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the People of Japan



Empowered lives.
Resilient nations.

Report on Follow-up Business Survey to Assess the Impact of Covid - 19 Outbreak in Mauritius

Business Mauritius and Statistics Mauritius

September 2021



DCDM RESEARCH

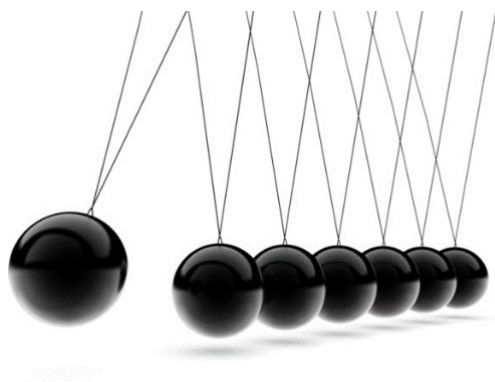
Acknowledgements

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The survey and drafting process were undertaken by DCDM Research, guided by a core technical team from Business Mauritius, Statistics Mauritius and UNDP. It was overseen by Survey Committee that included the AHRIM, AMM, BACECA, IAM, MBA, MCA, MCCI, MEXA and OTAM.

Appreciation also goes to the stakeholders in the private sector and Government experts who participated in the consultation process to enrich the report, despite the difficulty posed by the Covid-19 pandemic.

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1. INTRODUCTION



SETTING THE SCENE

COVID-19 continues to have a major and unprecedented impact on

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

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.

This is a follow-up to the first Business Survey [Sep-Oct 2020] conducted over the period of April to June 2021.

Just as for the first Business Survey, this is a strategic partnership between Business Mauritius and Statistics Mauritius.

Technical assistance received from UNDP Country Office in Mauritius

Funded under Japan Supplementary Budget

Survey conducted by DCDM Research

OVERALL SURVEY OBJECTIVE

The overall objective of the Survey is to assess and measure the changes in the post-covid-19 business conditions on Small, Medium and Large Businesses in Mauritius.

As a follow-up on the first study, it is expected to show the evolution of business situation over a period of 6 months, thus helping the formulation of policy recommendations for economic recovery and orientation.

SPECIFIC OBJECTIVES OF THE SURVEY ARE TO:

1. Assess the short-term, medium term and long-term impact of COVID-19 on business performance
2. Assess the 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 **Follow-up Business Survey**

Universe contacted = 2,709

Sample size achieved = 609

Target:

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

Fieldwork period:

20th April– 15th June 2021

**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

Sample by sector of activity

SECTOR OF ACTIVITY	Universe		Target		Realised Sample		Weighted Sample	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Agriculture, forestry and fishing	80	2.95	30	3.75	23	3.78	18	2.95
Mining and quarrying	8	0.30	8	1.00	4	0.66	2	0.30
Manufacturing	495	18.27	120	15.00	107	17.57	111	18.27
Electricity, gas, steam and air conditioning	11	0.41	10	1.25	5	0.82	2	0.41
Water supply; sewerage, waste management and remediation activities	7	0.26	7	0.88	3	0.49	2	0.26
Construction	106	3.91	30	3.75	22	3.61	24	3.91
Wholesale and retail trade [including repair of motor vehicles and motorcycles]	487	17.98	118	14.75	95	15.60	109	17.98
Transportation and storage	103	3.80	30	3.75	31	5.09	23	3.80
Accommodation and food service activities	285	10.52	70	8.75	63	10.34	64	10.52
Information and communication	154	5.68	35	4.38	27	4.43	35	5.68
Commercial Banks	17	0.63	17	2.13	5	0.82	4	0.63
Insurance activities	19	0.70	19	2.38	8	1.31	4	0.70
Other Financial and insurance activities	86	3.17	30	3.75	28	4.60	19	3.17
Real estate	53	1.96	30	3.75	17	2.79	12	1.96
Professional, scientific and technical activities	367	13.55	85	10.63	76	12.48	83	13.55
Administrative and support service activities	133	4.91	30	3.75	22	3.61	30	4.91
Education	91	3.36	30	3.75	19	3.12	20	3.36
Human health and social work activities	63	2.33	30	3.75	17	2.79	14	2.33
Arts, entertainment and recreation	68	2.51	30	3.75	18	2.96	15	2.51
Other service activities	65	2.40	30	3.75	13	2.13	15	2.40
Group	11	0.41	11	1.38	6	0.99	2	0.41
Grand Total	2709	100.00	800	100.00	609	100.00	609	100.00

PROFILE OF RESPONDING COMPANIES

MAJOR GROUP

3%

23%

74%



PRIMARY

SECONDARY

TERTIARY

EXPORT VS. DOMESTIC

31%

69%



EXPORT-
ORIENTED

DOMESTIC-
ORIENTED

COMPANY SIZE BY NUMBER OF EMPLOYEES

1 – 10 20%

11 – 50 44%

51- 249 22%

Above 250 14%

COMPANY SIZE BY TURNOVER

24%



MICRO / SMALL SME

Rs 10m or less

32%



MEDIUM SME

Rs. 10.1 – 50m

25%



MID-MARKET

Rs. 50.1 – 250m

19%



LARGE

> Rs. 250m

POSITION OF RESPONDENT

57%



CEO
DIRECTORS

43%



SENIOR
MANAGEMENT

HEAD OF BUSINESS

79%



MALE-LED

21%



FEMALE-LED

WEIGHTED BASE: 609



2. IMPACT ON BUSINESS' CAPACITY TO OPERATE



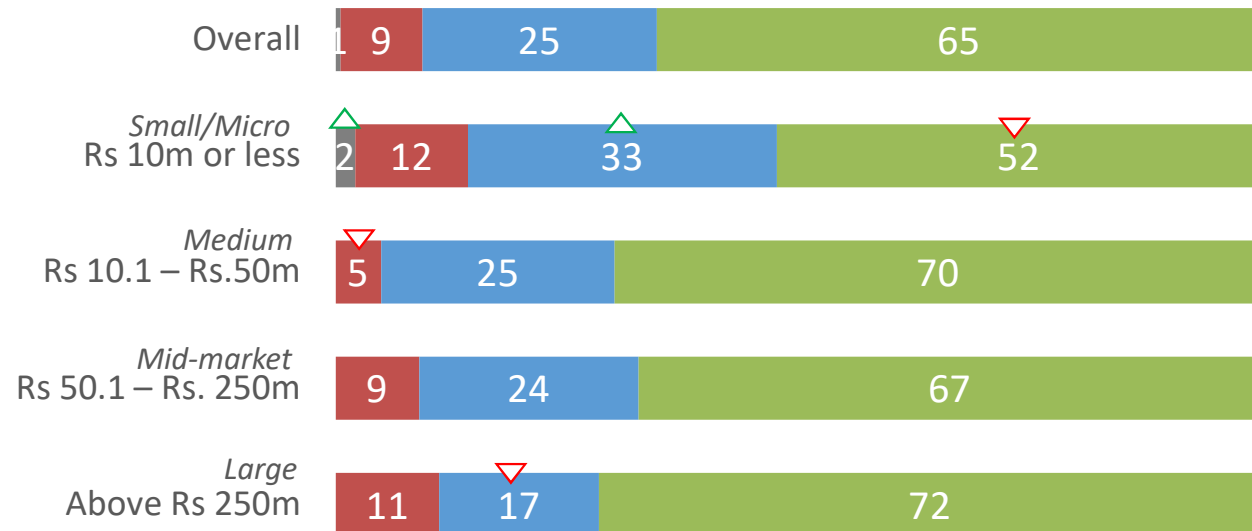
Current operating Status [Apr-Jun 2021]

90% of responding companies currently operating:
 65%, normally [vs. 78% in 2020] and 25%, partially
 Small SMEs more severely hit with only 52% operating normally [vs. 72% in 2020]
 and 2% winding up ... mainly SMEs in the Manufacturing Sector [9%]

CURRENT OPERATING STATUS OF RESPONDING COMPANIES [%]

By Level of turnover/Operating Income[%]

LEVEL OF TURNOVER
/ OPE. INCOME



■ Currently winding up our business ■ Temporarily closed ■ Operating partially ■ Operating normally



Significantly higher
proportion of companies



Significantly lower
proportion of companies



Weighted Base: All responding private companies

Source: B1: Currently, is your organisation open, temporarily closed, or permanently closed?

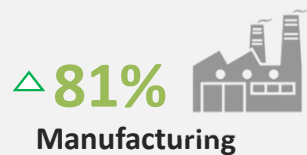


Current operating Status [Apr-Jun 2021]

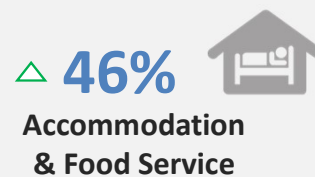
Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

OPERATING NORMALLY



OPERATING PARTIALLY



STILL TEMPORARILY CLOSED



CURRENTLY WINDING UP



Unweighted 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*



Major reasons for temporary closure/wind-up of organisations [Apr-Jun 2021]

9% temporarily closed due to:

Sanitary constraints [80%], which
have been relaxed since June 2021

Insufficient demand [21%]

Cashflow issues [16%]

1% currently winding up business:

33% of whom mentioned sanitary
constraints as the key reason for
winding up

Weighted Base: All responding private companies who have temporarily closed or winding up: n= 57

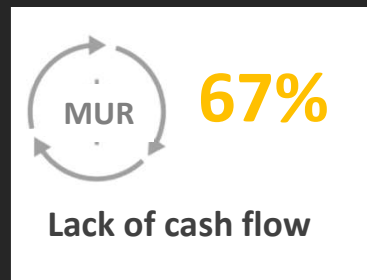
Source: B1.1: : What are the main reasons why your organisation is currently temporarily closed or winding up?



3. IMPACT ON COMPANIES' COMMERCIAL PERFORMANCE

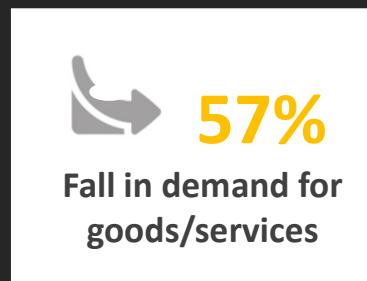


2 Key challenges anticipated in 2021



APRIL-SEPT
2020

53%



67%

Next Top 8 Challenges...



36%

Foreign Exchange rates affecting prices of imports



19%

Foreign supplier delays



12%

Delays in delivery / shipping to customers



10%

Shortage of raw materials



7%

Production delays at this business



4%

Domestic supplier delays suppliers



4%

Border closure

Weighted Base: All responding private companies

Source: G12: What will be the top three challenges facing your organization in 2021?

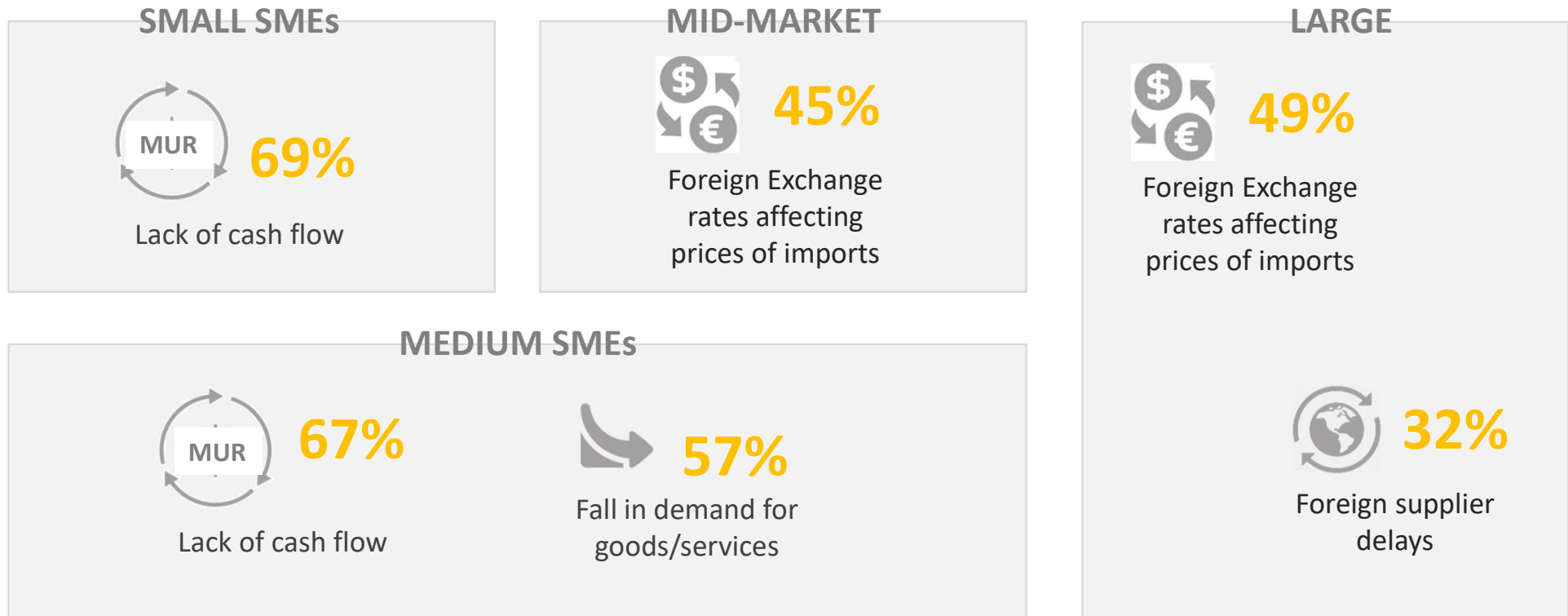
Weighted Base: All responding private companies

Source: G12.1: What will be the top challenge facing your organization in 2021?
G12.2: What will be the next key challenge facing your organisation in 2021?

Key challenges in 2021

By Size of Company

SIGNIFICANT DIFFERENCES NOTED:



Weighted Base: All responding private companies

Source: G12: What will be the top three challenges facing your organization in 2021?



Significantly higher
proportion of companies



Significantly lower
proportion of companies



Key challenges in 2021 | Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



Unweighted Base: All responding private companies

Source: G12: What will be the top three challenges facing your organization in 2021?



*Significantly higher
proportion of companies*



*Significantly lower
proportion of companies*



3.1 IMPACT ON SALES



Observed & Expected Decline in Sales

COVID-19 is still impacting majority of the businesses:

69% observed a decline in sales in 2020 vs 2019

40% still anticipate a decline in sales in 2021 vs 2020; more Small SMEs impacted

Yet, overall, 45% expect Sales to either increase or remain unchanged in 2021 vs. 2020

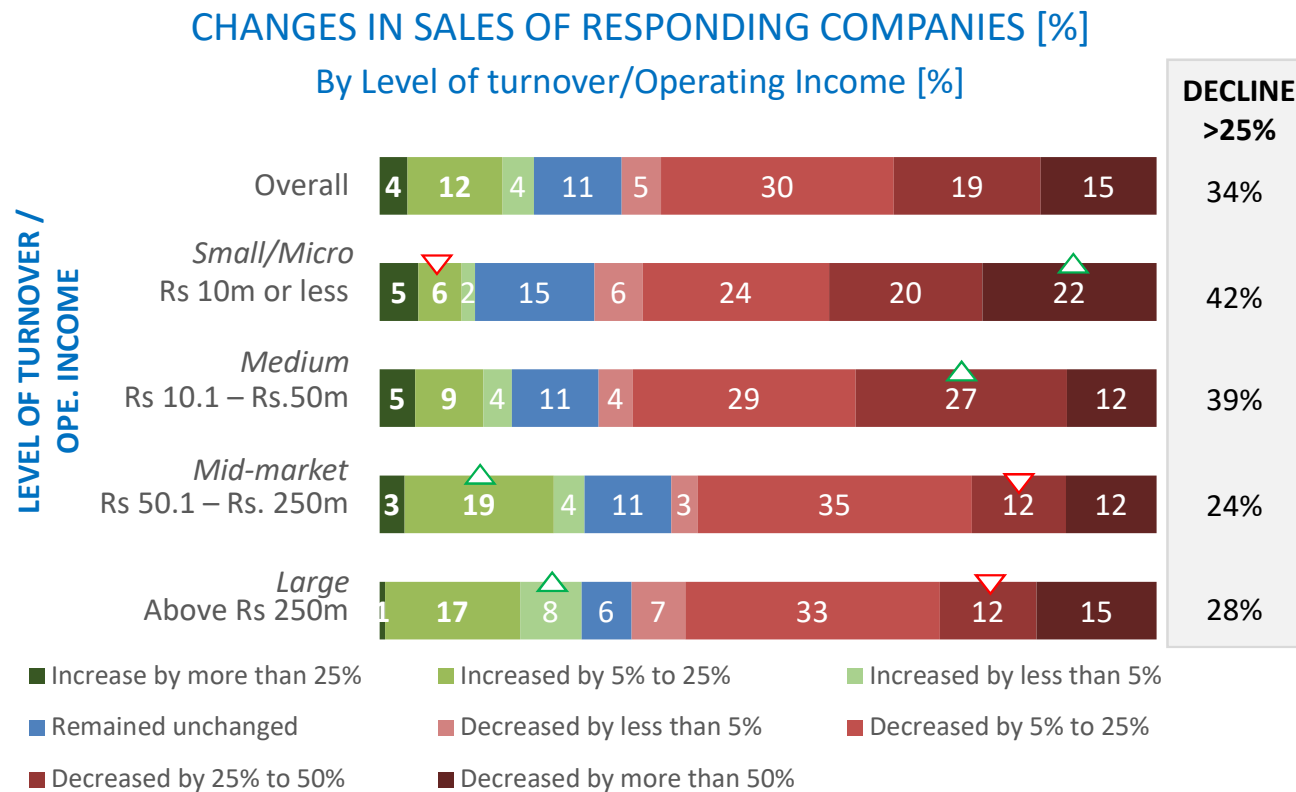
	% OBSERVING DECLINE IN SALES	% ANTICIPATING INCREASE OR NO CHANGE IN SALES		% ANTICIPATING DECLINE IN SALES	
	2020 vs. 2019	2021 vs 2020	2021 vs. 2019	2021 vs 2020	2021 vs. 2019
OVERALL	69	45	32	41	54
Small/ Micro	72	37	29	42	51
Medium	72	43	26	43	62
Mid-market	63	49	39	40	53
Large	68	53	39	35	48

Magnitude of change in Sales [2020 vs. 2019]

69% registered a decline in sales in 2020 vs. 2019

34% experienced a more than 25% decline

20% recorded an increase in sales ... More of Mid-market [26%] and Large companies [26%]



Weighted Base: All responding private companies

Source: B4: Comparing your organisation's sales/income for the year 2020 versus 2019, would you say the approximate percentage [%] change in your organisation's sales/income

Magnitude of change in Sales [2020 vs. 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

