Report on

Impact of Covid-19 on Businesses in Mauritius

Business Mauritius and Statistics Mauritius

December 2020

DCDM RESEARCH

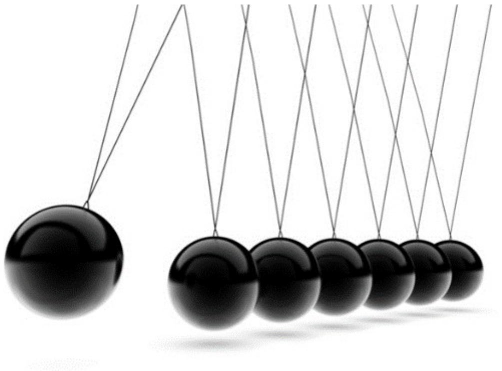
Acknowledgements

This report was prepared with technical leadership and financial support of the United Nations Development Programme (UNDP) and the Government of Japan, as part of the efforts of the United Nations System to support the socio-economic response and recovery efforts in Mauritius. The process was overseen by Business Mauritius, Statistics Mauritius and UNDP through a Survey Committee that included the AHRIM, AMM, BACECA, IAM, MBA, MCA, MCCI, MEXA, OTAM. The drafting of the report was conducted by DCDM Research.

The report was guided by a core technical team nominated by the Business Mauritius and UNDP. The team included representation from UNDP, Business Mauritius, Economy Commission, and Statistics Mauritius.

The report benefited from wide-ranging consultations with stakeholders in the public and private sector. Appreciation goes to all these key informants who, despite the difficulty posed by the pandemic, provided information that enriched the report.

CONTENTS



1. INTRODUCTION

SETTING THE SCENE

COVID-19 has had major and unprecedented impact on

- Individuals,
- The global and local economy, and
- On various sectors of activity

Most sectors of activity suffered from the lockdown and are still impacted as the face of the pandemic and its impact evolve.

Amidst these dynamic market conditions, regular in-depth analyses are required to understand the business health of the formal and informal sector, collateral effects of the pandemic as well as the specific needs of Small and Large Companies, in view to provide targeted solutions.

Strategic partnership between Business Mauritius and Statistics Mauritius to carry out an in-depth “Business Pulse” Survey

Technical assistance received from UNDP Country Office in Mauritius

Funded under Japan Supplementary Budget

Survey conducted by DCDM Research

OVERALL SURVEY OBJECTIVE

To assess and measure the changes in the post-covid-19 business conditions on Small, Medium and Large Businesses operating under the aegis of Business Mauritius.

This study provides a foundation for future studies to understand the dynamics of business recovery.

SPECIFIC OBJECTIVES OF THE SURVEY ARE TO:

1. Assess **short-term, medium term and long-term impact** of COVID -19 on business performance
2. Assess **current and expected impact on employment**
3. Evaluate the **short, medium- and long-term needs** of businesses
4. Analyse the **innovative business models** that firms have adopted or intend to adopt to build resilience
5. Incorporate different dimensions such as gender, sustainability and sectors in 1 to 4 above
6. Identify practical **policy recommendations** to address vulnerability of firms and households in building resilience.

Key facts about the **Business Survey**

NOTE: Details of the Survey Methodology is provided in Appendix

Universe contacted = 2,707

Statistically representative sample of respondents achieved [with a level of precision of ±5%], permitting publication of results

Target:
All private companies; databases received from SM, BM and its partner associations

Fieldwork period:
18th September – 14th October 2020

All results presented are based on Respondents' views

Standard QA procedures

Methodology:
Online [self completion]+ telephone follow ups

Total estimated length = 20-25 minutes

Built in range and logic checks in the questionnaire

PROFILE OF RESPONDING COMPANIES

CLASSIFICATION

PRIVATE	LISTED	NGO	GOV.
88%	7%	4%	1%

MAJOR GROUP

PRIMARY	SECONDARY	TERTIARY
5%	25%	69%

EXPORT VS. DOMESTIC

EXPORT-ORIENTED	DOMESTIC-ORIENTED
33%	67%

COMPANY SIZE BY TURNOVER

20% MICRO / SMALL SME
Rs 10m or less

30% MEDIUM SME
Rs. 10.1 – 50m

26% MID-MARKET
Rs. 50.1 – 250m

24% LARGE
> Rs. 250m

POSITION OF RESPONDENT

CEO DIRECTORS	SENIOR MANAGEMENT
56%	44%

HEAD OF BUSINESS

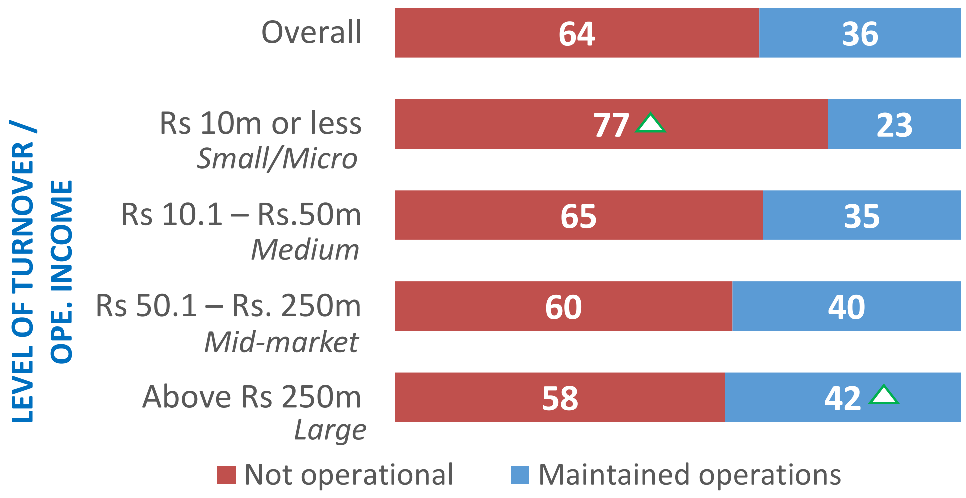
MALE-LED	FEMALE-LED
77%	23%

2. IMPACT ON BUSINESS' CAPACITY TO OPERATE

Operating status during COVID-19

64% did not operate during lockdown …
… 77% of Small SMEs

By Level of turnover/Operating Income[%]



△ *Significantly higher proportion of companies*

▽ *Significantly lower proportion of companies*

SIGNIFICANT DIFFERENCES NOTED:

NOT OPERATIONAL

77% △
Manufacturing Sector

57% △
Professional, Scientific & Technical services

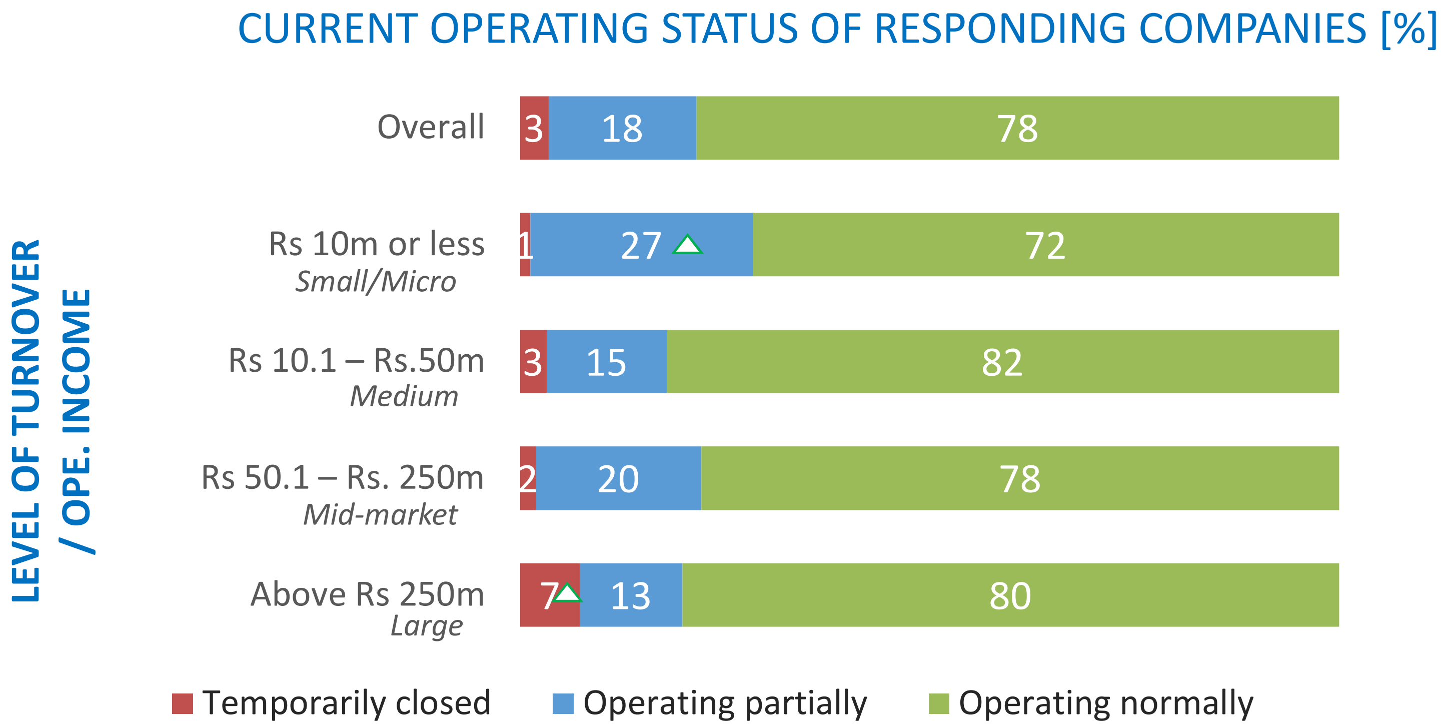
MAINTAINED OPERATIONS

63% △
Information & Communication Sector

Base: *All responding private companies*
Source: *B2: Did your organisation close temporarily due to the COVID-19 outbreak?*

Operating Status [Sept-Oct 2020]

As Mauritius tries to adjust to the situation,
78% are operating normally, 18% are operating partially



Base: *All responding private companies*
Source: *B1: Currently, is your organisation open, temporarily closed, or permanently closed?*

Significantly higher proportion of companies

Significantly lower proportion of companies

Operating Status | Sectoral level [2/2]

SIGNIFICANT DIFFERENCES NOTED:

OPERATING NORMALLY

△ 100%
Human Health & Social Work Activities

96% △
Information & Communication Sector

△ 92%
Wholesale & Retail Trade

OPERATING PARTIALLY

△ 54%
Accommodation & Food Service

STILL TEMPORARILY CLOSED

19% △
Accommodation & Food Service

△ 12%
Admin & support

Base: *All responding private companies*
Source: *B1: Currently, is your organisation open, temporarily closed, or permanently closed?*

3. IMPACT ON COMPANIES' COMMERCIAL PERFORMANCE

Top 10 impacts of COVID-19

Over 50% impacted by the pandemic through:
- Clients' cancellation or postponement of orders,
- Delays in and failure of clients' payments

56% Cancellation / postponement of projects/orders by clients	**54%** Delayed receipt of payment from clients	**53%** Clients not paying their bills	**49%** Increased costs due to purchase of PPE	**43%** Social distancing in the workplace
38% Financial difficulties making it difficult to pay suppliers	**37%** Disruption in the supply chain	**37%** Increase in input prices	**35%** Reduced logistics services	**30%** Reduced investment

Base: *All responding private companies*
Source: C3: *Has the COVID-19 pandemic affected your organisation in any of the following ways?*

2 Key Challenges

67%
Fall in demand for goods/services

53%
Lack of cash flow

Next Top 8 Challenges

29%
Foreign Exchange rates affecting prices of imports

23%
Foreign supplier delays

14%
Delays in delivery / shipping to customers

10%
Shortage of raw materials

6%
Domestic supplier delays

6%
Production delays at this business

4%
Difficulty in locating alternate domestic suppliers

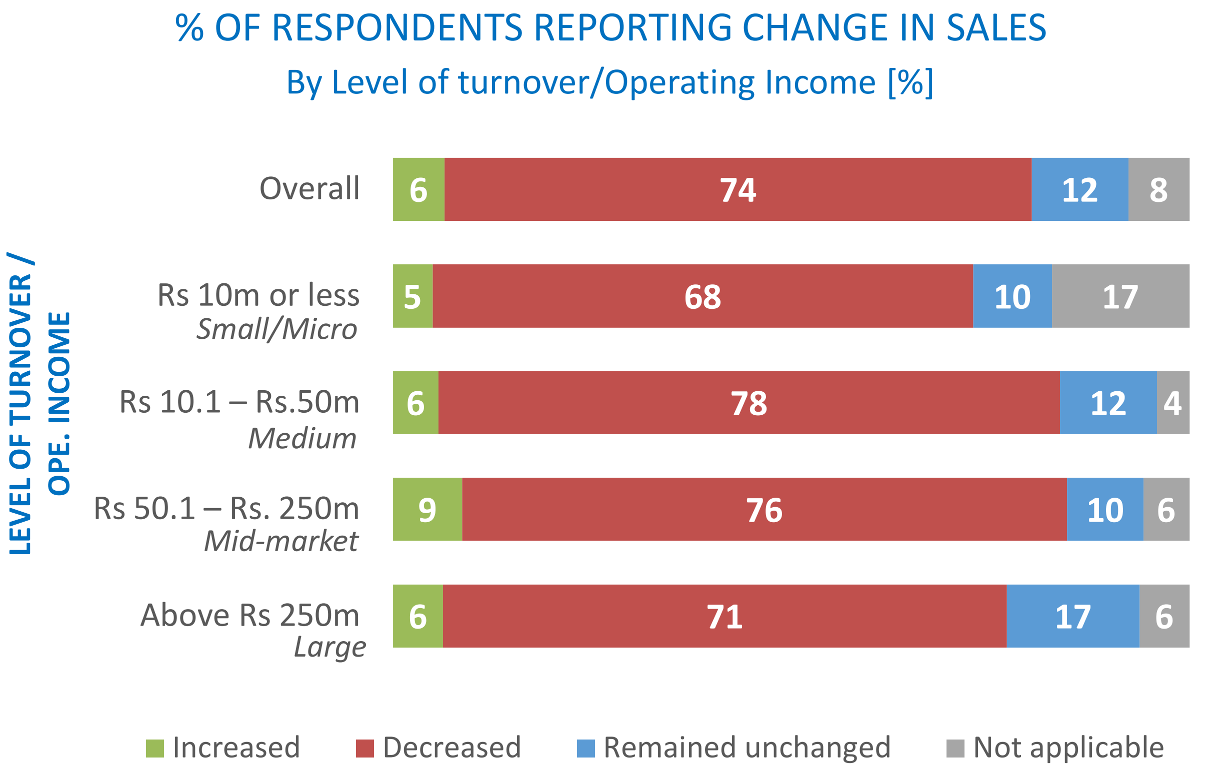
4%
Border closure

Base: *All responding private companies*
Source: G12_2: *What are the top challenges your organisation is facing currently due to COVID -19 outbreak?*

3.1 IMPACT ON SALES

Impact on Sales [April-Sept. 2020 vs. April-Sept. 2019]

74% experienced a decline in Sales compared to same period in 2019



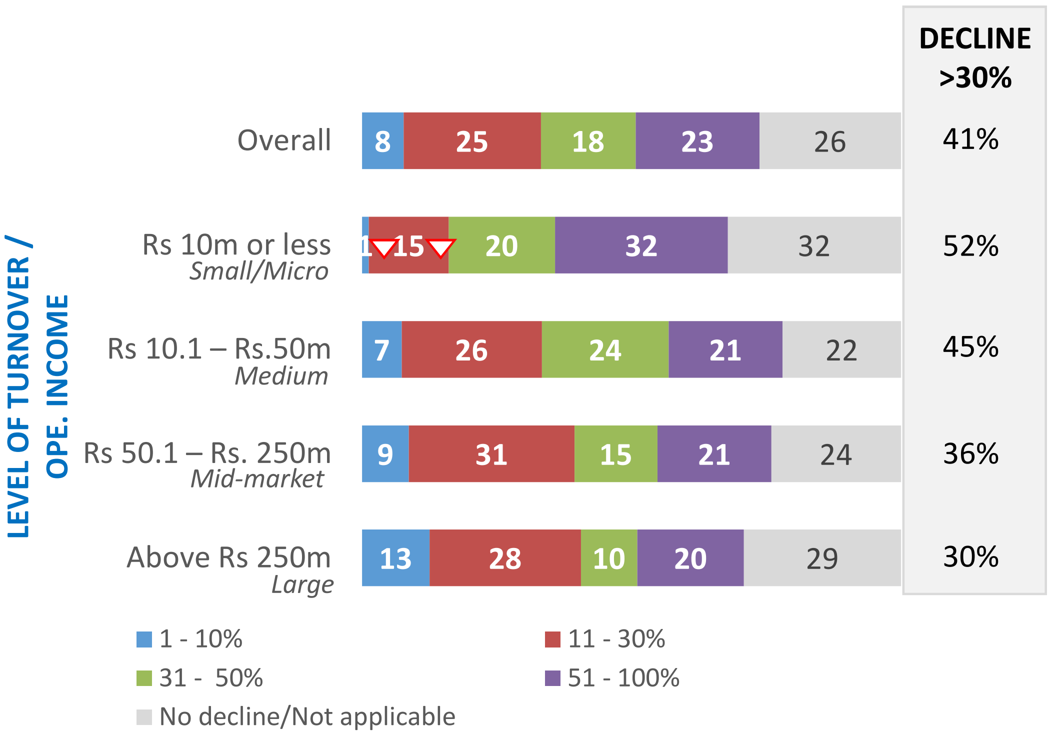
Base: All responding private companies
Source: *B4: Comparing your organisation's sales for April – September 2020 with April – September 2019, has the approximate percentage [%] change in sales increased, decreased or remained unchanged?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Magnitude of decline in Sales

41% registered more than 30% decline in their sales.
SMEs were harder hit.

