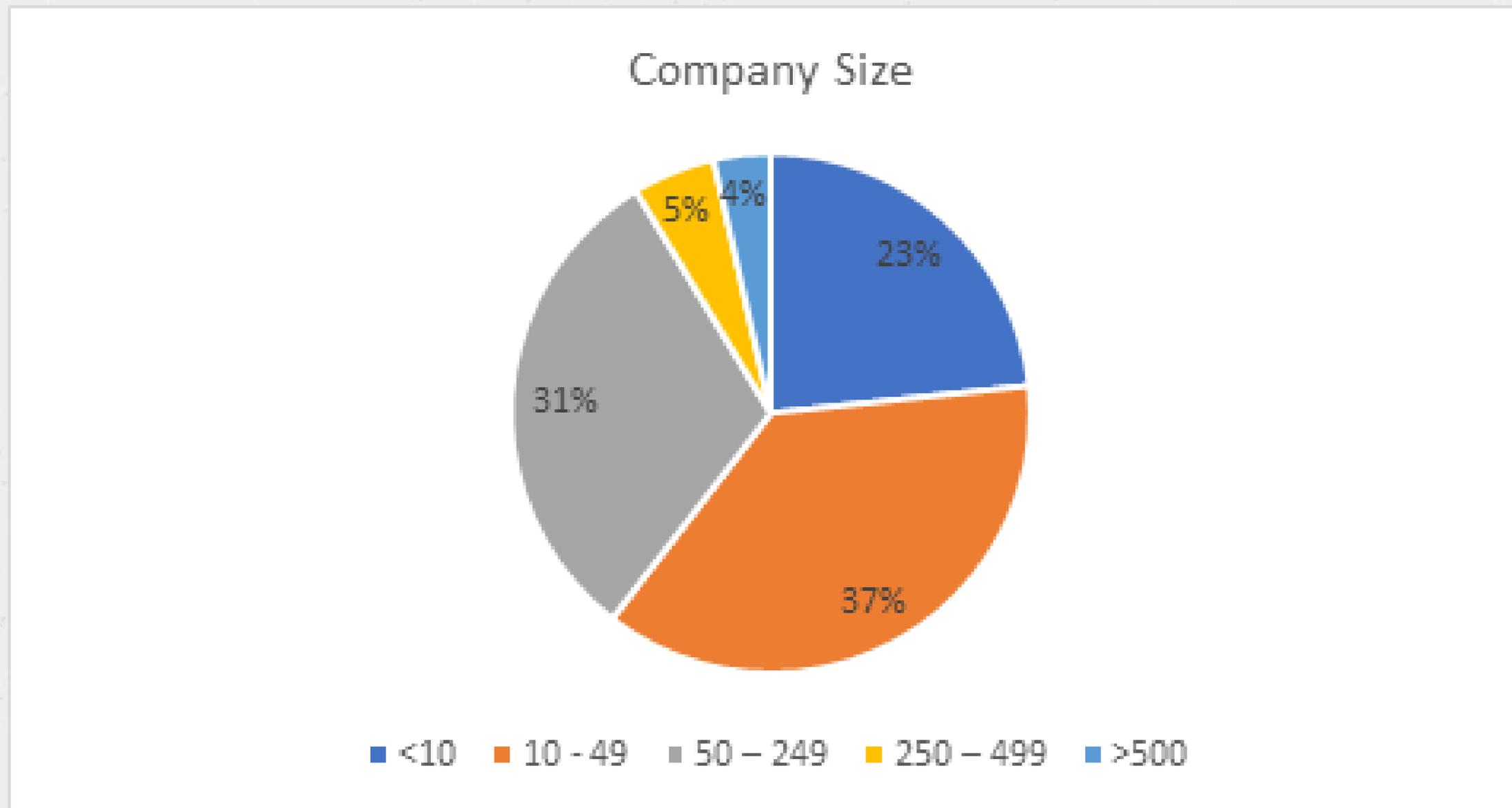
Online Survey

- Open & Ended Questions
- One reply per user

253 Respondants

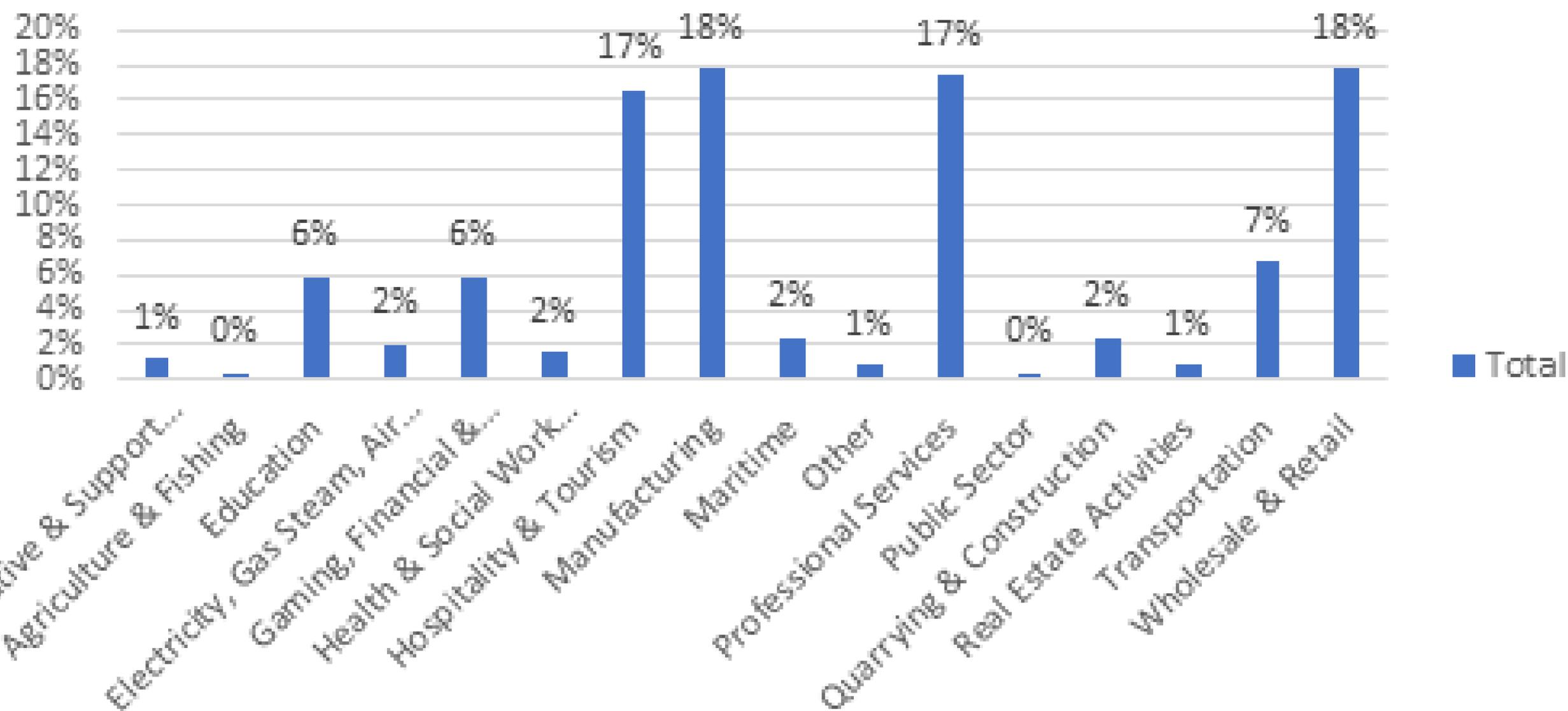
- 27th May - 3rd June 2020
- Different Sectors (incl. groups of companies)

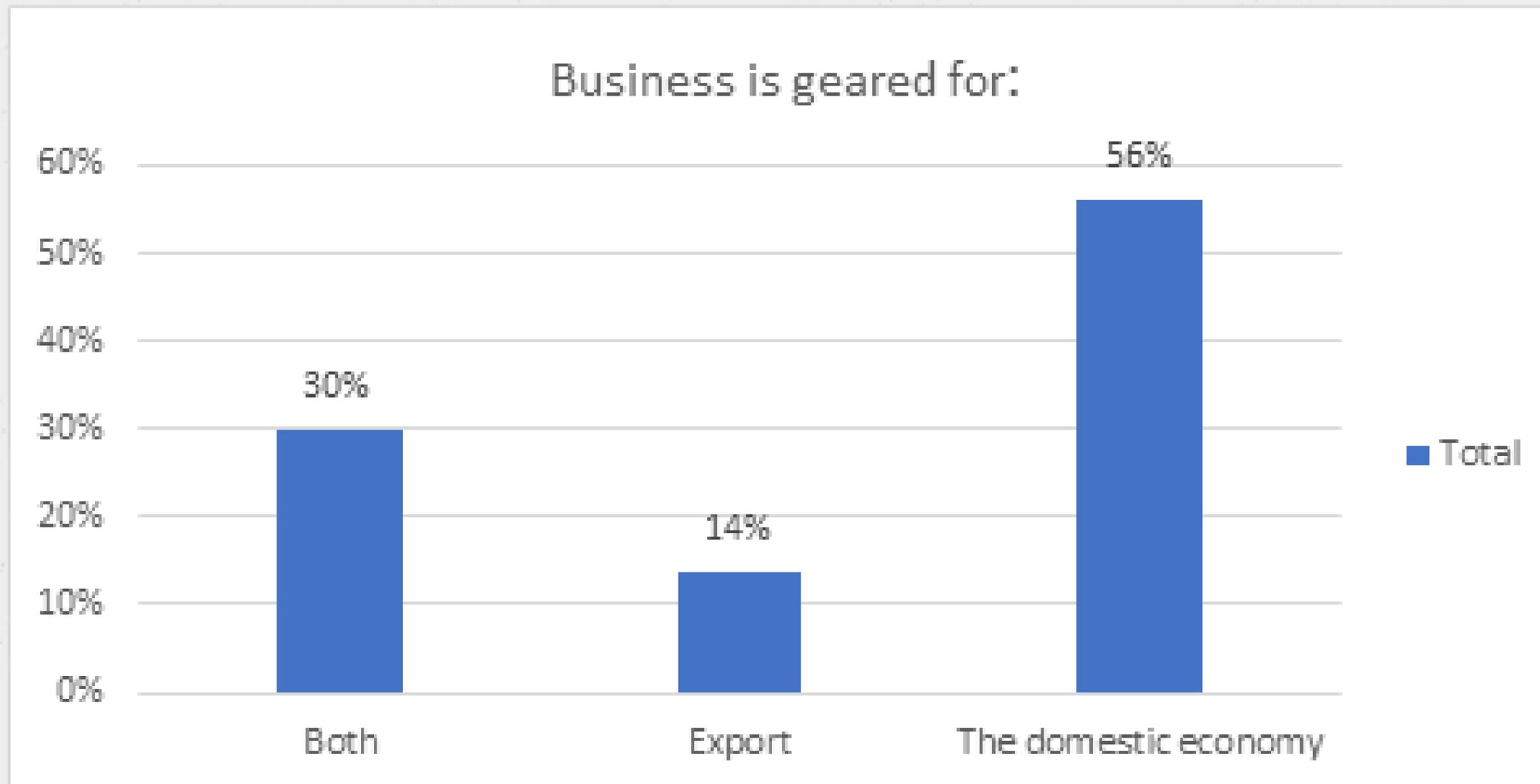




Out of two-hundred and fifty-three (253) survey respondents, 23% of companies employ less than 10 employees, 37% employ between 10-49 employees, 31% employ between 50-249 employees, 5% employee between 250-499 employees, and 4% employ more than 500 employees.