**UP TO 25% INCREASE
IN SALES**



**Financial and
insurance activities**

**REMAIN
UNCHANGED**




**Professional, Scientific
& Technical services**


**≥5% DECLINE IN
SALES**



Unweighted Base: All responding private companies

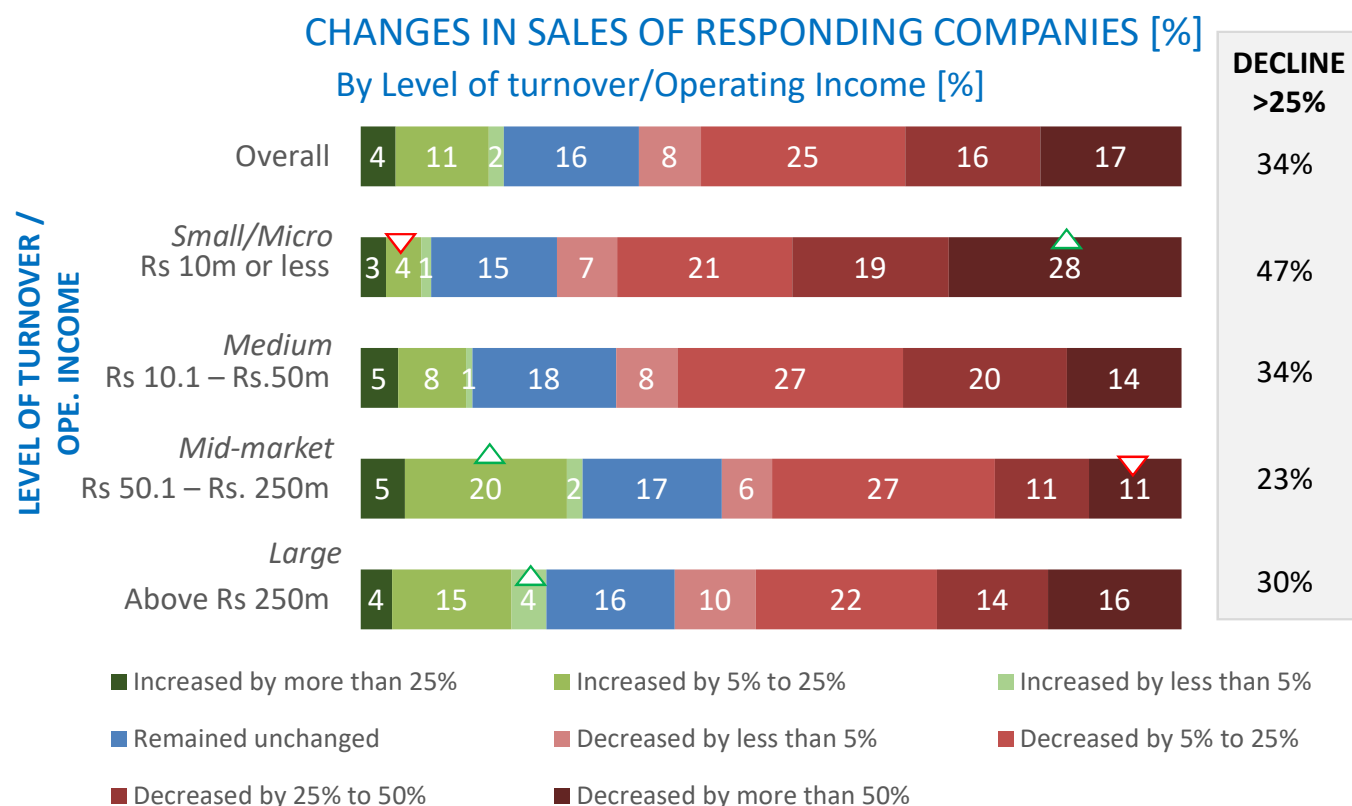
Source: B4: Comparing your organisation's sales/income for the year 2020 versus 2019, would you say the approximate percentage [%] change in your organisation's sales/income

 *Significantly higher
proportion of companies*

 *Significantly lower
proportion of companies*

Magnitude of change in Sales [Jan-Mar 2021 vs. Jan-Mar 2020]

61% continued to face decreases in sales in Q1 2021 vs. Q1 2020
Sales declined by >25% for 34% and by >50% for 28% of Small SMEs, while
20% of Mid-market companies saw their sales increases by 5% to 25%



Weighted Base: All responding private companies

Source: B4.A: Comparing your organisation's sales/income for Jan-Mar 2021 with Jan-Mar 2020, would you say the approximate percentage [%] change in your organisation's sales/income

Magnitude of change in Sales [Jan-Mar 2021 vs. Jan-Mar 2020]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

**> 25% INCREASE IN
SALES**



8% △

Manufacturing



11% △

Information &
Communication

**UP TO 25% INCREASE
IN SALES**



29% △

Financial and
insurance activities

**>50% DECLINE IN
SALES**



62% △

Accommodation
& Food Service

Unweighted Base: All responding private companies

Source: B4.A: Comparing your organisation's sales/income for Jan-Mar 2021 with Jan-Mar 2020, would you say the approximate percentage [%] change in your organisation's sales/income



Significantly higher
proportion of companies



Significantly lower
proportion of companies

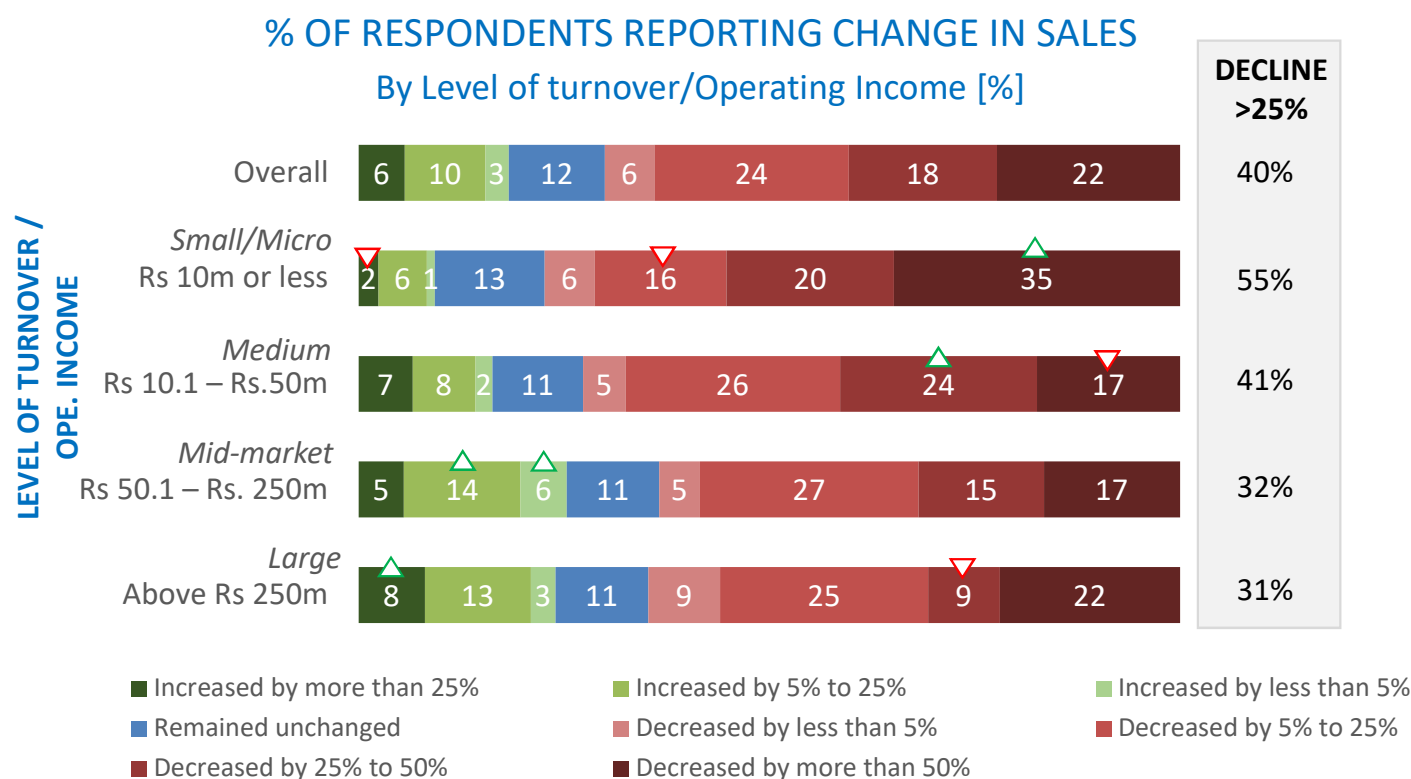


Magnitude of change in Sales [Jan-Mar 2021 vs. Jan-Mar 2019]

70% reported a decline in sales in Q1 2021 vs. Q1 2019

Decline exceeded 25% for 40% of the companies and >50% for 35% of Small SMEs

25% of Mid-market and 24% of Large Companies reported sales increases over the same period



Weighted Base: All responding private companies

Source: B4.B: Comparing your organisation's sales/income for Jan-Mar 2021 with Jan-Mar 2019, would you say the approximate percentage [%] change in your organisation's sales/income

▲ Significantly higher proportion of companies
▼ Significantly lower proportion of companies

Magnitude of change in Sales [Jan-Mar 2021 vs. Jan-Mar 2019] | Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

**UP TO 25% INCREASE
IN SALES**



22% 

Information &
Communication



27% 

Financial and
insurance activities

**25 - 50% DECLINE
IN SALES**



25% 

Wholesale and
retail trade

**>50% DECLINE IN
SALES**



75% 

Accommodation
& Food Service

Unweighted Base: All responding private companies

Source: B4.B: Comparing your organisation's sales/income for Jan-Mar 2021 with Jan-Mar 2019, would you say the approximate percentage [%] change in your organisation's sales/income



*Significantly higher
proportion of companies*

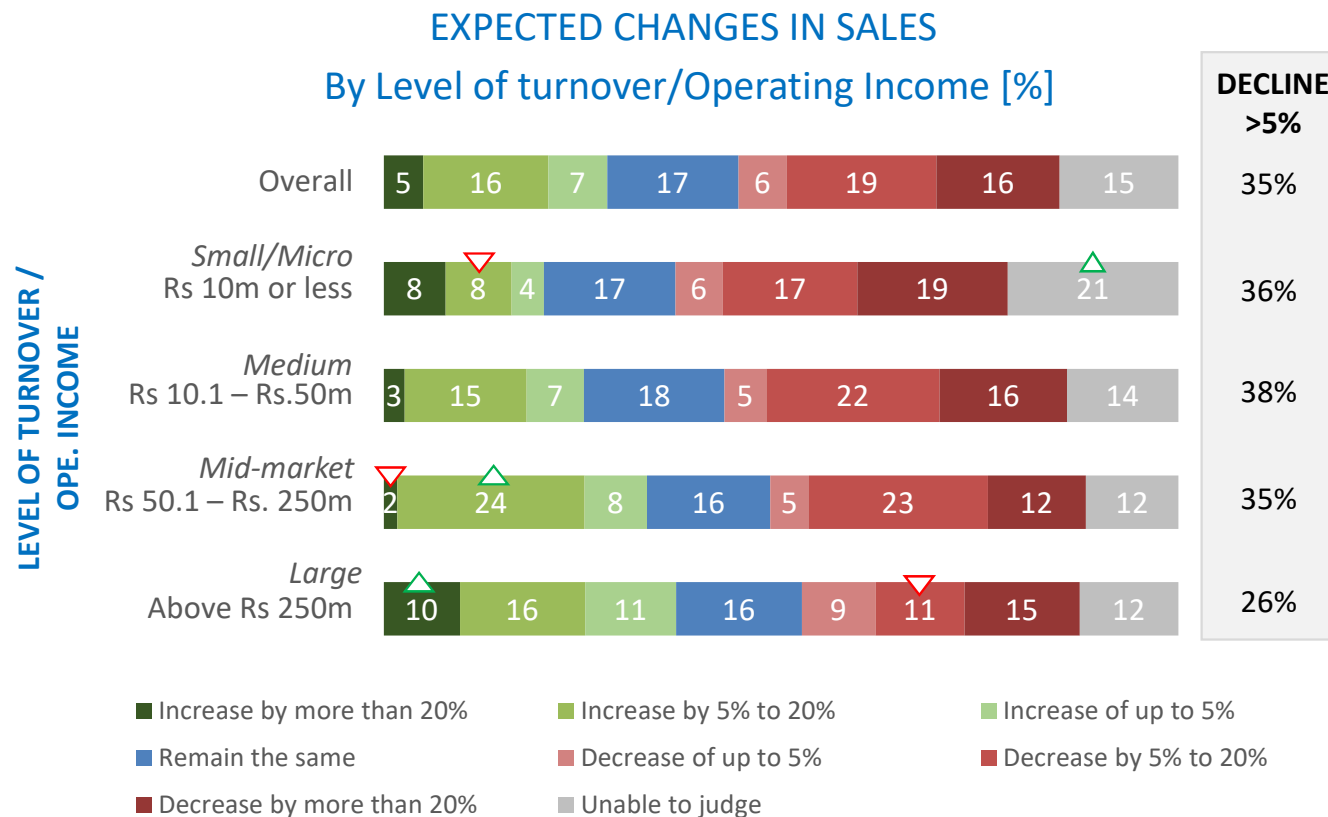


*Significantly lower
proportion of companies*



Anticipated change in Sales [2021 vs. 2020]

41% expect their sales to decline, while 28% expect an increase and 17% no change in sales in 2021 vs 2020
 15% express uncertainty, higher among Small SMEs [21%]
 Comparatively, 37% of Large and 34% of Mid-market Companies expect sales to increase in 2021 vs. 2020



Anticipated change in Sales [2021 vs. 2020]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

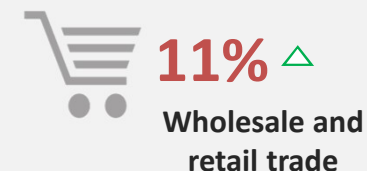
**UP TO 20% INCREASE
IN SALES**



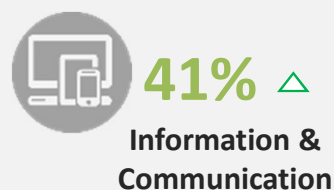
REMAIN THE SAME



**UP TO 5% DECLINE
IN SALES**



**≥5% INCREASE IN
SALES**



**>20% DECLINE IN
SALES**



Unweighted Base: All responding private companies

Source: B4.C: How do you expect your organisation's sales/income to evolve in 2021 compared to 2020?



Significantly higher
proportion of companies



Significantly lower
proportion of companies



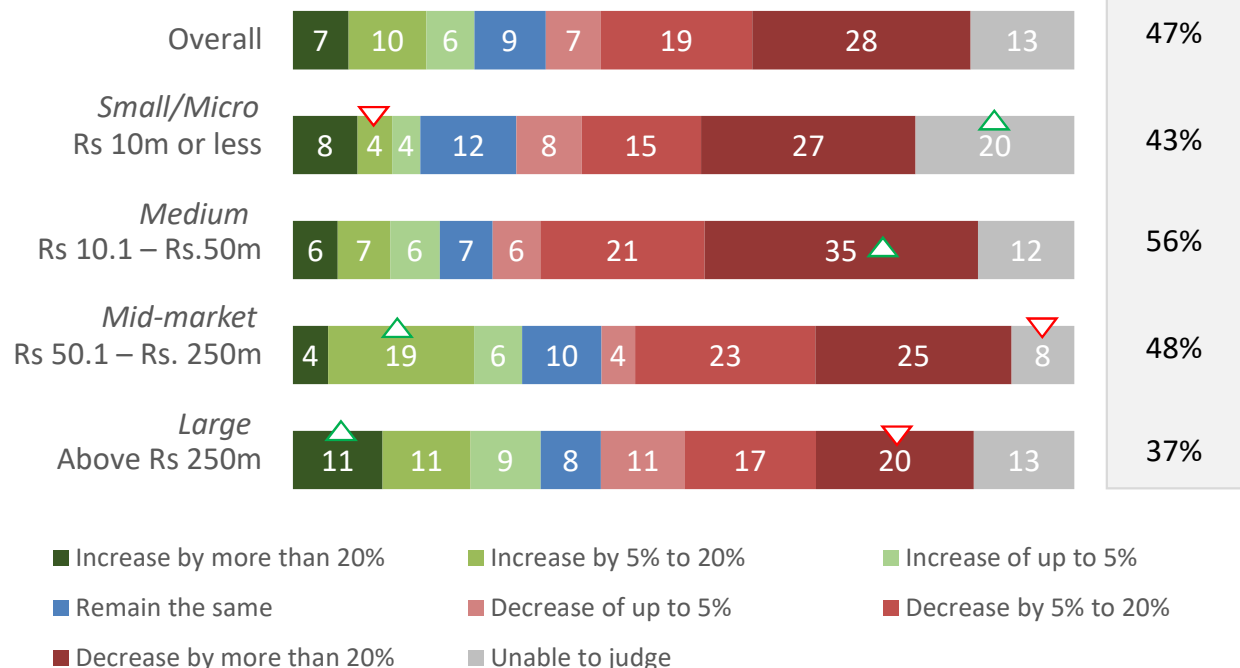
Anticipated Impact on Sales [2021 vs. 2019]

54% expect a decline in sales in 2021 vs. 2019 ... 62% of Medium SMEs
Comparatively, 23% expect an increase in sales in 2021 vs. 2019
Higher uncertainty expressed by Small SMEs [20%]

EXPECTED CHANGES IN SALES

By Level of turnover/Operating Income [%]

LEVEL OF TURNOVER /
OPE. INCOME



DECLINE

>5%

47%

43%

56%

48%

37%

SIGNIFICANT DIFFERENCES NOTED:

>5% INCREASE IN SALES



37% ▲

Information &
Communication

REMAIN THE SAME



21% ▲

Other Financial and
insurance activities



Significantly higher
proportion of companies



Significantly lower
proportion of companies



28

Weighted Base: All responding private companies

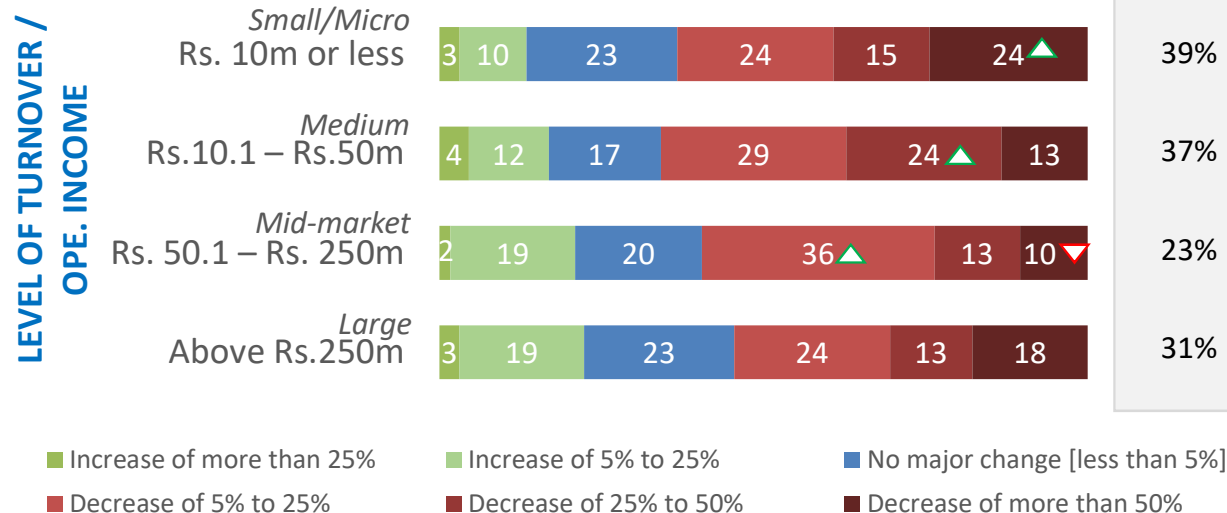
Source: RA D: How do you expect your organisation's sales/income to evolve in 2021 compared to 2019?

Anticipated impact on turnover [FY- 2020/2021 vs 2019/2020]

61% expect a lower turnover in FY 2020/2021 vs. 2019/2020,
while 20% anticipate no major change and 18% expect a rise in their turnover levels
24% of Small SMEs anticipate more than 50% decline in their turnover

IMPACT ON TURNOVER OF RESPONDING COMPANIES [%]

By Level of turnover / Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED:

>25% INCREASE
7% ▲
 Professional, Scientific & Technical services

5 - 25% DECLINE
48% ▲
 Transportation & storage

>25% DECLINE
76% ▲
 Accommodation & Food Service

Weighted Base: All responding private companies

Source: G15: What will be the expected level of change in turnover/operating income for the current financial year 2020/2021 compared to 2019/2020?