By Level of turnover/Operating Income [%]



Base: *All responding private companies*
Source: *B4_B: What has been the approximate percentage [%] decrease in sales?*

SIGNIFICANT DIFFERENCES NOTED:

≤ 30% DECLINE IN SALES

△ 48%
Wholesale & Retail Trade

ABOVE 30% DECLINE

89% △
Accommodation & Food Service

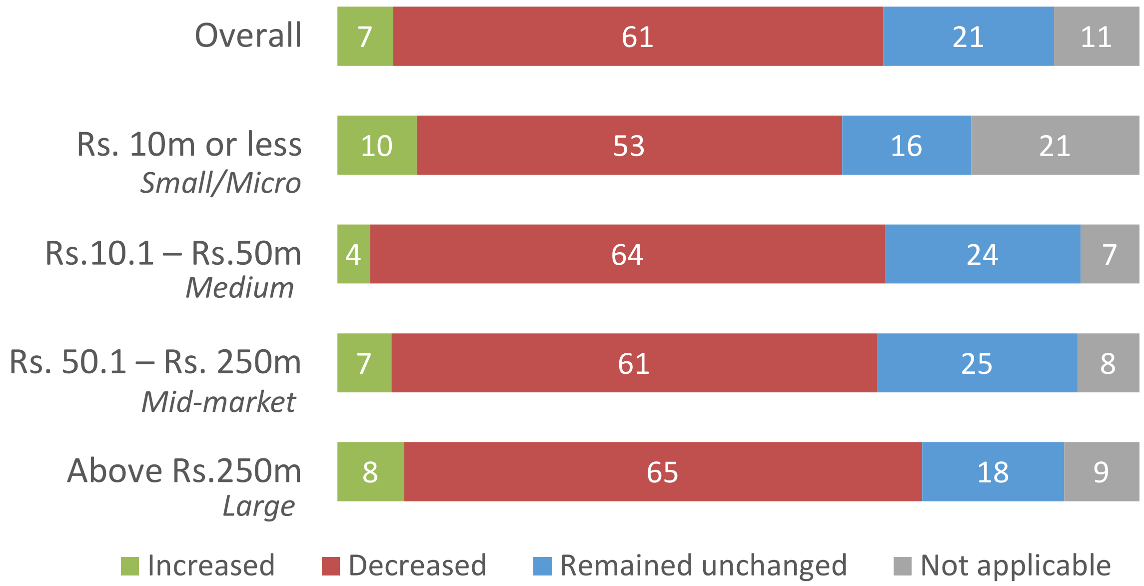
△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Impact on demand [April-Sept. 2020 vs. April-Sept. 2019]

61% faced a decline in demand

% CHANGE IN DEMAND [APRIL – SEPT ‘20 vs APRIL – SEPT ’19]

By Level of Turnover/Operating Income



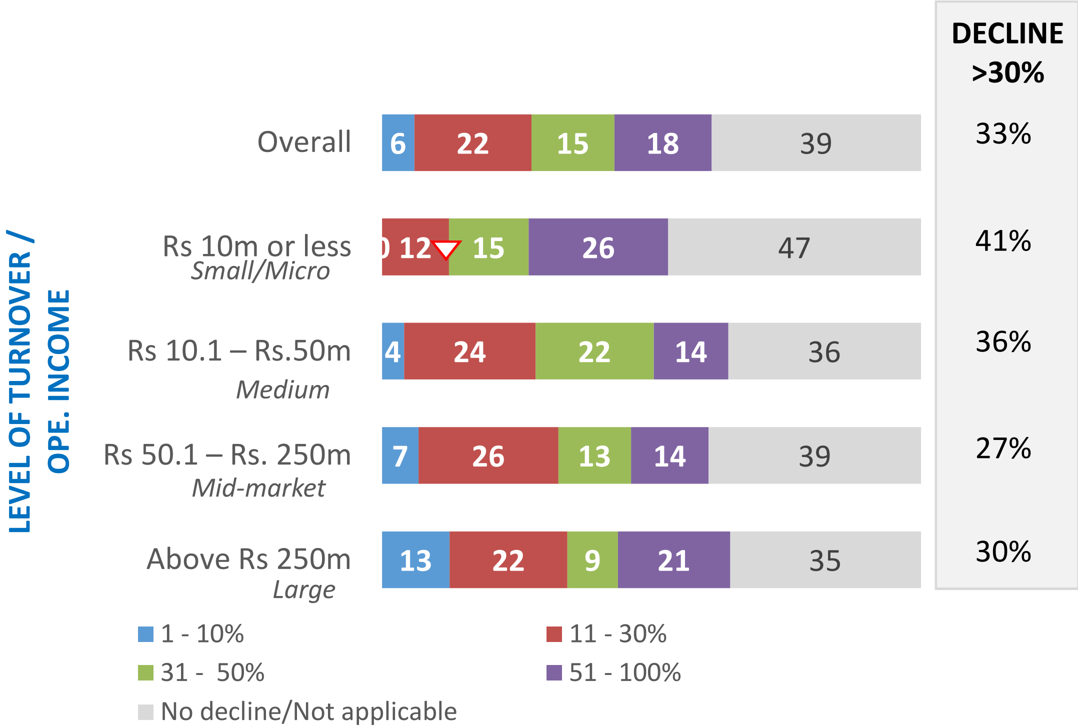
Base: *All private companies: N =404*

Source: *C2_2: Comparing April - September 2020 with April - September 2019, the approximate percentage [%] change in the demand for your organisation’s products and services has…?*

Magnitude of decline in Demand

33% registered more than 30% decline in demand

By Level of turnover/Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED:

ABOVE 30% DECLINE

68% △

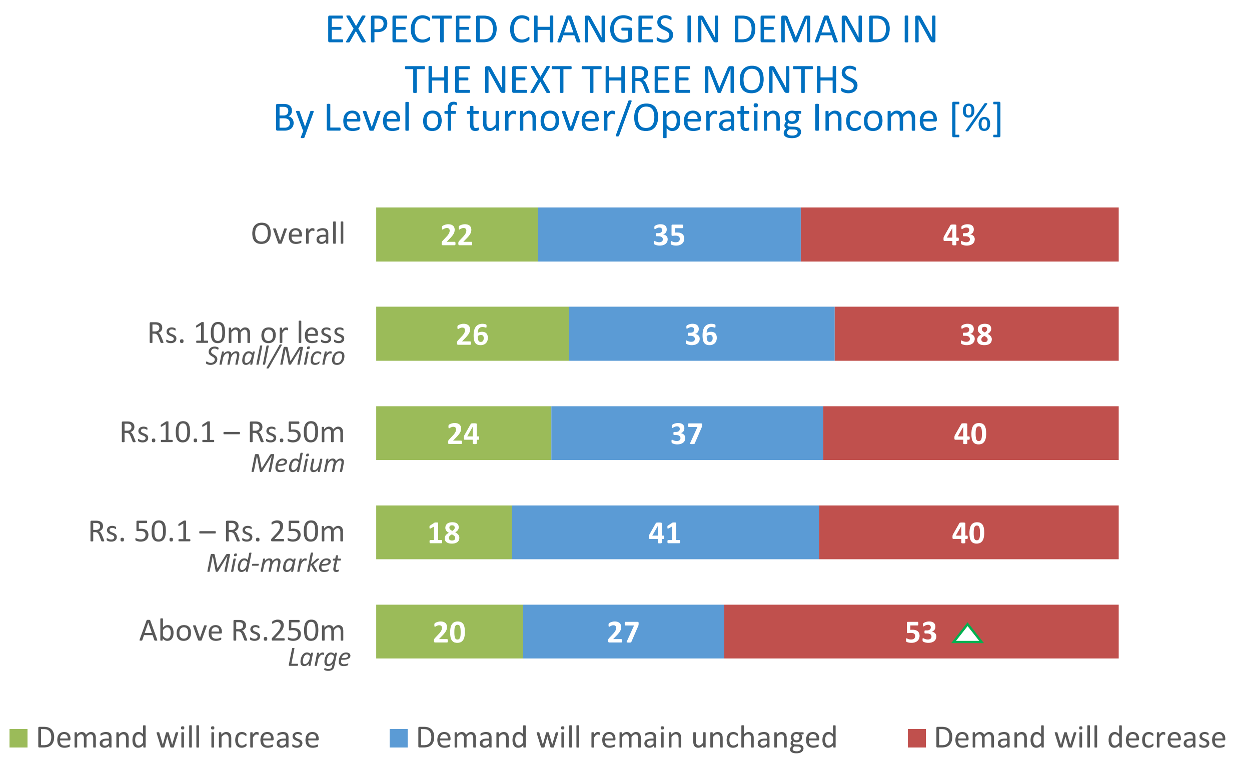
Accommodation & Food Service

Base: All responding private companies
Source: C2_B2: *What has been the approximate percentage [%] decrease in the demand for your organisation's products and services?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Anticipated future trend in demand

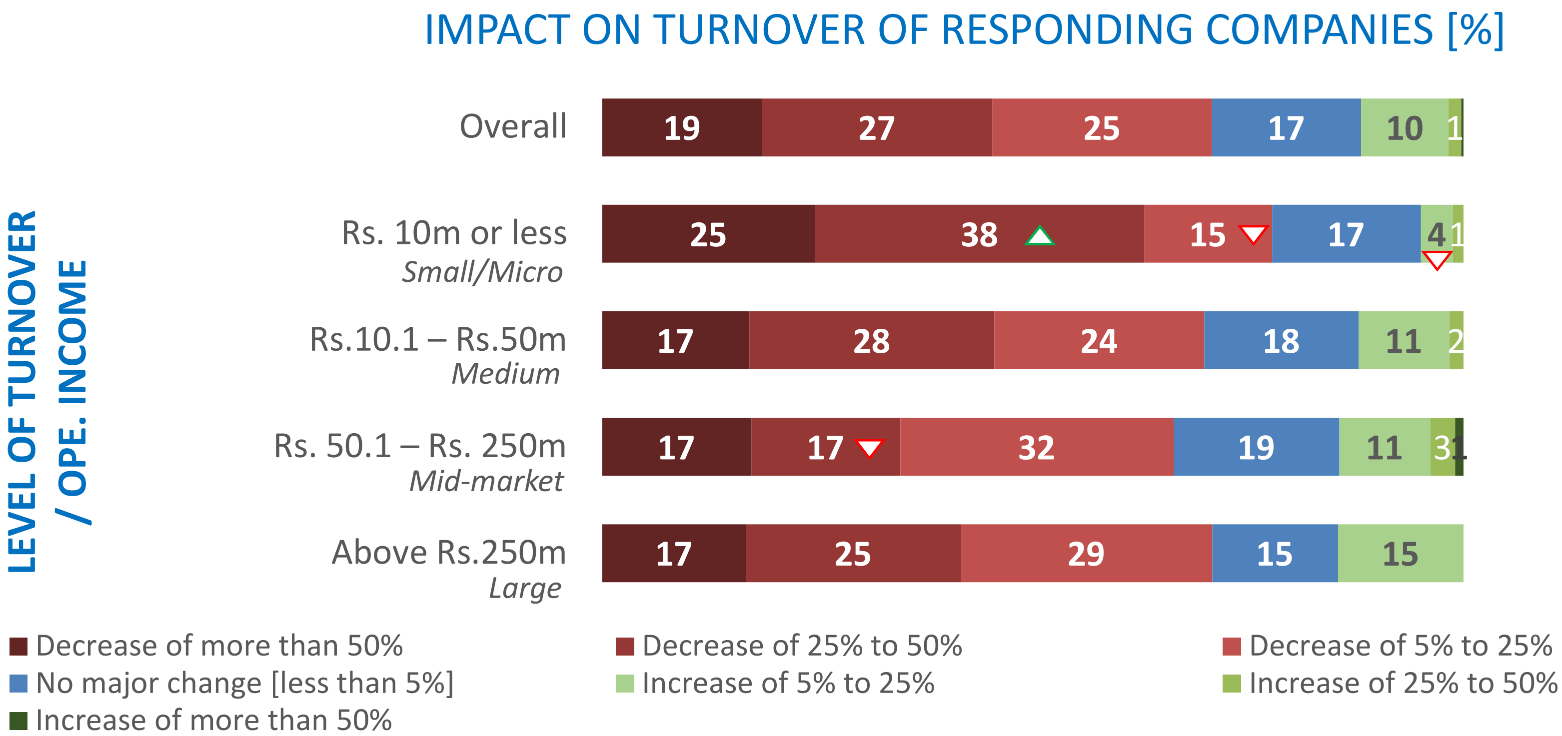
43% anticipate a further decline in demand in the coming few months.
Similar trend across sectors of activity.



Base: *All responding private companies*
Source: *G6: What is the likely tendency in demand for your organisation's products and services in the next three months compared with the past three months?*

Impact on turnover for FY 2020/2021 vs 2019/2020

71% expect a lower turnover/operating income in FY 2020/21
46% anticipate more than 25% decrease in their level of turnover



Base: *All responding private companies*
Source: G15: *What will be the expected level of change in turnover/operating income for the upcoming financial year 2020/2021 compared to 2019/2020?*

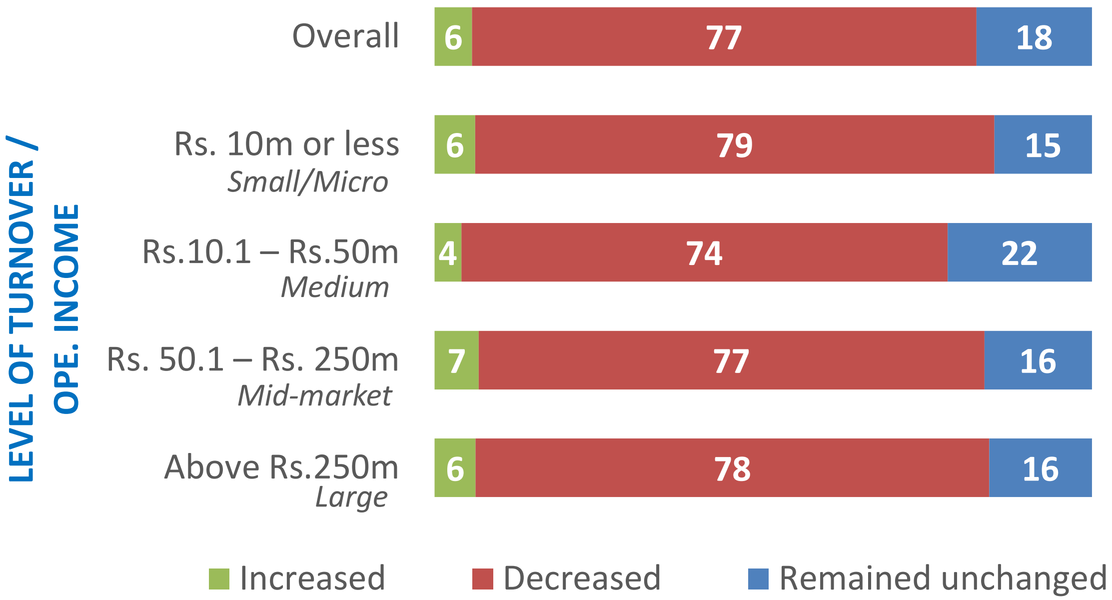
△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

3.2 IMPACT ON PROFITABILITY

Impact on Profitability [April-Sept 2020 vs April-Sept 2019]

77% reported a decrease in profitability…
… more so from Accommodation and food sector [100%].

PROFITABILITY OF RESPONDING COMPANIES
By Level of turnover / Operating Income [%]



Base: *All responding private companies*
Source: *E1: Comparing your organisation's financial profitability for April – September 2020 to April – September 2019, has the approximate percentage [%] change in financial performance increased, decreased or remained unchanged?*

SIGNIFICANT DIFFERENCES NOTED:

NO CHANGE IN PROFITABILITY

29% △
Professional, Scientific & Technical services

PROFITABILITY DECREASED

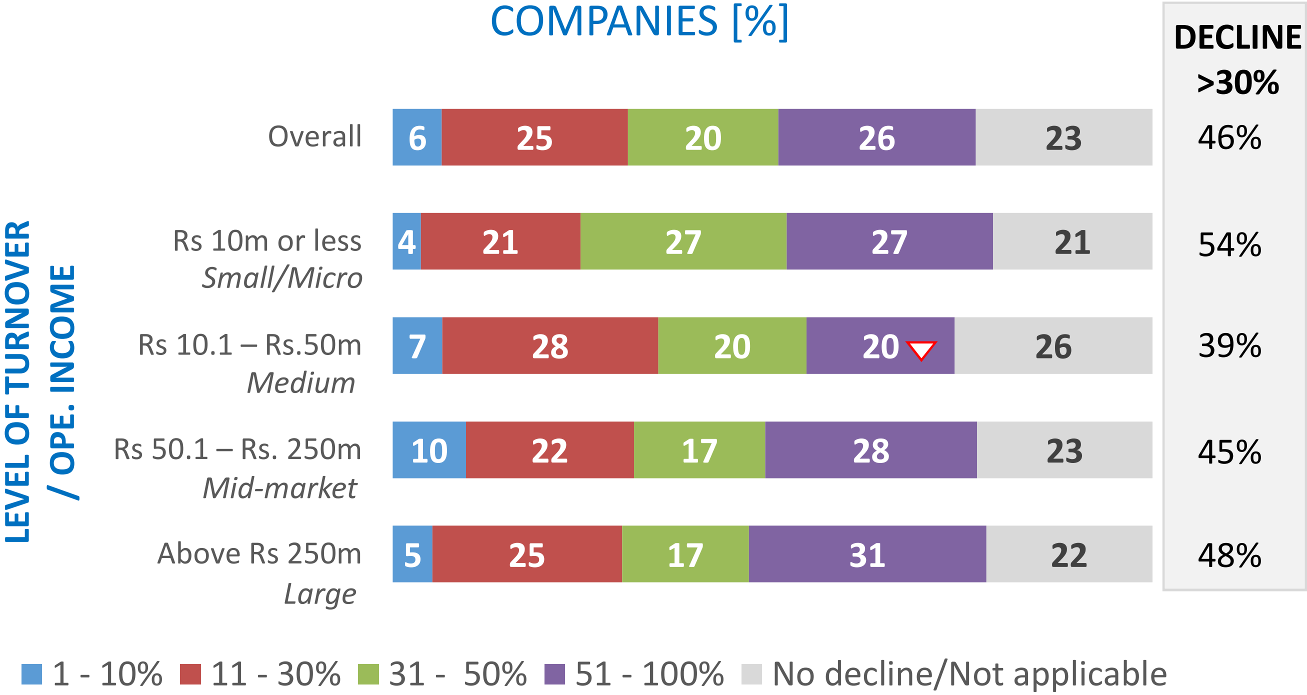
100% △
Accommodation & Food Service

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Magnitude of decline in Profitability

46% registered more than 30% decline in profitability …
31% up to 30% decline

DECLINE IN PROFITABILITY OF RESPONDING COMPANIES [%]



SIGNIFICANT DIFFERENCES NOTED:

ABOVE 30% DECLINE

86%

Accommodation & Food Service

Base: *All responding private companies*
Source: *E1_B: What has been the approximate percentage [%] decrease in the financial profitability of your organisation?*

Significantly higher proportion of companies
Significantly lower proportion of companies

3.3 IMPACT ON EXPORTS OF GOODS & SERVICES

Engagement in exports

33%

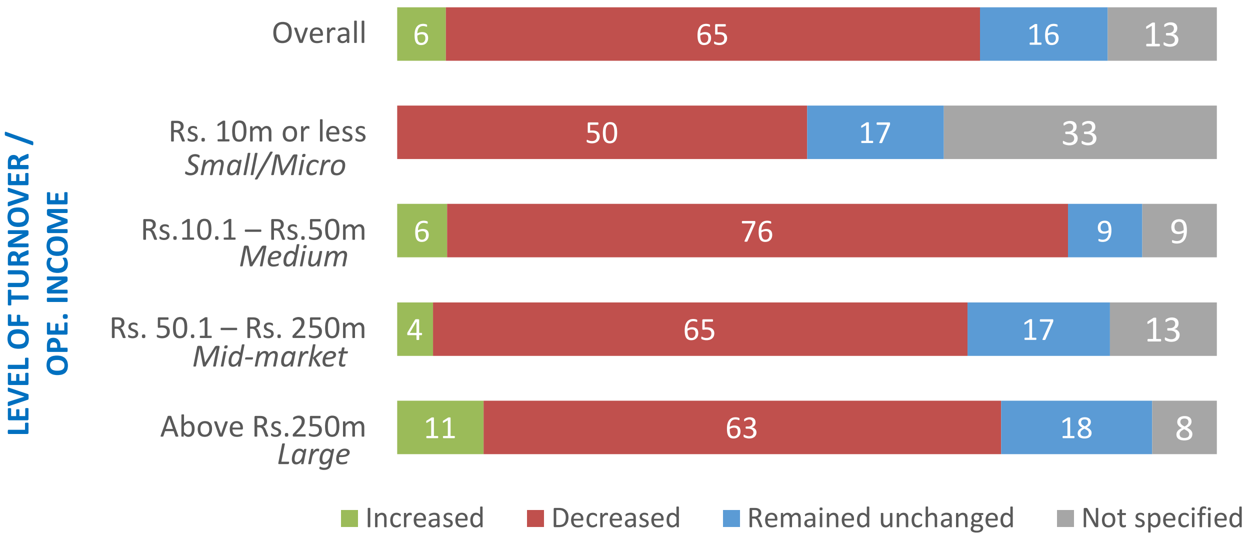
of the respondents were engaged in Exports of goods or services

Impact on Exports [April-Sept. 2020 vs. April-Sept. 2019]

65% saw their exports decline

% OF COMPANIES REPORTING CHANGE IN EXPORTS

By Level of turnover/Operating Income [%]



Base: *All responding private companies engaged in exports*
Source: B5: *If your organisation's sales rely on export, has the approximate percentage [%] change in exports in April – September 2020 versus April – September 2019 increased, decreased or remained unchanged?*

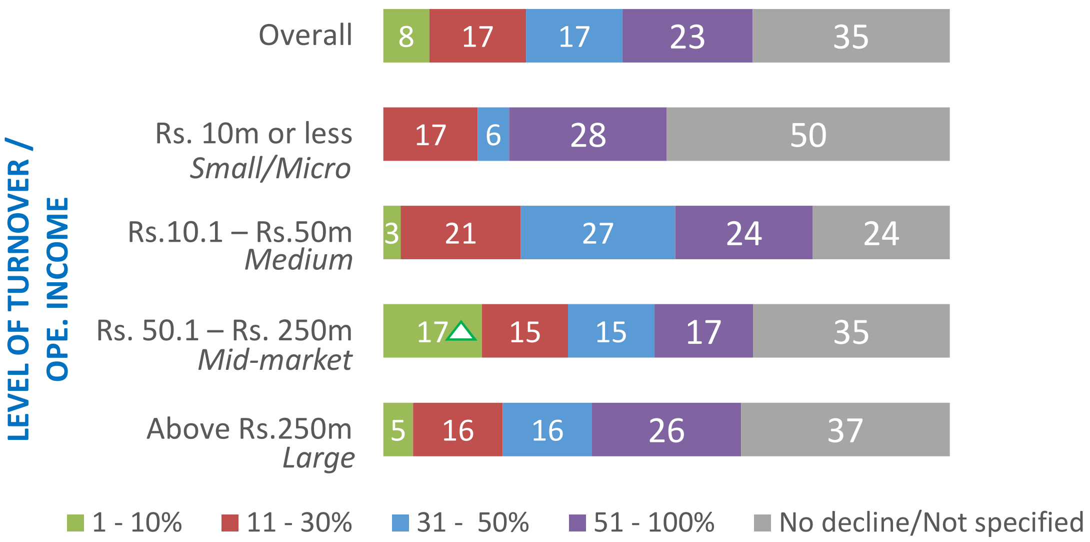
△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Magnitude of decline in Exports [April-Sept. 2020 vs. April-Sept. 2019]

40% saw their exports decline by more than 30%.