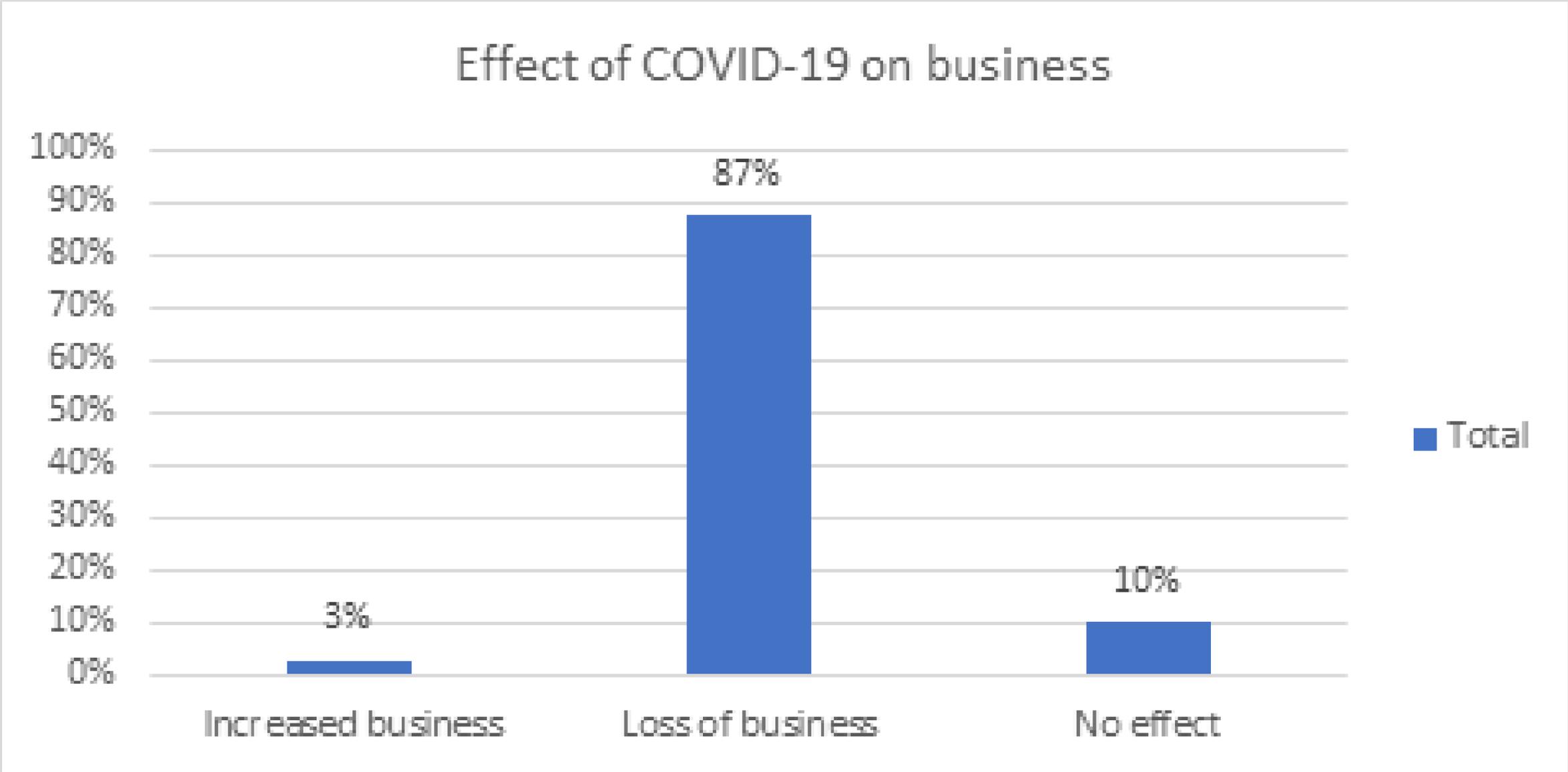
Company Sector



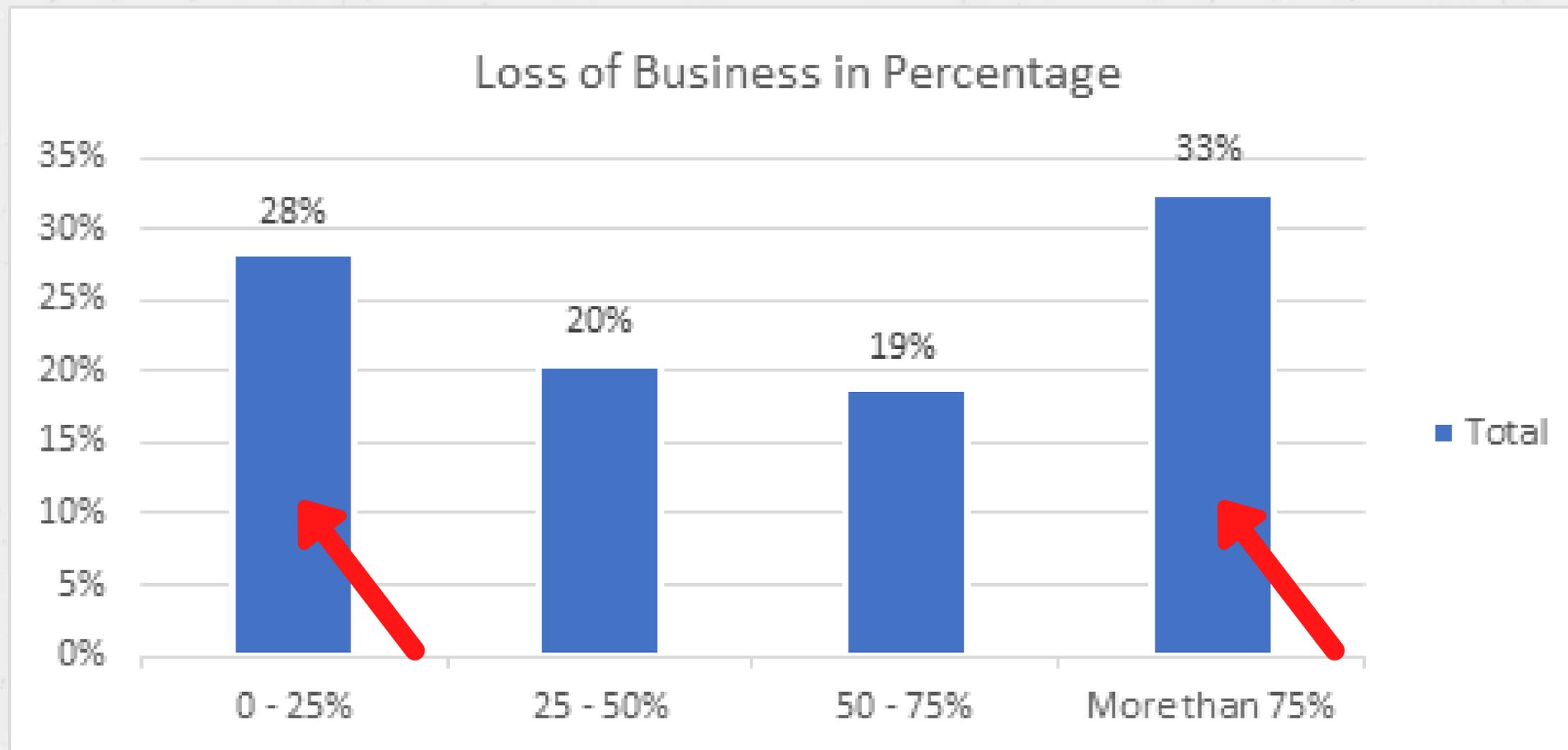


Out of 253 respondents, 56% of the companies are geared for the domestic economy, whilst 14% are geared for export. 30% of respondents claim that their business is geared for both the domestic economy and export.

Effects of Covid-19 on Business



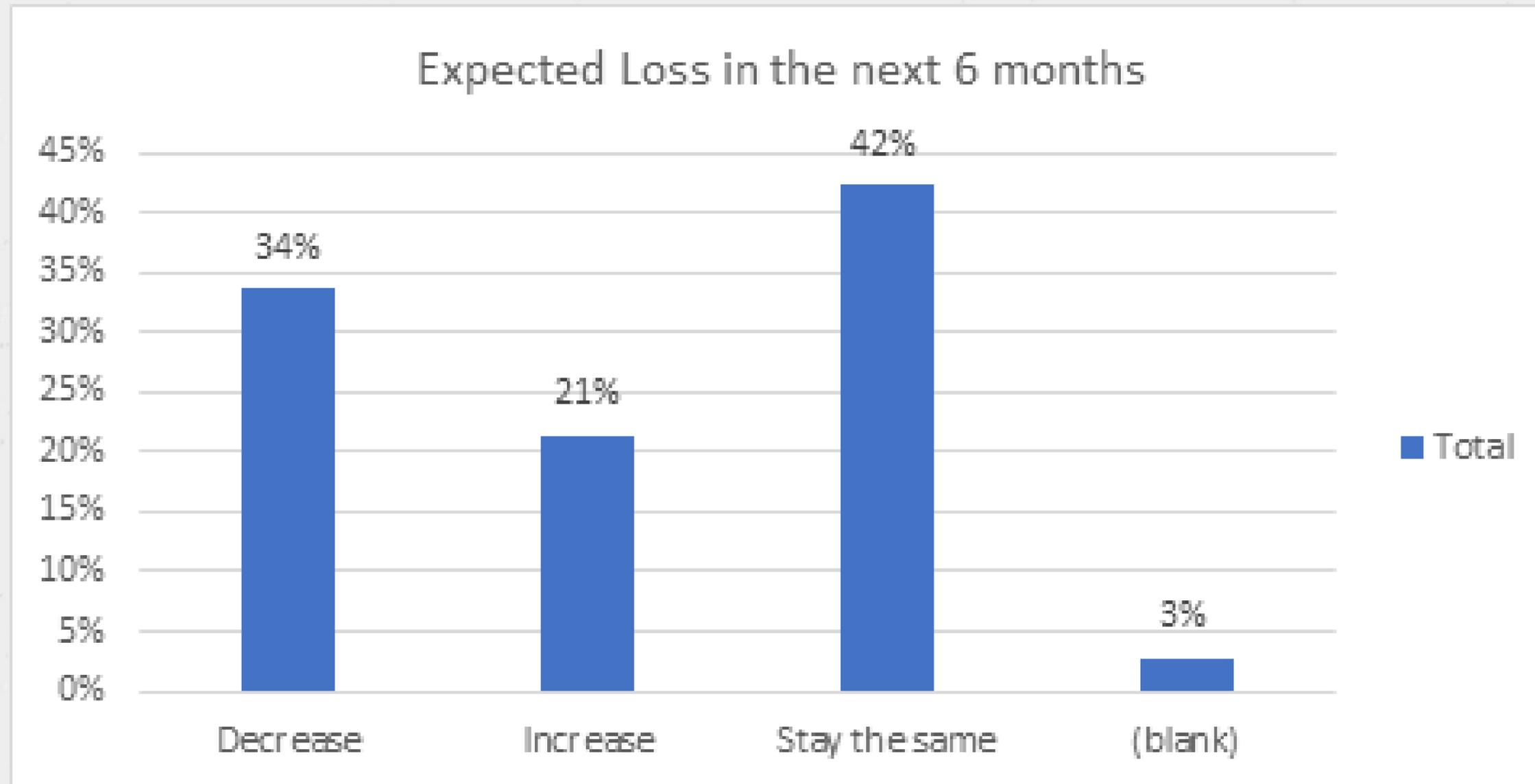
**** Twenty-five respondents (10%) claim that they have not been effected by the pandemic. However, out of these 25 respondents, 9 of them claim that they have registered a loss in business of between 0-25% in the following question.**



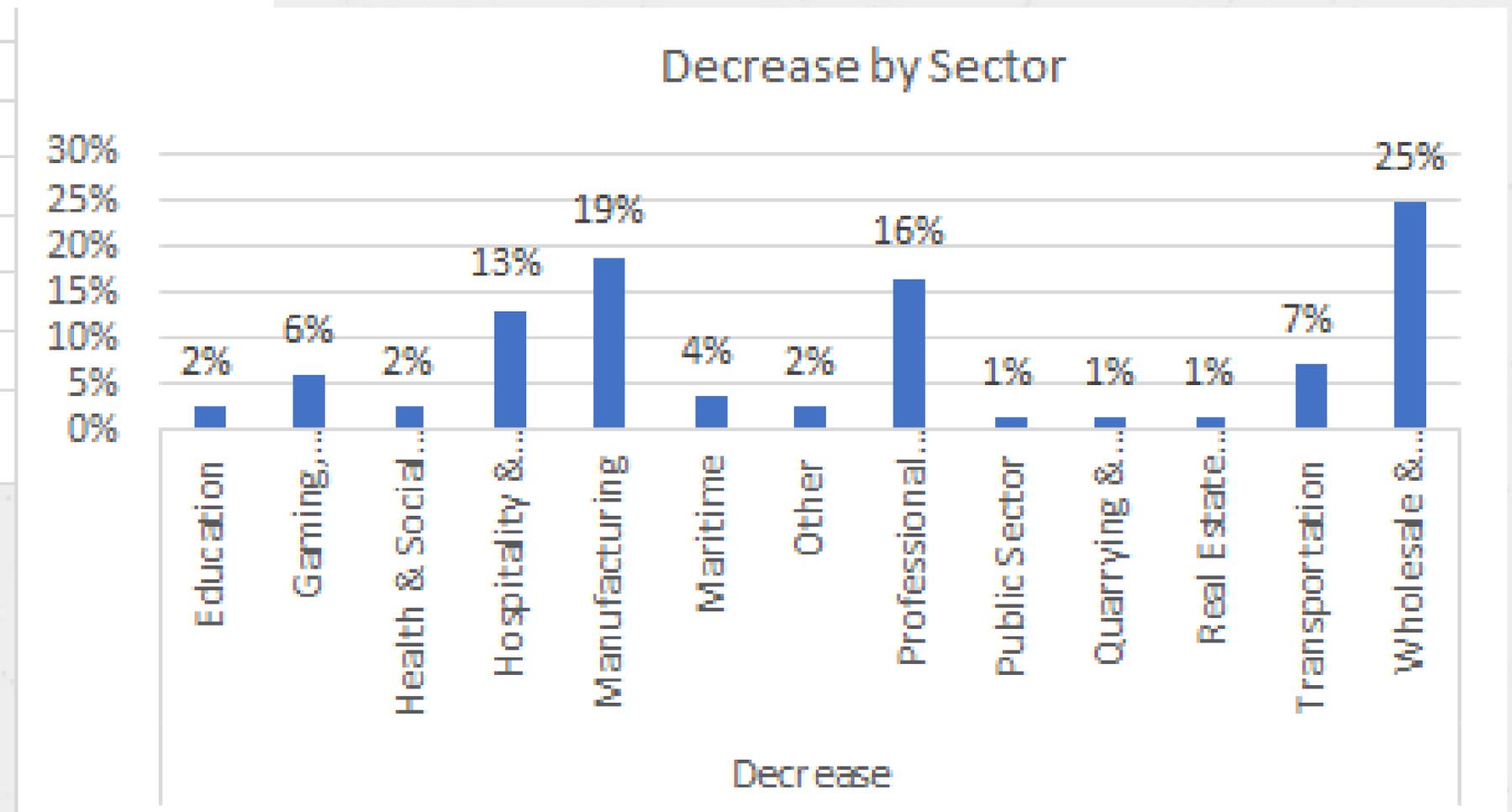
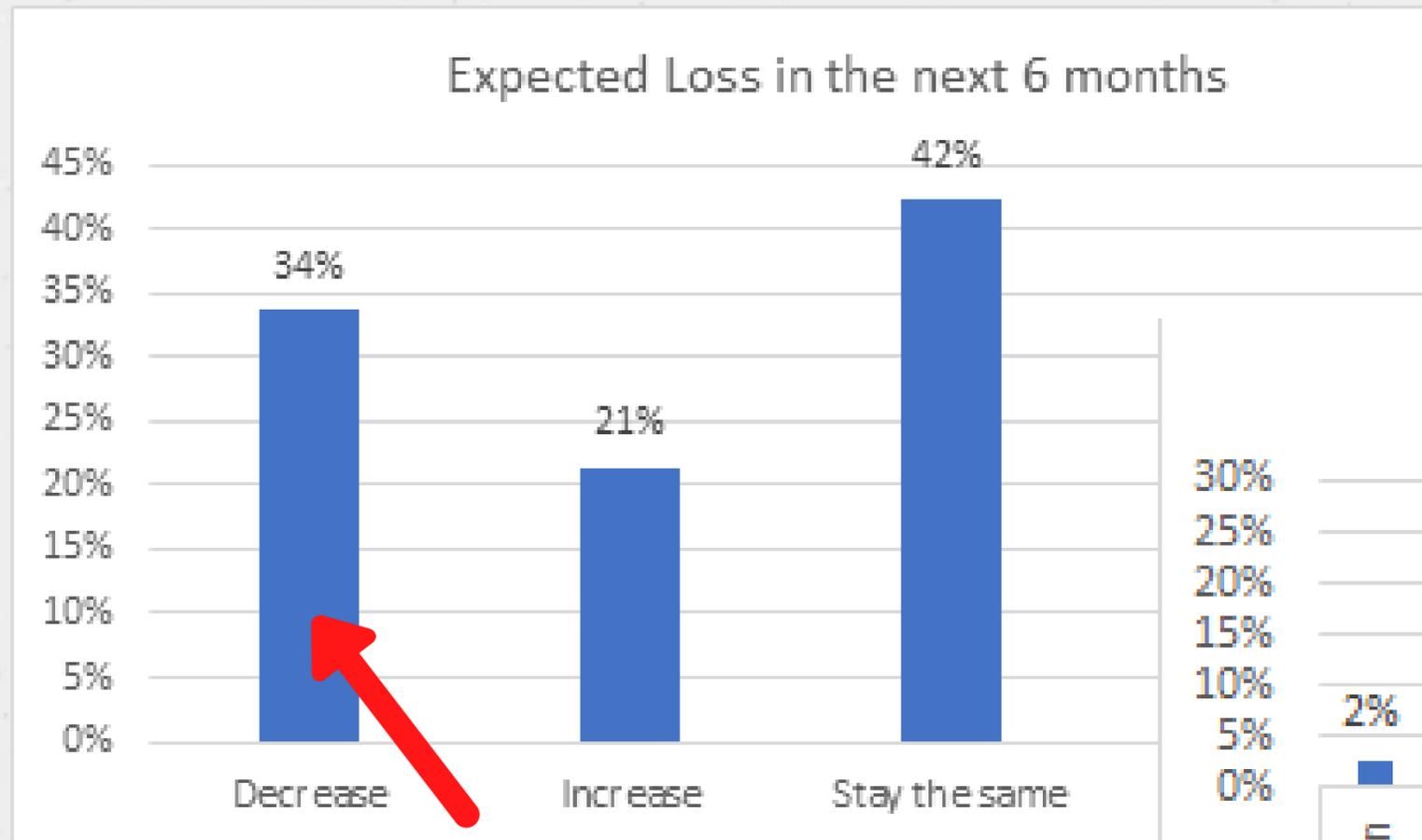
Out of the 221 respondents that have claimed a loss of business and the other 9 respondents that have filled-in this question (230 responses in total), 28% registered a 0-25% in loss; 20% registered a 20% in loss; 19% registered a 19% in loss; and 33% have registered more than 75% in loss of business.