▲ Significantly higher proportion of companies

▼ Significantly lower proportion of companies

3.2 IMPACT ON PROFITABILITY



Observed & Expected Decline in Profitability

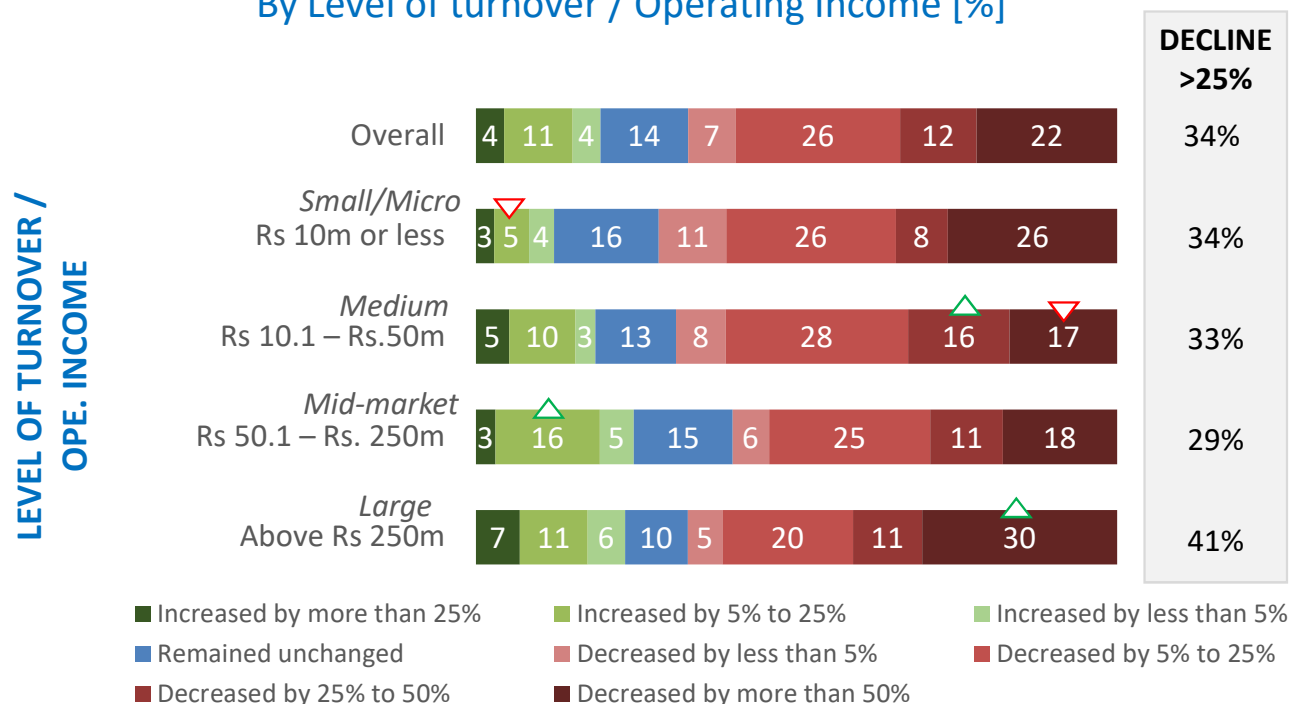
67% reported a decline in their profitability in 2020 vs. 2019
Slightly less [52%] expect their profitability to decline in 2021 vs. 2019 ...
11% expect no change in profitability, while 22% anticipate an increase

	% OBSERVING A DECLINE IN PROFITABILITY	% ANTICIPATING INCREASE OR NO CHANGE IN PROFITABILITY	% ANTICIPATING DECLINE IN PROFITABILITY
	2020 vs. 2019	2021 vs. 2019	2021 vs. 2019
OVERALL	67	33	52
Small/ Micro	72	32	45
Medium	69	31	54
Mid-market	60	37	52
Large	67	36	55

Magnitude of change in Profitability [2020 vs 2019]

67% reported a decline in profitability in 2020 vs. 2019 [against 77% in Apr-Sep 2020 vs. Apr-Sep 2019]
 34% experienced more than 25% decline in their profitability ...
 More of Large Companies [41%]

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



Weighted Base: All responding private companies

Source: E1: Comparing your organisation's financial profitability in 2020 versus 2019 has the approximate percentage [%] change in financial performance?

Significantly higher proportion of companies

Significantly lower proportion of companies

Magnitude of change in Profitability [2020 vs 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

GENERALLY INCREASED



Finance & Insurance
Activities

5% - 25% DECLINE



Manufacturing

25% - 50% DECLINE



Manufacturing

REMAIN THE SAME



Professional, Scientific
& Technical services

> 50% DECLINE



Accommodation
& Food Service

Unweighted Base: All responding private companies

Source: : E1: Comparing your organisation's financial profitability in 2020 versus 2019 has the approximate percentage [%] change in financial performance?



Significantly higher
proportion of companies



Significantly lower
proportion of companies

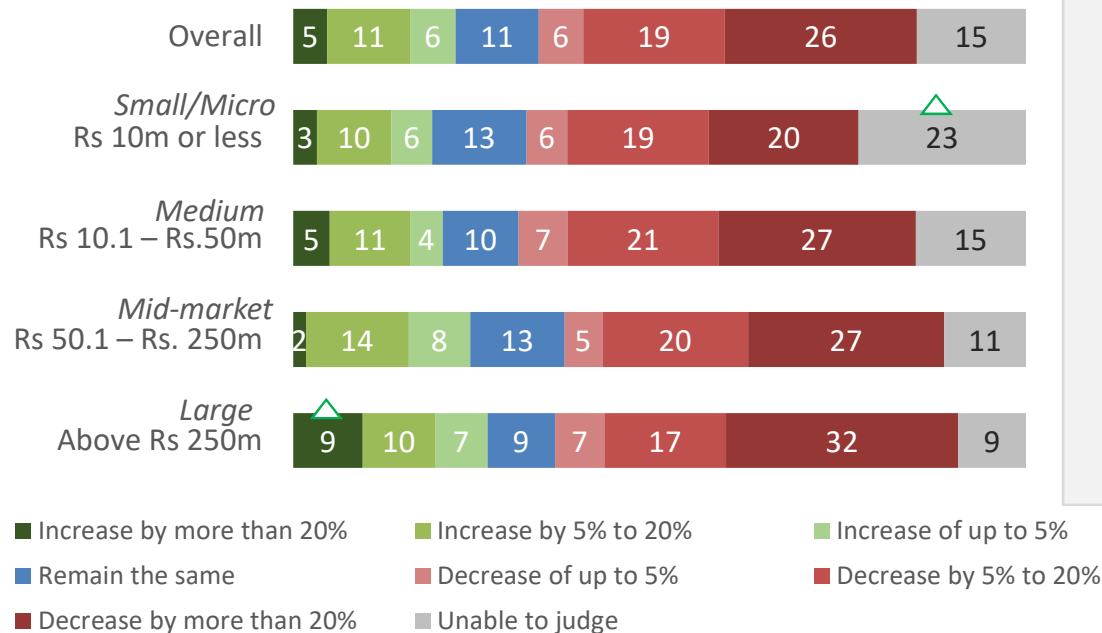
Anticipated Impact on Profitability [2021 vs. 2019]

52% anticipate a decline in their financial profitability in 2021 vs. 2019,
while 11% expect no change and 22%, an increase
Higher uncertainty expressed by Small SMEs [23%] on how their profitability will evolve

EXPECTED CHANGES IN PROFITABILITY OF RESPONDING COMPANIES

By Level of turnover / Operating Income [%]

LEVEL OF TURNOVER /
OPE. INCOME



DECLINE
>5%

45%

39%

48%

47%

49%

SIGNIFICANT DIFFERENCES NOTED:

5% - 20% INCREASE



30%

Information &
Communication

> 20% DECLINE



48%

Accommodation
& Food Service

UNABLE TO JUDGE



32%

Accommodation
& Food Service

Weighted Base: All responding private companies

Source: E1.3 :How do you expect your organisation's financial profitability to evolve in 2021 vs. 2019?....



Significantly higher
proportion of companies



Significantly lower
proportion of companies

3.3 IMPACT ON EXPORTS OF GOODS & SERVICES

Observed & Expected Decline in Exports

52% observed a decline in exports in 2020 vs. 2019

Improvements are anticipated in 2021 vs 2020:

61% expect exports to either increase or remain unchanged

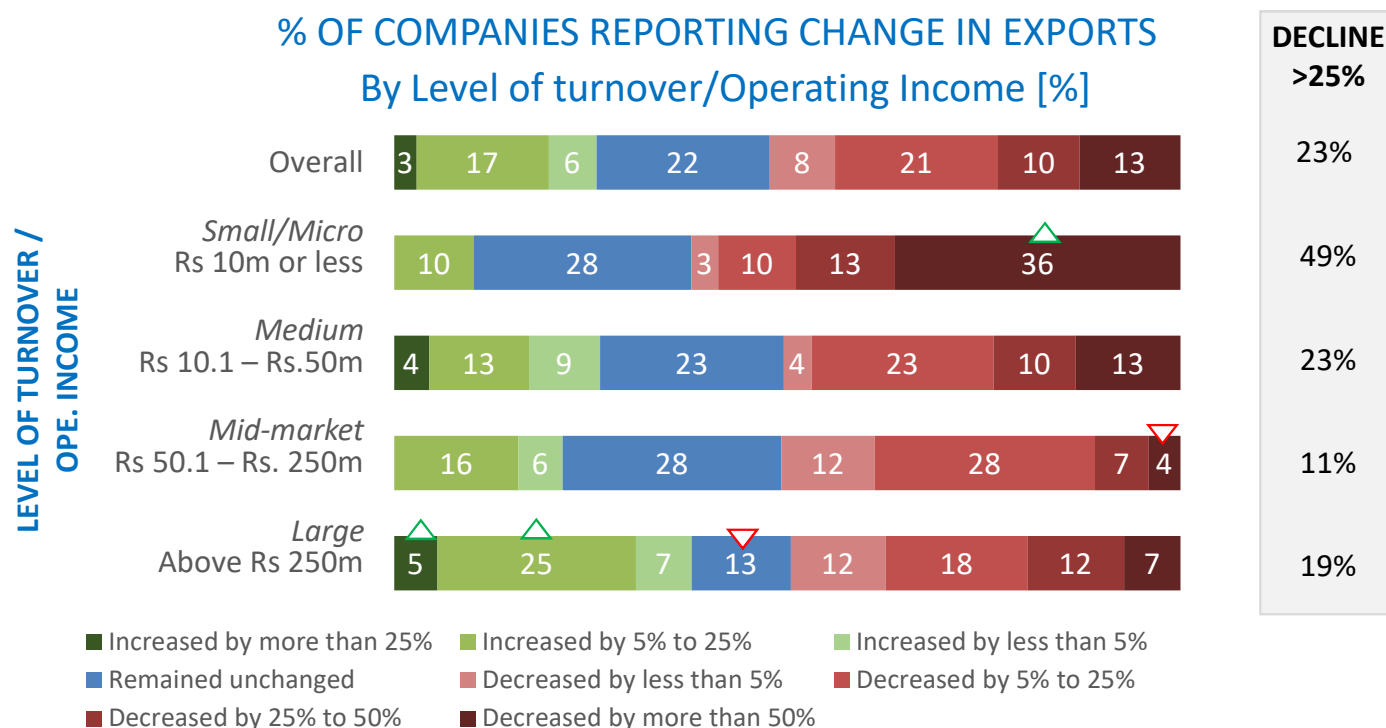
	% OBSERVING DECLINE IN EXPORTS	% ANTICIPATING INCREASE OR NO CHANGE IN EXPORTS		% ANTICIPATING DECLINE IN EXPORTS	
	2020 vs. 2019	2021 vs 2020	2021 vs. 2019	2021 vs 2020	2021 vs. 2019
OVERALL	52	61	47	27	42
Small/ Micro	62	44	38	33	39
Medium	51	61	45	22	41
Mid-market	51	69	51	24	42
Large	50	62	49	32	44

Engagement in exports

31%
engaged in
Exports of goods or
services

Magnitude of change in Exports [2020 vs. 2019]

52% experienced a decline in Exports in 2020 vs. 2019 ...
62% of Small SMEs, with 36% seeing their exports decline by >50%
More Large Companies [37%] reported increases in exports ... 26% overall



Weighted Base: All responding private companies engaged in exports

Source: B4.1: Is your organisation engaged in the export of?

Weighted Base: All responding private companies engaged in exports

Source: B5.0: If your organisation's sales/income rely on export, what has been the approximate percentage [%] change in exports in 2020 vs. 2019?

▲ Significantly higher proportion of companies
 ▼ Significantly lower proportion of companies

Engagement in exports

Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

GOODS



SERVICES



BOTH GOODS & SERVICES



Magnitude of change in Exports [2020 vs. 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

5% - 25% DECLINE



Unweighted Base: All responding private companies engaged in exports
Source: B4.1: Is your organisation engaged in the export of?



Significantly higher proportion of companies



Significantly lower proportion of companies

Source: B5.0: If your organisation's sales/income rely on export, what has been the approximate percentage [%] change in exports in 2020 vs. 2019?

Magnitude of change in Exports [Jan-Mar 2021 vs. Jan-Mar 2020]

50% reported a decline in exports in Q1 2021 against the same period in 2020 ...

... 62% of Small SMEs, with 41% reporting more than 50% decline in Exports

More Large Companies [25%] saw their exports increase by 5% to 25%

MAGNITUDE OF CHANGE IN EXPORTS By Level of turnover/Operating Income [%]

DECLINE
>25%

24%

49%

28%

10%

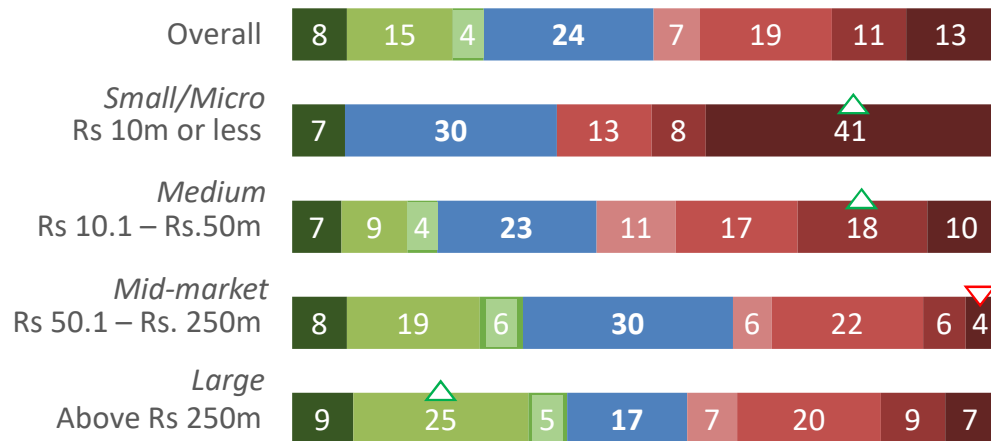
16%

SIGNIFICANT DIFFERENCES NOTED:

5% - 25% DECLINE

△ 32% 
Manufacturing

LEVEL OF TURNOVER /
OPE. INCOME



- Increased by more than 25%
- Increased by 5% to 25%
- Increased by less than 5%
- Remained unchanged
- Decreased by less than 5%
- Decreased by 5% to 25%
- Decreased by 25% to 50%
- Decreased by more than 50%

Weighted Base: All responding private companies engaged in exports

Source: B5A: Comparing your organisation's exports in Jan-Mar 2021 with Jan-Mar 2020, would you say the approximate percentage [%] change in your organisation's exports has



Significantly higher
proportion of companies



Significantly lower
proportion of companies

Magnitude of change in Exports [Jan-Mar 2021 vs. Jan-Mar 2019]

Comparing Q1 2021 with Q1 2019, 52% reported a decline in their exports ...

More so among Small SMES

46% of whom reported decrease by more than 50%

MAGNITUDE OF CHANGE IN EXPORTS By Level of turnover/Operating Income [%]

LEVEL OF TURNOVER /
OPE. INCOME



DECLINE
>25%

28%

49%

33%

23%

18%

SIGNIFICANT DIFFERENCES NOTED:

25% - 50% DECLINE

21%
Manufacturing

INCREASE

39%
Professional, Scientific
& Technical services

- Increased by more than 25%
- Increased by 5% to 25%
- Increased by less than 5%
- Remained unchanged
- Decreased by less than 5%
- Decreased by 5% to 25%
- Decreased by 25% to 50%
- Decreased by more than 50%

Weighted Base: All responding private companies engaged in exports: n=190

Source: B5B: Comparing your organisation's exports in Jan-Mar 2021 with Jan-Mar 2019, would you say the approximate percentage [%] change in your organisation's exports has

Significantly higher
proportion of companies

Significantly lower
proportion of companies

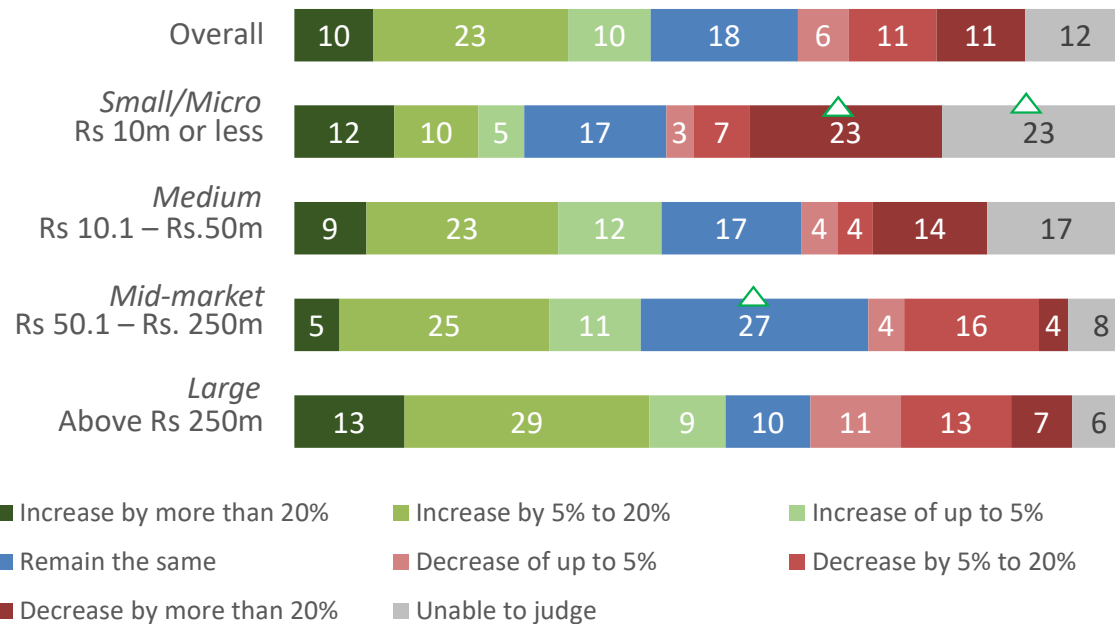
Anticipated Impact on Exports [2021 vs. 2020]

Interestingly, 61% expect exports to increase or remain the same in 2021 vs. 2020

... More so among Mid-market companies [68%]

But less of Small SMEs [44%]. They are also more uncertain about the future [23%]

% OF COMPANIES REPORTING EXPECTED IMPACT ON EXPORTS By Level of turnover/Operating Income [%]



INCREASE

43%

26%

44%

41%

51%

SIGNIFICANT DIFFERENCES NOTED:

5 - 20% DECREASE



18% △
Manufacturing

Unweighted base



Significantly higher
proportion of companies



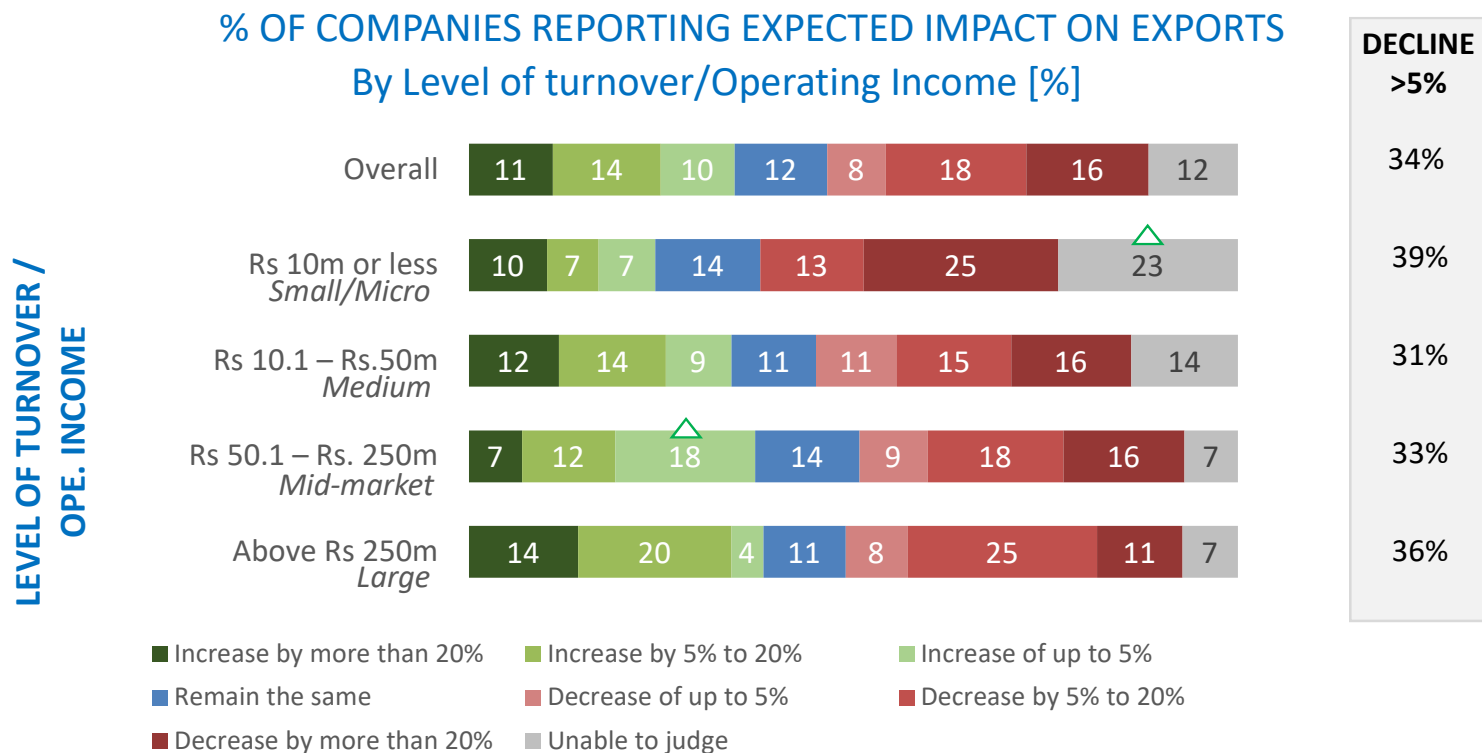
Significantly lower
proportion of companies

Weighted Base: All responding private companies engaged in exports: n=190

Source: B5C: How do you expect your organisation's export volume to evolve in 2021 compared to 2020?