MAGNITUDE OF DECLINE IN EXPORTS

By Level of turnover/Operating Income [%]



Base: *All responding private companies engaged in exports*

Source: B5_B: *What has been the approximate percentage [%] decrease in exports?*

SIGNIFICANT DIFFERENCES NOTED:

≤ 30% DECLINE IN EXPORTS

41% △

Manufacturing Sector

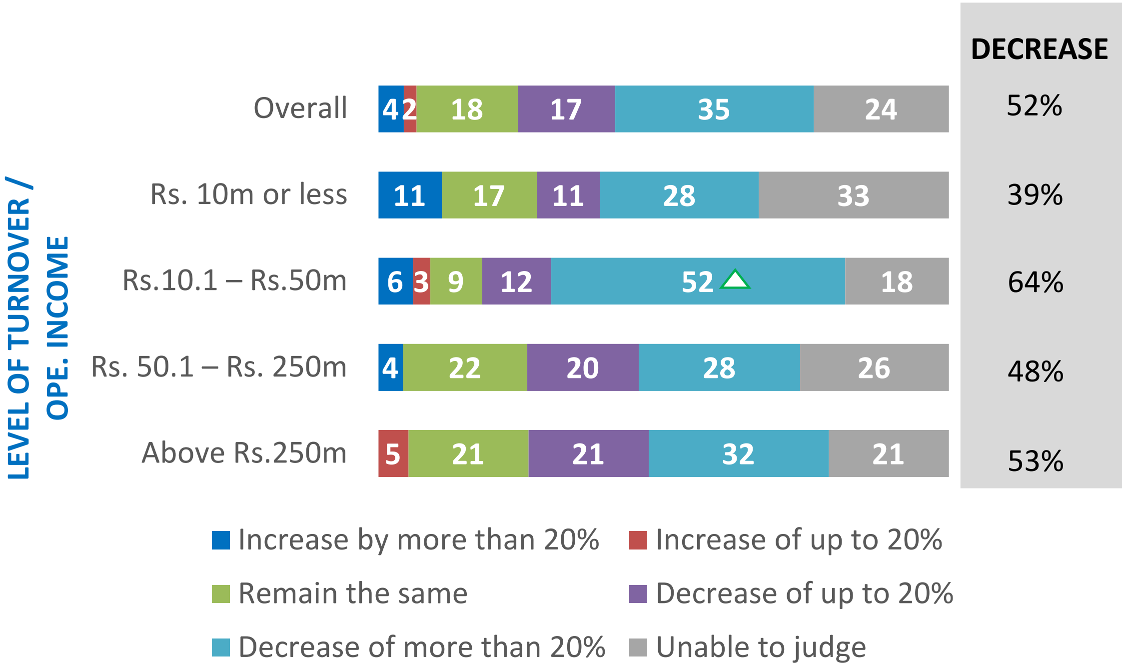
△ *Significantly higher proportion of companies*

▽ *Significantly lower proportion of companies*

Medium-term outlook on Exports until April 2021

52% anticipate a decrease in Exports
24% are uncertain

% OF COMPANIES EXPECTING A CHANGE IN EXPORT VOLUME OVER THE NEXT 6 MONTHS
By Level of turnover/Operating Income [%]



Base: *All responding private companies engaged in Exports*
Source: *B5_1: How do you expect the pandemic to affect your company's export volume over the next 6 months?*

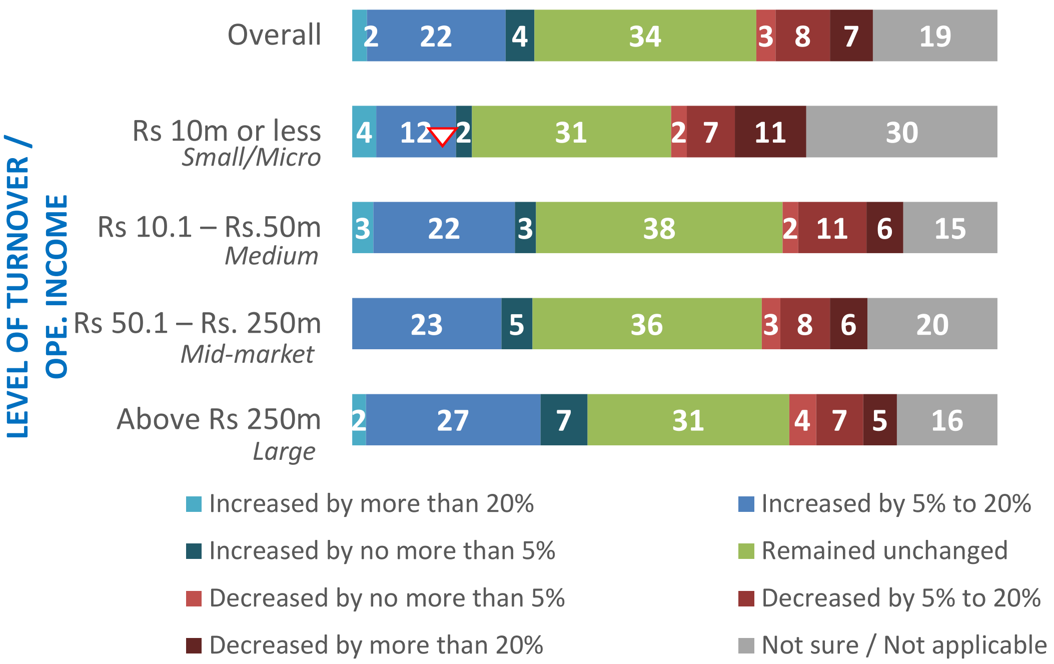
Significantly higher proportion of companies
Significantly lower proportion of companies

3.4 IMPACT ON SELLING PRICES

Short-term impact on Companies' Selling Prices

Selling prices remained unchanged for 34%
28% increased their prices and
18% reviewed prices downwards

By Level of turnover/Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED:

INCREASE BY 5 - 20%
△ 59%
Wholesale & Retail Trade

INCREASE BY <5%
12% △
Manufacturing Sector

DECREASE BY >20%
30% △
Accommodation & Food Service

△ *Significantly higher proportion of companies* ▽ *Significantly lower proportion of companies*

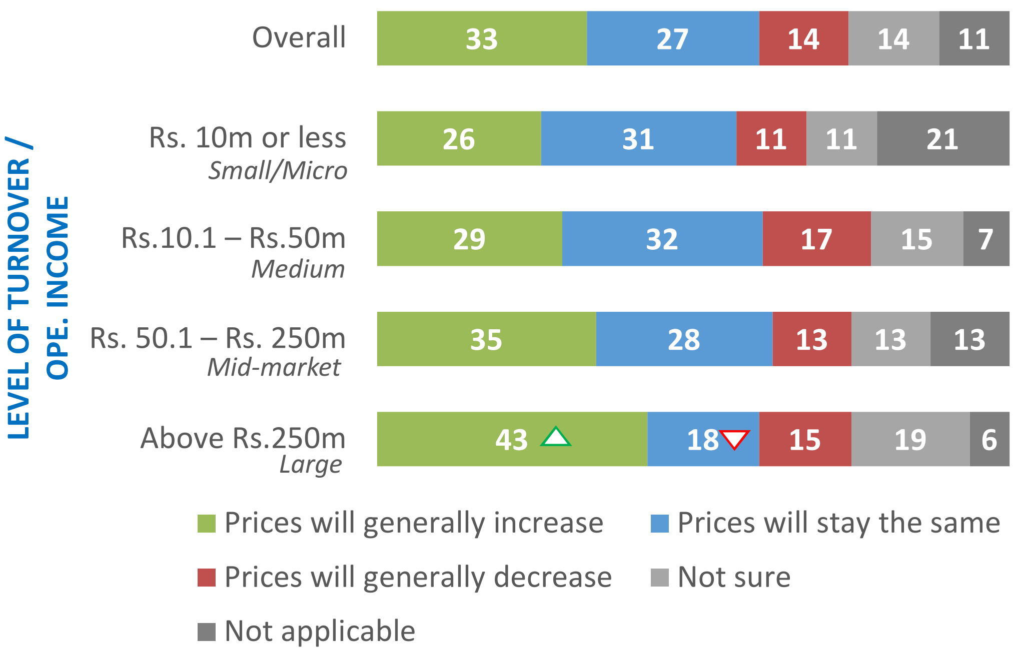
Base: *All responding private companies*
Source: *B6: Since the outbreak of COVID-19, how have the prices of goods or services sold by your organisation changed, compared with normal fluctuations?*

Anticipated Selling Price Changes in the next few months

33% expect a general price increase

% OF COMPANIES EXPECTING CHANGES IN SELLING PRICES OF THEIR GOODS OR SERVICES OVER THE NEXT FEW MONTHS

By Level of turnover/Operating Income [%]



Base: *All responding private companies*
Source: *B7: What are your expectations about prices of goods or services that your business will sell over the next few months?*

Significantly higher proportion of companies

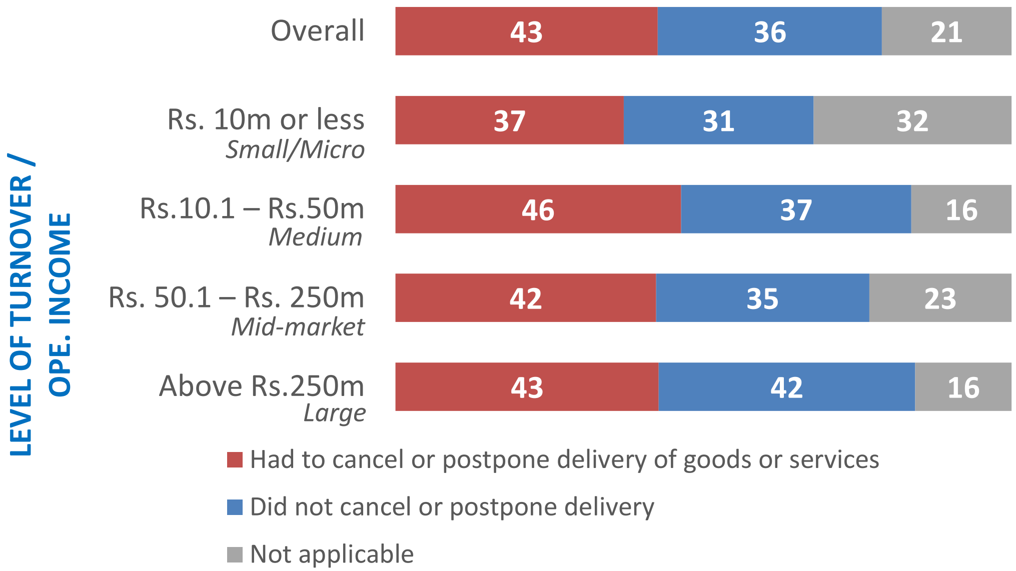
Significantly lower proportion of companies

3.5 IMPACT ON DELIVERY

Impact on delivery of goods or services [April-Sept 2020]

43% had to cancel or postpone delivery of goods or services during outbreak.

% OF COMPANIES CANCELLING OR POSTPONING DELIVERY OF GOODS OR SERVICES
By Level of turnover/Operating Income



SIGNIFICANT DIFFERENCES NOTED:

HAD TO CANCEL OR POSTPONE DELIVERY OF GOODS

△ **65%** Construction

62% △ Accommodation & Food Service

DID NOT CANCEL OR POSTPONE DELIVERY OF GOODS

59% △ Information & Communication

△ *Significantly higher proportion of companies*

▽ *Significantly lower proportion of companies*

Base: *All responding private companies*

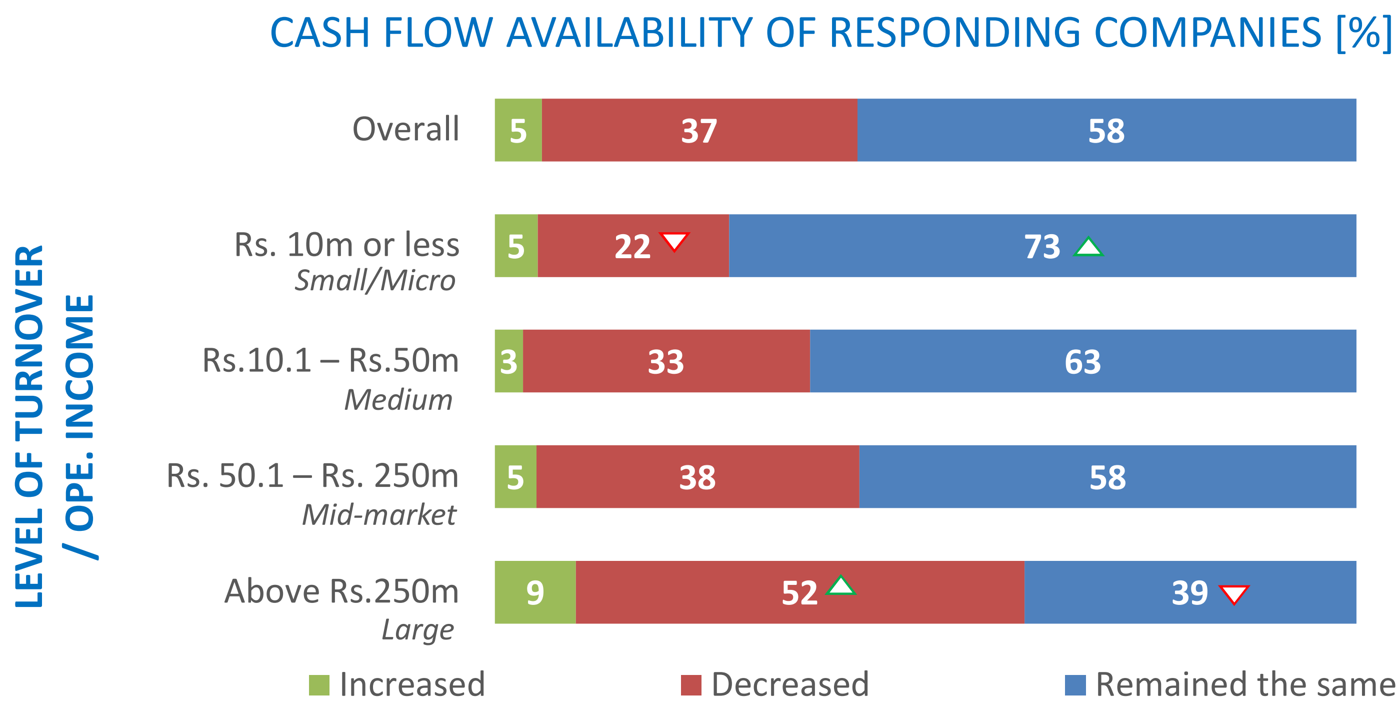
Source: *B8: Did you have to postpone or cancel delivery of any goods or services?*

4. IMPACT ON FINANCIALS

4.1 IMPACT ON CASHFLOW

Impact on Cashflow [April-Sept 2020 vs April-Sept 2019]

Reduced cashflow for 37% of the companies overall,
22% of Small SMEs and 52% of Large Companies



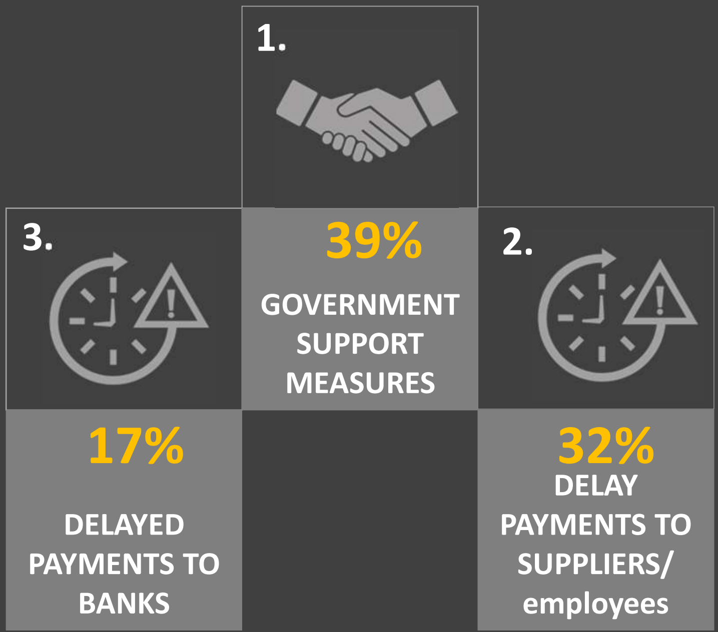
Base: *All responding private companies*
Source: E2_1*: Overall, has your organisation's ability to access financial resources since the outbreak of Covid-19 increased, remained the same or decreased in regards of: Cash flow availability*

△ *Significantly higher proportion of companies*

▽ *Significantly lower proportion of companies*

How have companies dealt with Cashflow shortages?

Top 3



Base: All responding private companies
Source: E3_2: Since the outbreak of COVID-19, what has been the main source your organisation has used to deal with cash flow shortages? All

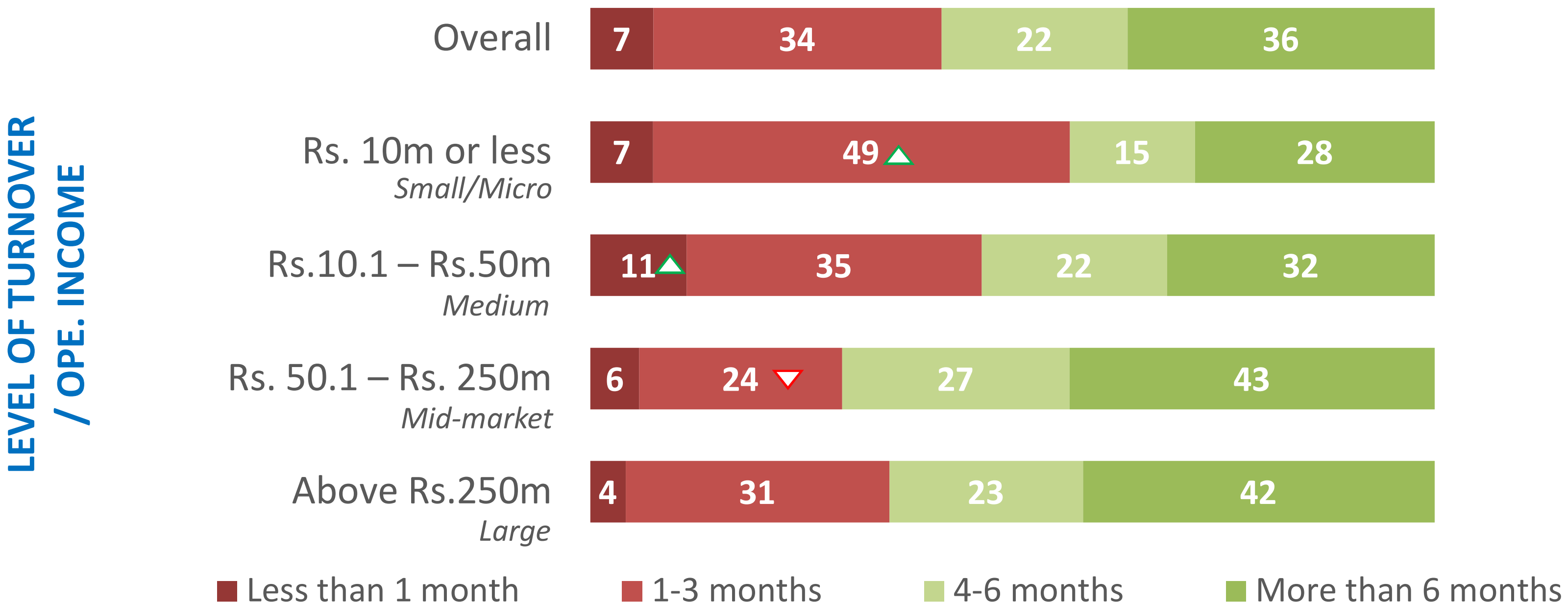
OTHER MEASURES [%]

• **Concessional loans from commercial or public banks**	**15**
• **Reduced salary to employees**	**13**
• **Drawing on personal savings or contributions from family**	**11**
• **Non-concessional loans from commercial or public banks**	**10**
• **Equity finance**	**7**
• Selling off business assets (e.g., property, equipment)	5
• Concessional loans from non-banking financial institutions...	3
• Utilisation of company reserves	2
• Cost cutting	2
• Selling off personal assets (e.g., car, property)	1
• Utilisation of loans, overdrafts (shareholders loans, bank overdrafts)	1

Anticipated cashflow sustainability

41% of respondents have less than 3 months of cashflow
56% of Small SMEs vs. 35% of Large Companies.