Out of the 28% (0-25% loss), 29% are coming from the manufacturing industry.
Out of the 33% (more than 75% loss), 52% are coming from the hospitality industry.

Expected Loss in the Next 6 months



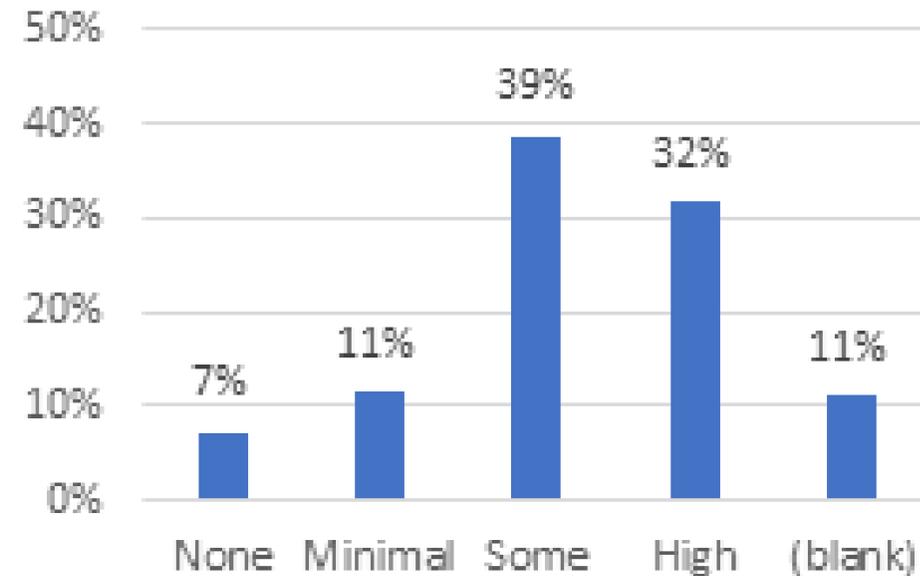
When asked about the expected loss in the next 6 months, 34% of respondents claim that it will decrease; 42% of respondents claim that it will stay the same; and 21% of respondents claim that it will increase. 3% of respondents did not answer the question.



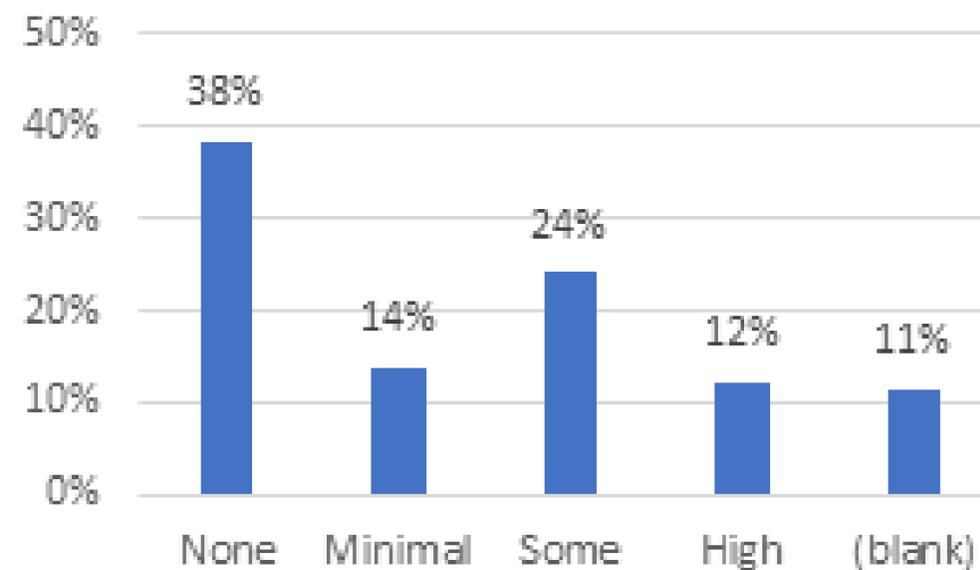
Out of the 34% decrease, 25% of respondents are coming from the Wholesale and Retail; 19% from Manufacturing; 16% from Professional Services and 13% from Hospitality and Tourism.

Management of Loss in Business

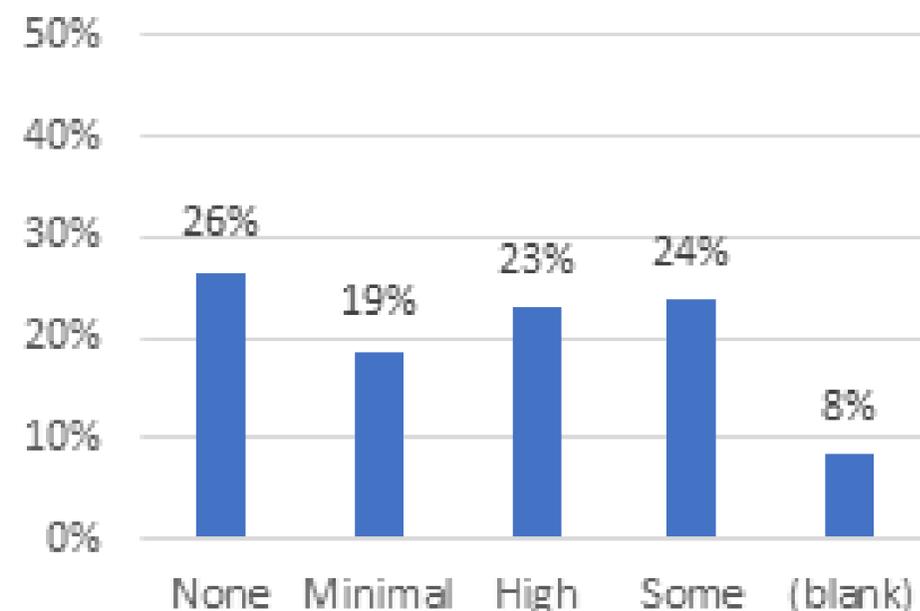
Cost Reduction Measures (not employment related)



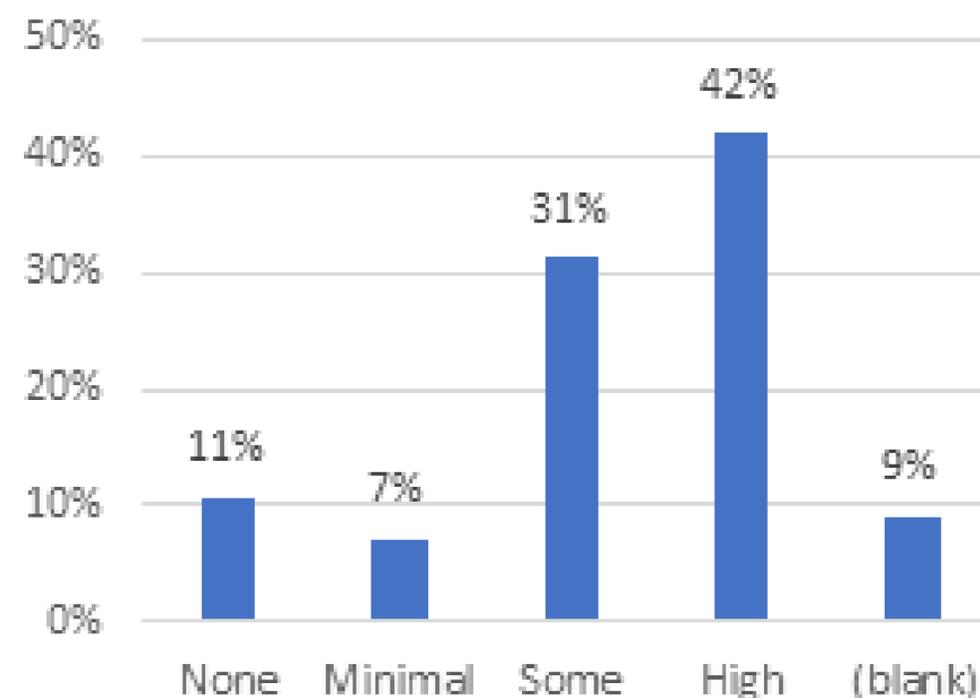
Cost Reduction on Employment related costs (incl. redundancies)



Income from government schemes

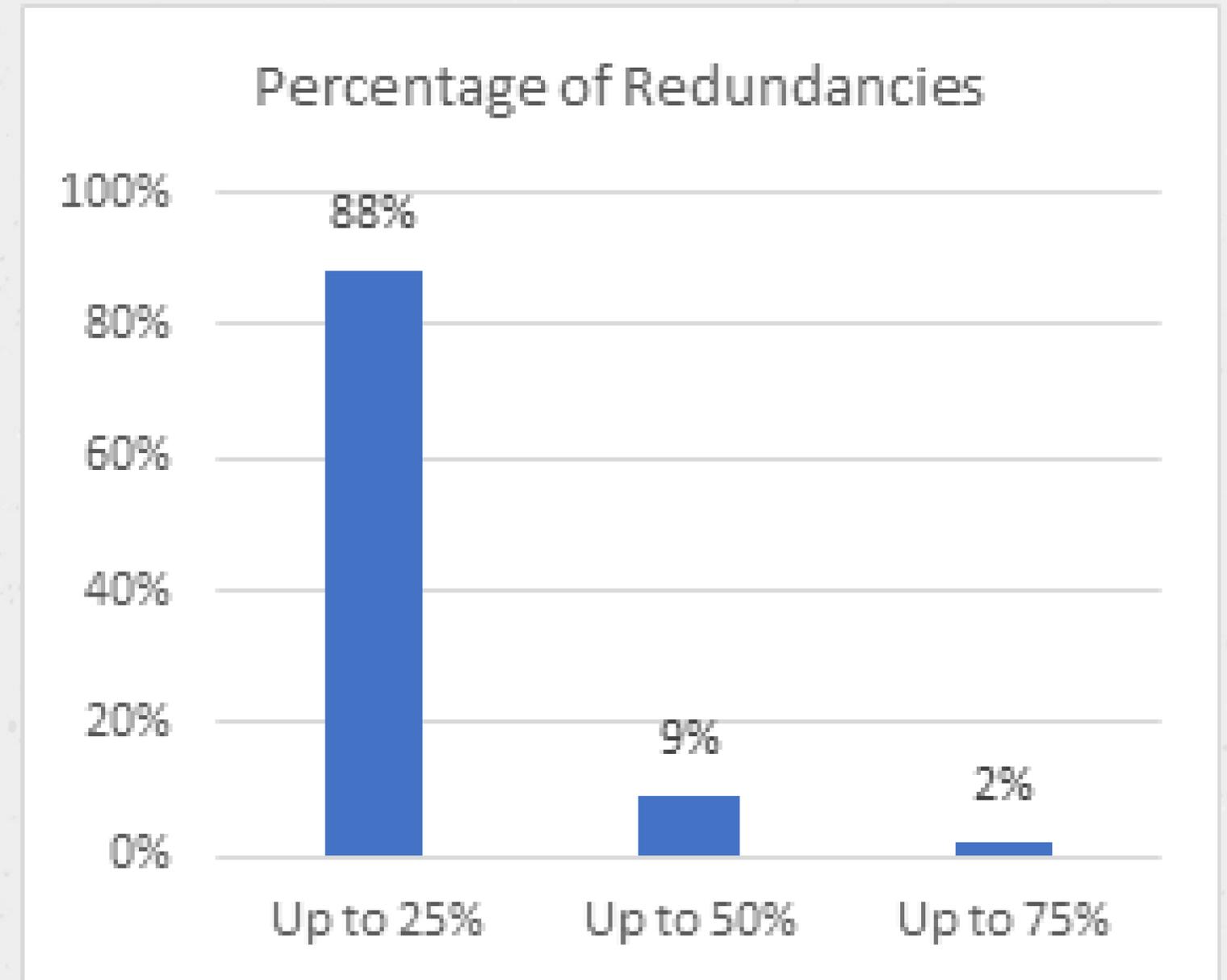
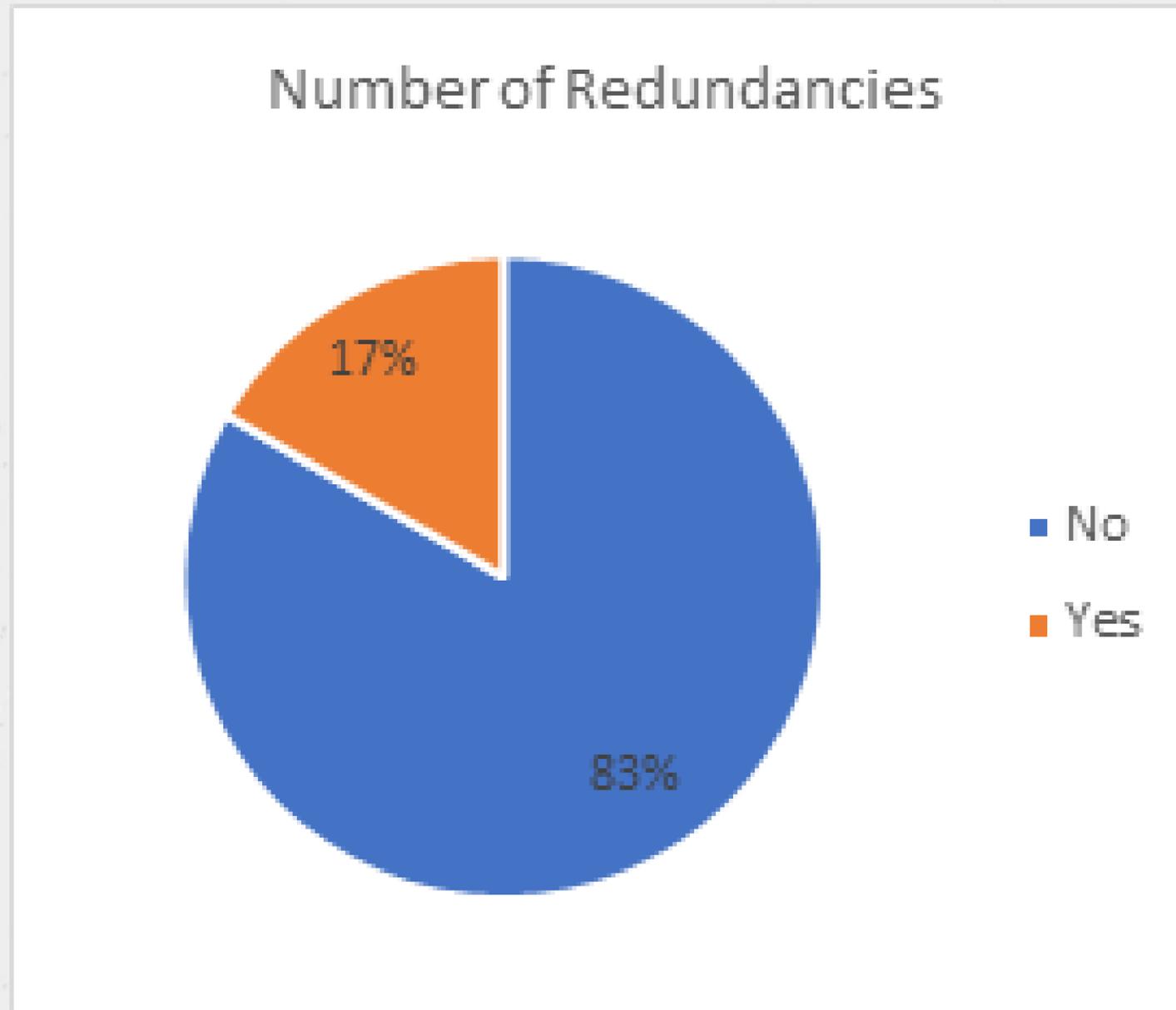


Use of Internal Reserves



When asked about how companies are managing the loss in business, most respondents (71%) commented that they were highly affected in cost reduction measures (those not related to employment) and when it comes to use of internal resources (73%).