Anticipated Impact on Exports [2021 vs. 2019]

More companies [42%] expect a decline in their exports in 2021 vs 2019
Slightly less of Small SMEs [39%],
but more of them express uncertainty towards future impact on exports [23%]



3.4 IMPACT ON SELLING PRICES

Magnitude of change in Selling Prices [Jan-Mar 2021 vs. Jan-Mar 2020]

Prices were either kept unchanged [40%] or increased [40%] in Jan-Mar 2021 vs. Jan-Mar 2020

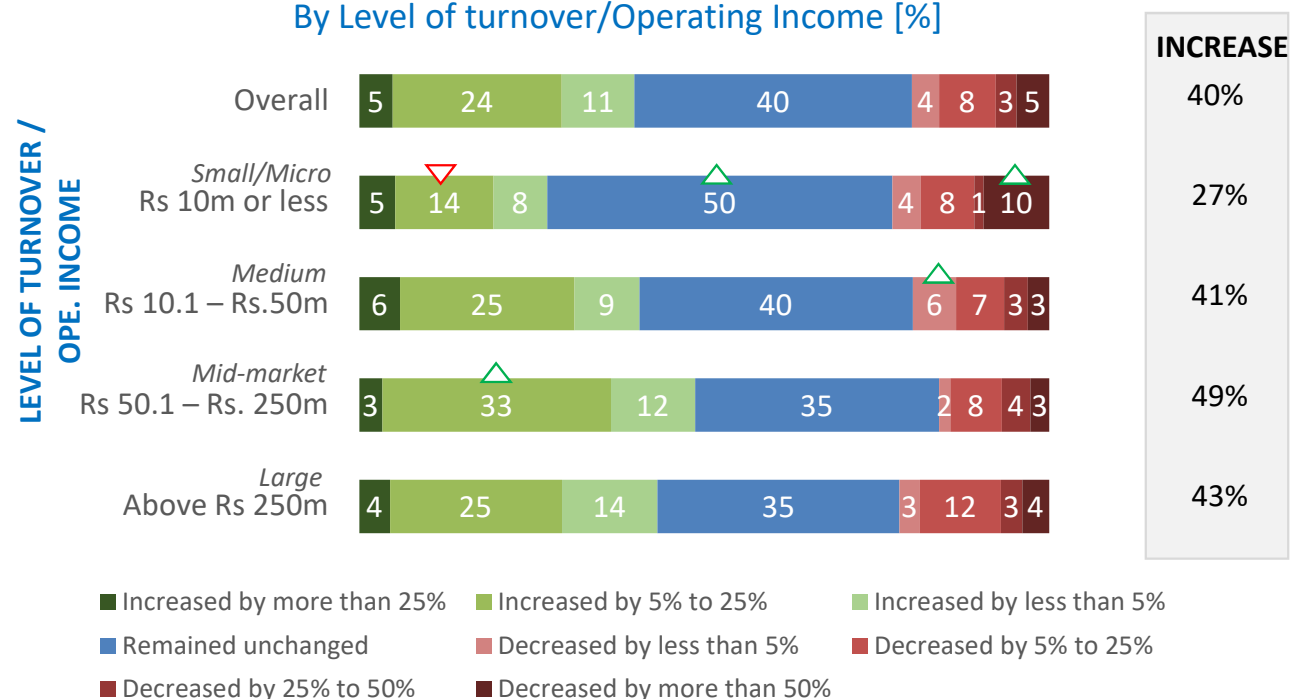
More Small SMEs kept their prices stable [50%],

while Mid-market companies [49%] increased theirs

Comparatively, only 28% increased their selling prices in April-Sept 2020 vs April-Sept 2019.

FLUCTUATIONS IN SELLING PRICES OF RESPONDING COMPANIES [%]

By Level of turnover/Operating Income [%]



Weighted Base: All responding private companies

Source: B6: Comparing January – March 2021 versus January – March 2020, how have the prices of goods or services sold by your organisation changed, compared with normal fluctuations?

Magnitude of change in Selling Prices

[Jan-Mar 2021 vs. Jan-Mar 2020]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

5% - 50% INCREASE



35% 

Manufacturing



57% 

Wholesale and
retail trade

REMAINED
UNCHANGED



51% 

Professional, Scientific
& Technical services

5% - 25% DECLINE



17% 

Financial and
insurance activities

>25% DECLINE



32% 

Accommodation
& Food Service

Unweighted Base: All responding private companies engaged in exports

Source: B6: Comparing January – March 2021 versus January – March 2020, how have the prices of goods or services sold by your organisation changed, compared with normal fluctuations?



Significantly higher
proportion of companies



Significantly lower
proportion of companies

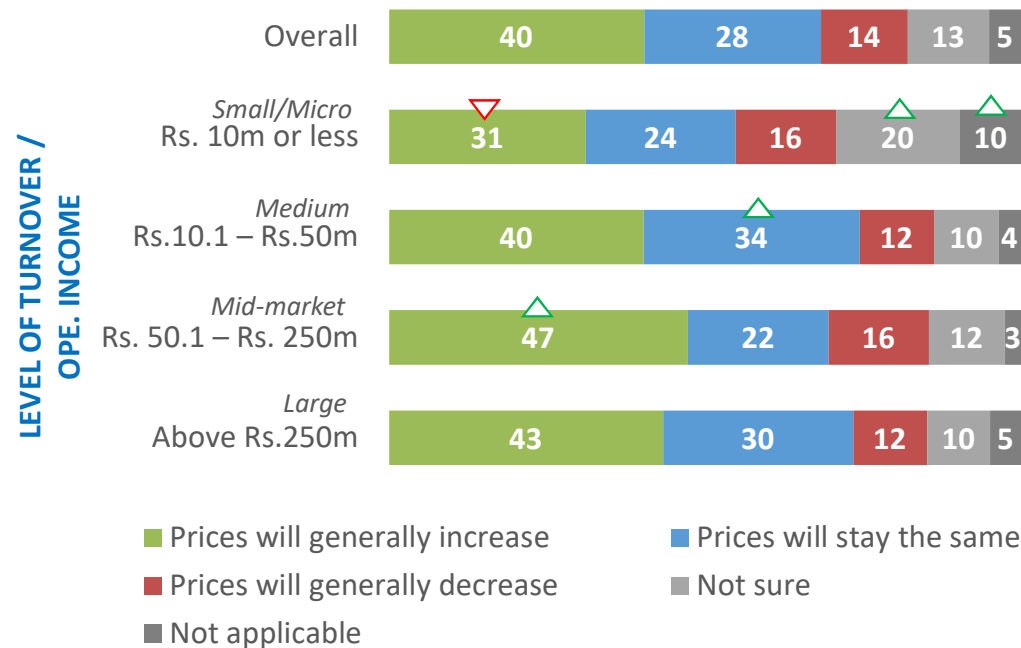


Anticipated Selling Price Changes [2021 vs. 2020]

40% expect a general price increase in 2021 vs. 2020
 Less Small SMEs [31%] and more Mid-market Companies [47%]
 Medium SMEs more likely to keep their prices unchanged [34%]

% OF COMPANIES EXPECTING CHANGES IN SELLING PRICES OF THEIR GOODS OR SERVICES IN 2021 VS. 2020

By Level of turnover/Operating Income [%]



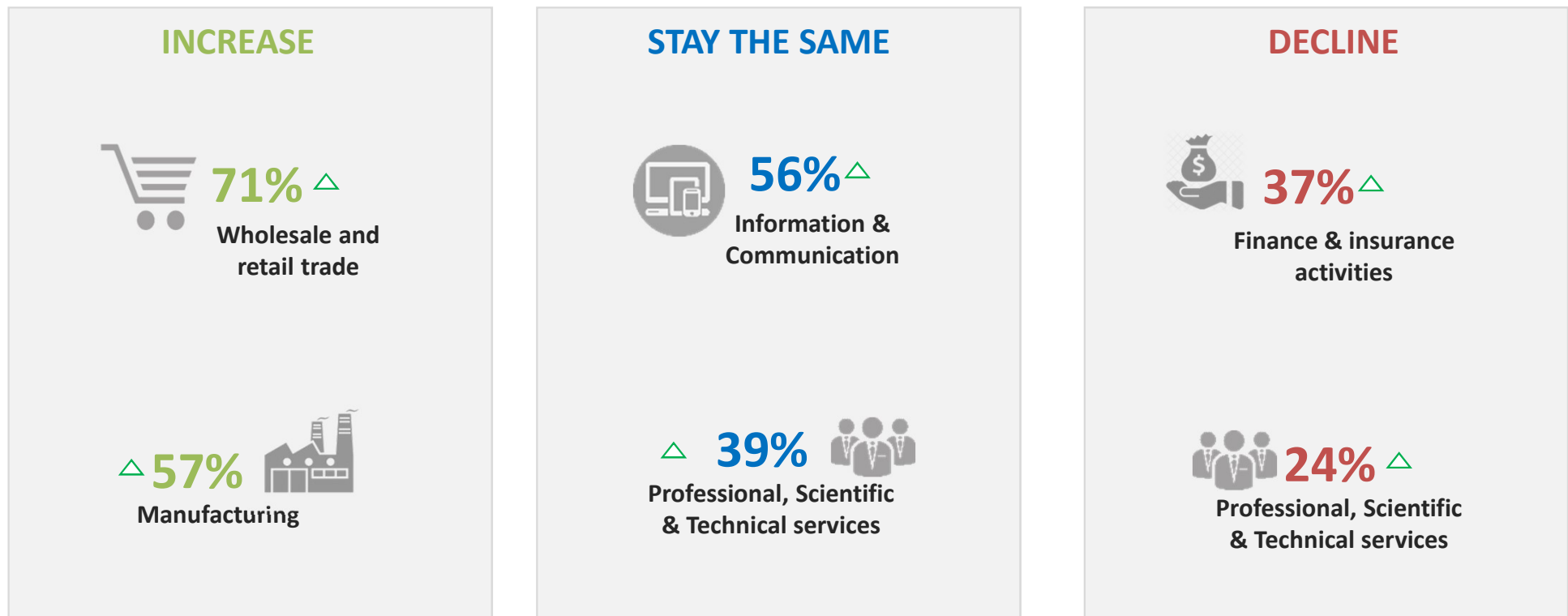
▲ Significantly higher proportion of companies

▼ Significantly lower proportion of companies

Anticipated Selling Price Changes [2021 vs. 2020]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



Unweighted Base: All responding private companies

Source: B7: What are your expectations about the selling prices of your organisation's goods and services in 2021 vs 2020?

Significantly higher proportion of companies

Significantly lower proportion of companies

4. IMPACT ON FINANCIALS

4.1 IMPACT ON CASHFLOW

Observed & Expected Decrease in Cashflow

Around 50% of the companies observed a decline in their cashflow in 2020 vs. 2019

A similar pattern is noted for 2021 vs 2019

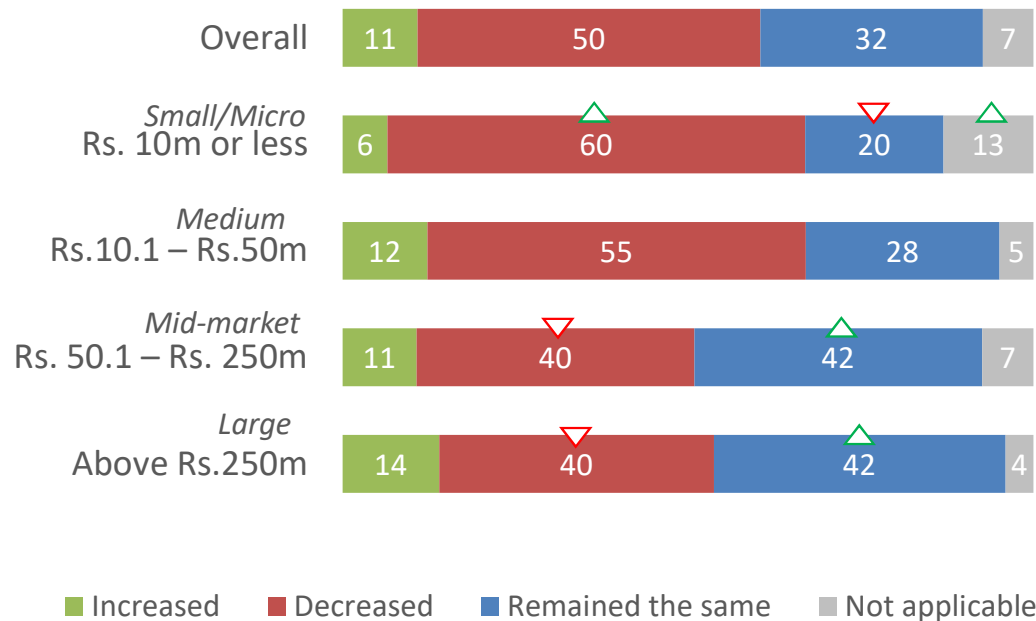
More Small SMEs face cashflow problems

	% OBSERVING DECREASE IN CASHFLOW	% ANTICIPATING INCREASE OR NO CHANGE IN CASHFLOW	% ANTICIPATING DECREASE IN CASHFLOW
	2020 vs. 2019	2021 vs. 2019	2021 vs. 2019
OVERALL	50	43	49
Small/ Micro	60	24	62
Medium	55	41	53
Mid-market	40	55	36
Large	40	52	42

Impact on Cash flow [2020 vs 2019]

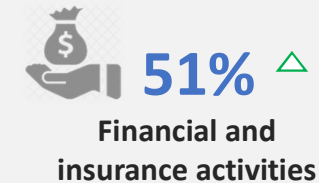
Cash flow availability declined for 50% of the companies [against 37% in Apr-Sep 2020 vs. Apr-Sep 2019]
 More Small SMEs [60%], less Mid-market [40%] and Large Companies [40%]
 42% of Mid-market and Large Companies reported no change in their cash flow positions

CASH FLOW AVAILABILITY OF RESPONDING COMPANIES [%]

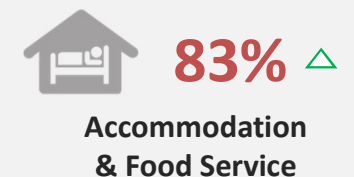


SIGNIFICANT DIFFERENCES NOTED:

REMAINED THE SAME:



DECREASED:



Unweighted base

Weighted Base: All responding private companies

Source: E2_1: Overall, has your organisation's ability to access financial resources in 2020 vs. 2019 increased, remained the same or decreased in regards of: Cash flow availability

△ Significantly higher proportion of companies

▽ Significantly lower proportion of companies

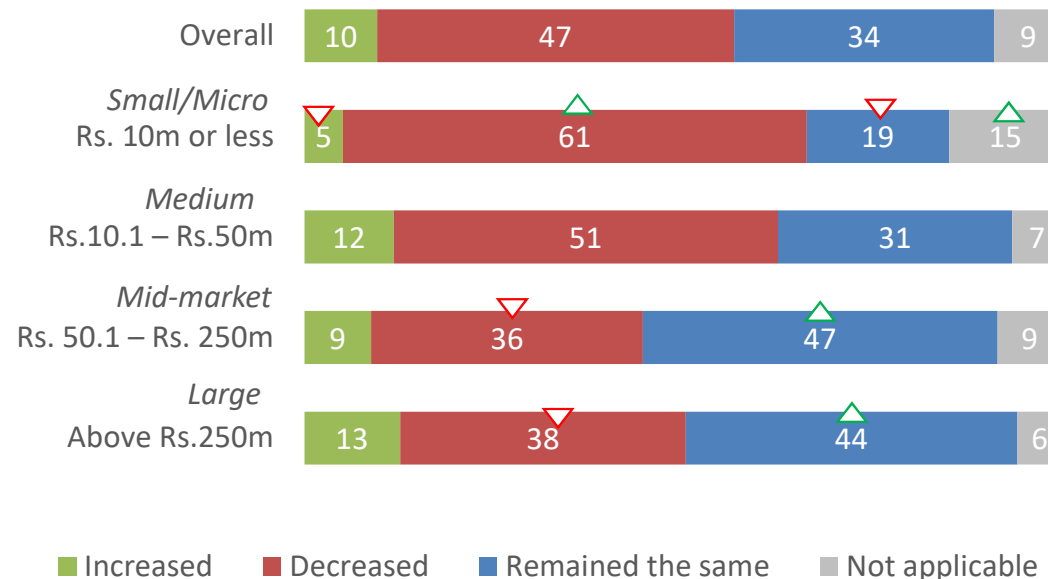
Impact on Cashflow [Jan-Mar 2021 vs Jan-Mar 2020]

No major change is noted in Q1 2021 vs. Q1 2020 for 34% of the companies, while 47% saw their cashflow decline.

Small SMEs [61%] still faced reduced cashflow availability.

CASH FLOW AVAILABILITY OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER
/ OPE. INCOME



SIGNIFICANT DIFFERENCES NOTED:

DECREASED



83% △

**Accommodation
& Food Service**

z

STAY THE SAME

49% △

**Financial and
insurance activities**

Unweighted base

Weighted Base: All responding private companies

Source: E2.1_1: Comparing Jan-Mar 2021 vs. Jan-Mar 2020, has your organisation's ability to access financial resources increased, remain unchanged or decreased in regards of Cash flow?