IMPACT ON CURRENT CASH FLOW OF RESPONDING COMPANIES [%]



Significantly higher proportion of companies

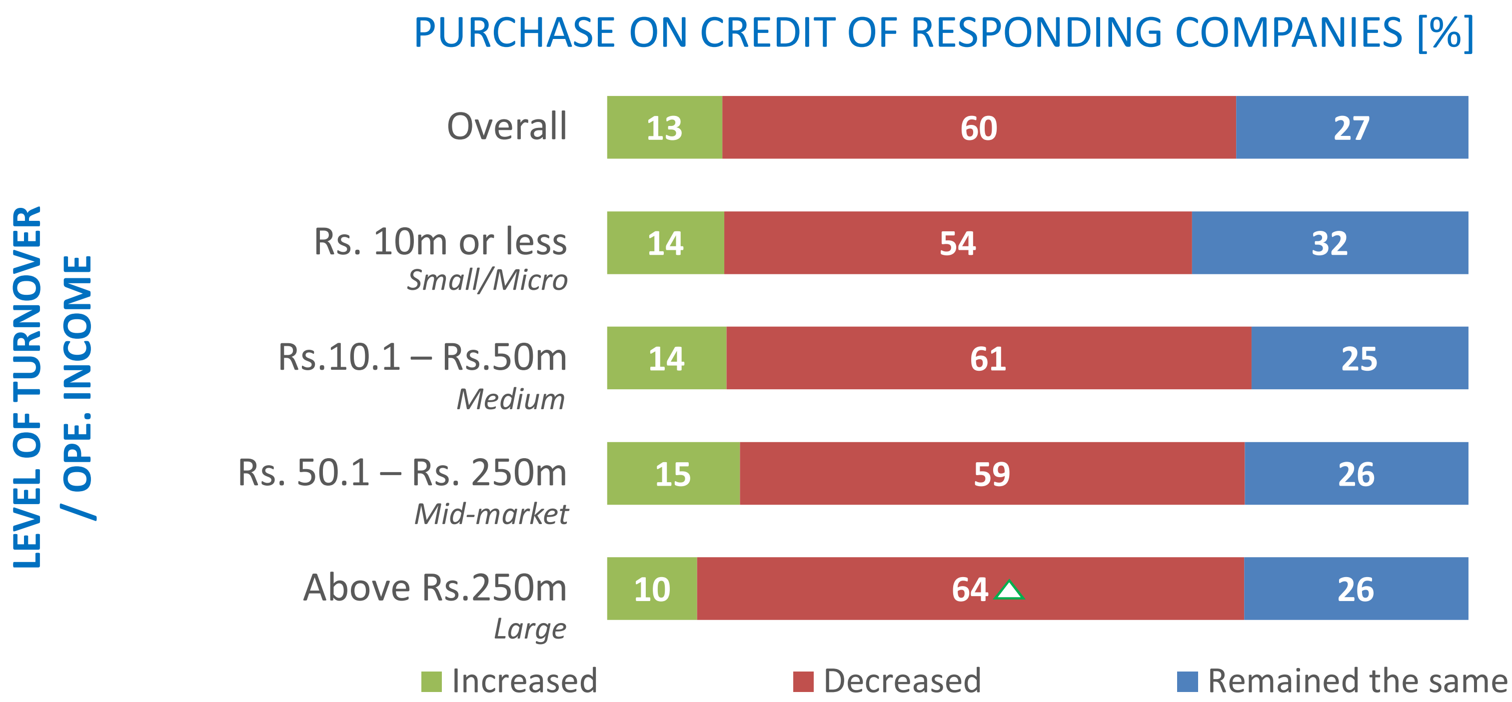
Significantly lower proportion of companies

Base: *All responding private companies*
Source: E5: *How long can your organisation's current cash flow maintain the organisation's operation?*

4.2 IMPACT ON PURCHASE ON CREDIT

Impact on purchase on credit [April-Sept '20 vs April-Sept '19]

60% reported a decrease in purchases on credit



Base: *All responding private companies*
Source: E2_2*: Overall, has your organisation's ability to access financial resources since the outbreak of Covid-19 increased, remained the same or decreased in regards of: PURCHASE ON CREDIT*

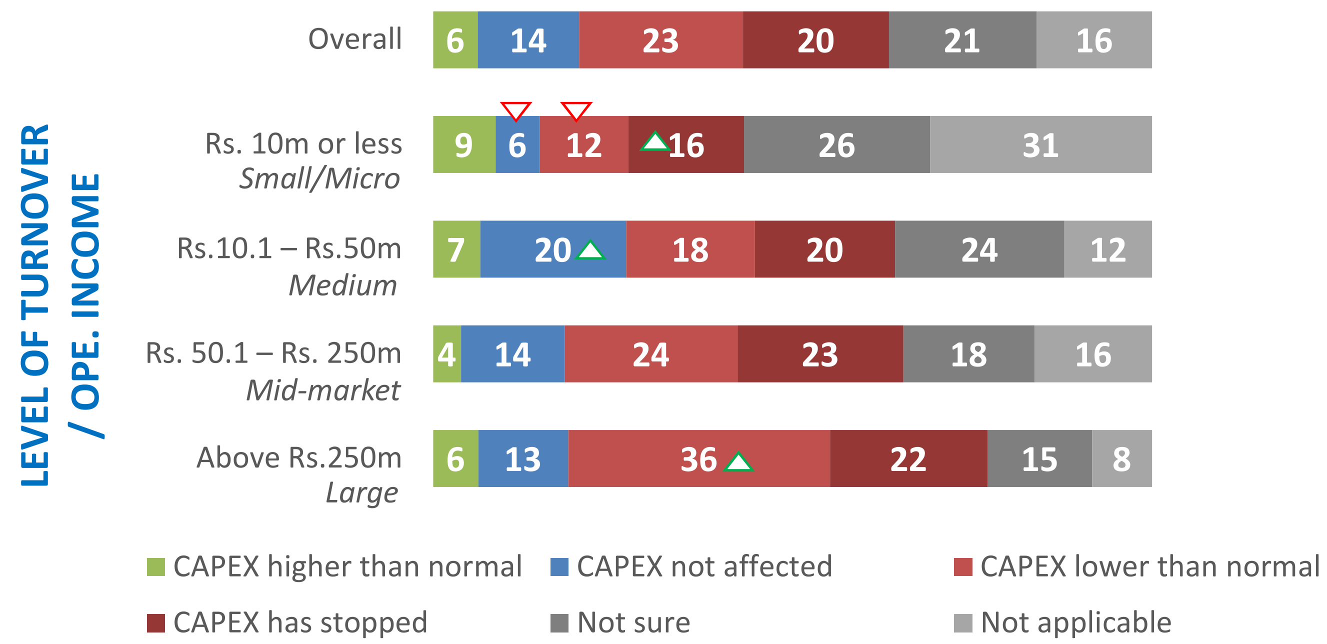
△ *Significantly higher proportion of companies*　▽ *Significantly lower proportion of companies*

4.3 IMPACT ON CAPITAL EXPENDITURE

Impact on CAPEX [April-Sept 2020 vs April-Sept 2019]

Reduced CAPEX [Stopped or lower] in 43% of all companies,
28% of Small SMEs and 58% of Large Companies

EFFECT ON CAPEX OF RESPONDING COMPANIES [%]



Base: *All responding private companies*
Source: E6*: How has the COVID-19 pandemic affected your business's capital expenditure?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Ways in which COVID-19 affected business's Capital Expenditure

1. **22%**
CAPEX reduced, frozen or cancelled due to cash flow issues or lesser income

2. **21%**
CAPEX projects frozen, postponed or cancelled in general

3. **18%**
CAPEX reduced, frozen or cancelled due to uncertain macro-economic indicators

4. **13%**
CAPEX reduced, frozen or cancelled due to reduced demand in the market/reduced sales

5. **11%**
CAPEX reduced, frozen or cancelled to be able to meet running and fixed costs

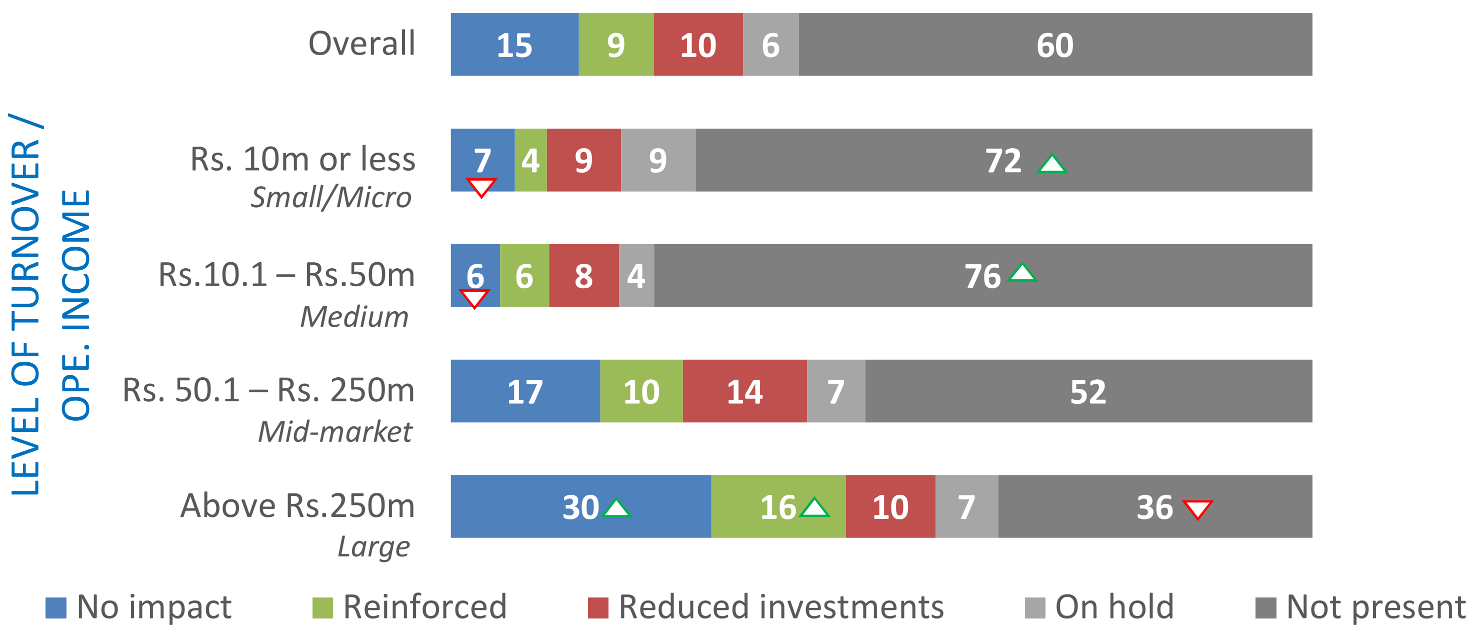
Base: *All private companies reporting changes in capital expenditure (higher, lower or stopped)*
Source: E7: *Please explain in more detail how the coronavirus (COVID-19) pandemic has affected your business's capital expenditure*

5. IMPACT ON SUSTAINABLE DEVELOPMENT

Impact of COVID-19 on sustainable development

Sustainable development activities mostly present in Large Companies
30% report no impact of COVID-19 outbreak on sustainable development, while 16% mention activities have been reinforced

IMPACT ON SUSTAINABLE DEVELOPMENT OF RESPONDING COMPANIES [%]



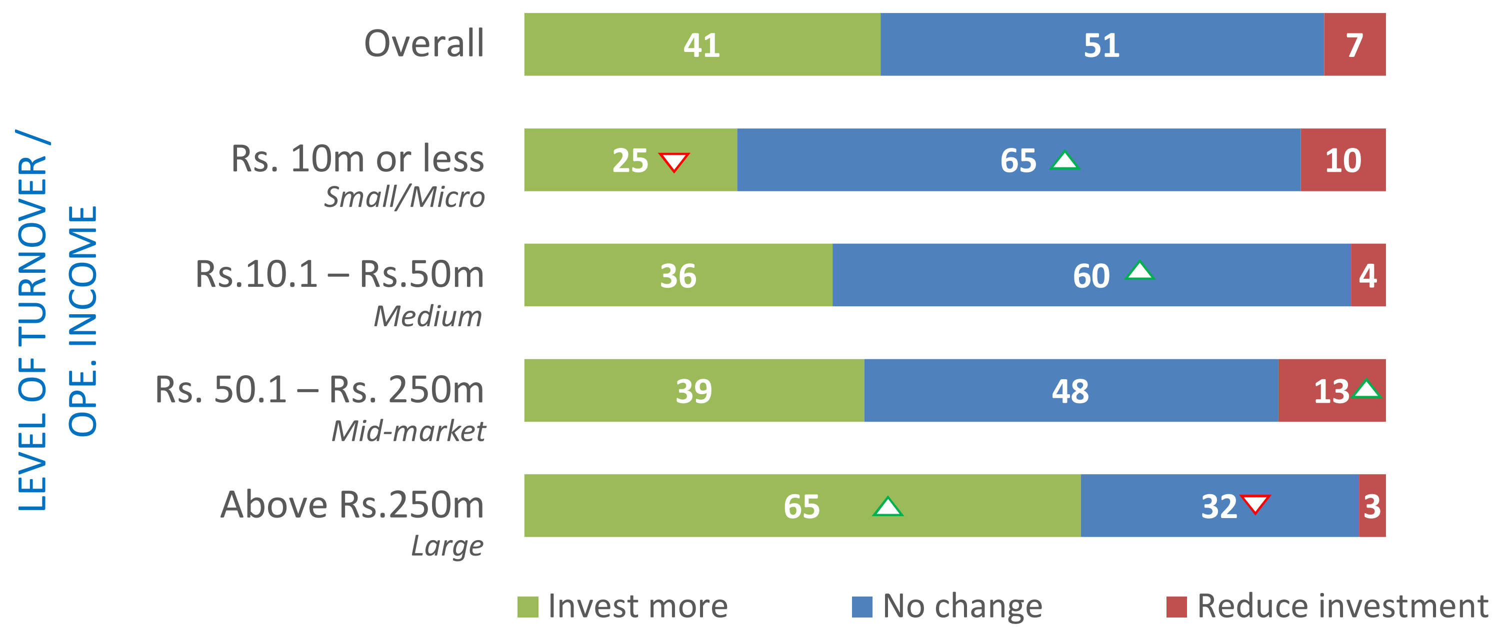
Base: *All responding private companies*
Source: H2: *Did the COVID-19 outbreak have any impact on your sustainable development projects?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Future plans on sustainability

92% plan to maintain or increase investment on sustainable development

FUTURE PLANS ON SUSTAINABLE DEVELOPMENT OF RESPONDING COMPANIES [%]



Base: *All responding private companies*
Source: H3: *What are your future plans regarding sustainable development projects?*

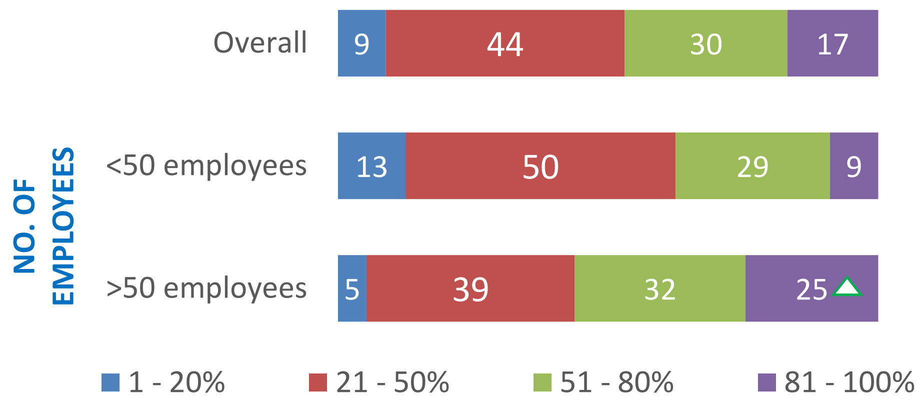
6. IMPACT ON PRODUCTION CAPACITY AND OUTPUT

Impact on Capacity Utilisation [April-Sept. 2020 vs. April-Sept. 2019]

Of the 113 companies involved in production,
53% operated at less than 50% capacity.
SMEs were harder hit.

ORGANISATION'S OUTPUT PRODUCED AS A PERCENTAGE OF THE MAXIMUM OUTPUT POSSIBLE USING ALL PHYSICAL CAPITAL AVAILABLE

By Number of employees



SIGNIFICANT DIFFERENCES NOTED:

51 – 80% CAPACITY UTILISATION

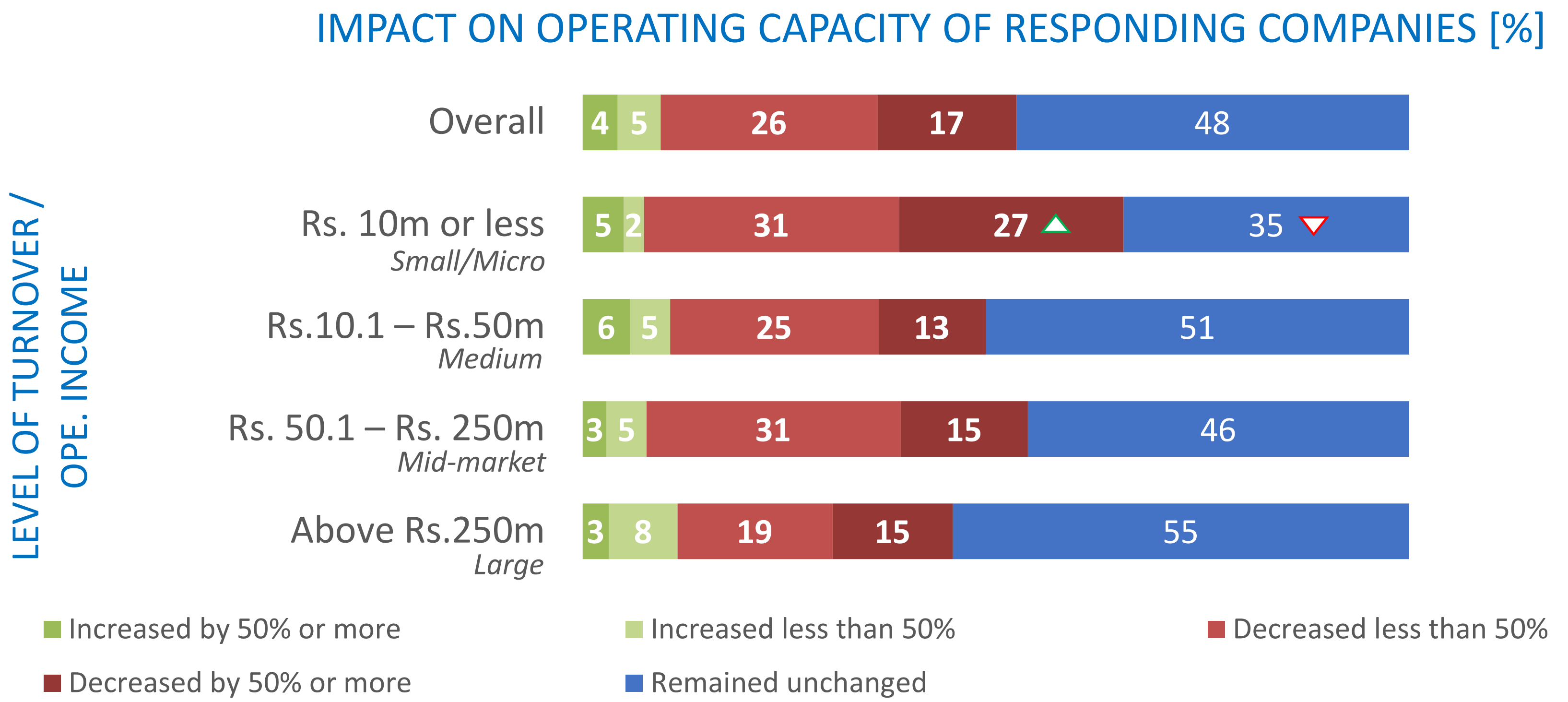
40% △
Manufacturing Sector

Base: *All private companies involved in production of goods*
Source:*C1: From April - September of 2020, what was your organisation's output produced as a percentage [%] of the maximum output possible if using all the physical capital available (capacity utilisation)?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Impact on Operating Capacity [April-Sept. 2020 vs. April-Sept. 2019]

43% are operating at reduced capacity relative to last year …
… 48% reported no change in operating capacity.