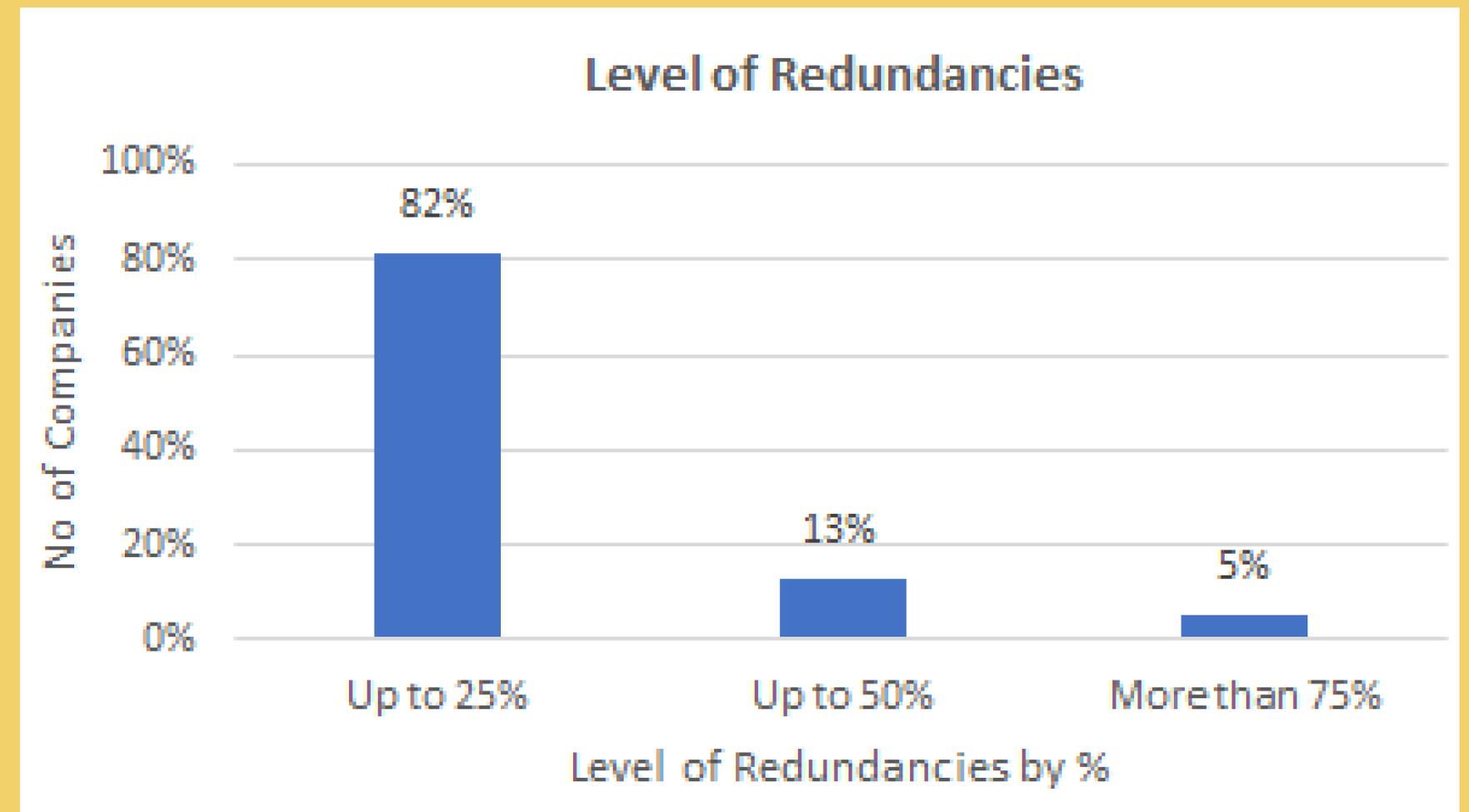
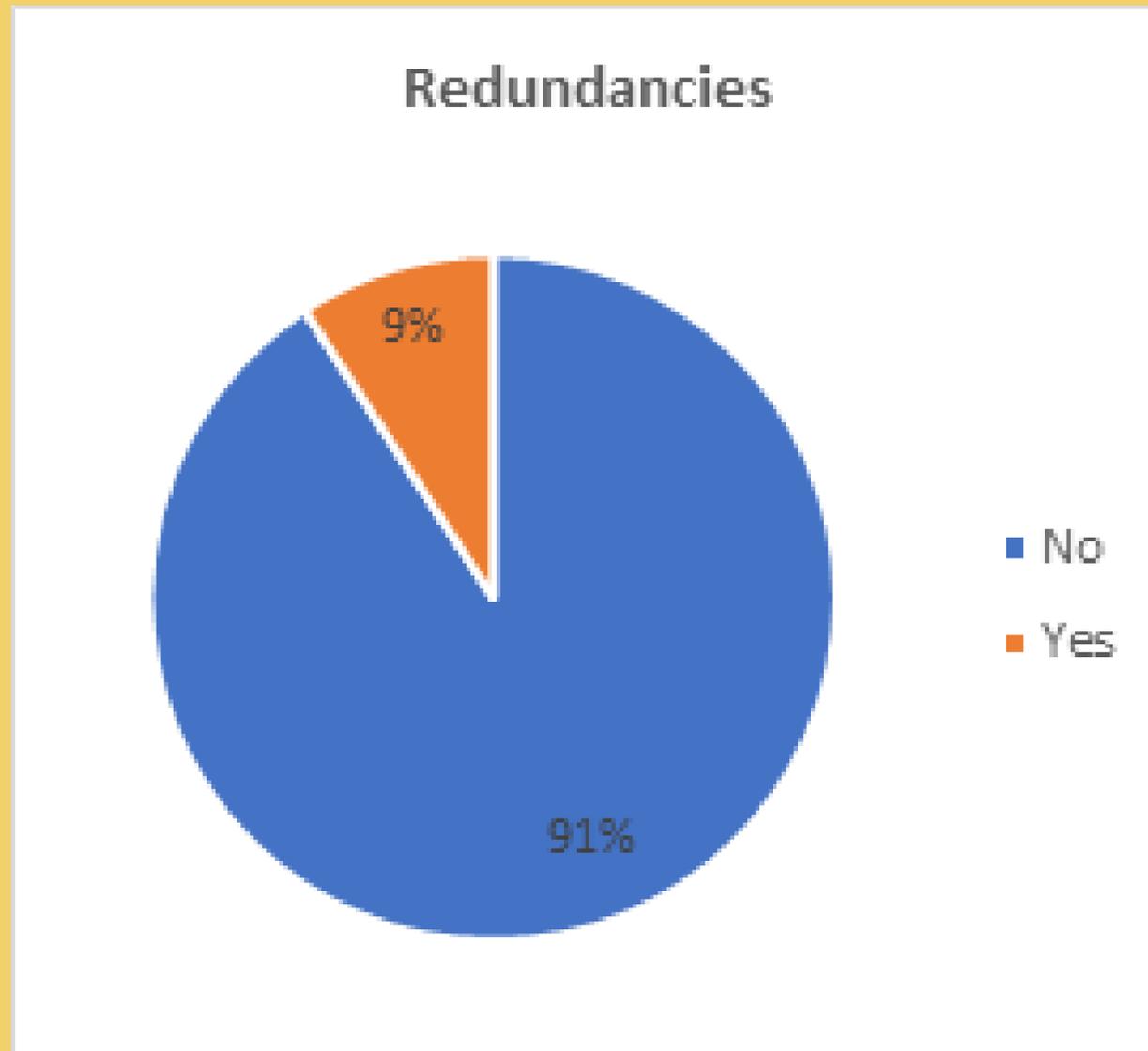
Redundancies



83% of respondents state that they have not made any redundancies in their company. The other 17%, amounting to 43 companies, have made some redundancies by different percentages – 88% by up to 25%; 9% by up to 50%; and 2% by up to 75%.

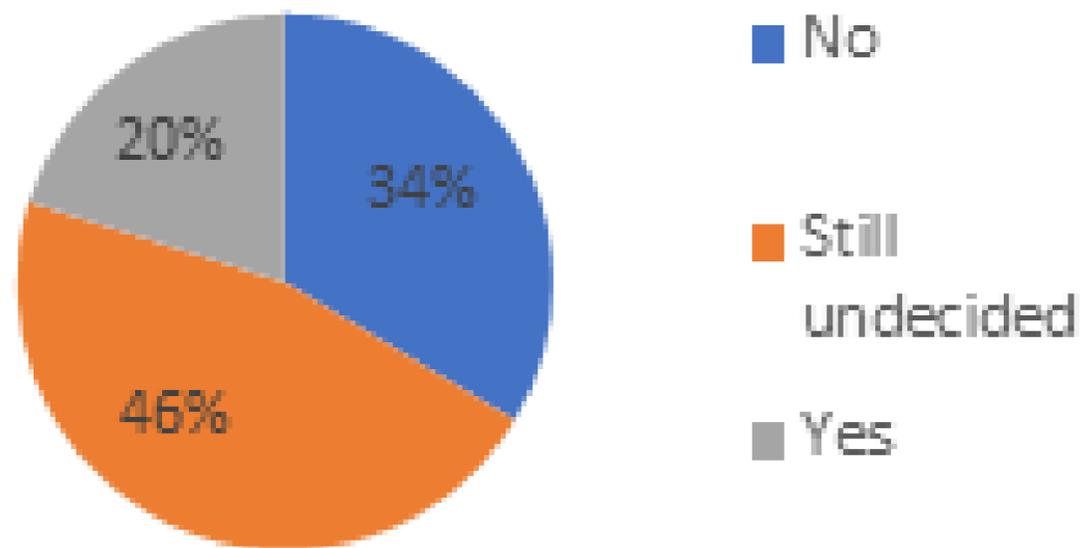
Result from Survey I, April 2020

We can see an increase from April 2020, where redundancies were lower with an 8%

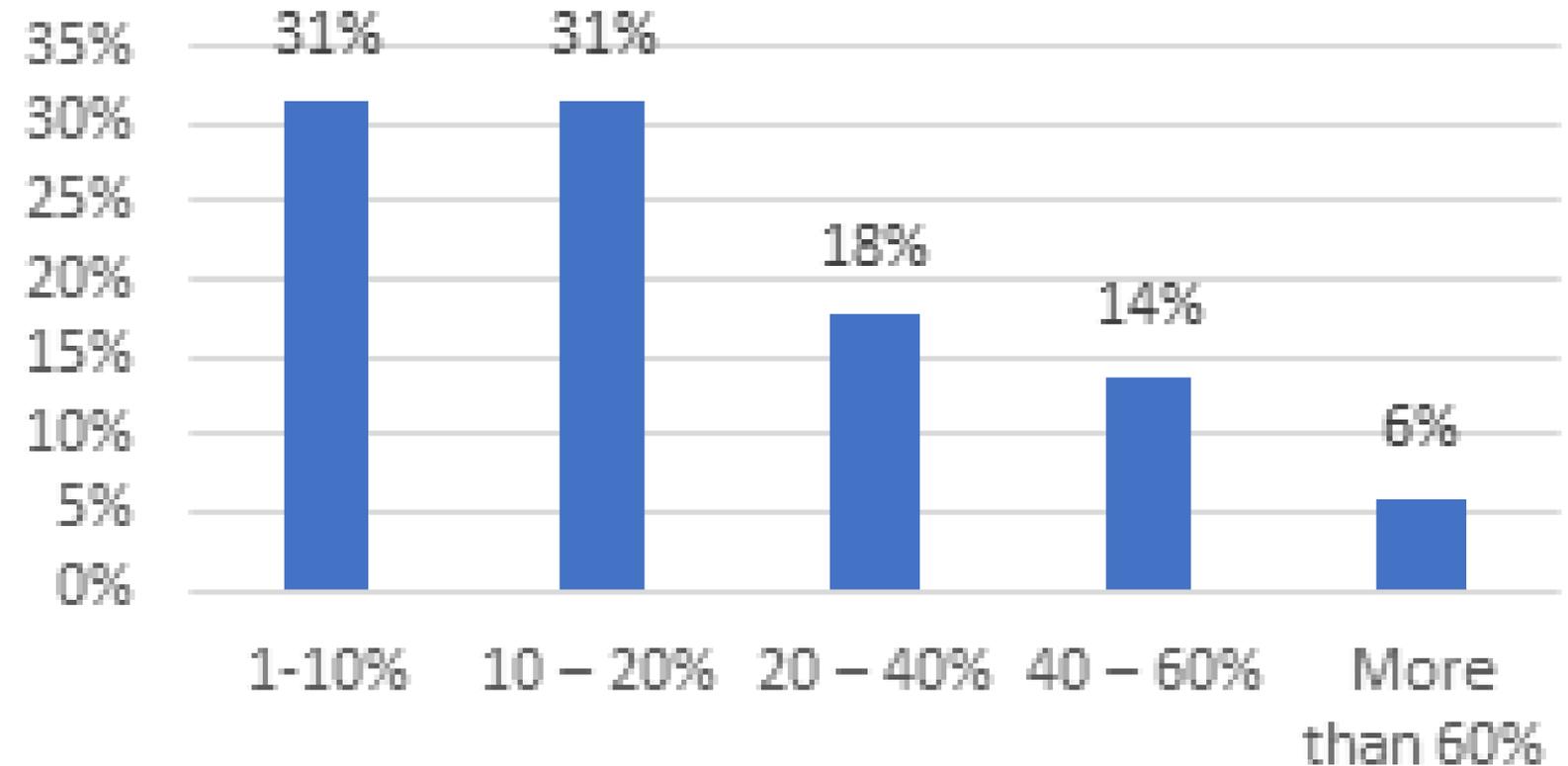


Expected redundancies in the next 3 months

Reduction in Labour Force in the next 3 months (Jun-Aug 2020)