Significantly higher
proportion of companies



Significantly lower
proportion of companies

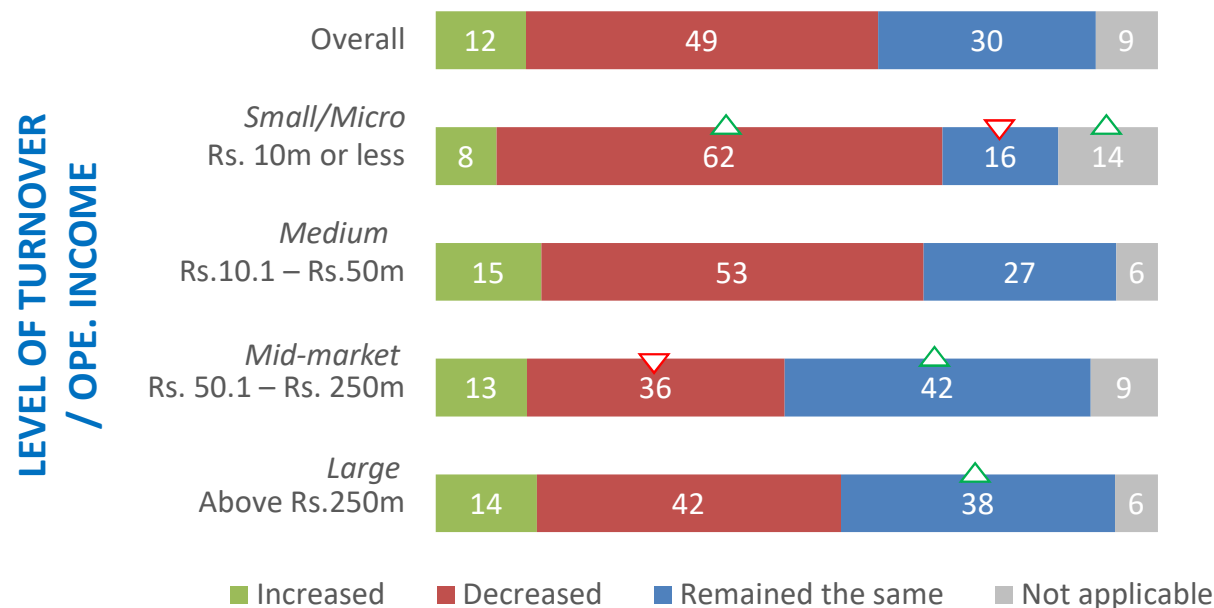
Anticipated Impact on Cash flow [2021 vs 2019]

Overall, reduced cash flow for 49% of companies in 2021 vs. 2019...

62% of Small SMEs

For Mid-market [42%] and Large Companies [38%], no change noted in cash flow availability

CASH FLOW AVAILABILITY OF RESPONDING COMPANIES [%]



Weighted Base: All responding private companies

Source: E2.3_1: Comparing 2021 vs. 2019, do you expect your organisation's ability to access financial resources to increase, remain unchanged or decrease in regards of Cash flow?

Impact on Cashflow [2021 vs 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



Unweighted Base: All responding private companies

Source: E2.3_1: Comparing 2021 vs. 2019, do you expect your organisation's ability to access financial resources to increase, remain unchanged or decrease in regards of Cash flow?

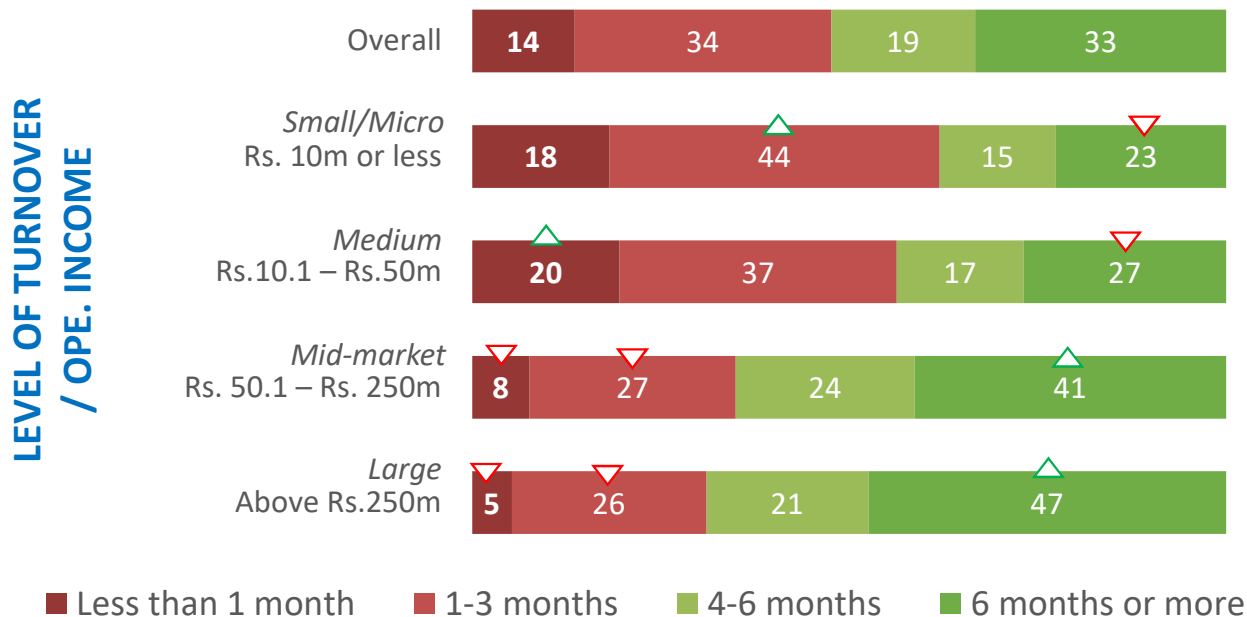
△ Significantly higher
proportion of companies

▽ Significantly lower
proportion of companies

Anticipated cashflow sustainability [2021]

52% estimate their current cashflow can maintain their organization's operations for 4 months or more, while 48% have less than 3 months of cashflow... more of Small [62%] and Medium [57%] SMEs

CASH FLOW SUSTAINABILITY OF RESPONDING COMPANIES [%]



SIGNIFICANT DIFFERENCES NOTED:

1-3 MONTHS:



44% △

**Accommodation
& Food Service**

6 MONTHS OR MORE:



66% △

**Financial and
insurance activities**

Unweighted base

Weighted Base: All responding private companies

Source: E5: How long can your organisation's current cash flow maintain the organisation's operation?



*Significantly higher
proportion of companies*



*Significantly lower
proportion of companies*

4.2 IMPACT ON PURCHASE ON CREDIT



Observed & Expected Decrease in Purchases on credit

23% reported lower purchase on credit in 2020 vs. 2019 and 35% reported no change

In 2021, 26% anticipate a decrease in purchases on credit, while 32% foresee no changes

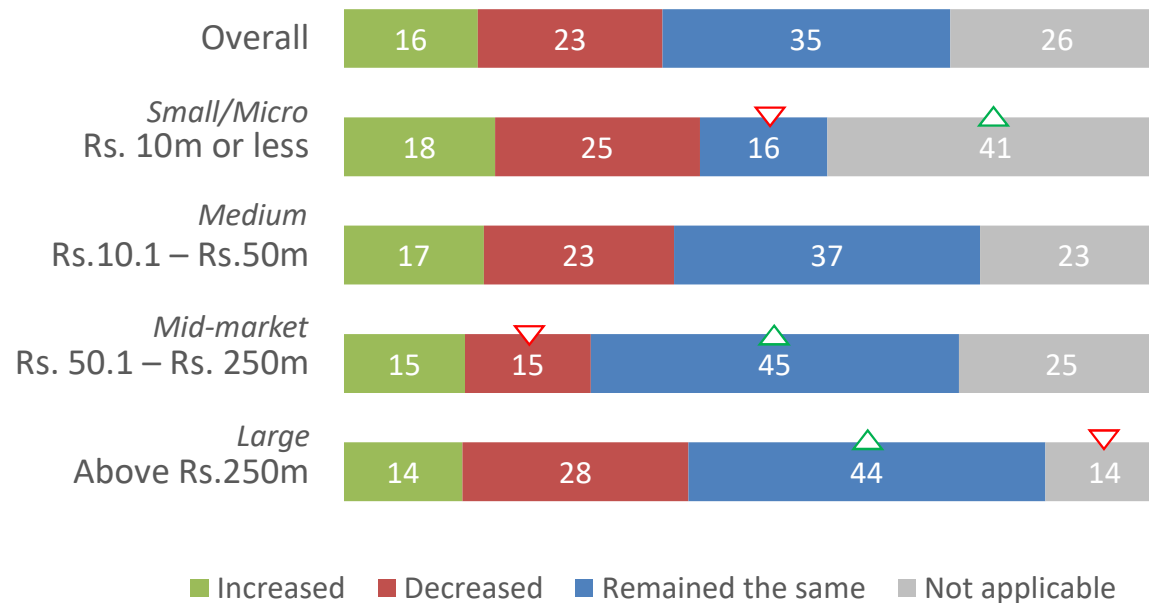
	% OBSERVING DECREASED ACCESS TO FINANCIAL RESOURCES TO PURCHASE ON CREDIT	% ANTICIPATING INCREASE OR NO CHANGE IN PURCHASES ON CREDIT	% ANTICIPATING DECREASE IN PURCHASES ON CREDIT
	2020 vs. 2019	2021 vs. 2019	2021 vs. 2019
OVERALL	23	48	26
Small/ Micro	25	29	31
Medium	23	53	25
Mid-market	15	56	19
Large	28	53	32

Impact on purchases on credit [2020 vs 2019]

35% reported no change in their ability to access financial resources to purchase on credit in 2020 vs. 2019
Less of Small SMEs [16%] and more of Mid-market [45%] and [44%] Large companies

PURCHASES ON CREDIT OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER
/ OPE. INCOME



SIGNIFICANT DIFFERENCES NOTED:

DECREASED:



44% △

Accommodation
& Food Service

Unweighted base

Weighted Base: All responding private companies

Source: E2_2: Overall, has your organisation's ability to access financial resources in 2020 vs. 2019 increased, remained the same or decreased in regards of purchases on credit?



Significantly higher
proportion of companies



Significantly lower
proportion of companies

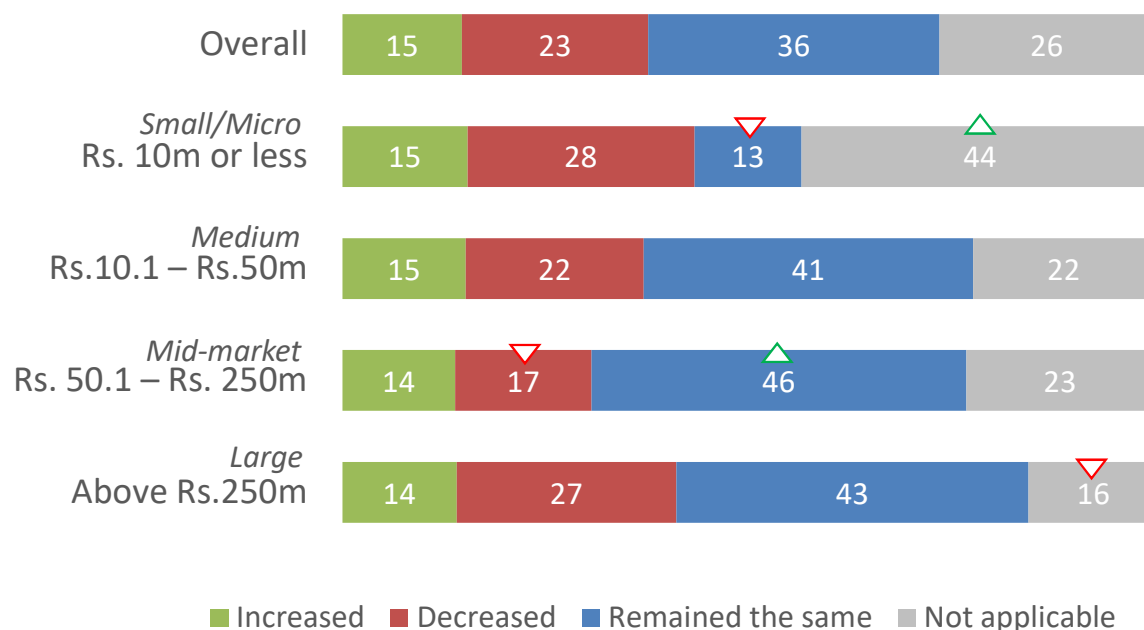
Impact on purchases on credit [Jan-Mar 2021 vs Jan-Mar 2020]

Similar picture observed in Q1 2021 vs. Q1 2020, with 36% stating no changes in their ability to access financial resources to purchases on credit

Less of Small SMEs [13%] and more of Mid-market Companies [46%]

PURCHASES ON CREDIT OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER
/ OPE. INCOME



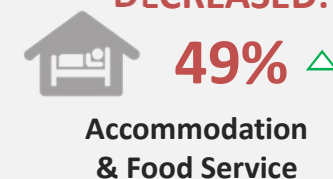
SIGNIFICANT DIFFERENCES NOTED:

REMAINED THE SAME:



Z

DECREASED:



Unweighted base

Weighted Base: All responding private companies

Source: E2.1_2: Comparing Jan-Mar 2021 vs. Jan-Mar 2020, has your organisation's ability to access financial resources increased, remain unchanged or decreased in regards of purchases on credit?



Significantly higher
proportion of companies



Significantly lower
proportion of companies



Anticipated Impact on purchases on credit [2021 vs 2019]

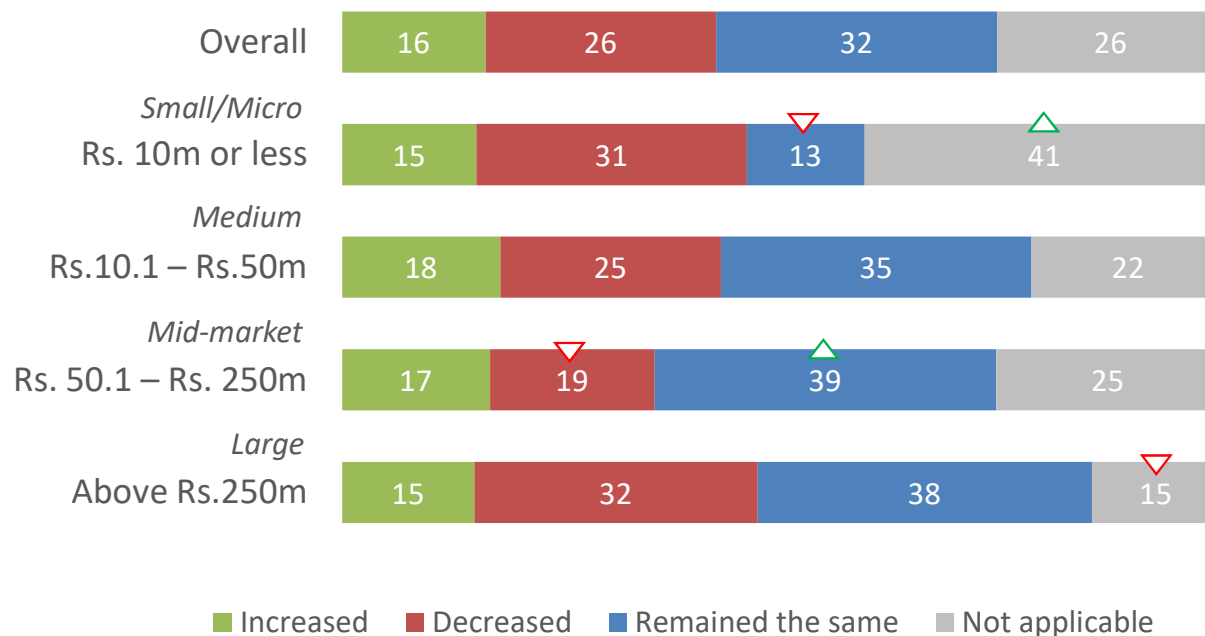
26% anticipate a decrease in ability to access financial resources to purchases on credit in 2021 vs. 2020

32% expect no change ...

Less of Small SMEs [13%] and more of Mid-market Companies [39%]

PURCHASES ON CREDIT OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER
/ OPE. INCOME



SIGNIFICANT DIFFERENCES NOTED:

REMAINED THE SAME:



z

DECREASED:



Unweighted base

Weighted Base: All responding private companies

Source: E2.3_2: Comparing In 2021 vs. 2019, do you expect your organisation's ability to access financial resources to increase, remain unchanged or decrease in regards of purchases on credit?

△ Significantly higher proportion of companies

△ Significantly lower proportion of companies

4.3 IMPACT ON CAPITAL EXPENDITURE



Observed & Expected Decrease (lower or stopped) in CAPEX

44% reported lowered Capital expenditures in 2020 vs. 2019.

This also compares with 43% in April-Sept 2020 vs. April-Sept 2019.

Similar trend to follow for the rest of 2021 vs. 2019, as 40% anticipate decrease.

Nonetheless, 42% will maintain or increase CAPEX in 2021 vs 2019.

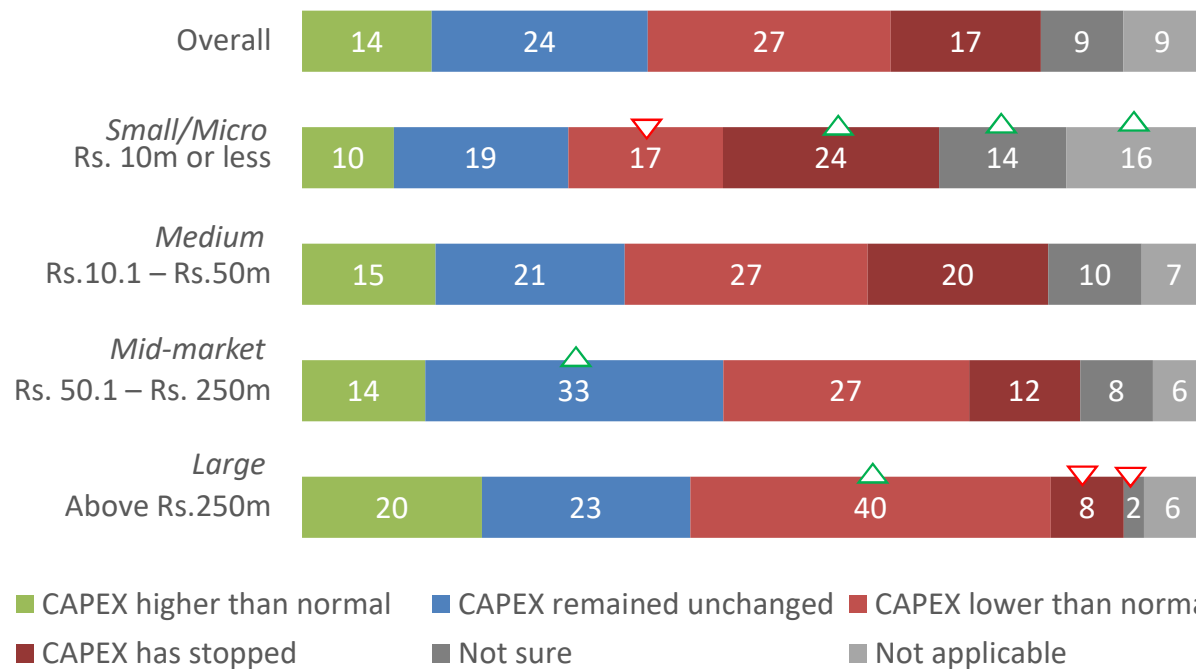
	% OBSERVING DECREASED CAPEX	% ANTICIPATING INCREASE OR NO CHANGE IN CAPEX	% ANTICIPATING DECREASE IN CAPEX
	2020 vs. 2019	2021 vs. 2019	2021 vs. 2019
OVERALL	44	42	40
Small/ Micro	41	37	36
Medium	47	38	45
Mid-market	40	47	39
Large	48	47	40

Impact on CAPEX [2020 vs 2019]

44% registered a decline in CAPEX in 2020 vs. 2019;
no change compared April-Sep 2020 vs. April-Sep 2019 [43%]
More Large Companies [48%] reported lower CAPEX vs. 2019

EFFECT ON CAPEX OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER
/ OPE. INCOME



Weighted Base: All responding private companies

Source: E6: Comparing your organisation's capital expenditure in 2020 versus 2019, would you say that?