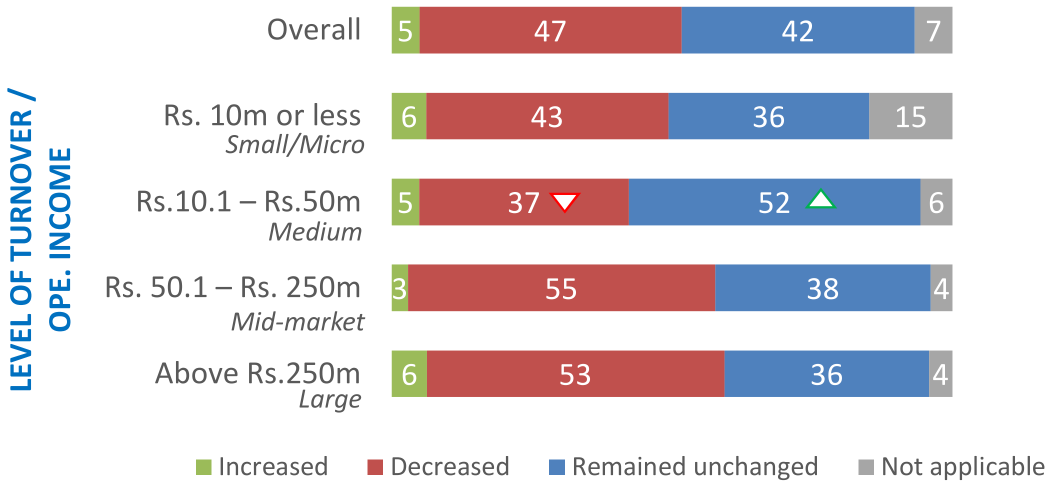
Base: *All responding private companies*
Source: G14: *How would you describe your organisation's current operating capacity relative to one year ago?*

Significantly higher proportion of companies
Significantly lower proportion of companies

Impact on hours worked [April-Sept 2020 vs. April-Sept 2019]

47% experienced a decline in total hours worked per month …
42% observed no change

CHANGE IN TOTAL WORK HOURS PER MONTH [APRIL – SEPT '20 VS APRIL – SEPT '19]
By Level of turnover / Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED:
TOTAL WORK HOURS [APRIL-SEPT 2020]

DECREASED

89% △
Accommodation & Food Service

65% △
Manufacturing Sector

INCREASED

15% △
Information & Communication

REMAINED UNCHANGED

69% △
Professional, Scientific & Technical services

Base: All responding private companies
Source: C2_1: Comparing April - September 2020 with April - September 2019, the approximate percentage [%] change in your organisation's total hours worked per month has…?

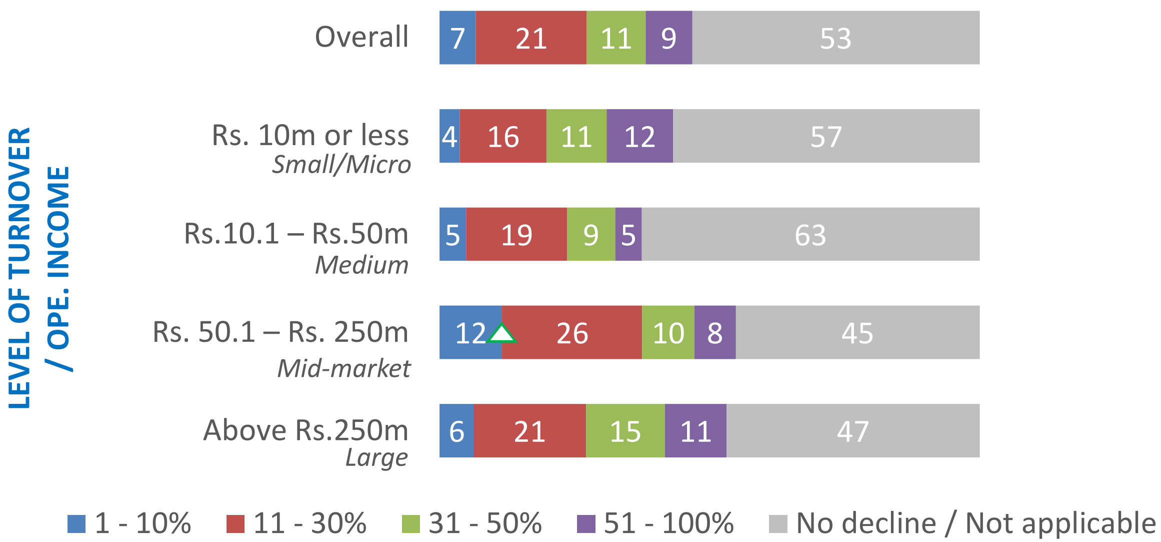
△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Magnitude of change in total hours worked per month

28% saw hours worked decline by up to 30% …
…and 20% of the companies by >30%

MAGNITUDE OF DECREASE IN TOTAL HOURS WORKED PER MONTH [APRIL – SEPT. 2020]

By Level of turnover / Operating Income [%]



Base: *All responding private companies*

Source: *C2_A2: Comparing April - September 2020 with April - September 2019, the approximate percentage [%] change in your organisation's total hours worked per month has…?*

SIGNIFICANT DIFFERENCES NOTED:

DECLINE IN TOTAL HOURS WORKED PER MONTH

11 – 30% DECLINE

35% △

Manufacturing Sector

>30% DECLINE

68% △

Accommodation & Food Service

△ *Significantly higher proportion of companies*

▽ *Significantly lower proportion of companies*

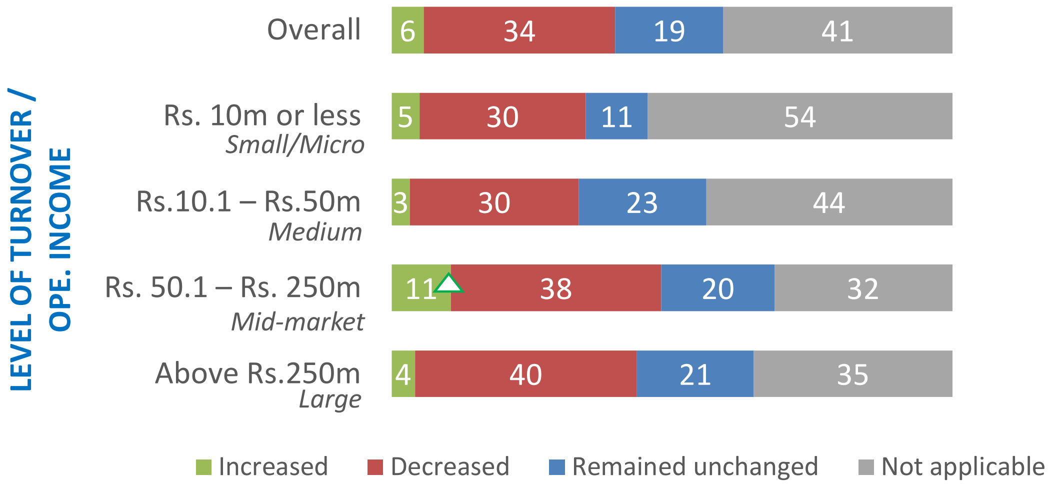
7. IMPACT ON AVAILABILITY OF INPUTS AND FINISHED GOODS

Impact on availability of inputs [April-Sept ‘20 vs. April-Sept ‘19]

Overall, 34% suffered reduced inputs

% CHANGE IN PROCUREMENT OF INPUTS [RAW MATERIALS OR RESELL ITEMS] - [APRIL – SEPT ‘20 VS APRIL – SEPT ‘19]

By Level of turnover / Operating Income [%]



Base: *All responding private companies*

Source: *C2_3: Comparing April - September 2020 with April - September 2019, the approximate percentage [%] change in your organisation’s supply of inputs, raw materials, or finished goods and materials purchased to resell has..?*

SIGNIFICANT DIFFERENCES NOTED:

% CHANGE IN PROCUREMENT [APRIL-SEPT 2020]

DECREASED

62% △ **Accommodation & Food Service**

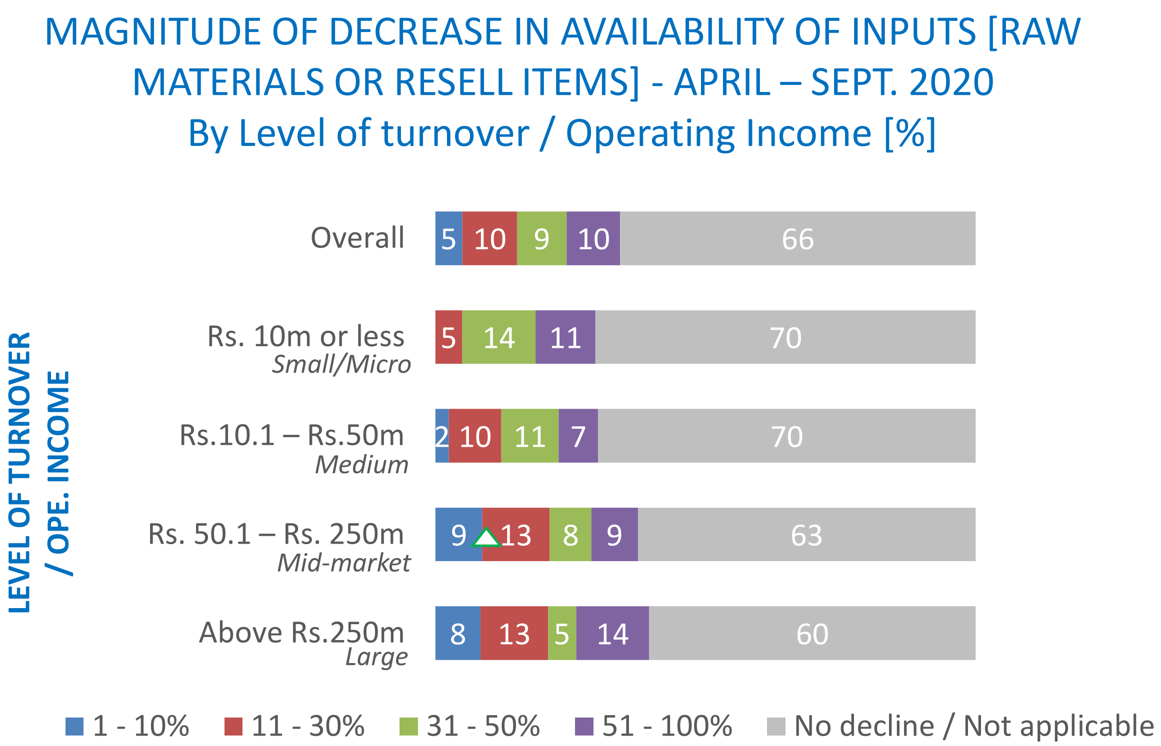
57% △ **Manufacturing Sector**

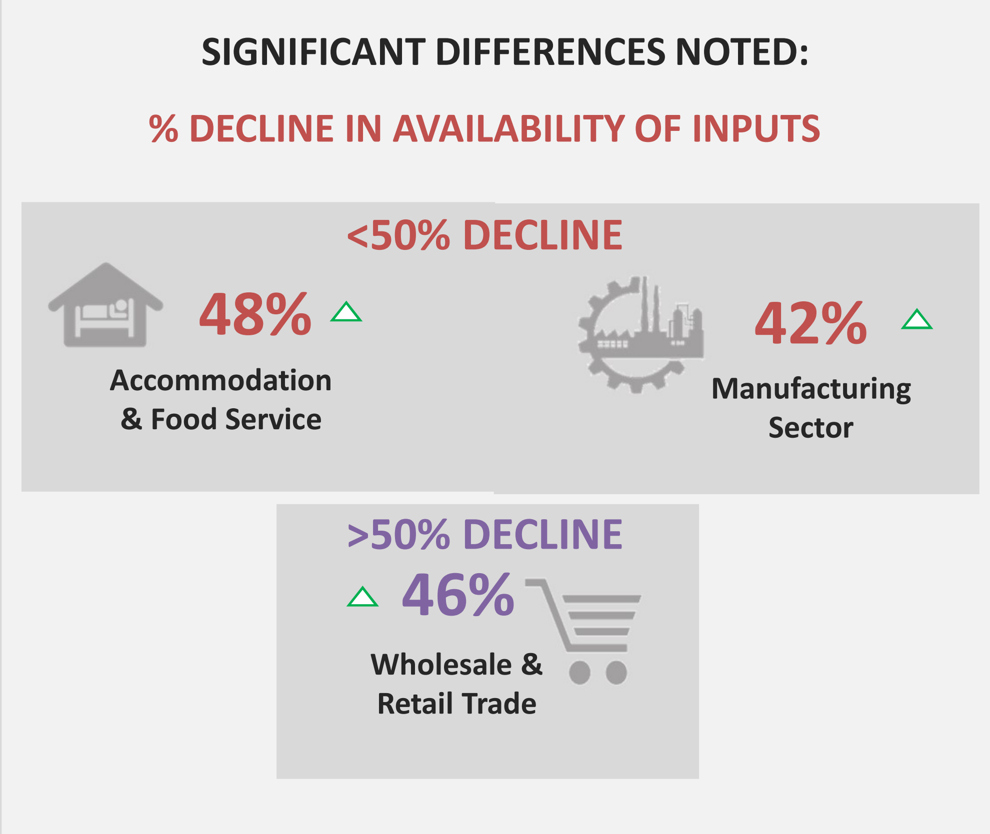
△ **53%** **Wholesale & Retail Trade**

△ *Significantly higher proportion of companies* ▽ *Significantly lower proportion of companies*

Magnitude of decrease in availability of inputs

19% reported more than 30% decline in inputs





Base: *All private companies, n =404*
Source: *C2_C2: What has been the approximate percentage [%] decrease in your organisation's supply of inputs, raw materials, or finished goods and materials purchased to resell?*

Significantly higher proportion of companies *Significantly lower proportion of companies*

Switch to alternative sources of supply

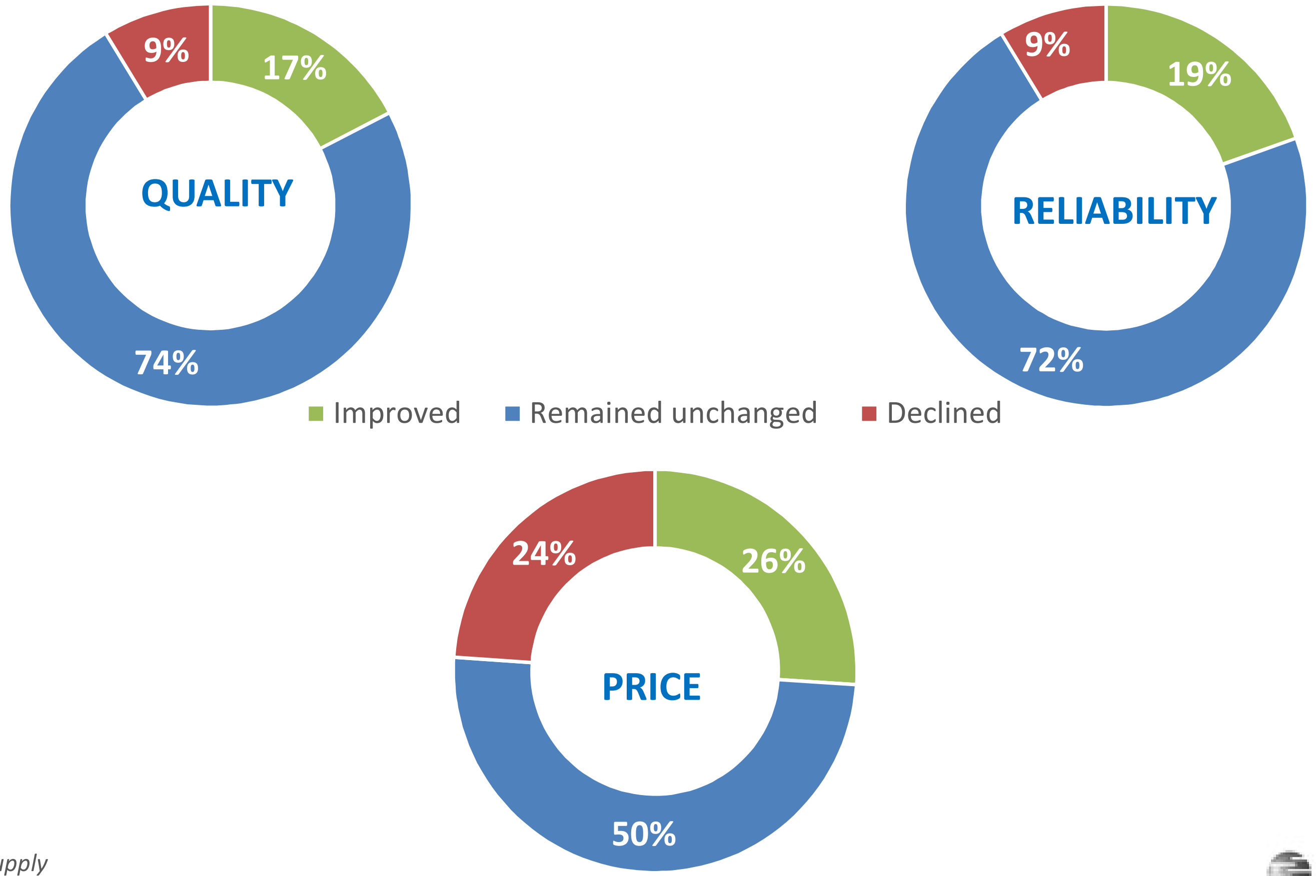
11%

Switched to alternative sources of supply

Switching had no impact on quality and reliability for 7 out of 10 switchers.

But 24% saw a deterioration in the prices of their supply

IMPACT OF SWITCH ON:



Base: All responding private companies switching to an alternate source of supply
Source: G21_1: What was the impact of the switch on the following …QUALITY, PRICE, RELIABILITY

8. IMPACT ON EMPLOYMENT & EARNINGS

8.1 SANITARY MEASURES PUT IN PLACE

Sanitary Measures implemented

Top 3

1.


97%
PROVISION OF HAND SANITSER

2.


92%
PROVISION OF MASK

3.


72%
PRACTISING SOCIAL DISTANCING

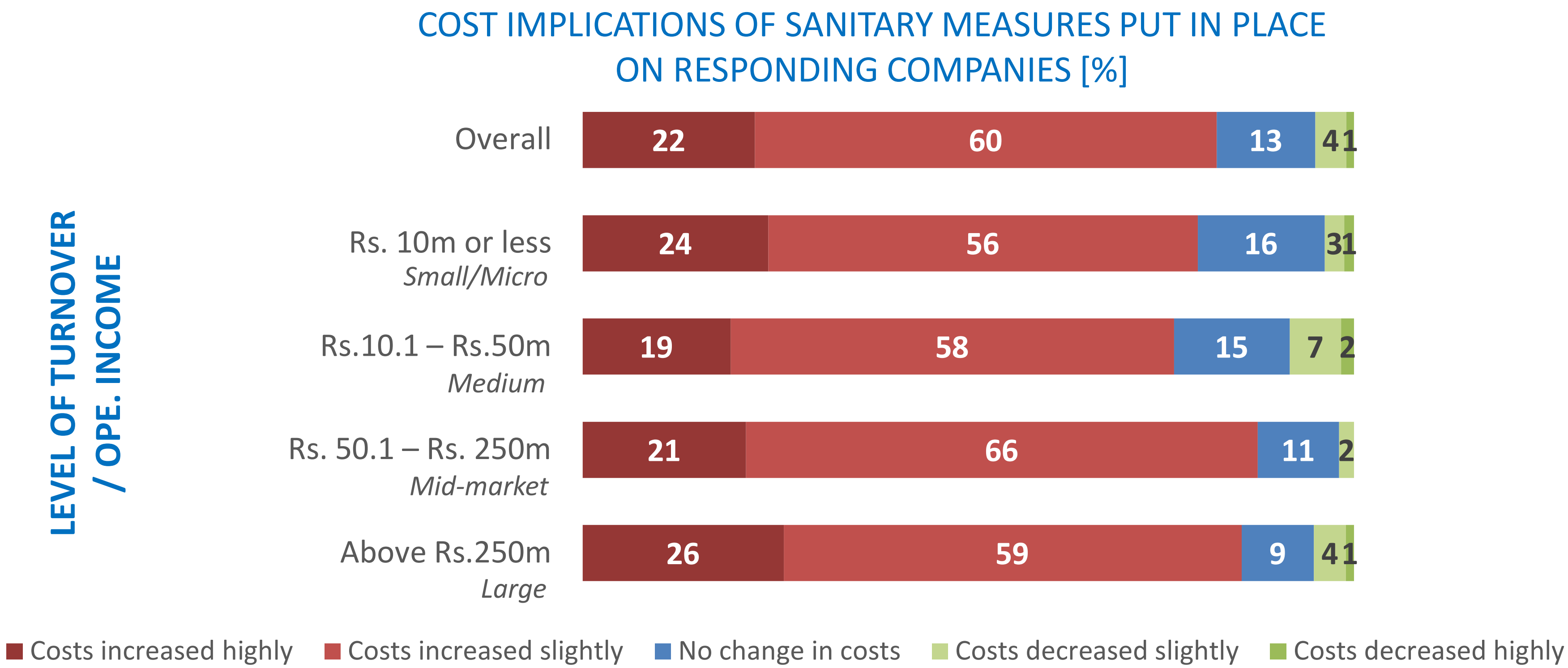
Base: *All responding private companies*
Source: C4: Which of the measures were put in place by your organisation to mitigate contamination risks due to COVID-19 outbreak?