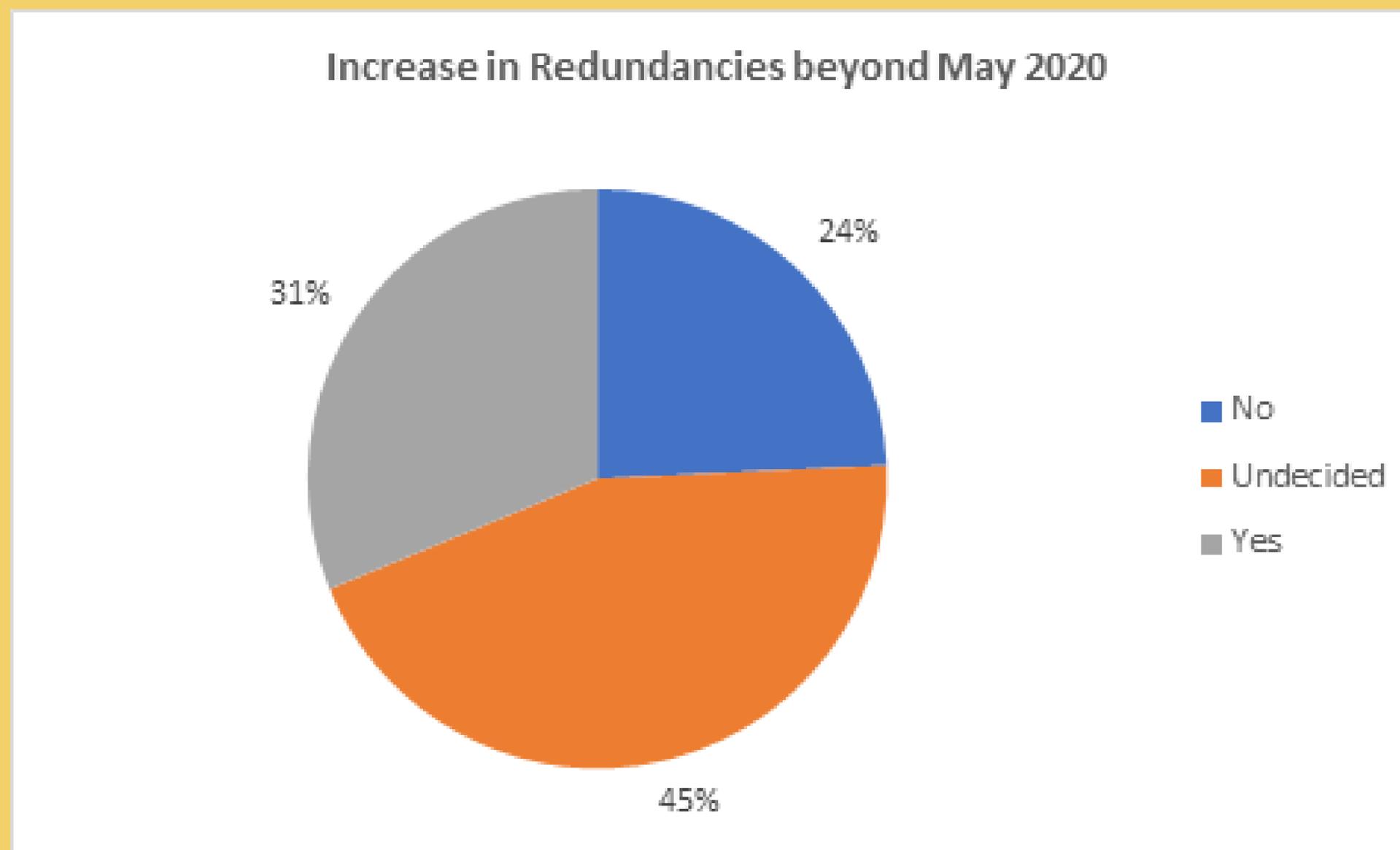
Level of Redundancies in the next 3 months



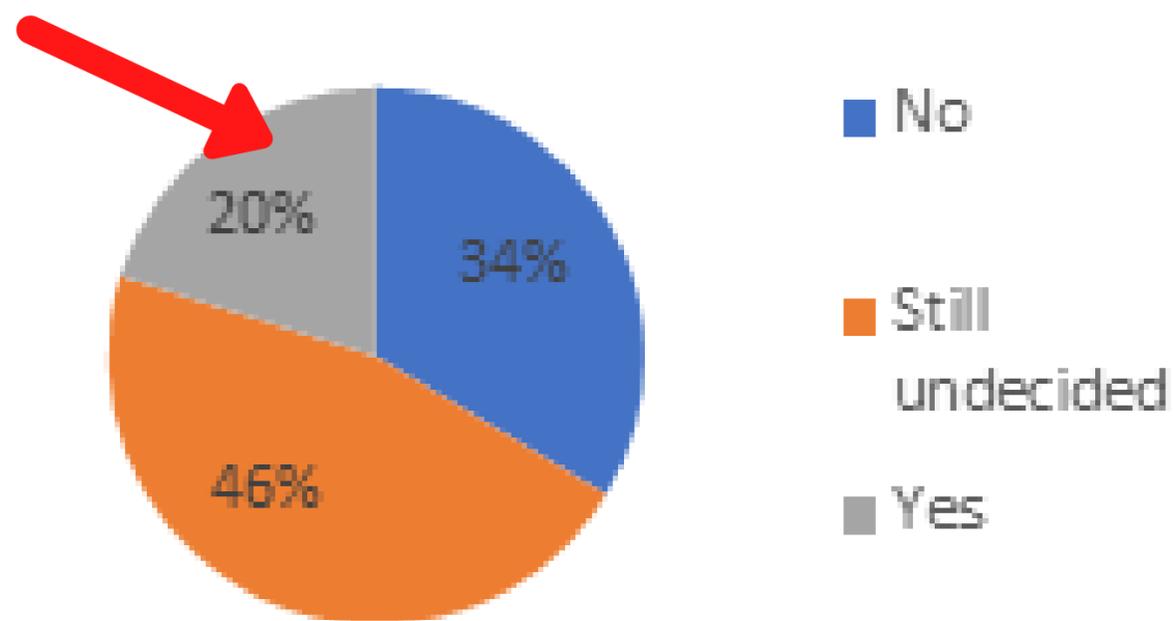
When asked if companies see an increase in redundancies in the next three months (June-August 2020), 34% of respondents have answered 'No'. 20% of respondents have answered 'Yes' and 46% are still 'Undecided'.

Result from Survey I, April 2020

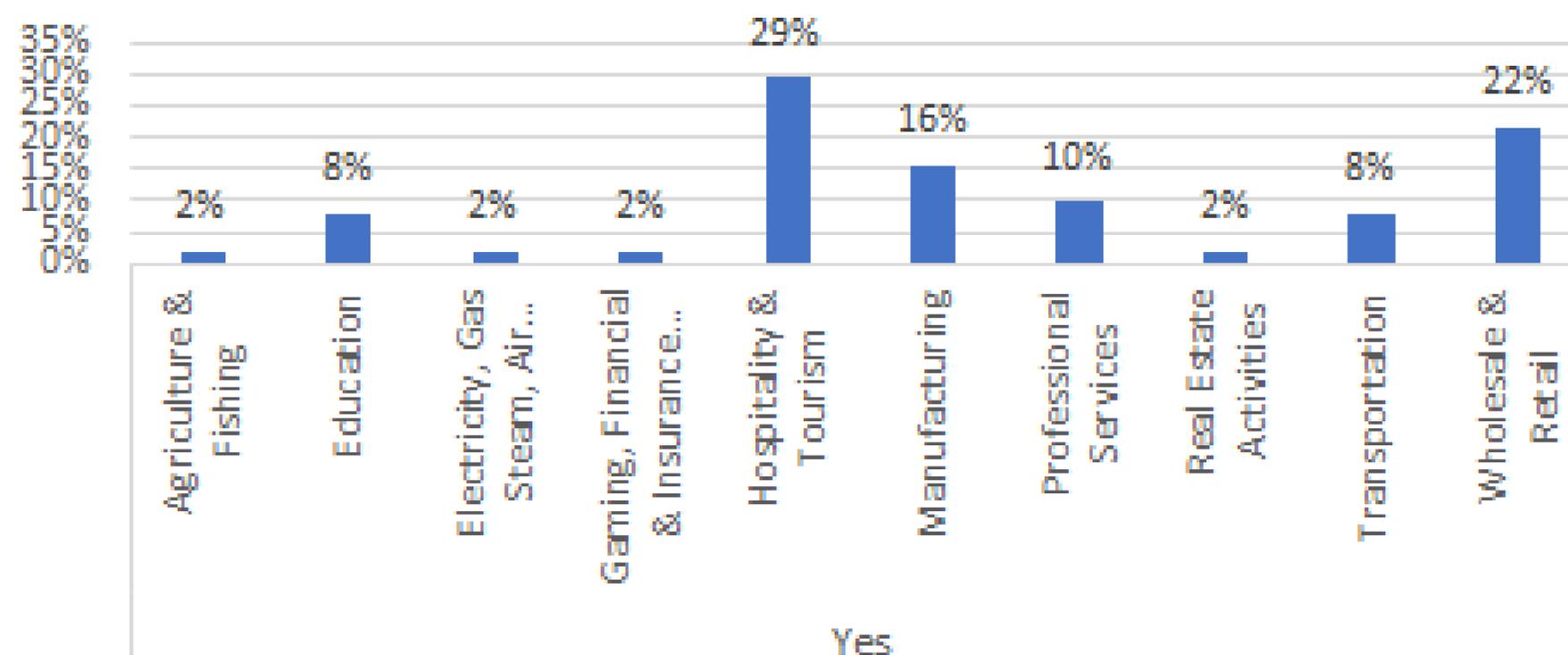
The percentages of 'Undecided' is very similar to that of April 2020, however the 'Yes' bracket has increased by 11%, a shift from 'No' bracket.



Reduction in Labour Force in the next 3 months (Jun-Aug 2020)

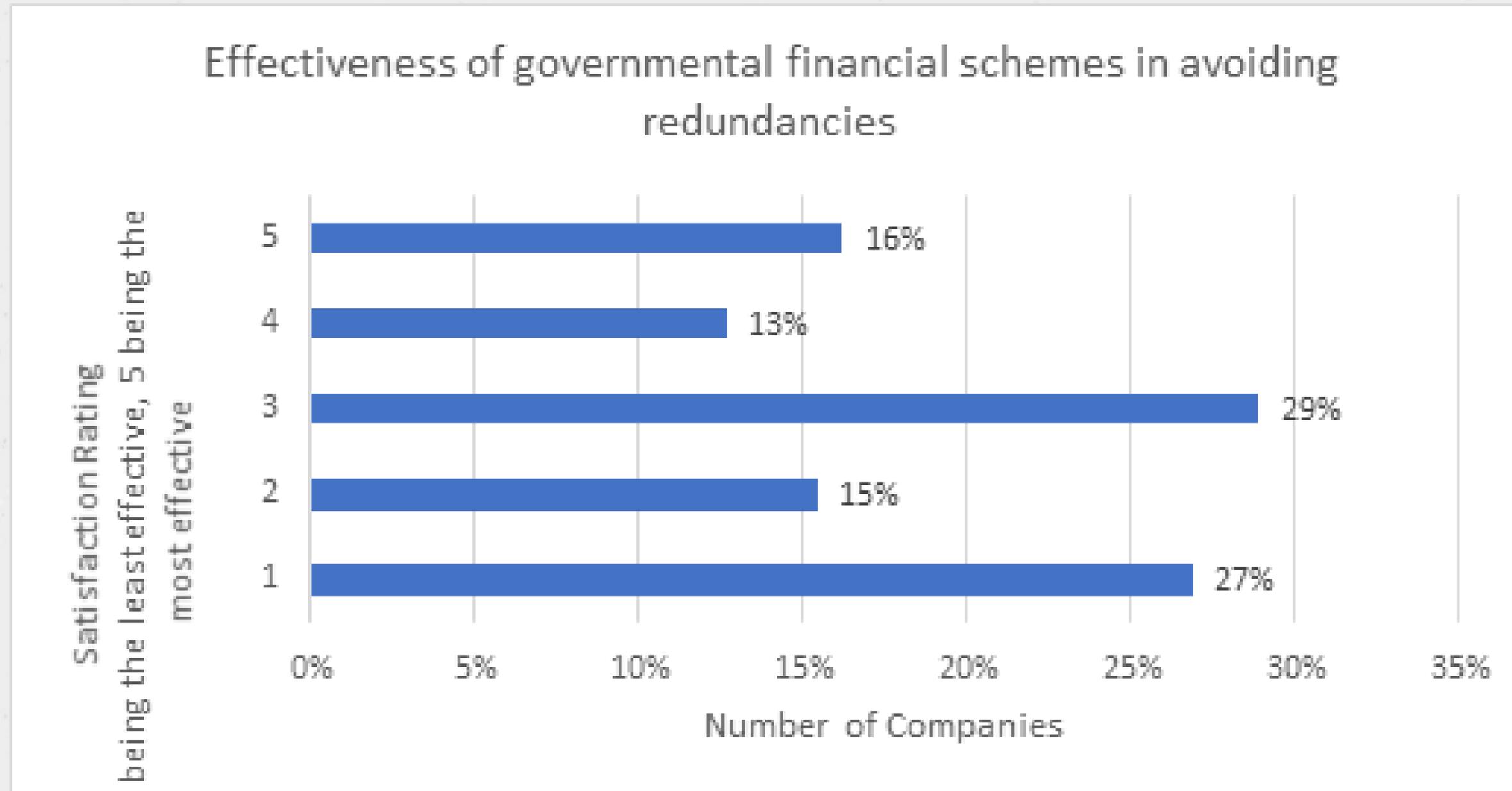


Reduction in the next 3 months by sector



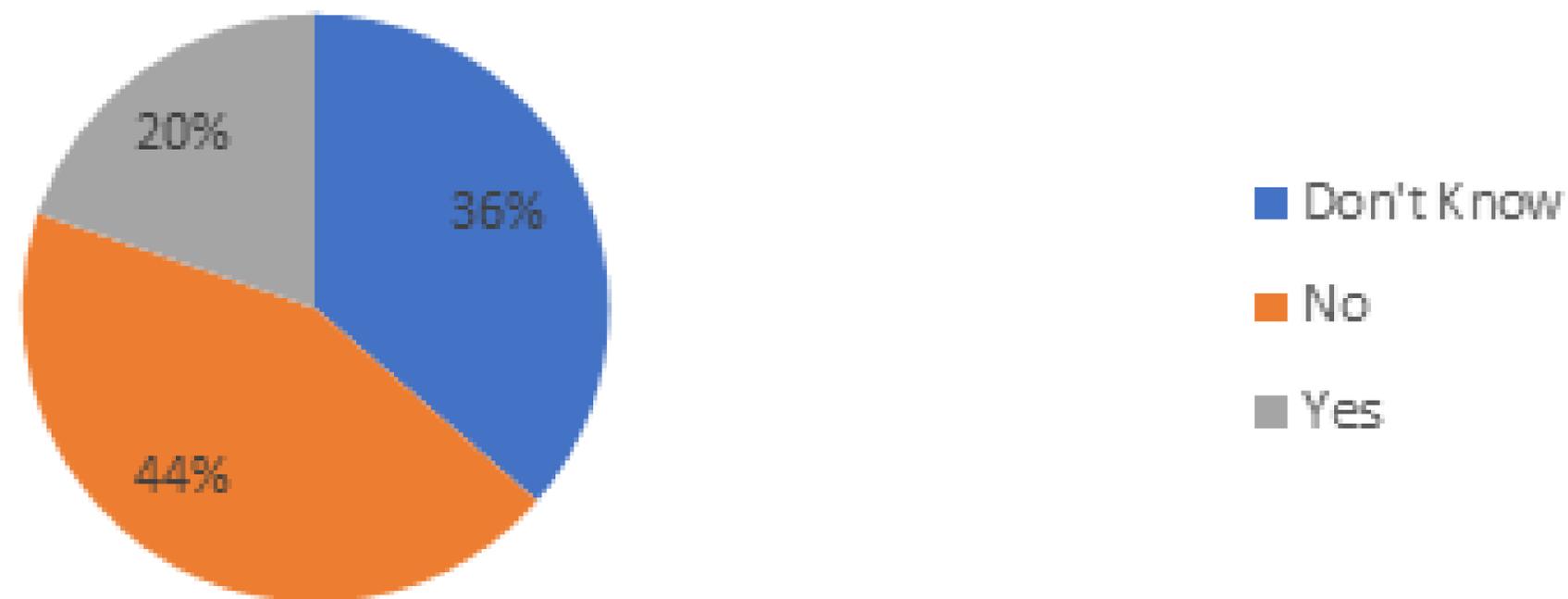
Out of the 20% of respondents that answered 'Yes' to reducing the labour force in the next 3 months, 29% are coming from the Hospitality and Tourism sector; 22% are coming from the Wholesale and Retail sector; and 16% are coming from the Manufacturing Industry.