Impact on CAPEX [2020 vs 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

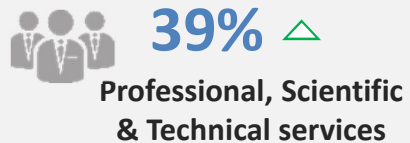
**HIGHER THAN
NORMAL**



Financial and
insurance activities



REMAIN UNCHANGED





**LOWER THAN
NORMAL/STOPPED**



Unweighted Base: All responding private companies

Source: E6: Comparing your organisation's capital expenditure in 2020 versus 2019, would you say that?

 *Significantly higher
proportion of companies*

 *Significantly lower
proportion of companies*

Anticipated Impact on CAPEX [2021 vs 2019]

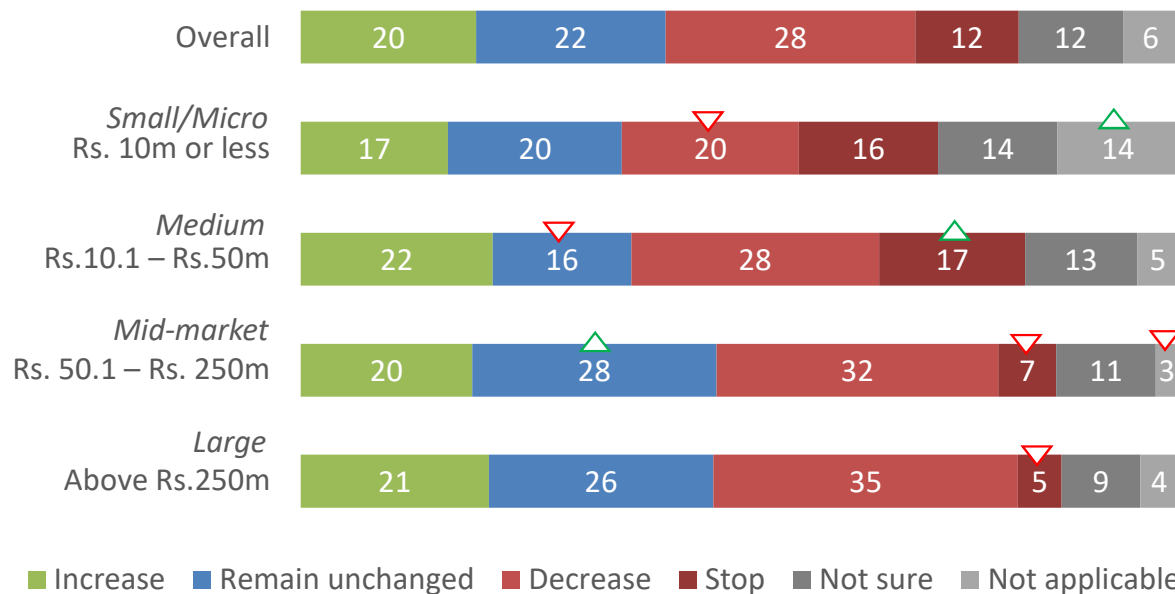
While 42% will maintain or increase CAPEX in 2021 vs. 2019,
40% expect their organization's CAPEX to decrease in 2021 vs. 2019 ...

45% of Medium SMEs

28% of Mid-market Companies expect CAPEX to remain unchanged vs. 22% overall

ANTICIPATED EFFECT ON CAPEX OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER
/ OPE. INCOME



SIGNIFICANT DIFFERENCES NOTED:

INCREASE:



37%

Financial and
insurance activities

Z

DECREASED:



51%

Accommodation
& Food Service

Unweighted base

Weighted Base: All responding private companies

Source: E6.1: Comparing 2021 to 2019, do you expect your organisation's capital expenditure for the year 2021 to



Significantly higher
proportion of companies



Significantly lower
proportion of companies

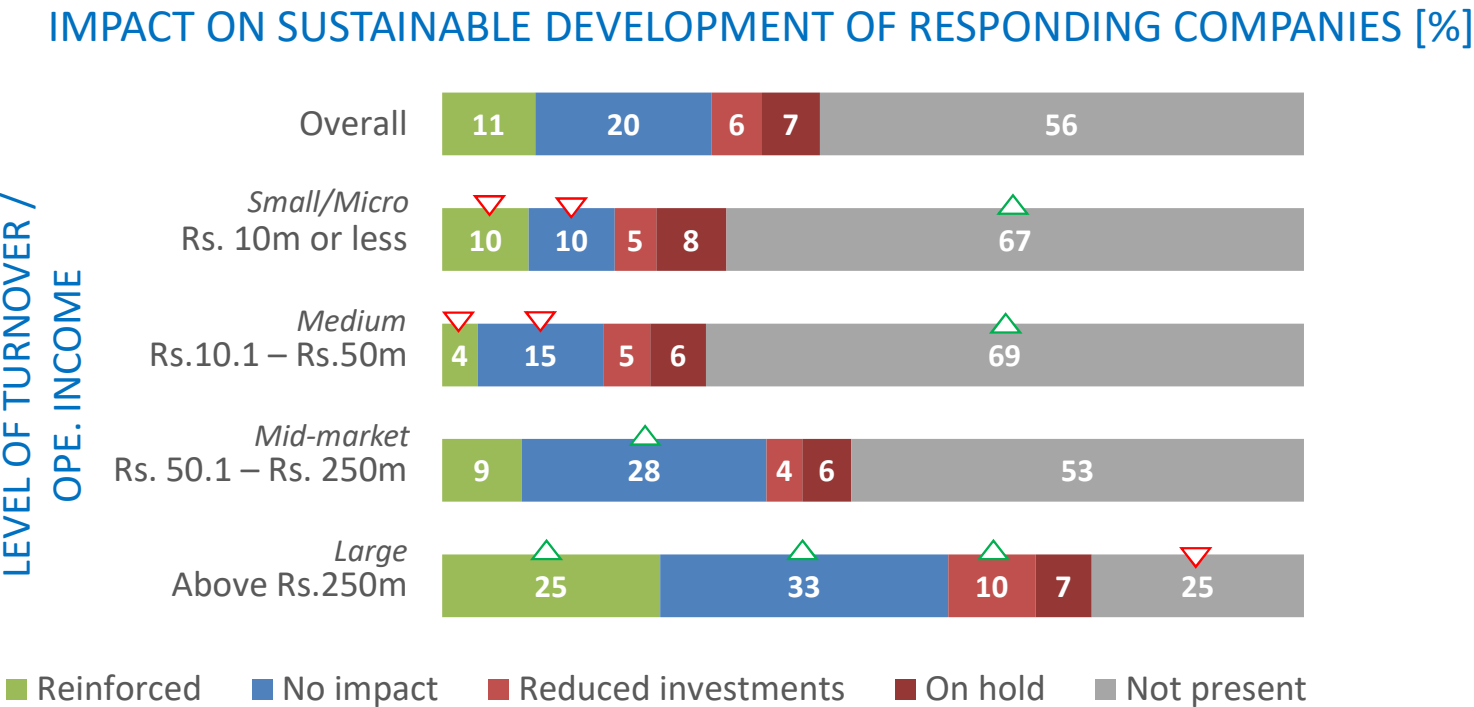


5. IMPACT ON SUSTAINABLE DEVELOPMENT



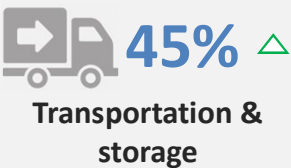
Impact of COVID-19 on sustainable development [FY2020/2021]

Higher presence of sustainable development activities in Large Companies [75%]
25% reinforced their projects, 33% maintained them in place and 17% reduced/put on hold investment on sustainable development activities



SIGNIFICANT DIFFERENCES NOTED

NO IMPACT



ON HOLD



Unweighted base

Weighted Base: All responding private companies

Source: H1: Does your organisation have any sustainable development activities?

Source: H2: Considering FY2020/2021 how have sustainable development projects evolved?

Significantly higher proportion of companies

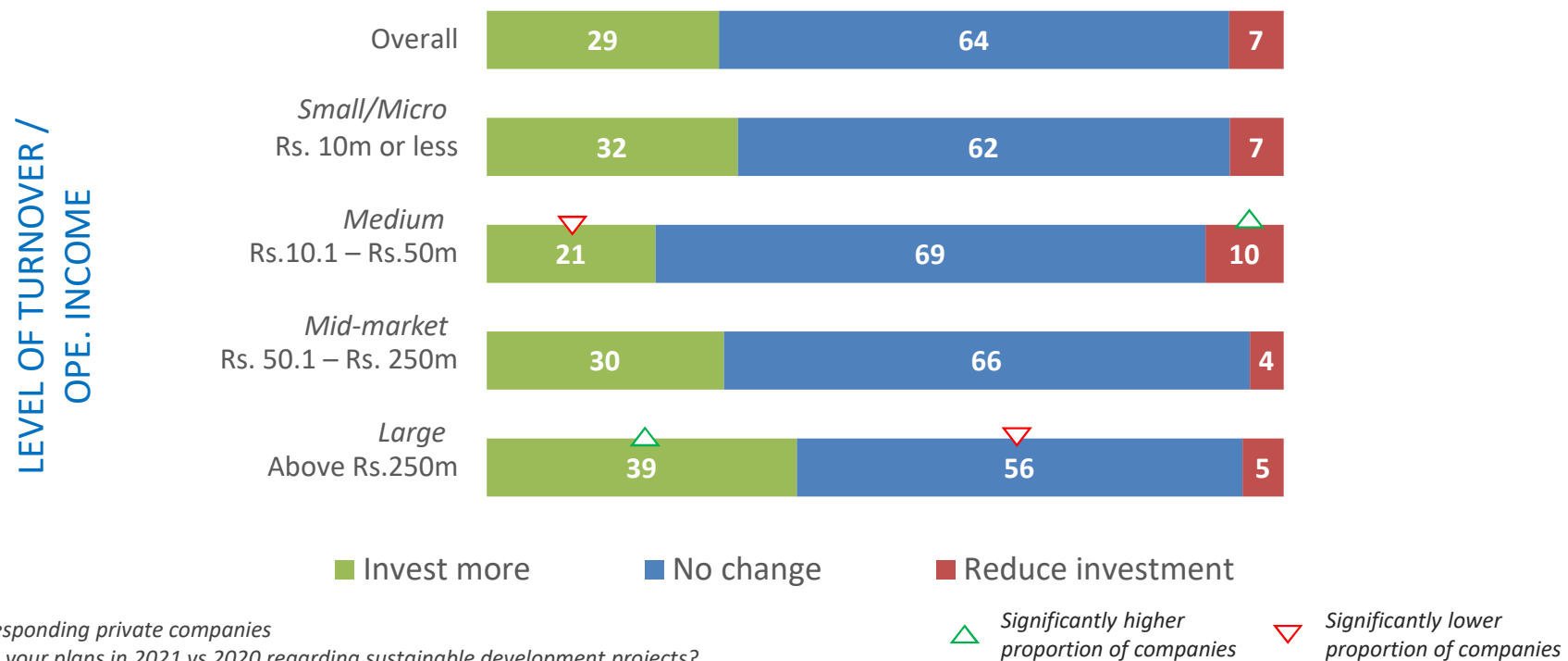
Significantly lower proportion of companies

Future plans on sustainability [2021 vs 2020]

93% will maintain or increase their investments in sustainable development ... trend maintained from 2020

29% intend to invest more in sustainable development projects in 2021 ...
39% of Large companies

FUTURE PLANS ON SUSTAINABLE DEVELOPMENT OF RESPONDING COMPANIES [%]



6. IMPACT ON PRODUCTION CAPACITY AND OUTPUT

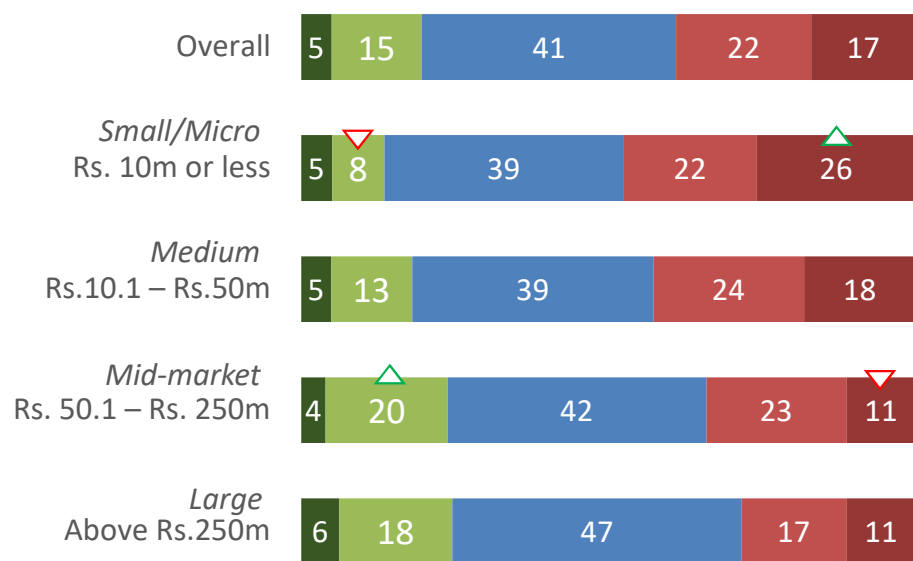
Level of Productivity of workforce [Jan-Mar 2021 vs. Jan-Mar 2020]

61% reported their workforce was more or as productive in Q1 2021 vs. Q1 2020 ...

Less of Small SMEs [52%]

But more of Mid-market [66%] and Large Companies [71%]

PRODUCTIVITY OF WORKFORCE [%]



Significantly more productive

Slightly more productive

As productive as last year


Slightly less productive

Significantly less productive

SIGNIFICANT DIFFERENCES NOTED:

LESS PRODUCTIVE



59% 
Accommodation
& Food Service



50% 
Manufacturing

AS PRODUCTIVE AS LAST YEAR



61% 
Financial and
insurance activities

Unweighted base



Significantly higher
proportion of companies



Significantly lower
proportion of companies



70

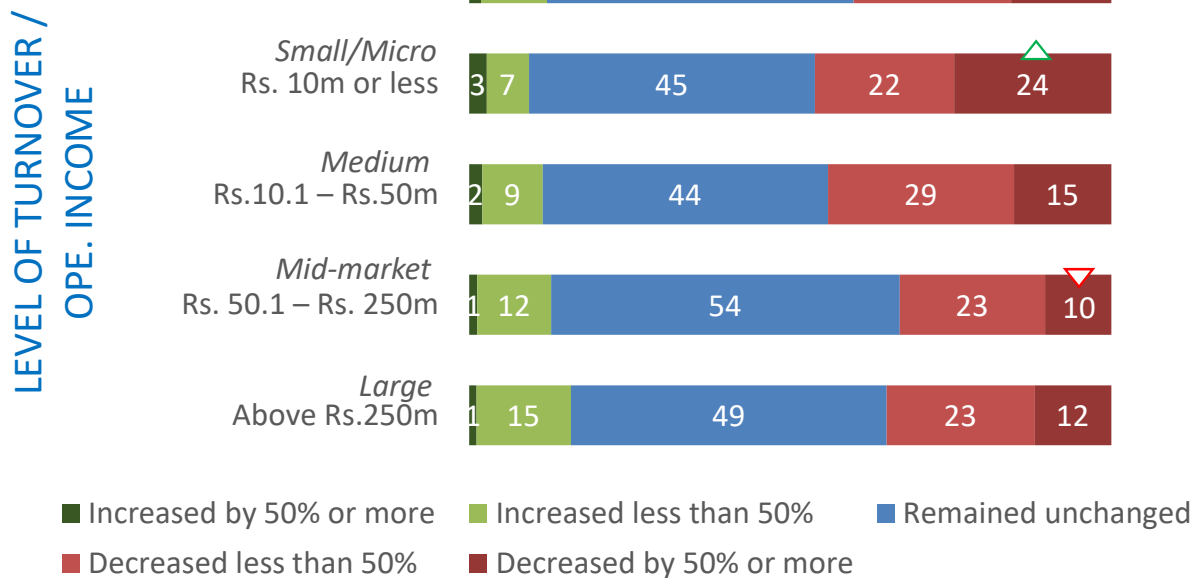
Weighted Base: All private companies involved in production of goods

Source: C1: Comparing Jan – March 2021 versus Jan – March 2020, how productive is your current workforce?

Impact on Operating Capacity [Apr-June 2021]

Increased or unchanged operating capacity for 60%, while
41% are operating at reduced capacity vs. last year; no change compared to April-Sept 2020 vs.
April-Sept 2019 [43%]
More of Small SMEs [46%]

IMPACT ON OPERATING CAPACITY OF RESPONDING COMPANIES [%]



SIGNIFICANT DIFFERENCES NOTED:

DECREASE BY 50% OR MORE



54% △

Accommodation
& Food Service

REMAIN UNCHANGED



68% △

Financial and
insurance activities

Unweighted base



Significantly higher
proportion of companies



Significantly lower
proportion of companies



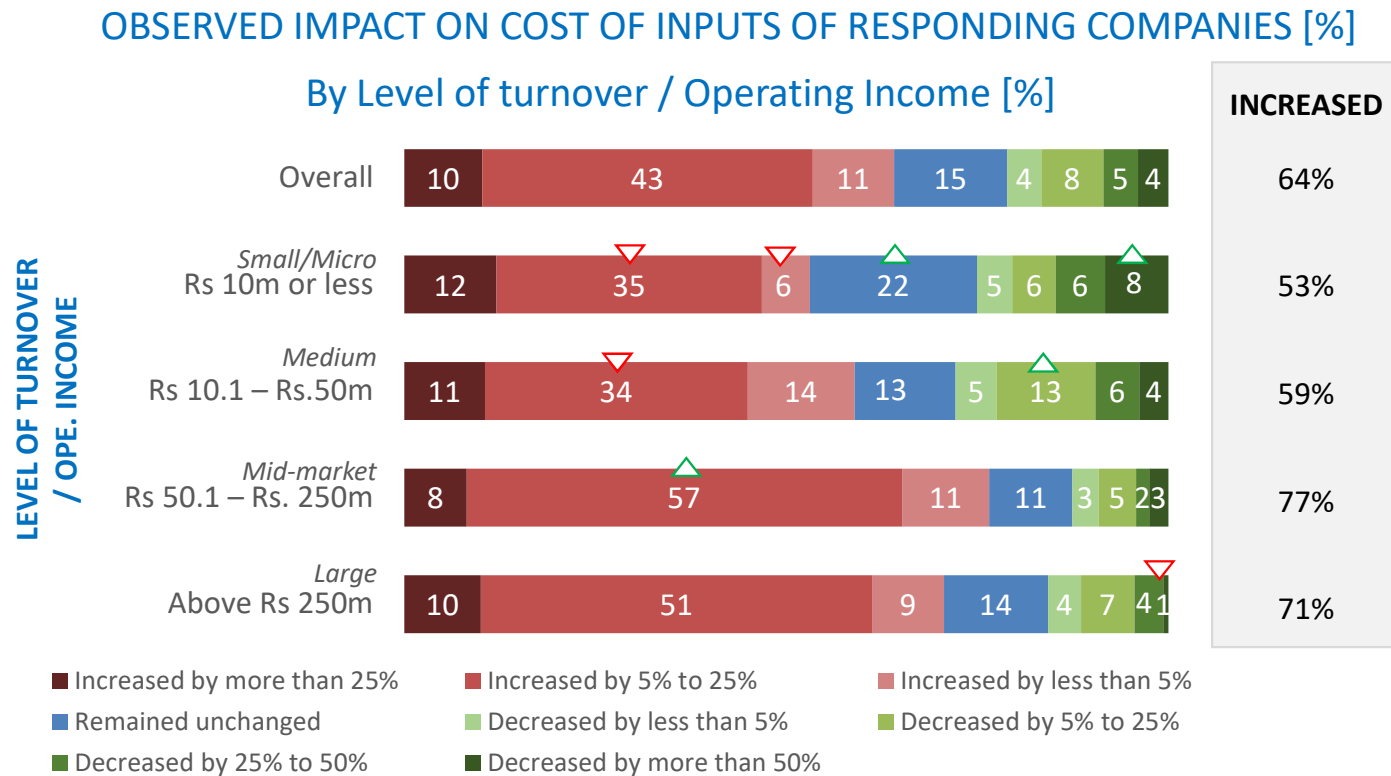
Weighted Base: All responding private companies

Source: G14: How would you describe your organisation's current operating capacity relative to one year ago?