OTHER MEASURES [%]

• Provision of gloves for required employees	**64**
• Social distancing practiced while travelling	**50**
• Transportation of IT equipment to facilitate work from home	**43**
• Provision of face shield for required employees	**33**
• Provision of sanitary items and controls	1
• Encourage work from home	1

Cost implications of Sanitary Measures

Around 8 out of 10 companies reported increased costs ….
… with very high cost increases for 22%



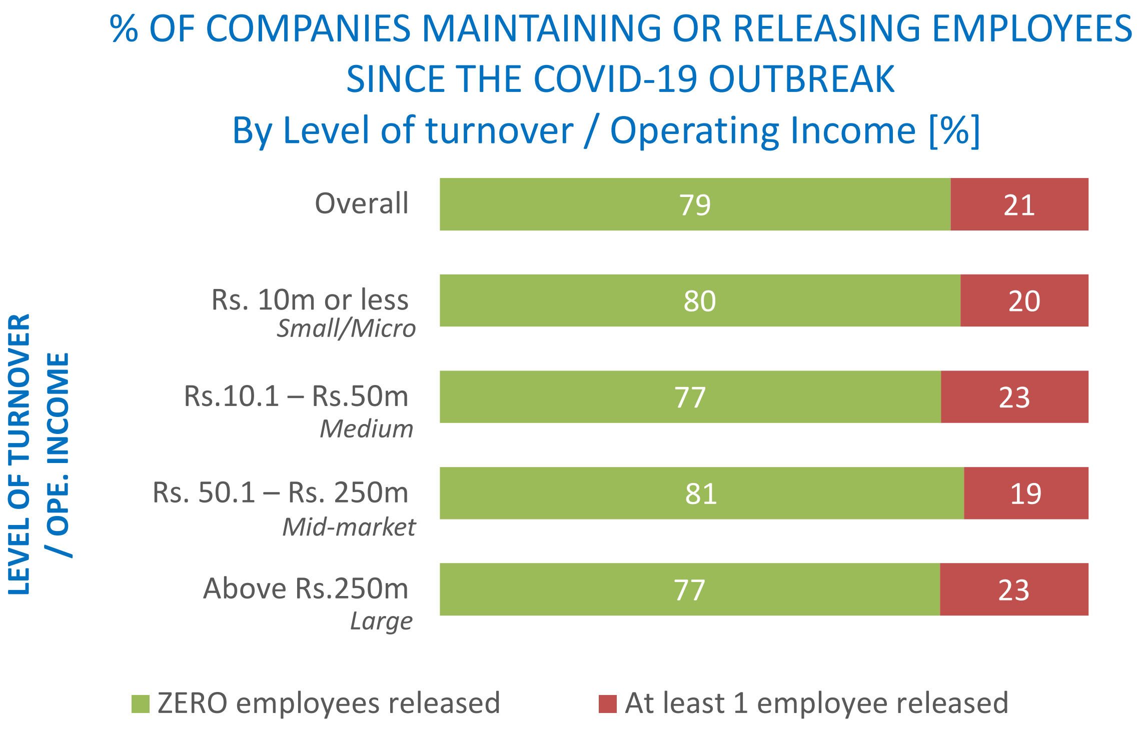
***Base:** All private companies implementing Sanitary measures*
***Source: C5:** What was the impact of the overall measures put in place on the overall costs of the company?*

Significantly higher proportion of companies
Significantly lower proportion of companies

8.2 COMPANIES’ ABILITY TO MAINTAIN EMPLOYMENT

Companies' ability to maintain employment

Despite the COVID-19 outbreak,
79% of the companies maintained FULL employment

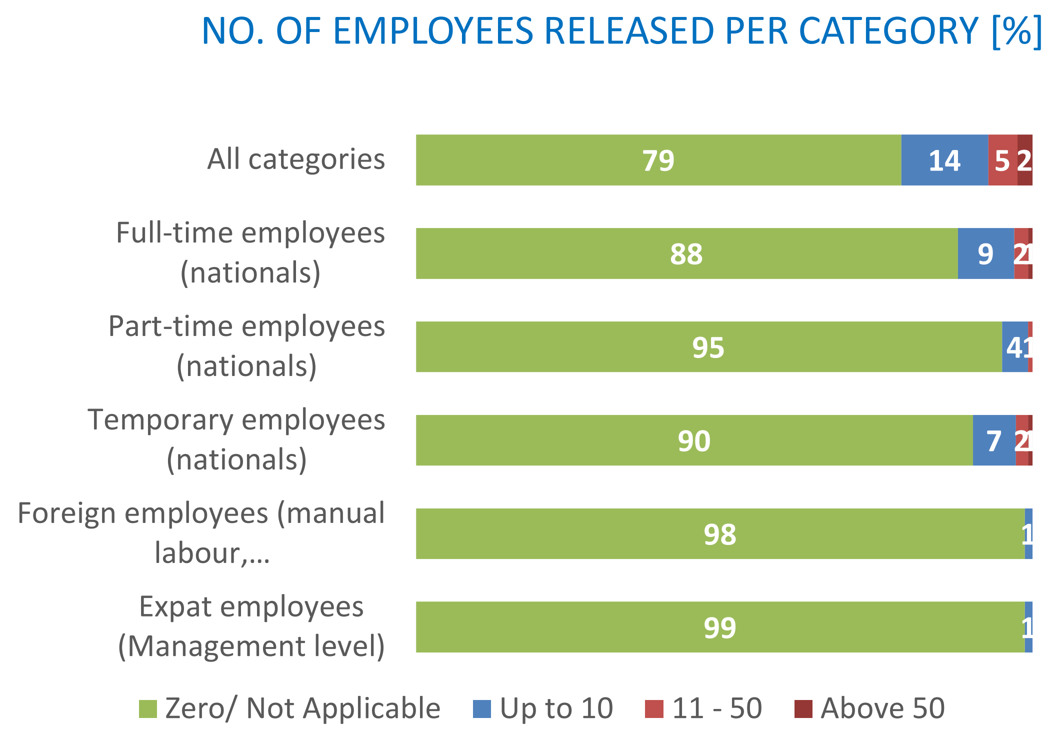


Base: *All responding private companies*
Source: *D1_1: Since the outbreak of COVID-19, how many employees have you had to release from employment due to the COVID-19 outbreak?*

△ *Significantly higher proportion of companies* ▽ *Significantly lower proportion of companies*

Categories of employees released

9% released up to 10 Full-time employees and 7% up to 10 Temporary employees

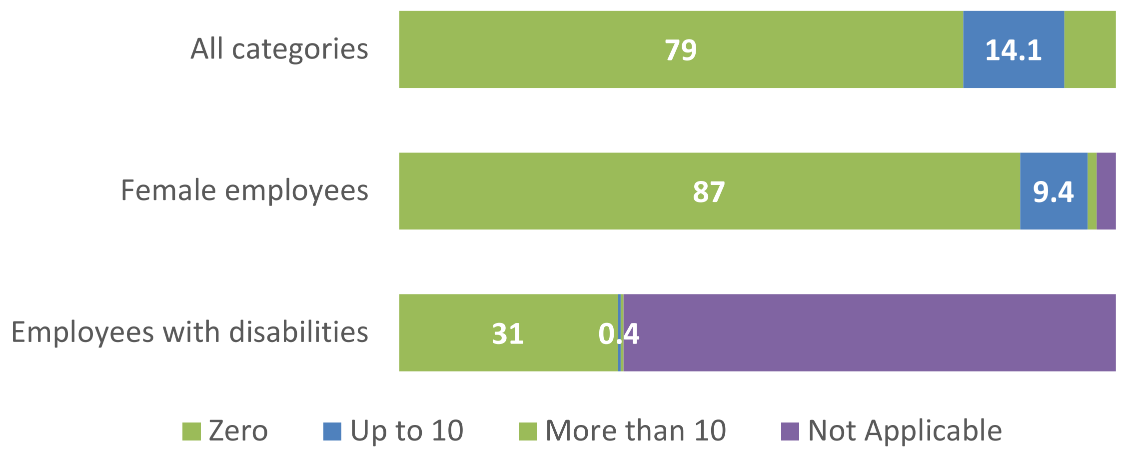


Base: *All responding private companies*
Source: *D1_1: Since the outbreak of COVID-19, how many employees have you had to release from employment due to the COVID-19 outbreak?*

Release of women and disabled employees

97% employ women and 13% employ people with disabilities
10% had to release at least 1 female employee ….
but nearly all maintained the jobs of disabled employees

NO. OF WOMEN & DISABLED EMPLOYEES RELEASED [%]

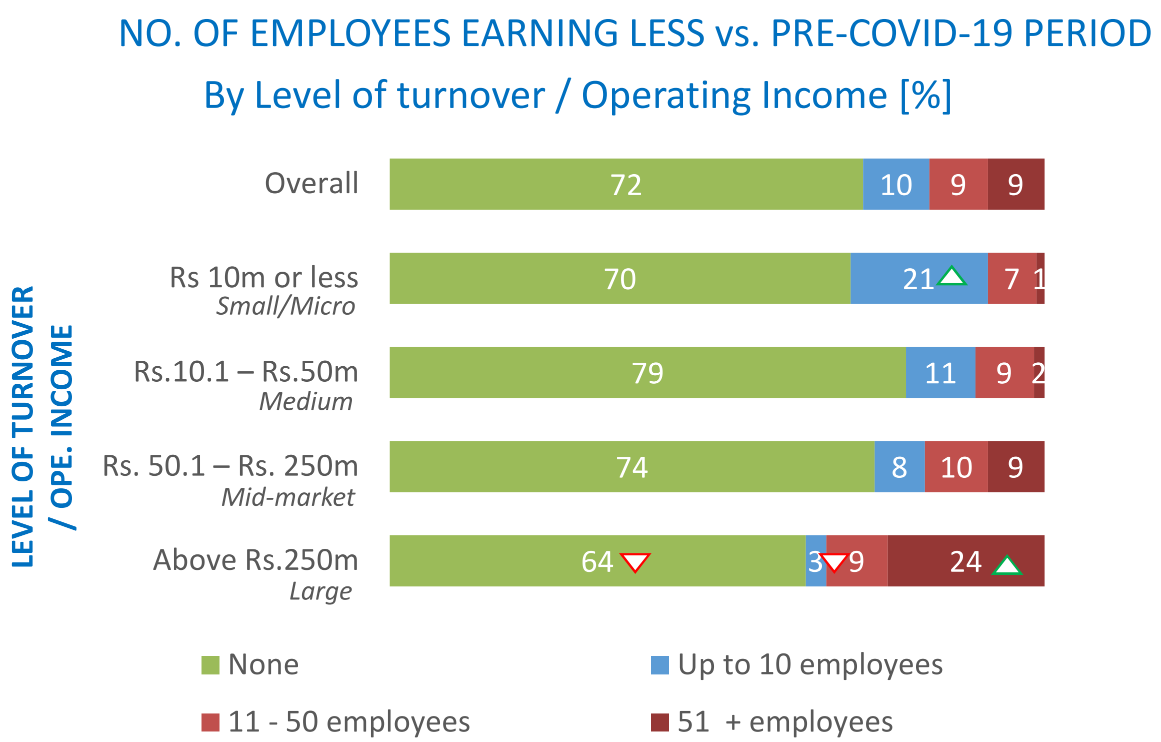


Base: *All responding private companies*
Source: *D1_1: Since the outbreak of COVID-19, how many employees have you had to release from employment due to the COVID-19 outbreak?*

8.3 IMPACT ON EMPLOYEES’ EARNINGS

Employees' earnings compared to pre-COVID-19 period

Employees' earnings remained unchanged in 72% of the companies



Base: *All responding private companies*
Source: *D3_1: Compared to the pre-COVID-19 period, how many employees are earning less? (Note: Earnings include basic salary and other allowances)*

△ *Significantly higher proportion of companies* ▽ *Significantly lower proportion of companies*

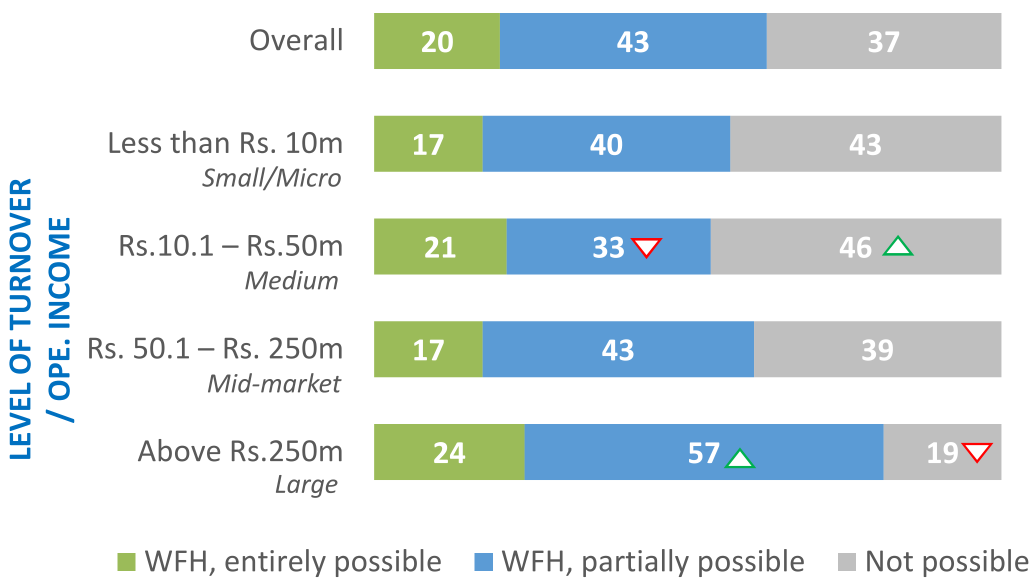
8.4 WORK FROM HOME

Ability to work from home [WFH]

Work from home possible in 63% of the companies,
more so within Large Companies [81%] and less within Small SMEs [57%].

% OF COMPANIES ASSERTING THE NATURE OF THEIR BUSINESS ALLOWS EMPLOYEES TO WORK FROM HOME

By Level of turnover / Operating Income [%]



SIGNIFICANTLY HIGHER AMONG THE FOLLOWING SECTORS:

WFH NOT POSSIBLE

64% △
Manufacturing Sector

WFH ENTIRELY / PARTIALLY POSSIBLE

93% △
Information & Communication

92% △
Professional, Scientific & Technical services

Base: *All responding private companies*
Source: *D4: Does the nature of your organisation's business allow the employees to Work from home?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

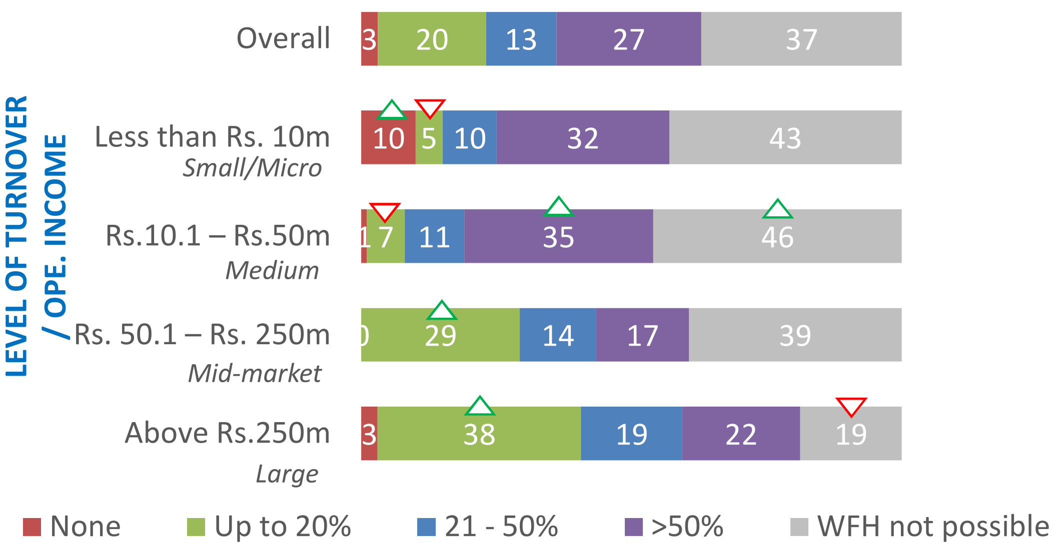
Workforce able to work from home during lockdown

A reality during lockdown in 60% of companies …

… more so among 79% of Large companies

% OF WORKFORCE ABLE TO WORK FROM HOME DURING LOCKDOWN

By Level of turnover / Operating Income [%]



SIGNIFICANTLY HIGHER AMONG THE FOLLOWING SECTORS:

>50% EMPLOYEES ABLE TO WFH

70% △
Information & Communication

76% △
Professional, Scientific & Technical services

Base: *All responding private companies*
Source: *D4_1: What percentage of your total work force were able to work from home during the COVID-19 lockdown?*

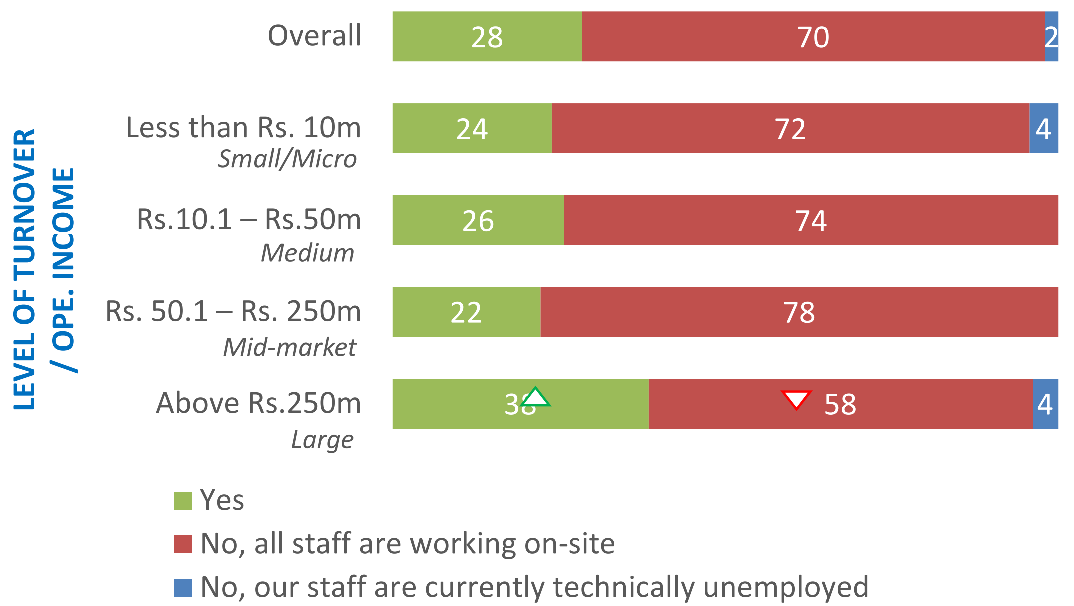
△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Work from home status after end of lockdown

28% maintained WFH after lockdown
However, in 70% of the companies, staff resumed work on-site at the end of lockdown.