Effectiveness of government schemes

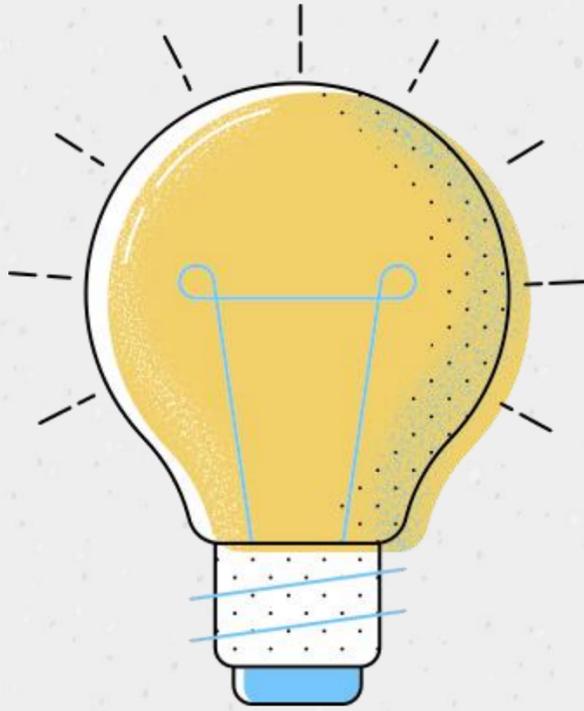


Most companies that responded to this survey do not rate high scores for the effectiveness of government schemes in avoiding redundancies.

Opinions of companies on current government schemes to retain employees until business recovers



When asked whether the current schemes should be sufficient to enable companies in retaining idle employees until their business recovers, 44% of respondents stated 'No', 20% of respondents stated 'Yes', while 36% of respondents are still 'Undecided'.

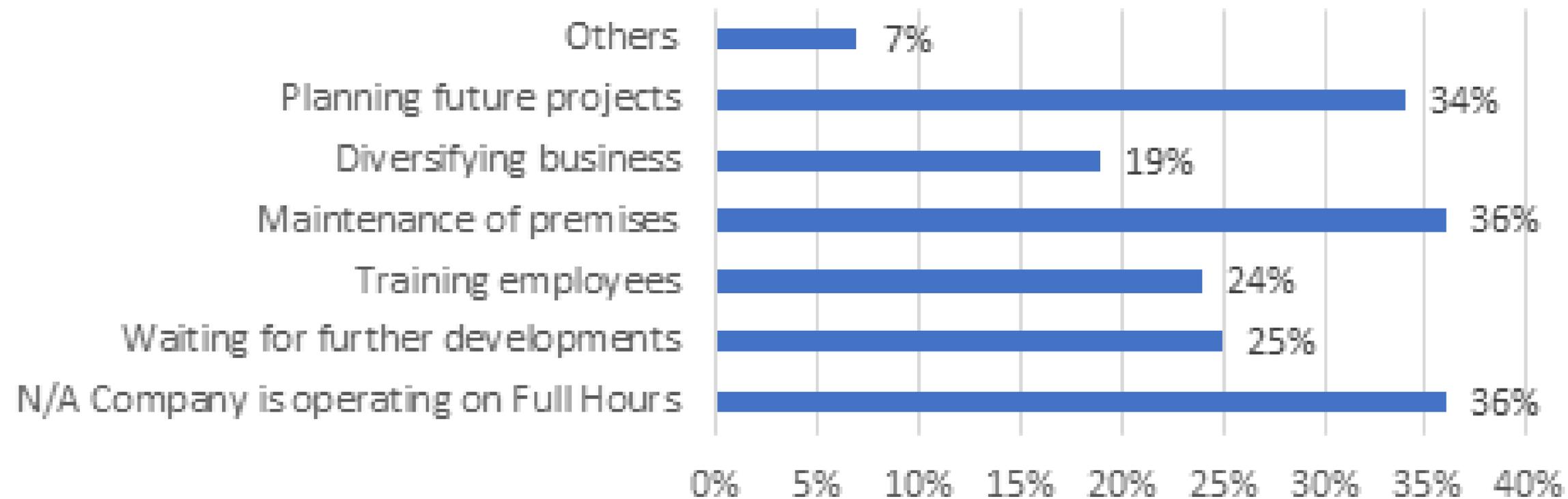


Recommendations to Government by survey respondents

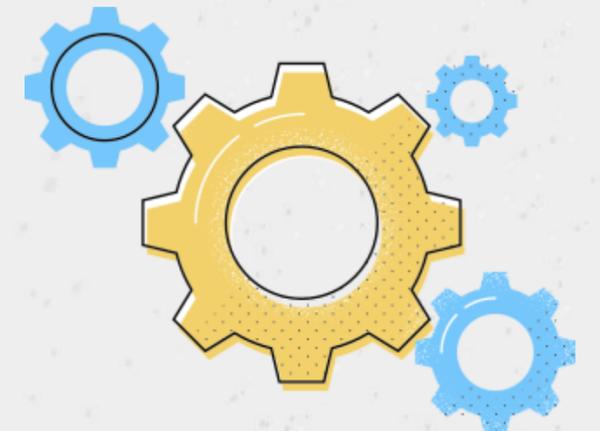
- **Extension of schemes**
- **Increase financial assistance to more sectors**
- **Introduction to other financial schemes**
- **Subsidies for commercial rents**
- **Subsidies for company Taxes**
- **Reduction in utility bills**
- **Efficiency of Managing Authorities**

Management of Downtime

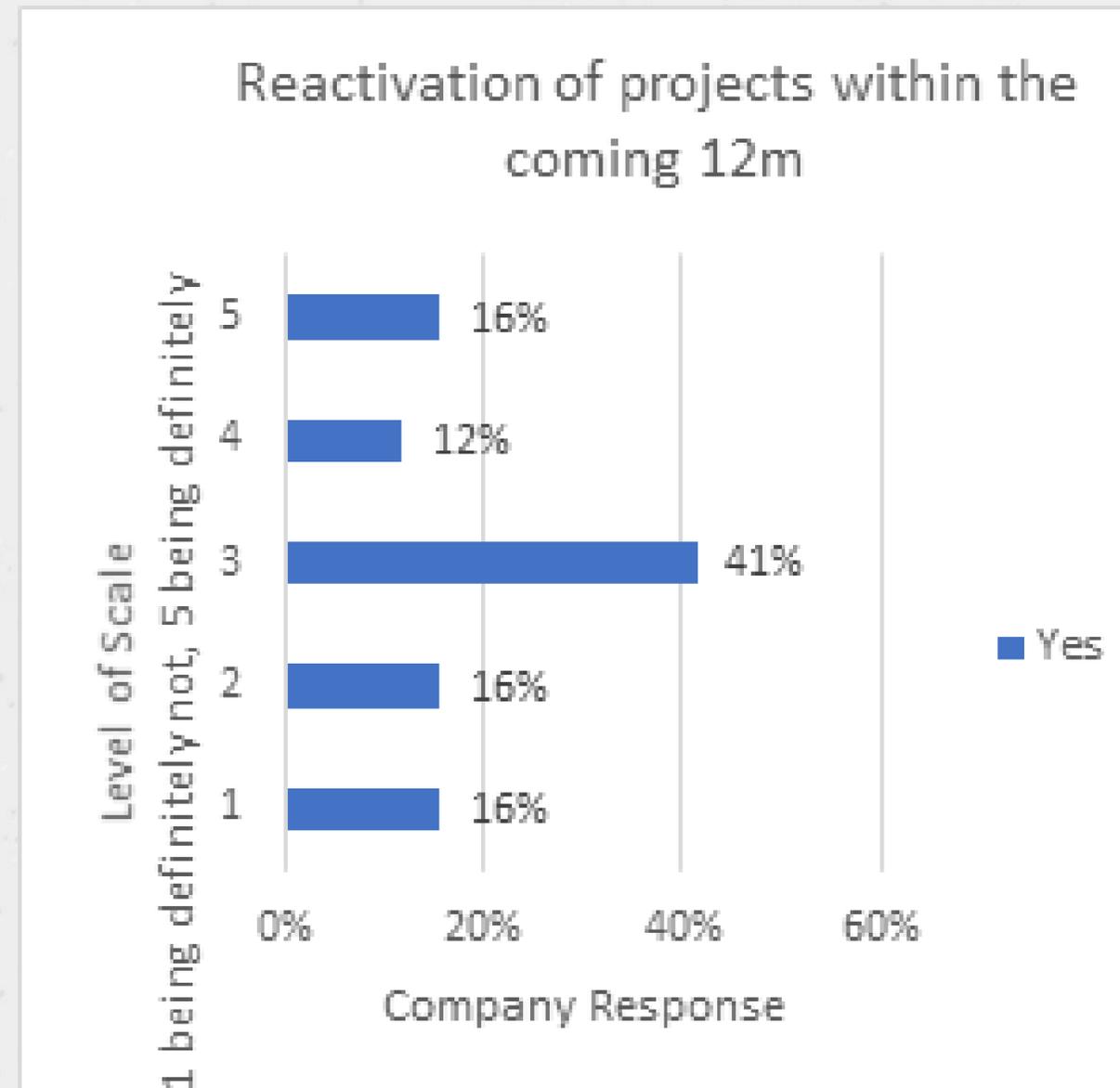
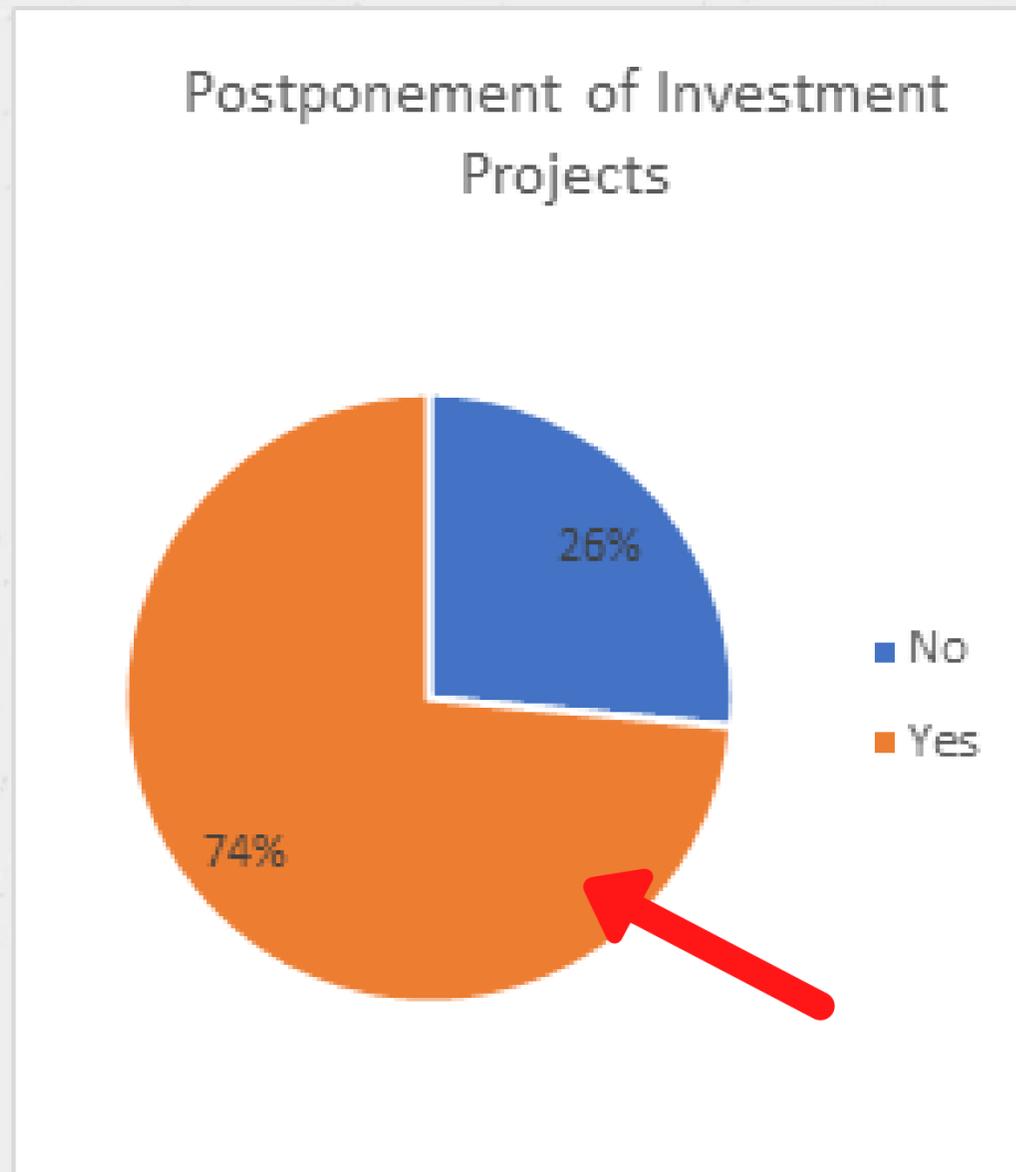
Company using its downtime...