7. IMPACT ON AVAILABILITY OF INPUTS AND FINISHED GOODS

Impact on cost of inputs [2020 vs. 2019]

64% registered an increase in cost of inputs in 2020 vs. 2019
77% of Mid-market Companies



Weighted Base: All responding private companies

Source: C2_4: Comparing 2020 to 2019, the approximate change in your organisation's cost of input had..

△ Significantly higher proportion of companies

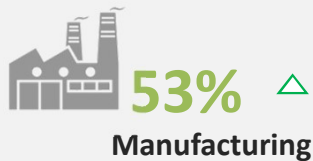
▽ Significantly lower proportion of companies

Impact on cost of inputs [2020 vs. 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:

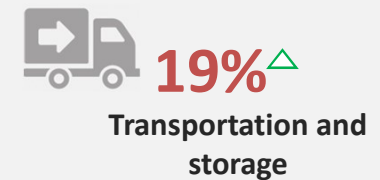
INCREASE BY 5% - 25%



REMAINED UNCHANGED



5% - 25% DECLINE



≥5% DECLINE



Unweighted Base: All responding private companies

Source: C2_4: Comparing 2020 to 2019, the approximate change in your organisation's cost of input had..

Significantly higher
proportion of companies

Significantly lower
proportion of companies

Anticipated Impact on Cost of Input [2021 vs. 2019]

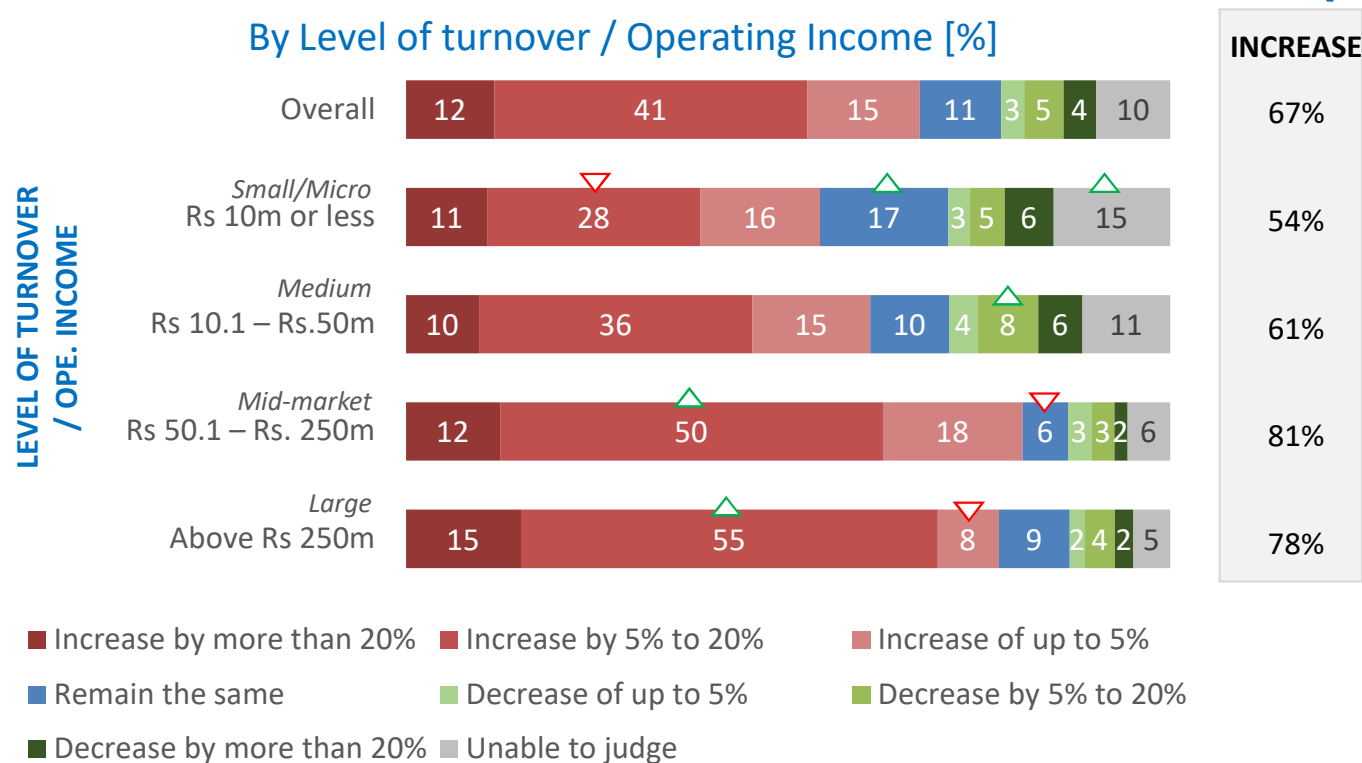
67% expect further increases in their company's cost of inputs in 2021 vs. 2019

81% of Mid-market and 78% of Large Companies

Higher uncertainty expressed by Small SMEs [15%] in general, while 72% of Manufacturing SMEs expect >5% increase in cost of inputs

ANTICIPATED IMPACT ON COST OF INPUTS OF RESPONDING COMPANIES [%]

By Level of turnover / Operating Income [%]



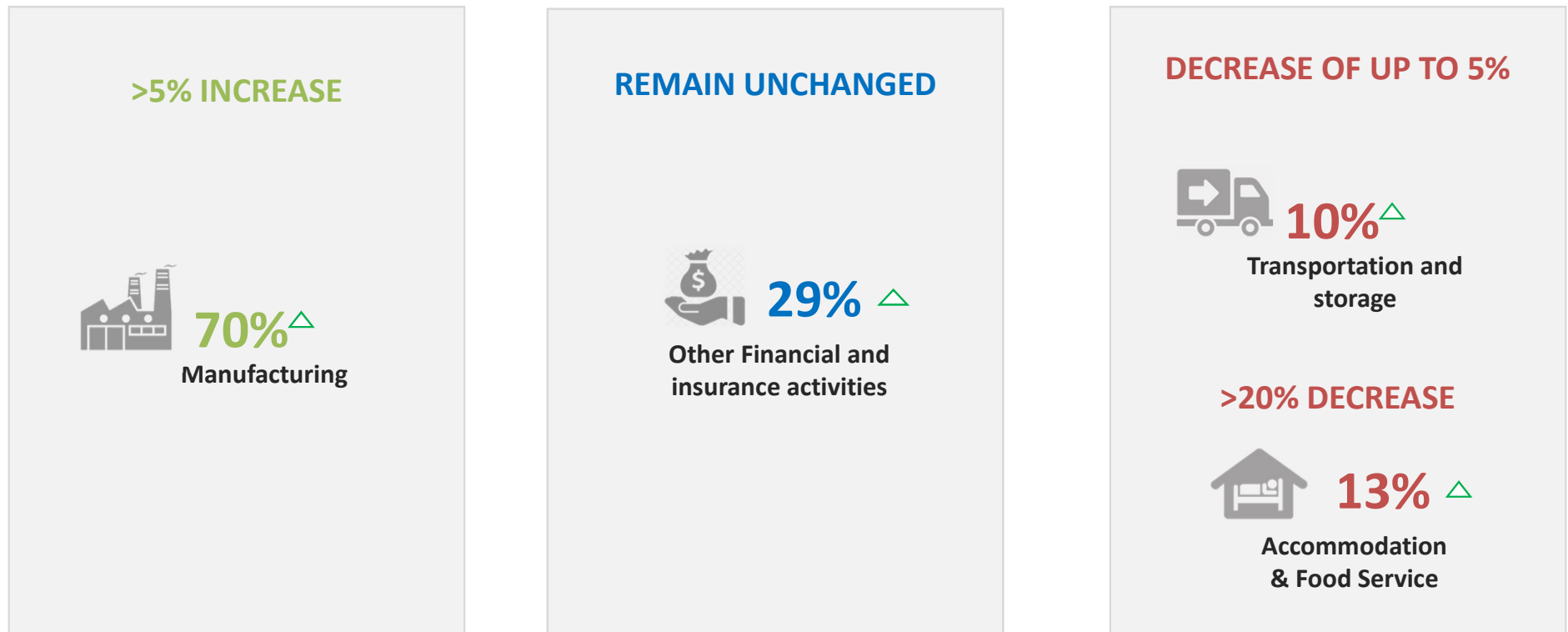
Weighted Base: All responding private companies

Source: C2_5: How do you expect the organisation's cost of inputs to evolve in 2021 vs. 2019?

Anticipated Impact on Cost of Input [2021 vs. 2019]

| Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



Unweighted Base: All responding private companies

Source: C2_5: How do you expect the organisation's cost of inputs to evolve in 2021 vs. 2019?

△ Significantly higher
proportion of companies

▽ Significantly lower
proportion of companies

8. IMPACT ON EMPLOYMENT & EARNINGS

8.1 COMPANIES' ABILITY TO MAINTAIN EMPLOYMENT

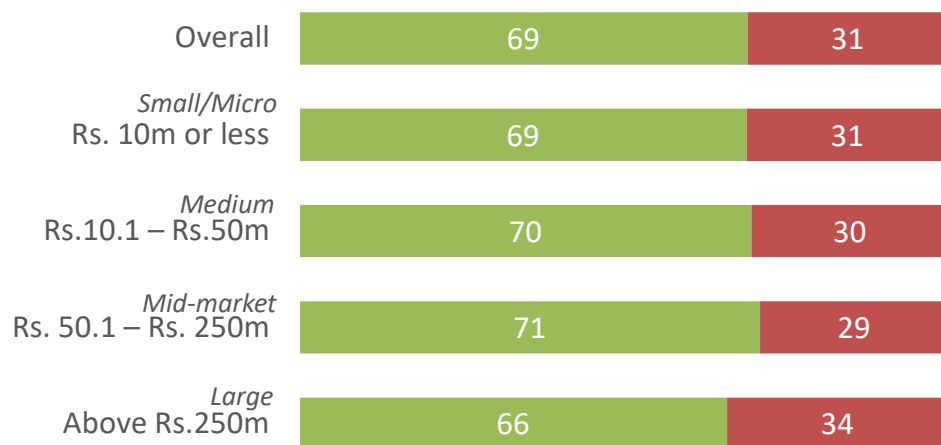
Companies' ability to maintain employment [2020 & Jan-Mar 2021]

Between Jan-Dec 2020, 69% of the companies managed to maintain Full-employment
[vs. 79% between April-Sept 2020]
Q1 2021, 84% did not release any employees

% OF COMPANIES MAINTAINING OR RELEASING EMPLOYEES JAN-DEC 2020

By Level of turnover / Operating Income [%]

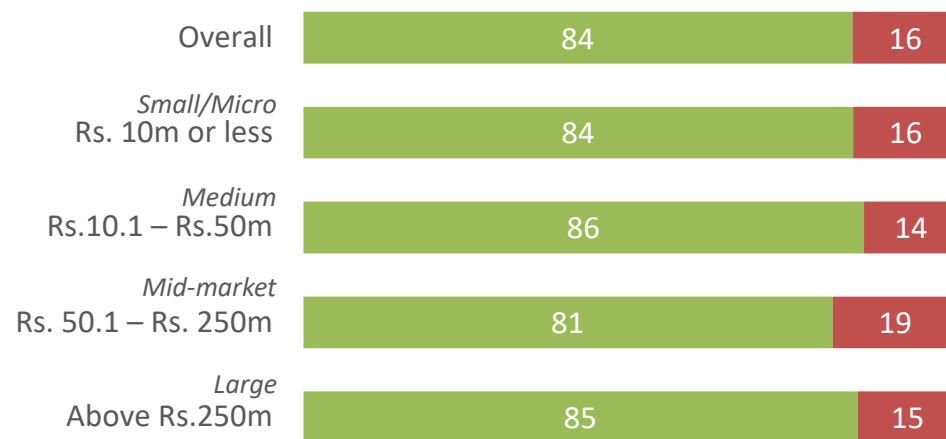
LEVEL OF TURNOVER / OPE. INCOME



■ ZERO employees released ■ At least 1 employee released

% OF COMPANIES MAINTAINING OR RELEASING EMPLOYEES JAN-MAR 2021

By Level of turnover / Operating Income [%]



■ ZERO employees released ■ At least 1 employee released

Weighted Base: All responding private companies

Source: D1_1: Between January and December 2020, how many workers have you had to release from employment?

Source: D3_1: Between January and March 2021, how many workers have you had to release from employment?



Significantly higher
proportion of companies



Significantly lower
proportion of companies



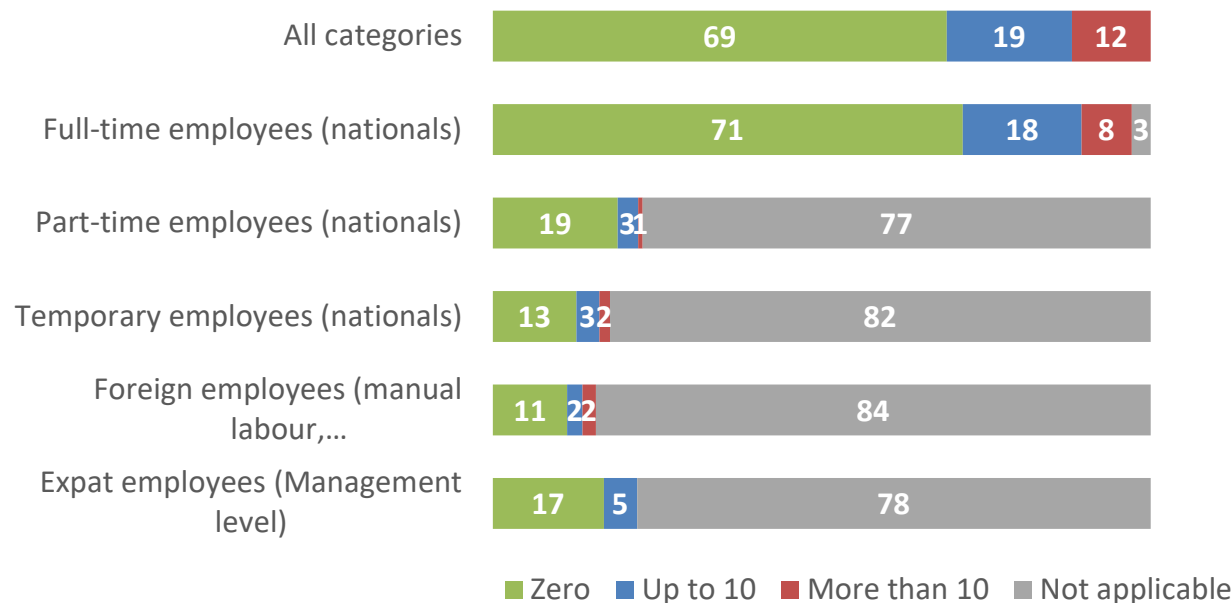
Categories of employees released [2020 & Jan-Mar 2021]

Between Jan-Dec 2020, 18% of the companies reported releasing up to 10 and 8% more than 10 full-time employees.

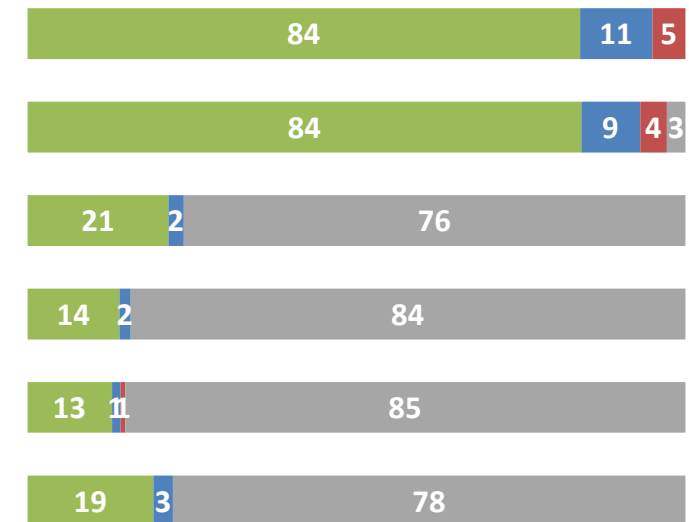
An additional 13% released at least 1 full-time employee in Q1 2021

Other categories of employees less impacted

NO. OF EMPLOYEES RELEASED PER CATEGORY [%]
JAN-DEC 2020



NO. OF EMPLOYEES RELEASED PER CATEGORY [%]
JAN-MAR 2021



Weighted Base: All responding private companies

Source: D1_1: Between January and December 2020, how many workers have you had to release from employment?

Source: D3_1: Between January and March 2021, how many workers have you had to release from employment?



Significantly higher
proportion of companies



Significantly lower
proportion of companies

Release of women & disabled employees [2020 & Jan-Mar 2021]

All Women employees were maintained in employment by 84% of companies between Jan-Dec 2020 and 90% of companies in Q1 2021

Employees with disabilities maintained in employment by nearly all companies employing them

NO. OF WOMEN & DISABLED EMPLOYEES RELEASED [%]
JAN-DEC 2020

NO. OF WOMEN & DISABLED EMPLOYEES RELEASED [%]
JAN-MAR 2021



■ Zero ■ Up to 10 ■ More than 10 ■ Not applicable

Weighted Base: All responding private companies

Source: D1_1: Between January and December 2020, how many workers have you had to release from employment?