WORK FROM HOME STATUS AT THE END OF THE LOCKDOWN

By Level of turnover / Operating Income [%]



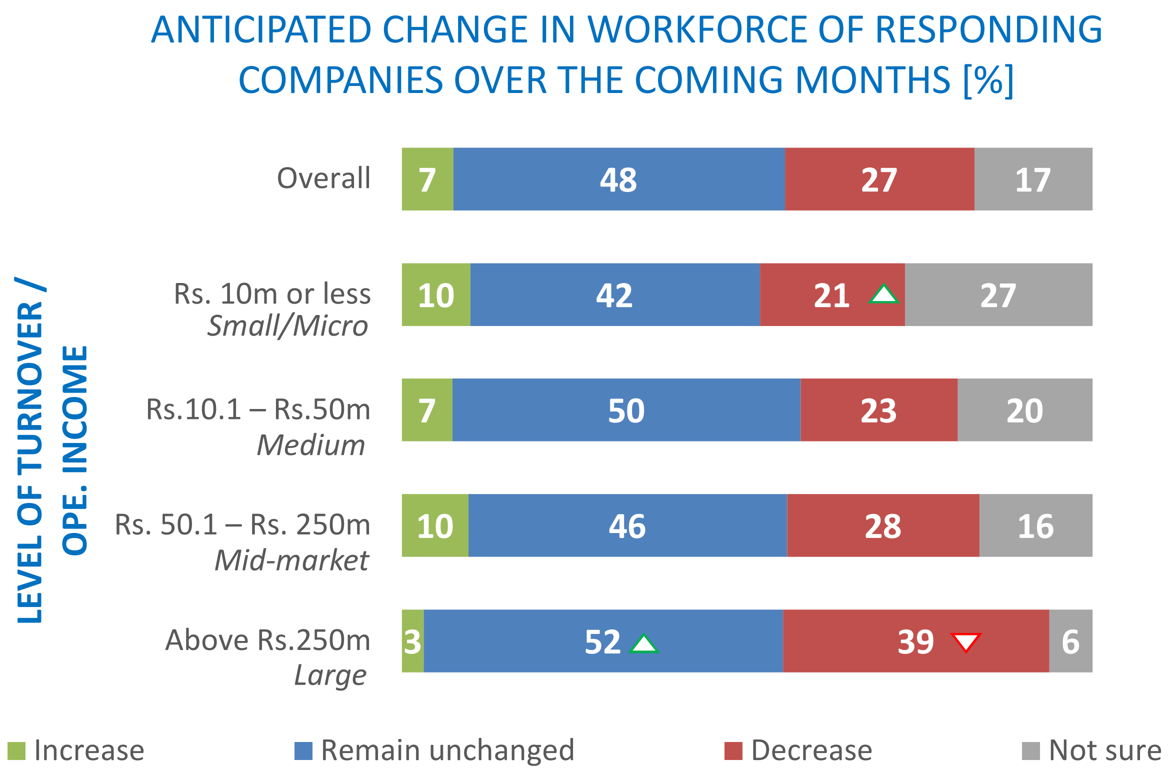
Base: *All private companies whose nature of business permits WFH*
Source: *D4_2: Does you workforce continue to work from home even after the end of COVID-19 lockdown*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

8.5 ANTICIPATED IMPACT ON WORKFORCE

Anticipated change in workforce

55% will maintain or increase their workforce, 27% anticipate a decline and 17% are uncertain



Base: *All responding private companies*
Source: G8: *Do you expect your organisation's workforce size to change over the next months due to the COVID-19 outbreak?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

9. BUSINESS MODELS TO BUILD RESILIENCE

Lessons learnt

COVID-19 has taught a valuable lesson of practicing barrier gestures to prevent communication of diseases at the workplace

69%
Practice barrier gestures regularly, wash hands, use handsanitiser

59%
Adequate health and safety preparations for staffs

29%
Application of Pandemic insurance to ensure all employees are well protected

19%
Offering of subscription- based products/ launch of e-commerce

1%
Be prepared for future outbreaks, and be pragmatic

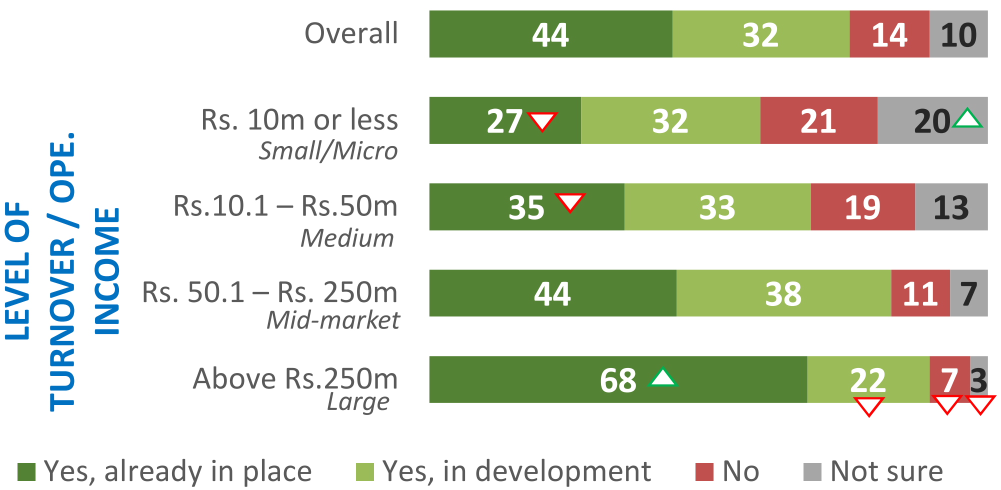
Base: *All responding private companies*
Source: G23: *What are the lessons that need to be retained from this pandemic?*

9.1 BUSINESS CONTINUITY

Presence of Business Continuity Plan [BCP]

44% already have a BCP in place
68% of Large Companies vs. 27% of Small SMEs.

By Level of turnover / Operating Income [%]



△ *Significantly higher proportion of companies*

▽ *Significantly lower proportion of companies*

Base: *All responding private companies*
Source: *G1: Does your organisation have a business continuity plan in place?*

Usefulness of Business Continuity Plan

93%

found their organisation's BCP to be very/somewhat useful in the current pandemic

Base: *All private companies already having Business Continuity plan in place or in development:176*
Source: G3: *How useful is your organisation's business continuity plan in the current COVID-19 pandemic?*

Presence of business continuity plan | Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

YES ALREADY IN PLACE: 44%

85% △
Finance & insurance

YES IN DEVELOPMENT 32%

48% △
Manufacturing

NOT SURE: 10%

20% △
Professional services

Base: *All responding private companies*
Source: *G1: Does your organisation have a business continuity plan in place?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Reasons for developing business continuity plan

Top 3

1. **61%** QUICK RECOVERY, RESUMING OPERATIONS

2. **23%** MINIMISE DOWNTIME

3. **12%** ASSET PROTECTION

Base: *All private companies already having Business Continuity plan in place or in development*
Source: G2: *What is the main reason your organisation decided to develop a business continuity plan?*

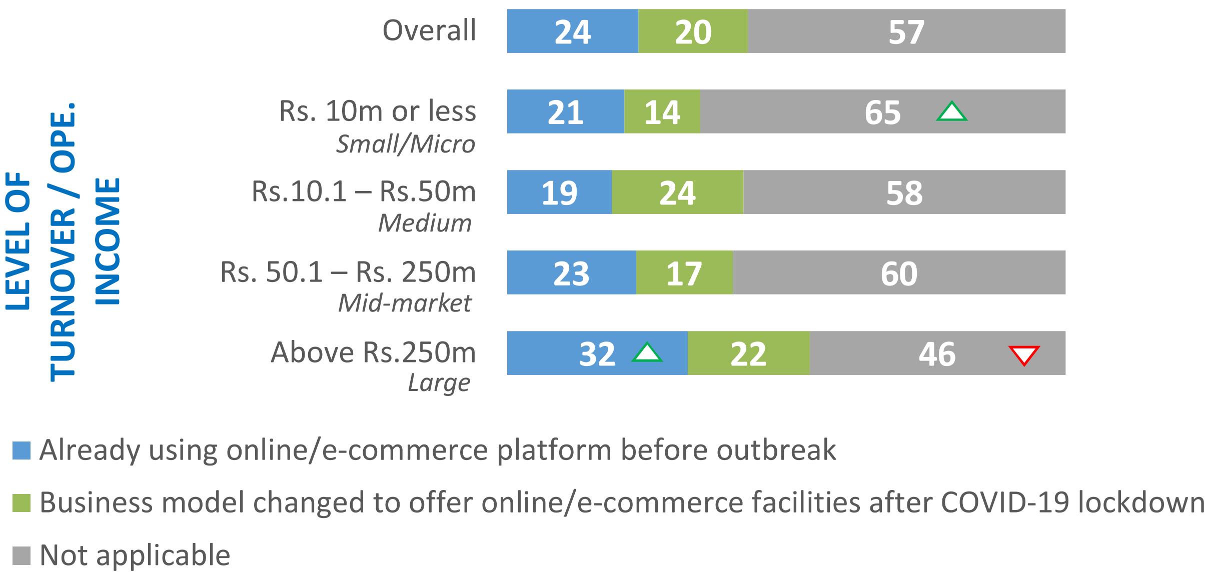
9.2 BUSINESS INNOVATIONS

Online platform/E-commerce to offer goods or services

20% adopted e-commerce with COVID-19

USE OF ONLINE/ E-COMMERCE PLATFORMS BY RESPONDING COMPANIES [%]

By Level of turnover/Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED:

ALREADY USING ONLINE/ E-COMMERCE PLATFORM

50%
Finance & insurance

32%
Accommodation & Food service

Base: *All responding private companies*
Source: G11: *Since the COVID – 19 outbreak, has there been an increase in your organisation's use of online platforms/e-commerce to offer goods or services?*

Significantly higher proportion of companies
Significantly lower proportion of companies

Adoption of E-commerce | Challenges faced

54%

Faced **NO** challenges

TOP 3 CHALLENGES FACED

1. **23%**

High website traffic resulting in crash of website

2. **17%**

Challenges with regards to receipt of payment from site

3. **15%**

Challenges with orders fulfillment, more orders v/s stock at hand

Base: *All private companies using online/e-commerce platforms.*

Source: G11.1: *What are the challenges you have faced from e-commerce activities during COVID -19 outbreak?*

Opportunities derived

COVID-19 pandemic has pushed companies to adapt for better resilience.

42%
Introduction of cost saving measures

42%
New ways of working such as WFH, flexible timing..

33%
Proactive preparation of Business Continuity Plan

27%
Manage changing customer expectations

16%
Developing e-commerce services

13%
Investment in technologies

11%
Promotion of environmentally sustainable project

10%
Establishment of research and development team to dig out opportunities

4%
Diversification of business lines e.g., manufacture of masks, sanitisers, PPEs

Base: *All private companies*
Source: G22: *What opportunities did your organisation derive from this pandemic?*

2021 Business strategies

Top 3

1.

49%

INCREASE MARKETING OR SALES

2.

41%

OBTAIN FINANCIAL ASSISTANCE

3.

26%

DEVELOP ONLINE SALES OR WEBSITES

OTHER STRATEGIES [%]

• Identify new supply chain options	**21**
• Learn how to better provide for the safety of customers and employees	**17**
• Identify and hire new employees	**10**
• Permanently close this business	**4**
• Re-evaluation of services and goods offered (new product developments)	**2**
• Downsize business by reducing workforce	**1**
• Review expenses (relocation outside Mauritius, decrease admin costs..)	**1**
• Apply for support measures from Government	**0.5**

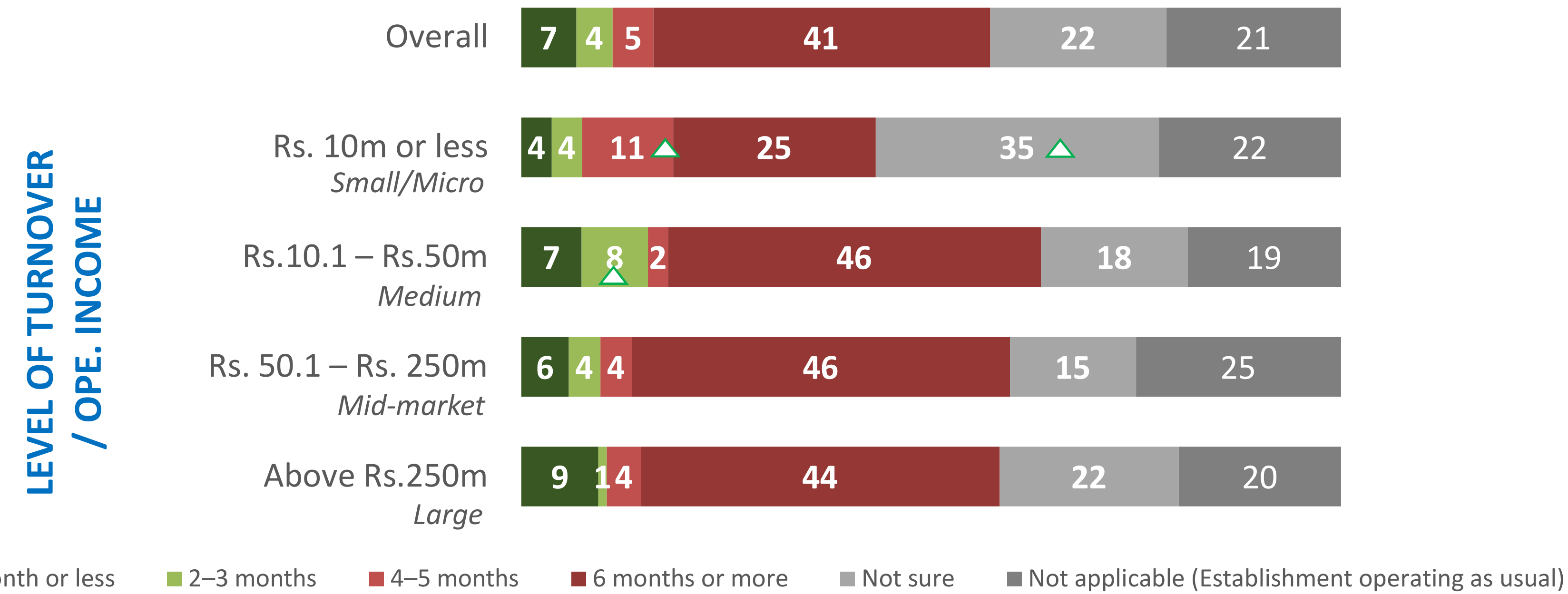
Base: *All responding private companies*
Source: G13: *In 2021, do you think your organisation will need to do any of the following?*

10. ANTICIPATION OF LONG-TERM IMPACT OF COVID-19 ON BUSINESSES

Expectation on resuming business as usual

41% anticipate it will take six months or more to resume business as usual, a further 22% are not sure what will happen.

EXPECTATION ON RESUMING BUSINESS AS USUAL OF RESPONDING COMPANIES [%]

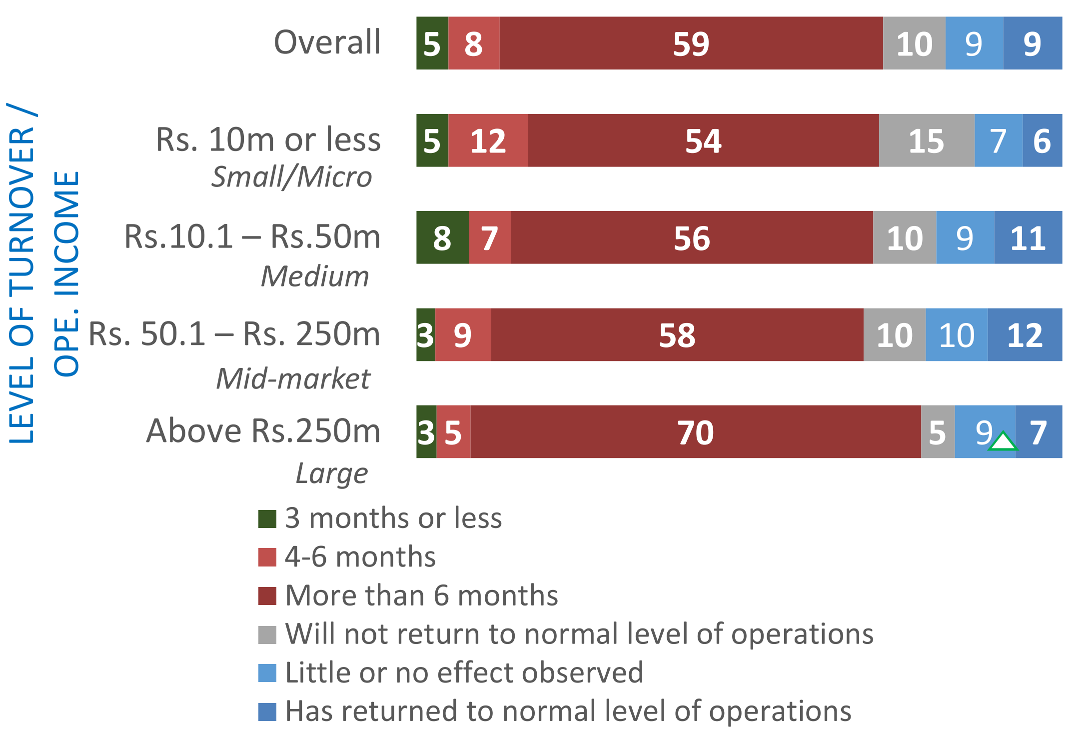


Base: *All responding private companies*
Source: G5: *How long do you think it will take your organisation to resume business as usual?*

Significantly higher proportion of companies
Significantly lower proportion of companies

Expected time to return to normal

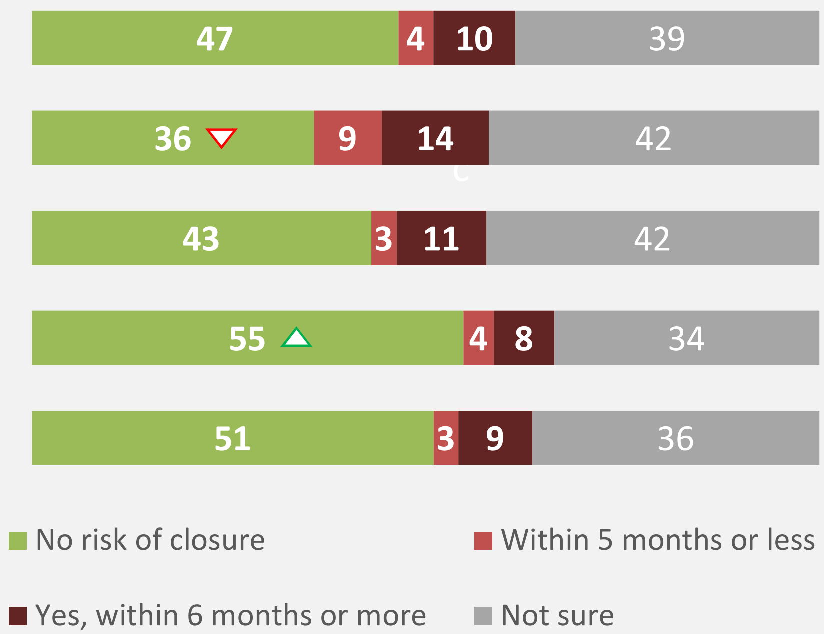
18% back to normal, 59% in >6 months and 10% Never.