- ❖❖ Other respondents claimed that they have been:
- Encouraging employees to take vacation leave
 - Improving internal processes, systems and costs control
 - Getting up-to-date with old work
 - Uploading activities online
 - Restructuring and improving housekeeping processes

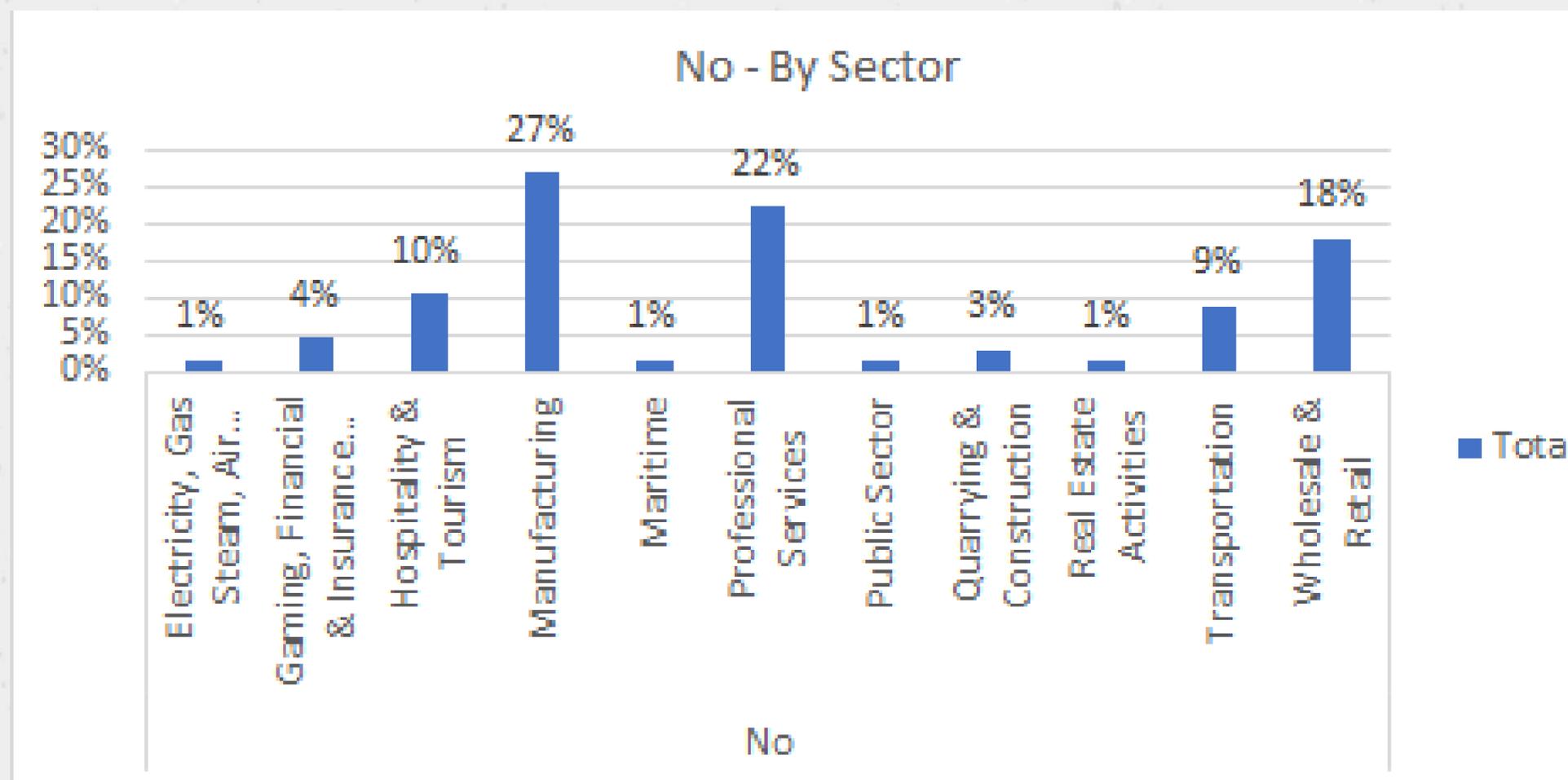
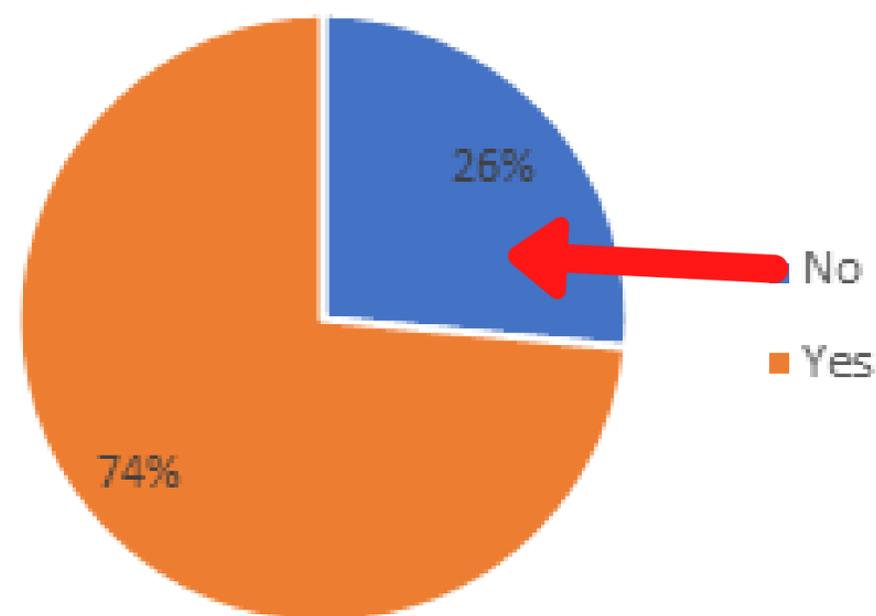


Postponement of Investment Projects



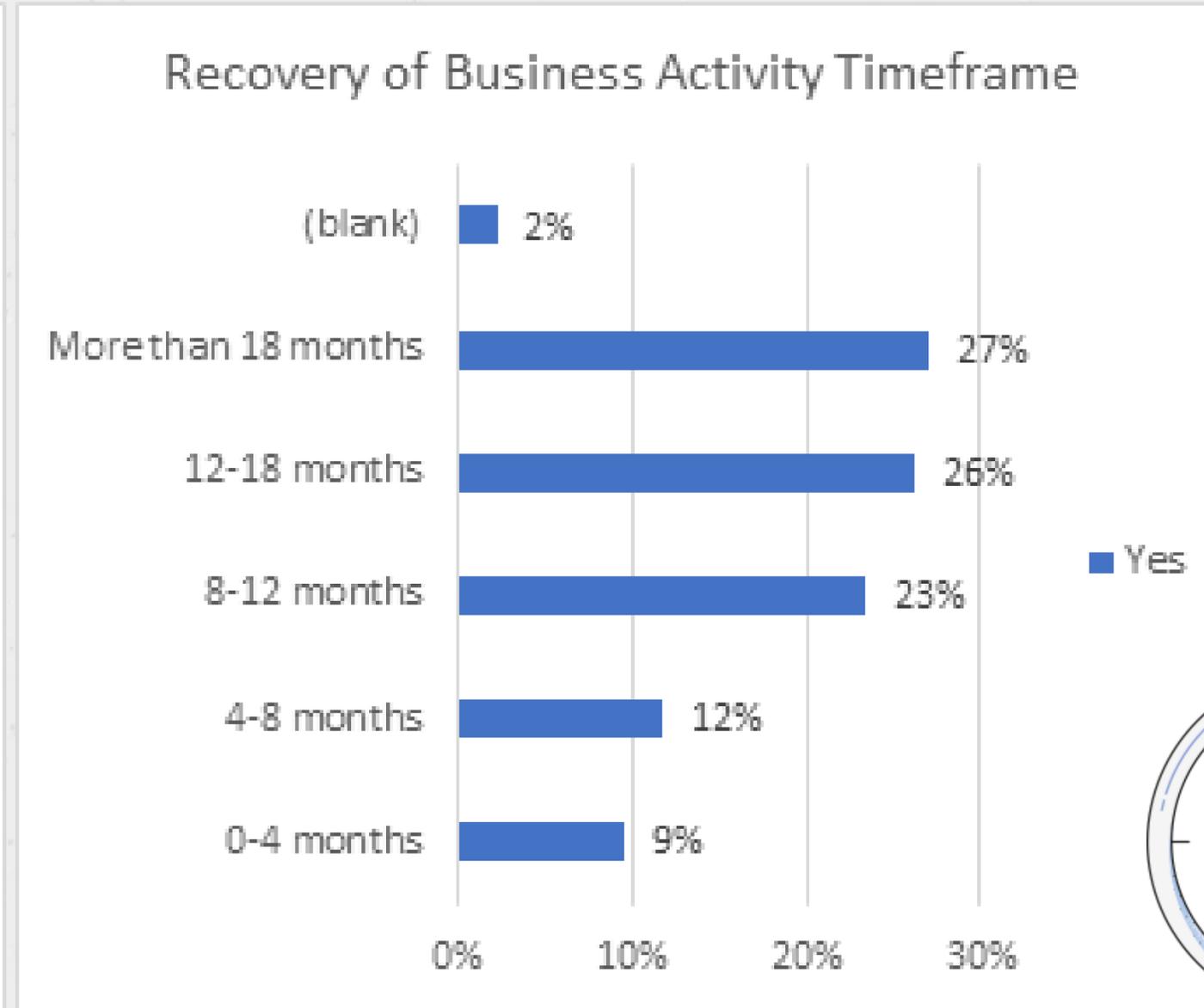
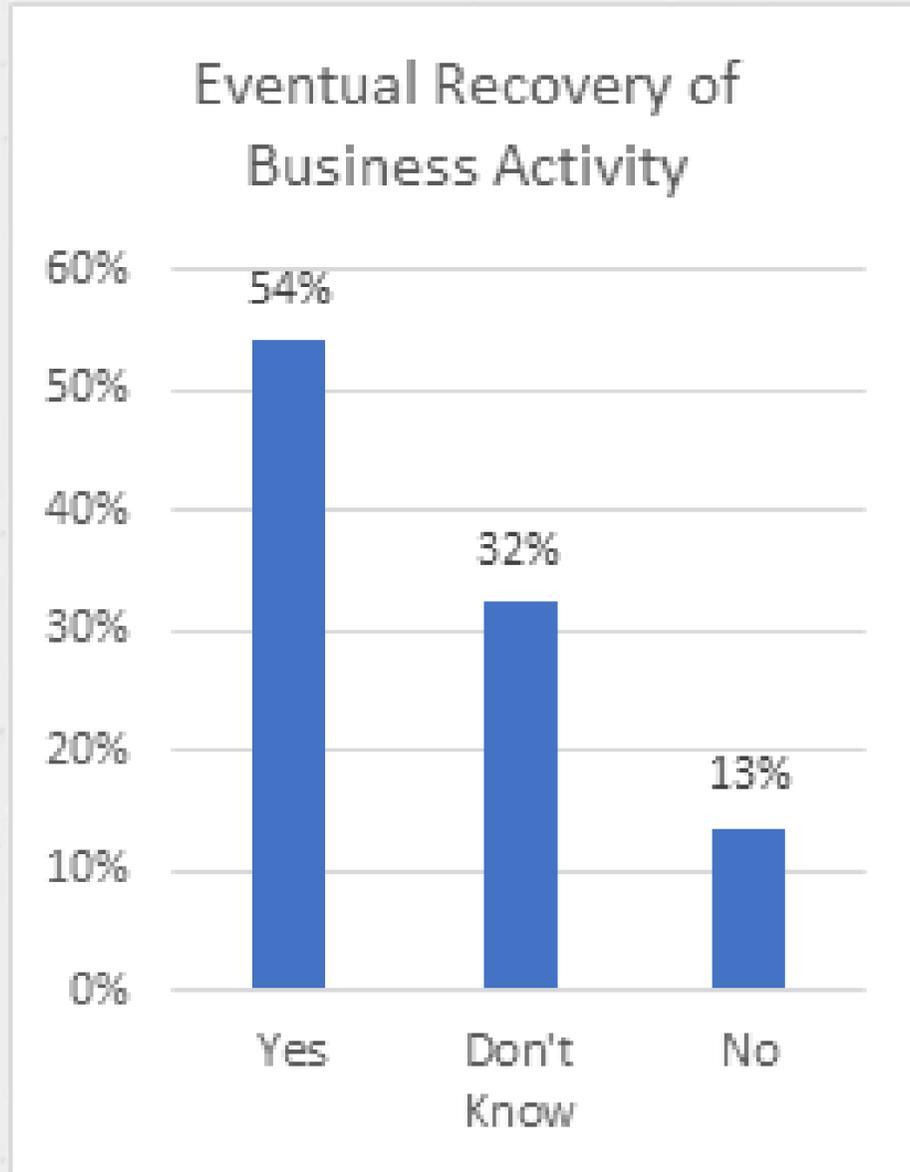
Out of the 74% of survey respondents that answered 'Yes', 28% answered that they will definitely be reactivating their projects within the coming 12 months; 32% have answered that that will definitely not be reactivating their their projects within the coming 12 months; while 41% are neutral and therefore could be that they are still undecided.

Postponement of Investment Projects

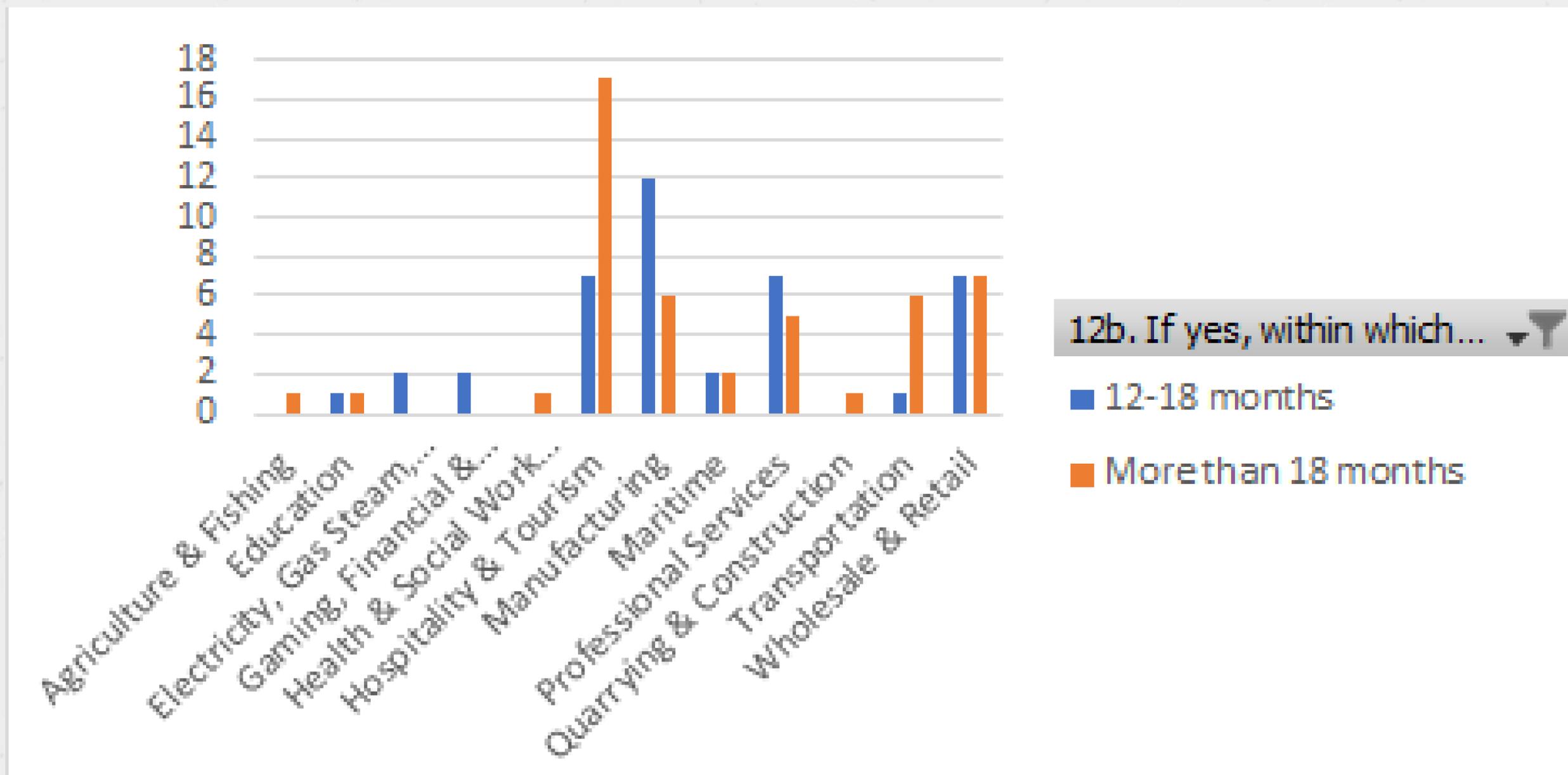


The companies that have NOT postpone their investment projects due to Covid-19 come mostly from the Manufacturing industry (27%); Professional Services (22%) and Wholesale and Retail (18%).

Recovery of Business Activity

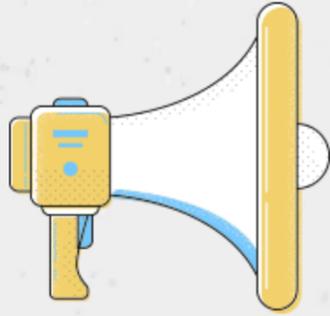


When asked whether companies are expecting an eventual recovery of business activity to pre-COVID-19 levels, 54% of respondents claimed 'Yes', 13% claimed 'No', while 32% of respondents still 'Don't Know'.