Base: *All responding private companies*
Source: G19: *In your opinion, how much time do you think will pass before your organisation returns to its normal level of operations relative to one year ago?*

Risk of permanent business closure

14% foresee a risk of closure
High uncertainty



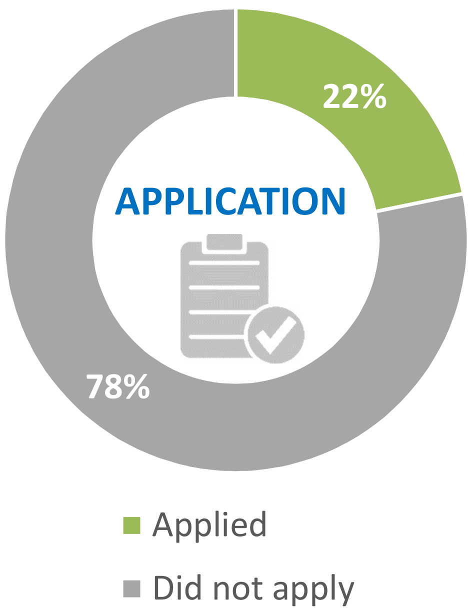
Base: *All responding private companies*
Source: G7: *Do you think there is a risk that your organisation will permanently shut down because of the COVID-19 crisis, and if so, when could this closure occur?*

11. GOVERNMENT SUPPORT MEASURES

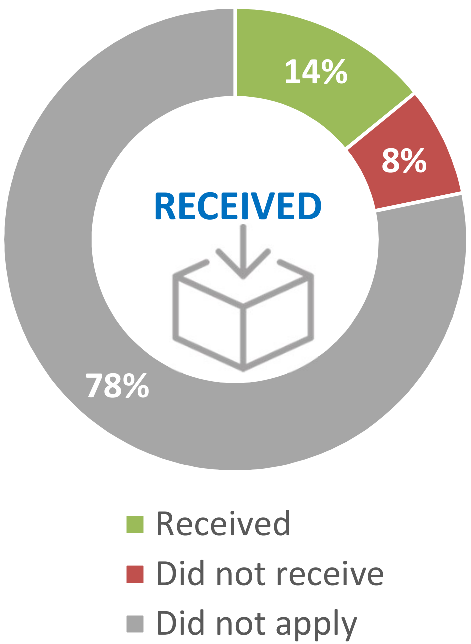
Government Support Measures [Excl. WAS]

from DBM, SME Equity Fund, BOM, SIC, ISP

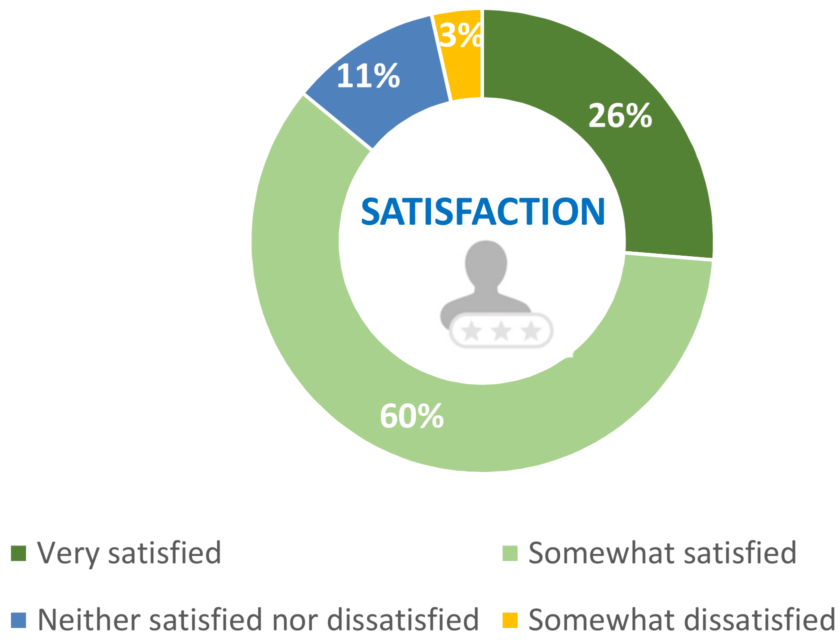
22% applied and only 14% received the required financial support.
Nearly all recipients [86%] were satisfied with the support received



Base: *All responding private companies*
Source: F0.A: *Has your organisation applied for any Government support from the DBM, SME Equity Fund, BOM, SIC, ISP?*



Base: *All responding private companies*
Source: F0.B: *Did you receive the required financial support from the above institutions DBM, SME Equity Fund, BOM, SIC, ISP?*



Base: *All responding private companies receiving Govt. Support*
Source: F0.C: *How far were you satisfied with the quality of service received from (DBM, SME Equity Fund, BOM, SIC, ISP)?*

Government support received

Top 3

1. **82%** — Government Wage Assistance Scheme

2. **21%** — No penalty and interest for late filing

3. **14%** — Extension of time to pay taxes

Base: *All responding private companies*
Source: F1: *Since the outbreak of COVID-19, has your organisation received any of the following government support measures issued in response to the crisis?*

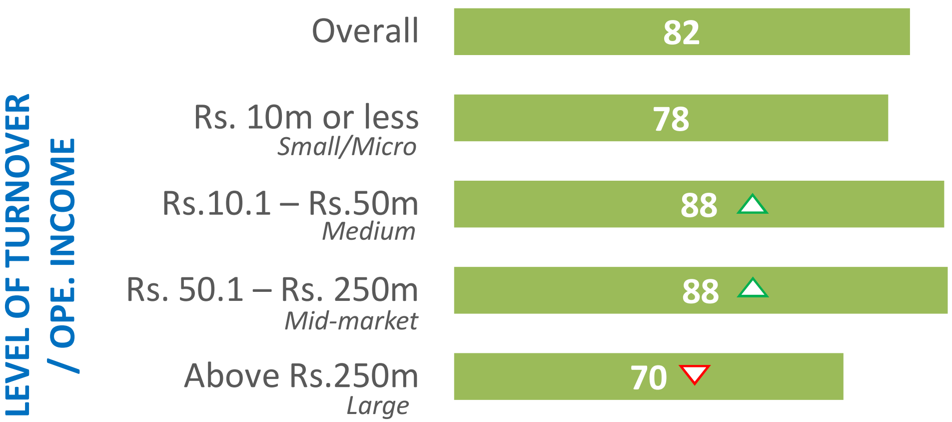
OTHER GOVERNMENT SUPPORT MEASURES RECEIVED [%]

• **No administrative penalties charged for late filing by the FSC and report obligations due for end March 2020**	**8**
• **Acceptance of email notifications and late filings as well as assistance...**	**8**
• Not required, no request made for government supports	5
• Deduction of the amount donated/contributed to the COVID-19 Solidarity fund from the taxable income	4
• Financial assistance from “Plan de Soutien” set up by The State Investment Corporation Limited...	4
• USD/MUR swap arrangement of a value of USD100 million initiated by BOM...	2
• Reduced electricity consumption rates for small businesses	1
• Loans from Bank of Mauritius through commercial banks	1

Government Wage Assistance Scheme [GWAS] received

82% received GWAS … more Medium [88%] and Mid-market [88%] Companies

% OF COMPANIES RECEIVING OF GWAS
By Level of turnover / Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED IN:

RECEIVED GWAS

93% △
Manufacturing

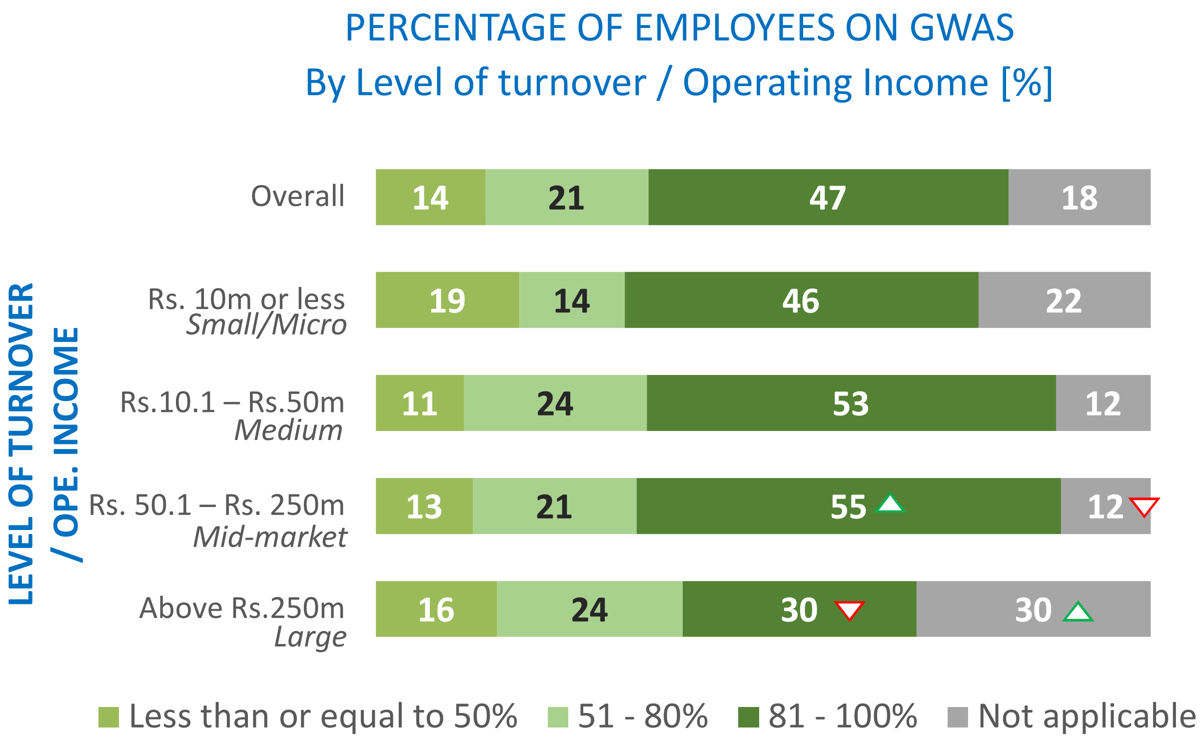
92% △
Accommodation & food

Base: *All responding private companies*
Source: F1: *Since the outbreak of COVID-19, has your organisation received any of the following government support measures issued in response to the crisis?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Percentage of employees on GWAS

Between 81 – 100% of employees were on GWAS in 47% of companies…
… significantly higher among Mid-market companies [55%]

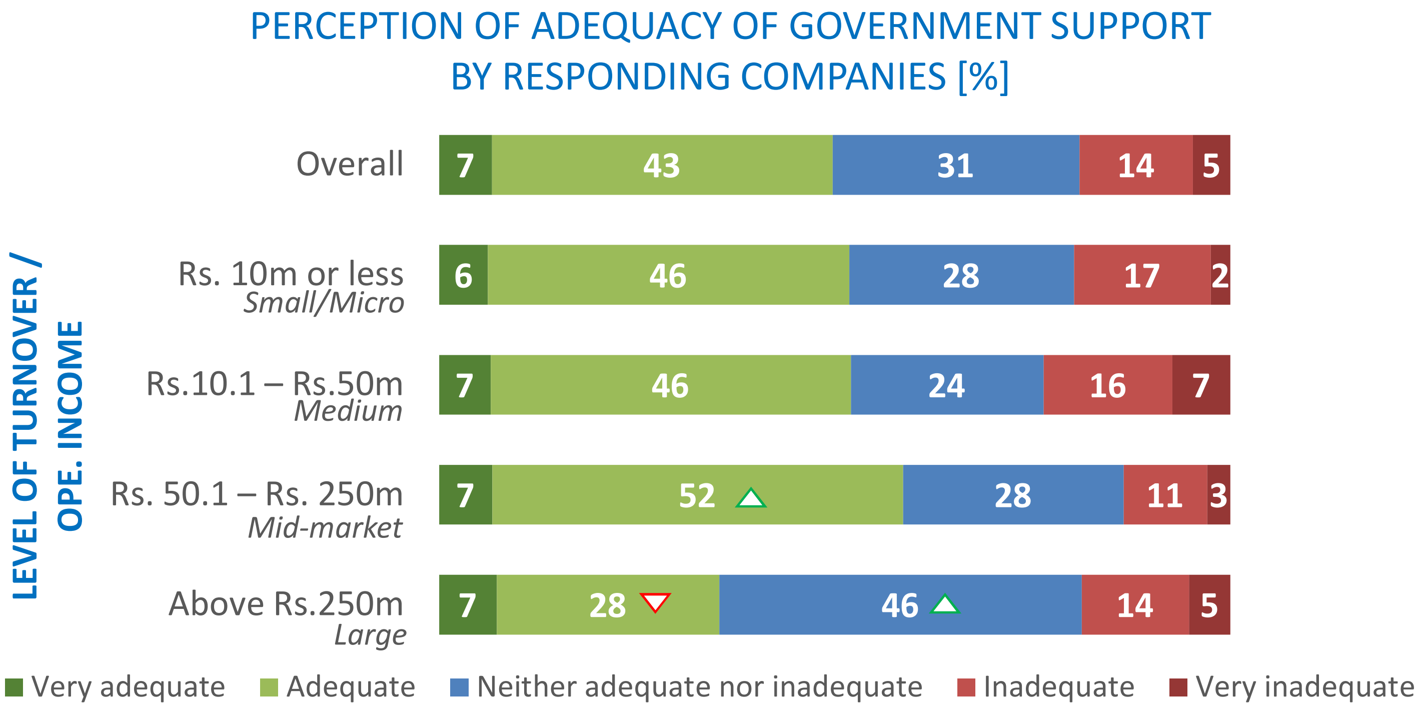


Base: *All responding private companies*
Source: F1_1: *What percentage [%] of your employees were on Wage Assistance Scheme?*

Significantly higher proportion of companies
Significantly lower proportion of companies

Adequacy of Government Support measures

51% find the Government support measures to be very adequate/adequate, more so among Mid-market enterprises [59%] and lesser among Large Companies [35%].



Base: *All responding private companies*
Source: F2: *Have the government's support measures been adequate to help your organisation cope with the COVID-19 impacts?*

△ *Significantly higher proportion of companies*
▽ *Significantly lower proportion of companies*

Helpfulness of Government support measures

Government support measures: most helpful to maintain labour force, more so within Accommodation and food sector [86%].

Top 3

1. **67%** Maintain labour force
2. **35%** Keep business open
3. **8%** Maintain prices

__Base:__ All responding private companies
__Source: F2.1:__ How have the government support measures been helpful?

12. FUTURE BUSINESS NEEDS IN TERMS OF SUPPORT

Top 5 Future Govt. Support Measures needed

61% would still request GWAS with some improvements

1. **61%** **Government Wage Assistance Scheme [GWAS]**

2. **19%** Financial assistance, loan and guarantee schemes and grants

3. **17%** Reduction or waiving of Taxes and Charges

4. **11%** Opening of borders with adequate sanitary measures in place

5. **10%** WFH policy and tax credit for companies affected

Base: All responding private companies
Source: G4: Which of the following government measures would be most helpful as your organisation copes with the COVID-19 crisis?
Source: G20: What other government interventions would you like to have?

13. WAY FORWARD

Way Forward [1/2]

Overall, the survey confirms that businesses are in a serious situation, with poor visibility and likely adverse impacts on finances, employment and investment over the coming months.

Areas for further discussion

1. **Private sector investment**
   Public Investment has its limits. It will be key to understand and agree where private investment is most needed and how it will be mobilised.

2. **Labour market**
   Quality of jobs/skills mismatch are to be addressed to ensure that companies have the required resources to re-invent themselves and face the challenges ahead.

3. **Competitiveness and agility of businesses**
   Identify ways to help companies increase their competitiveness and become more agile.

4. **Work from Home practices, e-commerce and Business Continuity Planning**
   These are potential solutions in the face of the current situation. Policies and facilities to be put in place to facilitate their implementation.

Way Forward [2/2]

Follow-up surveys in 2021
This exercise will be followed by finer grained thematic and sectoral surveys.

The main survey will be repeated in 6 months.

Areas for further discussion

5. **Investment in sustainability**
Understanding that companies will continue to invest in sustainability, further discussions will be required on how to maintain investment in priority areas.

6. **Gender-related impacts**
Further analyse gender-related impacts and discuss how to help vulnerable female-led enterprises.

7. **Effective support measures for businesses**
To sustain business operations and employment, further discussions are required on GWAS and action plans are needed on favourable monetary and fiscal policies to improve business confidence and investment.

APPENDIX 1:
SURVEY METHODOLOGY

Sample Universe - Consolidation

SAMPLE UNIVERSE

METHODOLOGY

TARGET VS ACHIEVED

CHALLENGES

CAUTION

Consolidation of databases of companies received from **Business Mauritius, Statistics Mauritius and the 9 Partner Members of Business Mauritius** between 26th August and 8th September 2020.

TOTAL NUMBER OF COMPANIES FOLLOWING CONSOLIDATION = 5,419

Sample Universe - Cleaning

SAMPLE UNIVERSE

METHODOLOGY

TARGET VS ACHIEVED

CHALLENGES

CAUTION

- **Databases received had information missing such as** "Sector of Activity", "Company size“ and "Contact details“
- **Missing information** were added, as far as possible, from other databases, particularly using Statistics Mauritius database
- Companies with **no e-mail addresses and duplicates from the various databases** were removed
- Following consolidation and cleaning, the final database comprised of a total **2,707 companies**

Survey Methodology Followed

SAMPLE UNIVERSE

METHODOLOGY

TARGET VS ACHIEVED

CHALLENGES

CAUTION

SURVEY INTRODUCTION

- **Introductory letter** drafted by DCDM Research and amended by Business Mauritius in collaboration with UNDP …

… Sent **by Business Mauritius and its 9 Partner Members** to their respective members

- **Invitation mail with link sent** by DCDM Research

TARGET RESPONDENTS WERE…

- CEOs,
- Company Owners,
- Managing Directors,
- Department Heads & Managers

METHOD

CAWI [Web-survey] targeting the whole universe was adopted as per proposal

Regular call-backs were done to ensure mail is received, encourage to fill and provide help in filling

Weekly reminder mails were sent to increase participation

Fieldwork period was between
18th September – 14th October 2020

Survey methodology – Quality Control

SAMPLE UNIVERSE

METHODOLOGY

TARGET VS ACHIEVED

CHALLENGES

CAUTION

Strict quality control procedures were adopted throughout the data collection process to minimize possible interviewer and respondent errors such as:

- Ensuring the **right respondent** is being selected
- Continuously **monitoring of fieldwork** and reporting any problem to the Research Consultant for prompt and corrective measures
- **Fieldwork progress report** was shared with Business Mauritius on a weekly basis to track **Target vs Achieved** sample by sector of activity
- Further to fieldwork monitoring, **data quality monitoring** was done with already built-in logic checks within the questionnaire

Coverage by Sector of Activity

The achieved split by sector of activity is very well in line with the universe, with less than 3% deviation and a minimum response rate of 12% across sectors.

SECTOR OF ACTIVITY	UNIVERSE	% (a)	RESPONDING BUSINESSES	% (b)	VARIANCE (a – b)	RESPONSE RATE [%]
BASE	***2,707***	100	***404***	100	-	15
A. Agriculture, forestry and fishing	***106***	3.9	***18***	4.5	*-0.6*	17
B. Mining and quarrying	***7***	0.3	***4***	1.0	*-0.7*	57
C. Manufacturing	***471***	17.4	***75***	18.6	*-1.2*	16
D. Electricity, gas, steam and air conditioning supply	***20***	0.7	***3***	0.7	*0*	15
E. Water supply: sewerage, waste management and remediation activities	***5***	0.2	***4***	1.0	*-0.8*	80
F. Construction	***85***	3.1	***20***	5.0	*-1.9*	24
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	***471***	17.4	***59***	14.6	*2.8*	13
H. Transportation and storage	***102***	3.8	***12***	3.0	*0.8*	12
I. Accommodation and food service activities	***298***	11.0	***37***	9.2	*1.8*	12
J. Information and communication	***178***	6.6	***27***	6.7	*-0.1*	15
K. Financial and insurance activities	***163***	6.0	***20***	5.0	*1.0*	12
L. Real estate activities	***40***	1.5	***5***	1.2	*0.3*	13
M. Professional, scientific and technical activities	***380***	14.0	***49***	12.1	*1.9*	13
N. Administrative and support service activities	***129***	4.8	***25***	6.2	*-1.4*	19
P. Education	***93***	3.4	***14***	3.5	*-0.1*	15
Q. Human health and social work activities	***70***	2.6	***14***	3.5	*-0.9*	20
R. Arts, entertainment and recreation	***42***	1.6	***8***	2.0	*-0.4*	19
S. Service activities not elsewhere classified	***40***	1.5	***9***	2.2	*-0.7*	23
Conglomerate	***3***	0.1	***1***	0.2	*-0.1*	33
Not stated	***4***	0.1	***0***	-		-

Major challenges faced during follow-up calls and e-mails

TELEPHONE FOLLOW-UPS

Out of total 2,159 telephone calls made...

12%
Incorrect contact details had to be corrected

2%
Hard refusals Expressed either over the phone or through the survey link

0.4%
Company not found

1%
No answer, unreachable

REMINDER EMAILS

Final email status of 2,707 companies were..

80%
Email address were good

2%
Mailbox full, mail did not reach recipient

4%
Unable to deliver, bounce backs

13%
Email address unknown/ incorrect

CAVEAT

SAMPLE UNIVERSE

METHODOLOGY

TARGET VS ACHIEVED

CHALLENGES

CAUTION

SECTOR OF ACTIVITY

Universe classification by Sector of activity [SOA] is sourced from the databases received. **Some companies were classified under several SOAs.**

In most cases, the **responding company's classification was favoured**, except where it was obvious that the company was **wrongly classified** considering its main sector of activity.

COMPANY SIZE BY TURNOVER

Information on company sizes for several companies were missing in the universe; Hence, comparison against the universe on achieved sample was not feasible.

For reporting purposes we have relied on the information provided by the respondents to do our analysis.

INTERPRETATION OF RESULTS

For some results **analysis are done on an overall** and by company size level. Analysis by sector of activities are not always shown for all sectors due to small sub-sample sizes.

The achieved split by sector of activity is very well in line with the universe, with less than 3% deviation and a minimum response rate of 12% across sectors.

APPENDIX 2: QUESTIONNAIRE

Offices in
Mauritius| Réunion| Madagascar| Seychelles

DCDM Research
10, Rémy Ollier Street
Port-Louis, Mauritius
T +230 405 7850
E contact@dcdmresearch.com

www.dcdmresearch.com

DCDM RESEARCH