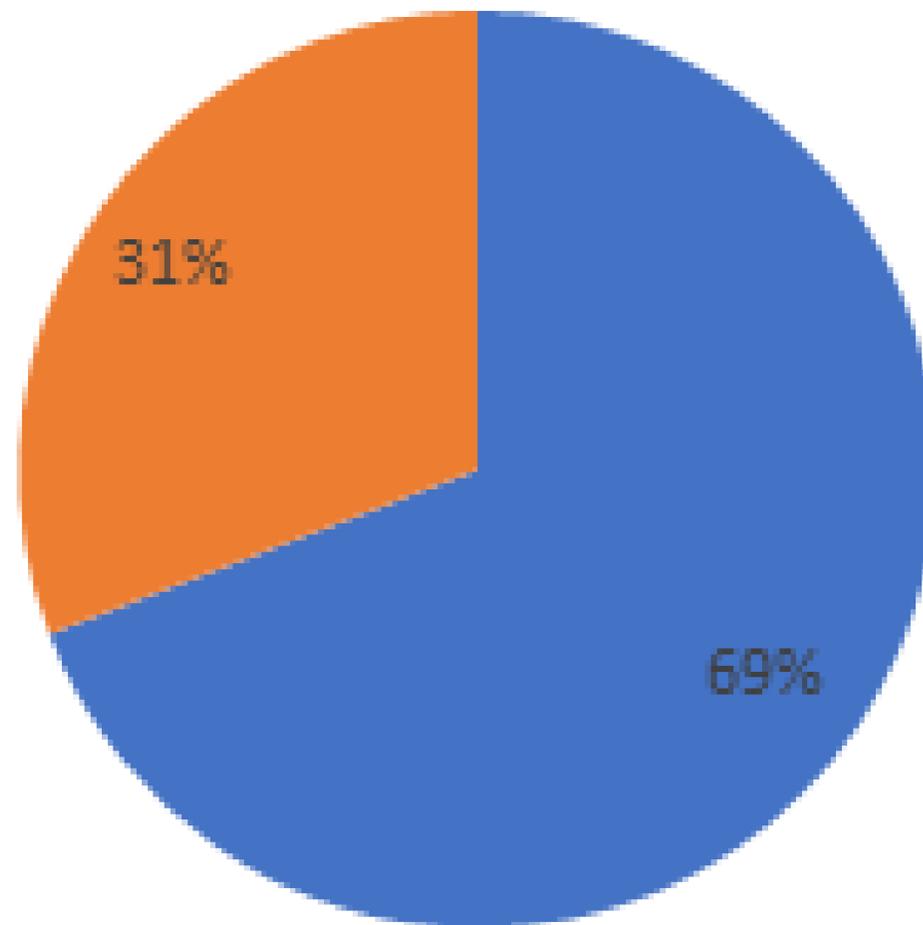


*Table showing counts not percentage

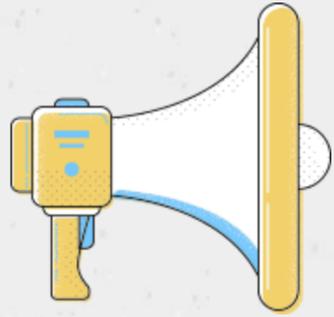
According to survey respondents, the Hospitality and Tourism sector needs more than 18 months to fully recover. The Manufacturing Industry is expected to fully recover between 12 to 18 months.



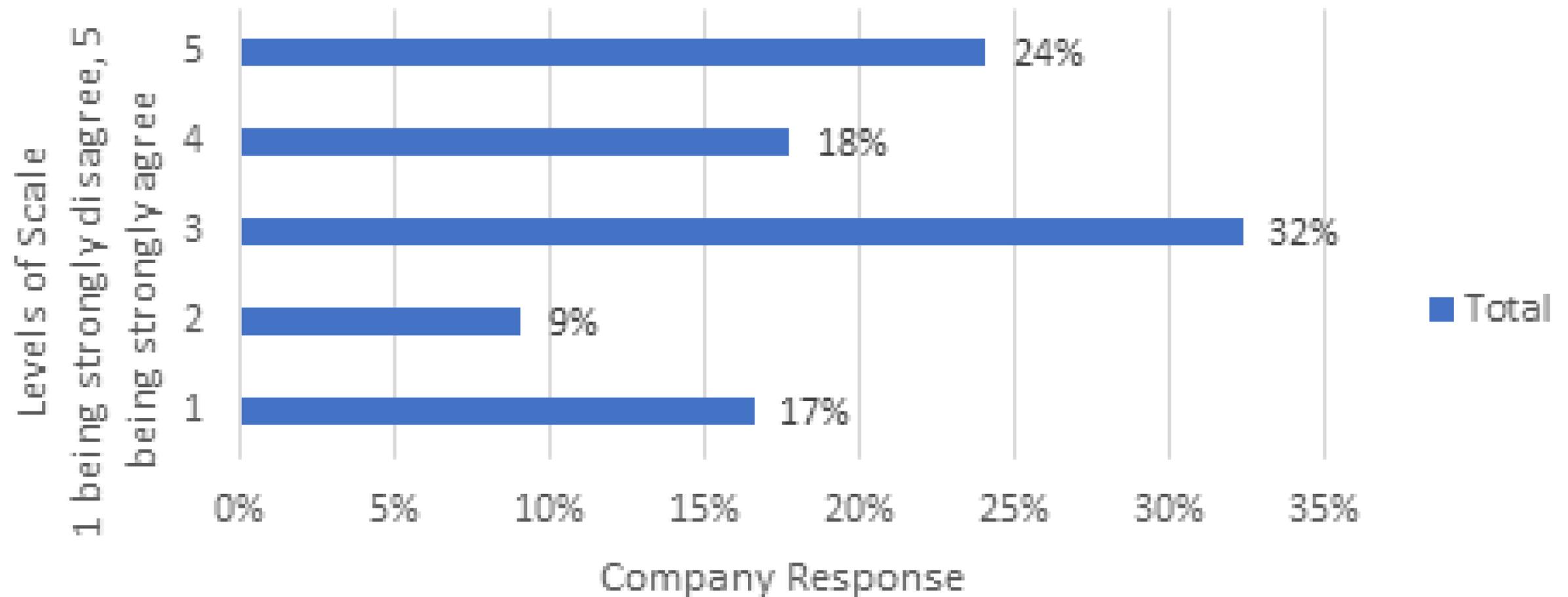
Opinion: Opening of Business



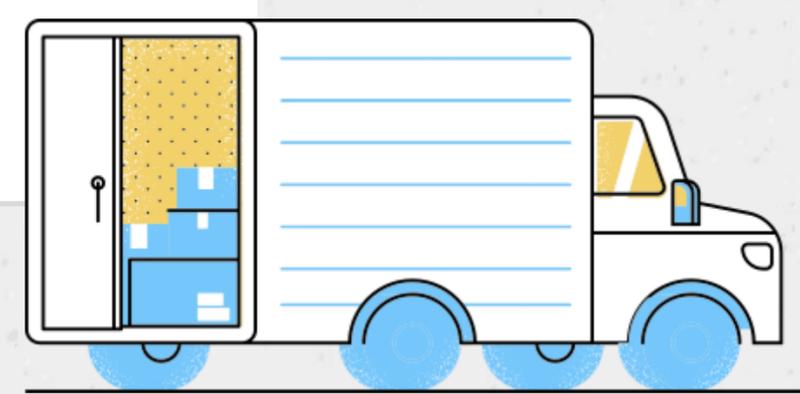
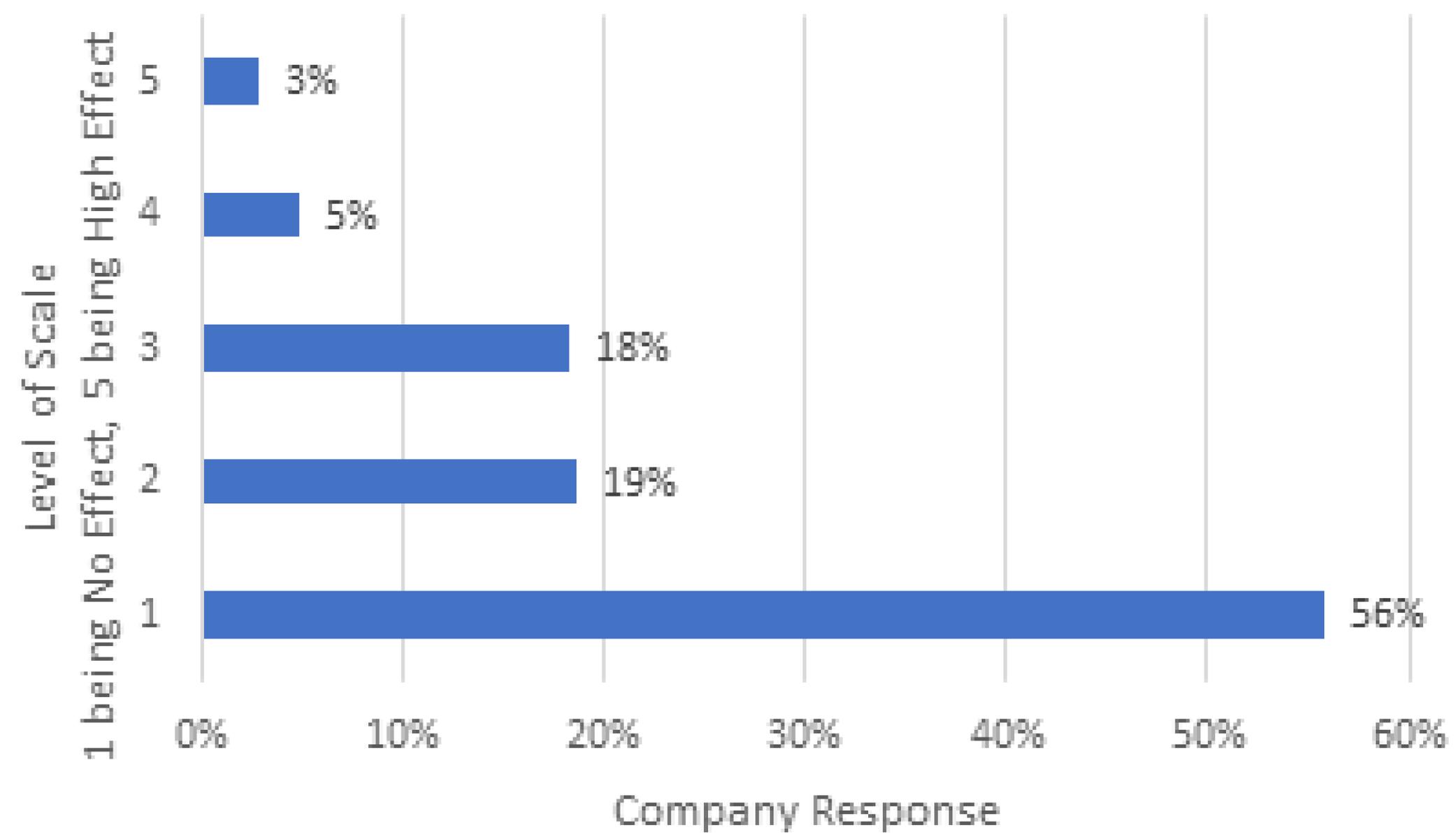
- Businesses catering for the domestic market should open only if the number of reported cases shows a steady decline and consumers feel reassured.
- Businesses catering for the domestic market should open with reasonable restrictions irrespective of the number of cases of infected persons reported.



Opinion: Opening of Schools & Childcare Centres



Opinion: Opening of Retail & Restaurants



Contact Us

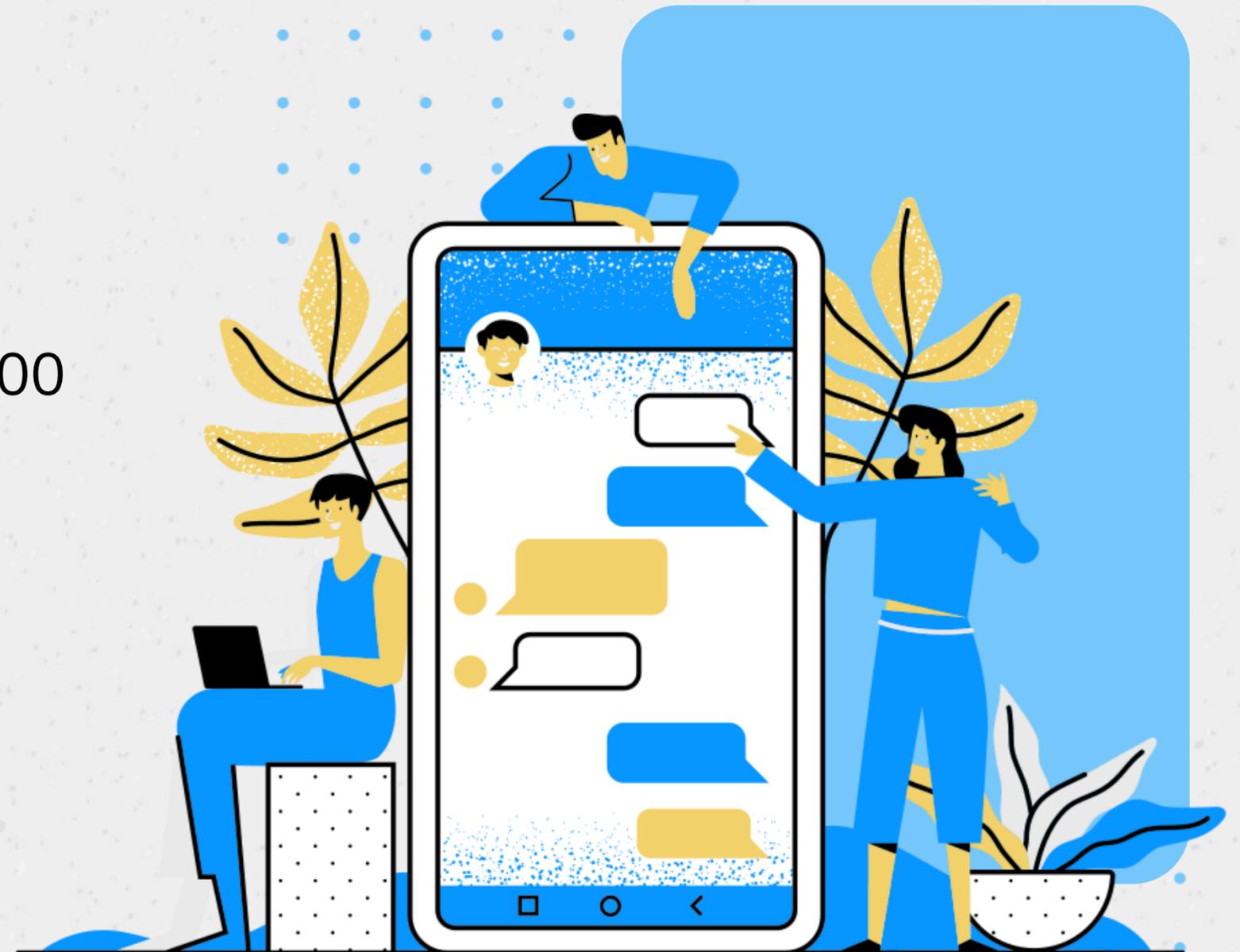
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COVID-19: BUSINESS & EMPLOYMENT PROJECTIONS SURVEY