8.2 ANTICIPATED IMPACT ON WORKFORCE



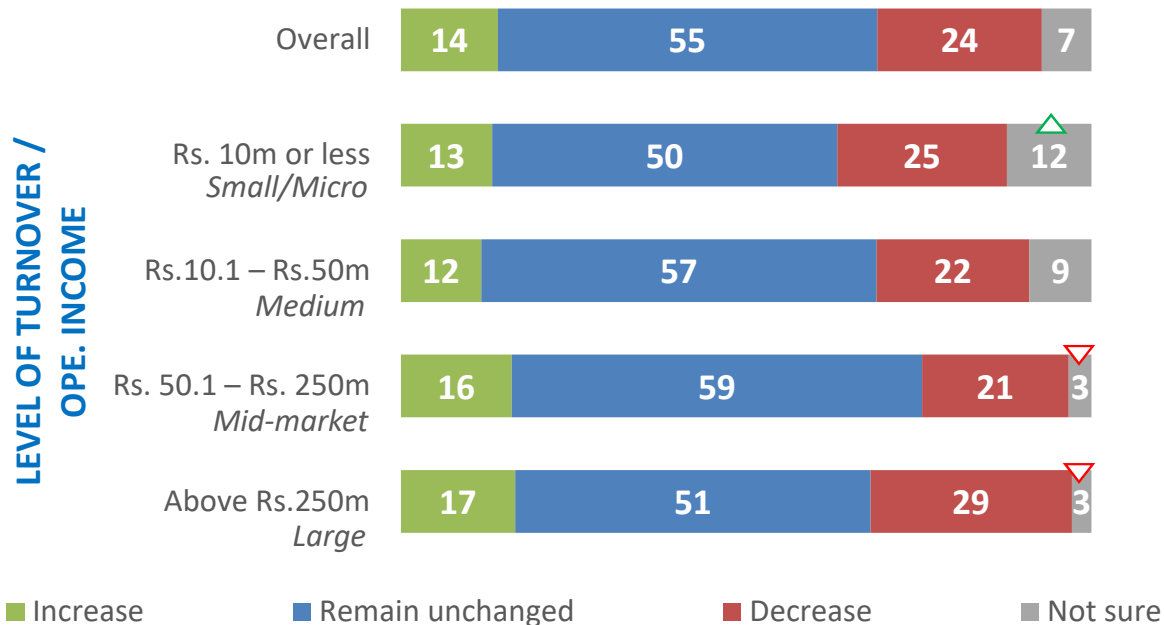
Anticipated change in workforce 2021 vs 2020

55% anticipate no change in workforce size over 2021 vs. 2020

24% expect a decrease and 14% an increase

Same forecasts as in April-Sept 2020

ANTICIPATED CHANGE IN WORKFORCE OF RESPONDING COMPANIES OVER THE COMING MONTHS [%]



SIGNIFICANT DIFFERENCES NOTED:

ANTICIPATED CHANGE IN WORKFORCE

DECREASED



52%

**Accommodation
& Food Service**

INCREASED



33%

**Information &
Communication**

REMAINED UNCHANGED



71%

Finance & insurance

Unweighted base



Significantly higher
proportion of companies



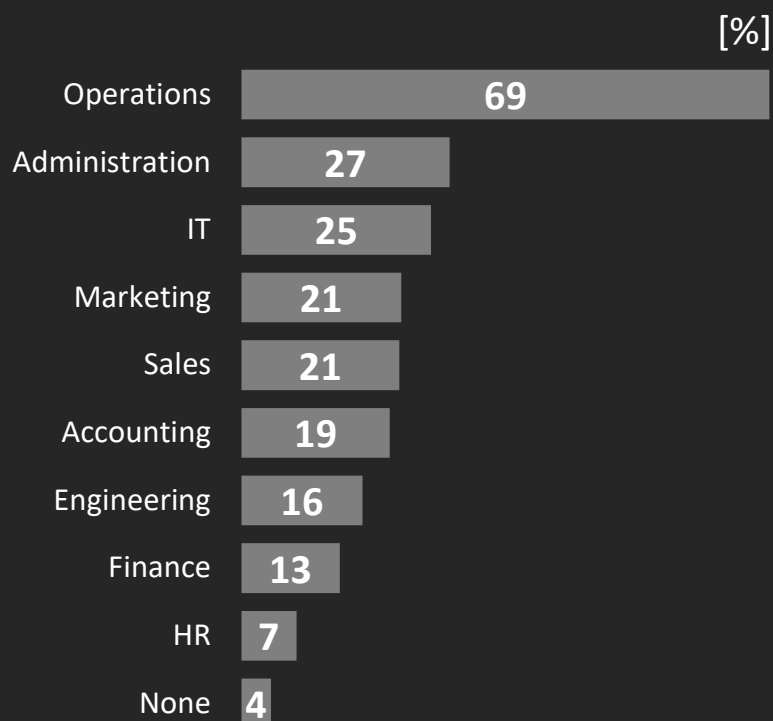
Significantly lower
proportion of companies

Weighted Base: All responding private companies

Source: G8: How do you expect your organisation's workforce size to change over 2021 vs. 2020?

Field of recruitment in 2021

Of those who expect workforce to increase in 2021,
69% would recruit in the Operations field



Weighted Base: All responding private companies expecting their workforce to increase
Source: G8_1: In which field do you expect to hire employees?

Expected positions to be filled in 2021...



88% Skilled (Technical /Vocational education)



42% Managerial positions



33% Unskilled (Elementary occupations)

Weighted base: All responding private companies expecting their workforce to increase
Source: G8_2: In which positions do you expect to hire employees?



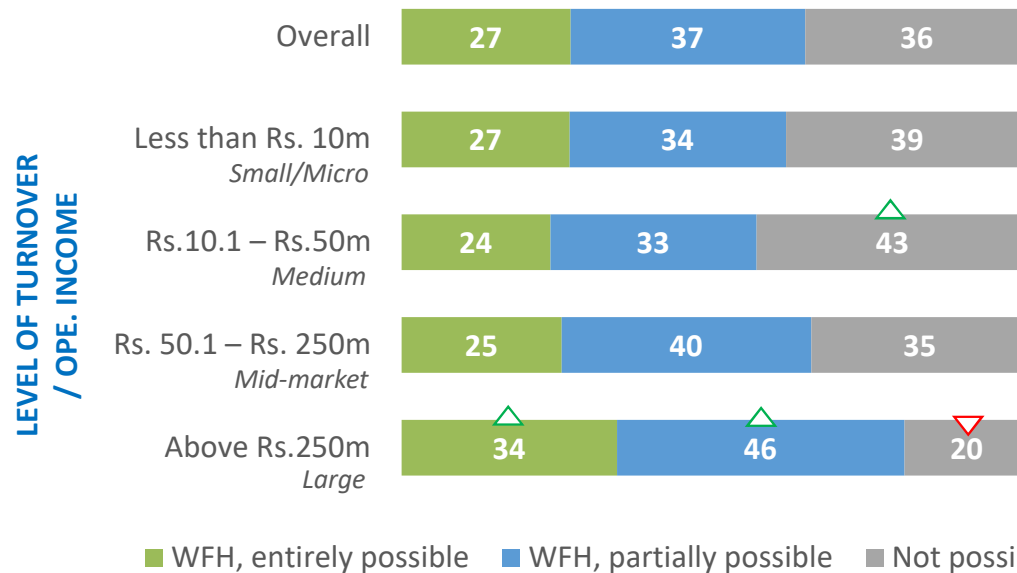
8.3 WORK FROM HOME



Ability to work from home [WFH]

64% assert the nature of their business allow employees to work from home [no change vs. April-Sept 2020]...
80% of Large Companies

% OF COMPANIES ASSERTING THE NATURE OF THEIR BUSINESS
ALLOWS EMPLOYEES TO WORK FROM HOME
By Level of turnover / Operating Income [%]



△ Significantly higher
proportion of companies

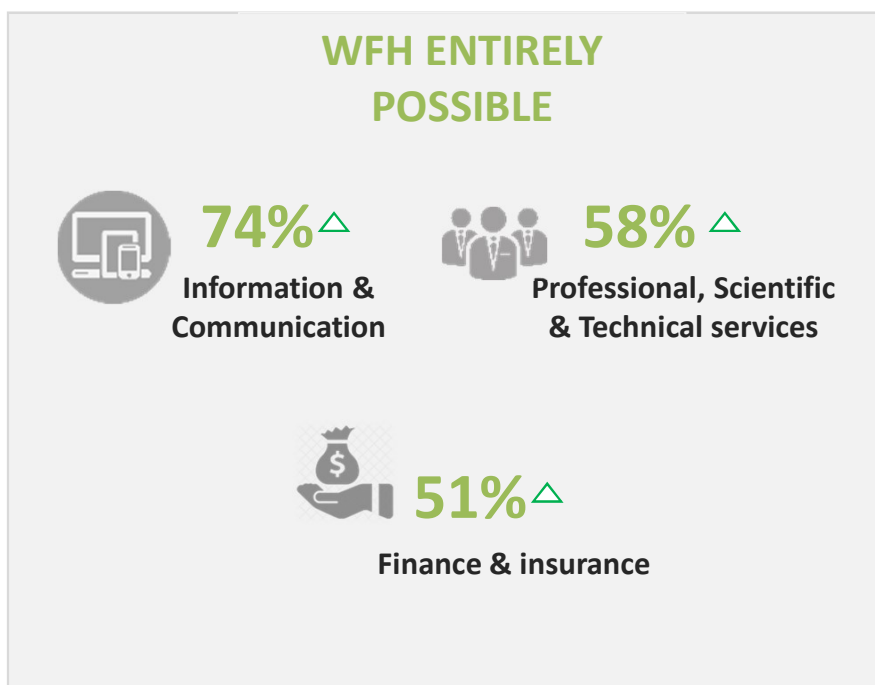
▽ Significantly lower
proportion of companies

Weighted Base: All responding private companies

Source: D4: Does the nature of your organisation's business allow the employees to Work from home?

Ability to work from home [WFH] | Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



Unweighted 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

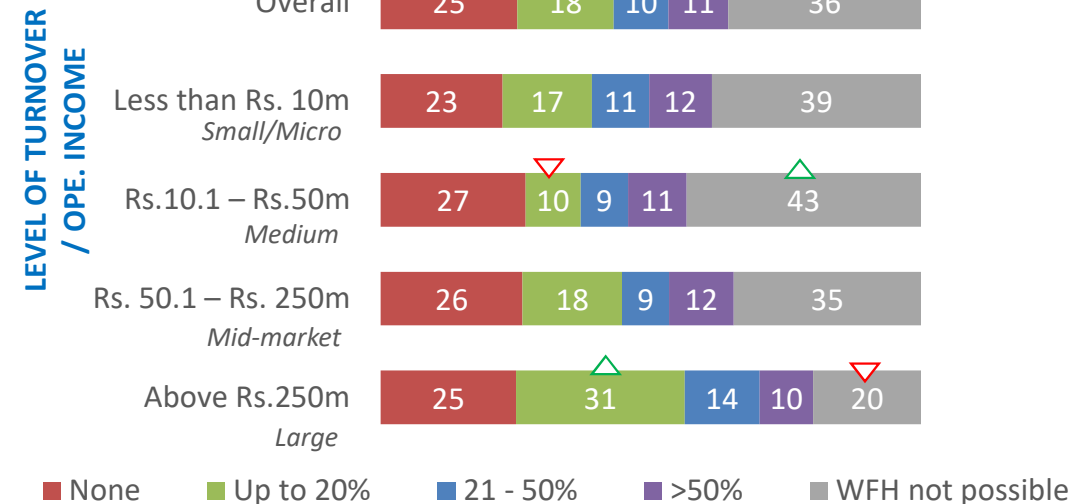
[▽] Significantly lower
proportion of companies

Workforce working from home after lockdown [2020]

39% maintained Work from Home for all or part of their employees after lockdown, in 2020 ...
56% of Large Companies

% OF WORKFORCE ABLE TO WORK FROM HOME AFTER LOCKDOWN 2020


By Level of turnover / Operating Income [%]




SIGNIFICANTLY HIGHER AMONG THE FOLLOWING SECTORS:

>50% EMPLOYEES ABLE TO WFH



33% 
Information & Communication



34% 
Professional, Scientific & Technical services

Unweighted base



Significantly higher proportion of companies



Significantly lower proportion of companies

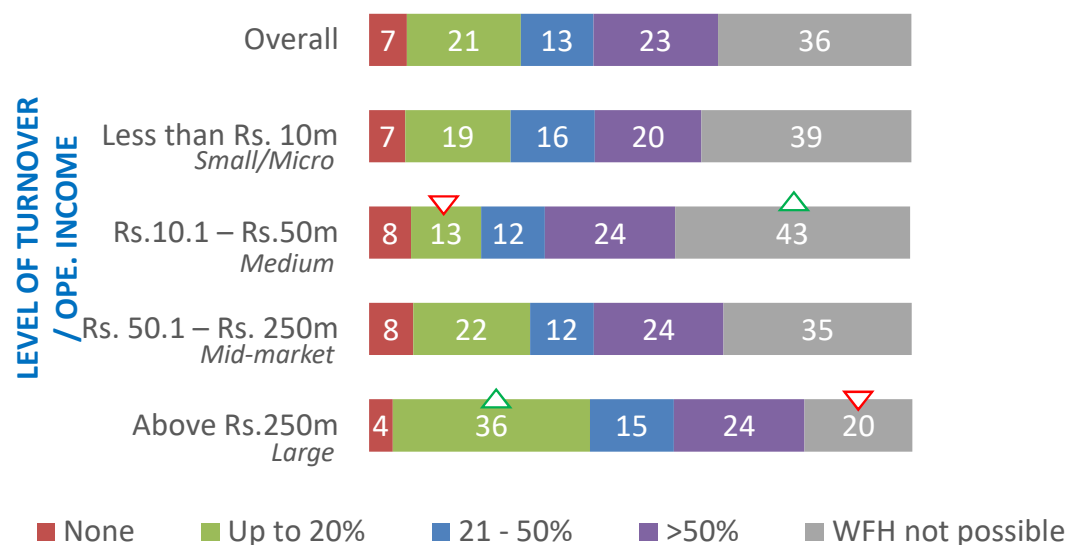
Weighted Base: All responding private companies

Source: D4_3: In 2020, what percentage [%] of your total work force continued working from home even after the end of COVID lockdown?

Workforce working from home since lockdown [March 2021]

Since March 2021 lockdown, part or all employed have been working from home in 57% of the companies ...
75% of Large Companies
No change vs. previous lockdown period

% OF WORKFORCE ABLE TO WORK SINCE LOCKDOWN IN MARCH 2021 By Level of turnover / Operating Income [%]



Weighted base: All responding private companies

Source: D4_4: Since the lockdown in March 2021, what percentage [%] of your total workforce have been working from home?

SIGNIFICANTLY HIGHER AMONG THE FOLLOWING SECTORS:

>50% EMPLOYEES ABLE
TO WFH



61% △

Professional, Scientific
& Technical services



59% △

Information &
Communication



42% △

Financial &
insurance activities

Unweighted base



Significantly higher
proportion of companies



Significantly lower
proportion of companies

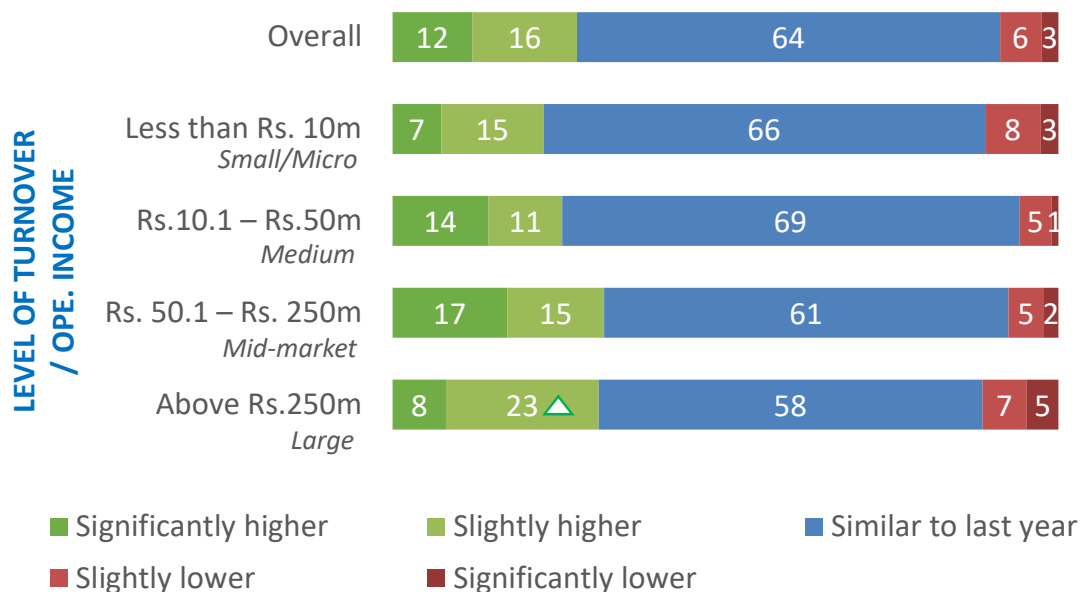


Work from home status [2021 vs. 2020]

64% stated no change in percentage of WFH during 2021 lockdown vs. 2020 lockdown
 28% reported significantly/slightly higher proportion of WFH over the same period ...
 32% of Mid-market and 31% of Large Companies

WORK FROM HOME STATUS AT 2021 vs. 2020

By Level of turnover / Operating Income [%]



SIGNIFICANT DIFFERENCES NOTED:

SIGNIFICANTLY HIGHER WFH



26% [△]

Information & Communication



24% [△]

Financial and insurance activities

Unweighted base



Significantly higher proportion of companies



Significantly lower proportion of companies



90

Weighted Base: All responding private companies

Source: D4_5: How does this percentage [%] compare with the previous lockdown period in 2020?

RV61

Interesting progress

Ramanathan Venkatasawmy, 21/07/2021

9. BUSINESS MODELS TO BUILD RESILIENCE



9.1 BUSINESS INNOVATIONS



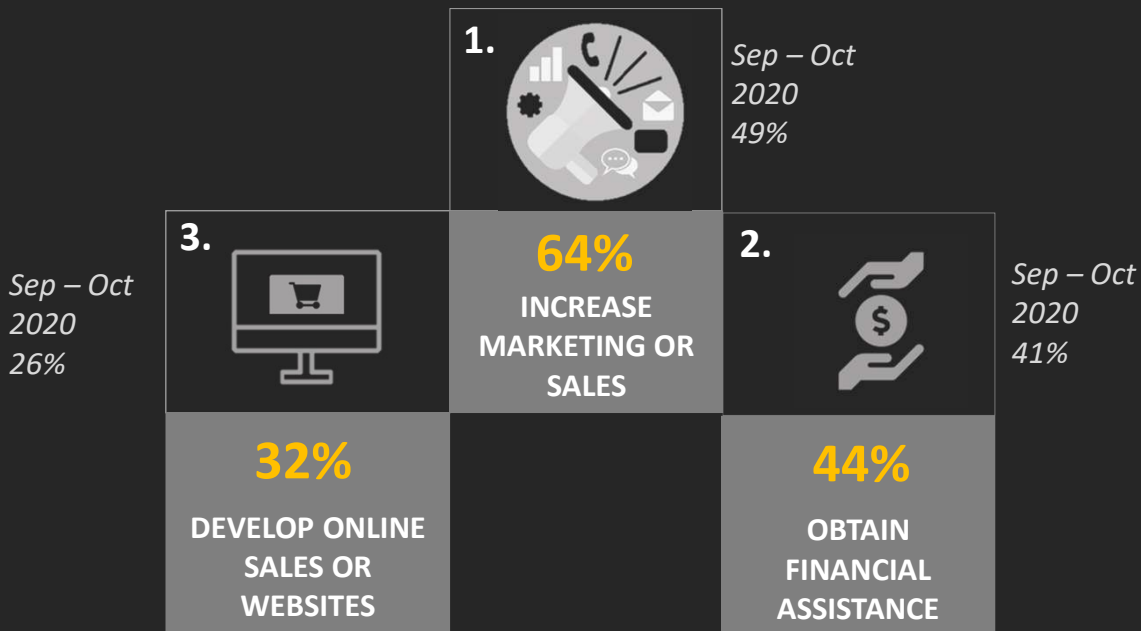
Business strategies in 2021

No change in the planned top 3 business strategies

64% will increase Marketing or Sales in 2021 ...

Last year, 49% mentioned they would adopt this strategy in 2021

Top 3



Weighted Base: All responding private companies

Source: G13: In 2021, do you think your organisation will need to do any of the following?

OTHER STRATEGIES [%]

- | | |
|--|-----------|
| • Digitalise organisation's processes | 29 |
| • Identify new supply chain options | 28 |
| • Learn how to better provide for the safety of customers and employees | 22 |
| • Identify and hire new employees | 19 |
| • Introduce Artificial Intelligence | 10 |
| • Permanently close business | 4 |
| | |
| • Review expenses- Implement cost saving measures | 1 |
| • Re-evaluation of services and goods offered (new product developments) | 1 |
| • Review business model/operation | 1 |

Innovation past 6 months

Top 3 innovative measures to keep businesses afloat:
 Cost saving measures
 New ways of working
 Preparation of Business Continuity Plan



Weighted Base: All responding private companies

Source: G22: How did your organisation innovate during the past 6 months?

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

Top 3 factors **Positively** affecting business in 2021



Reopening of borders **63%**



Recovery of client markets **61%**



Vaccination against COVID_19 **57%**

Other factors:

Cash Flow	34%
Foreign Exchange rates - Depreciation of the rupee	20%
Any other local lockdowns	9%
Current local lockdown	9%

Weighted Base: All responding private companies

Source: G19_1: In your opinion, what are the 3 main factors that will positively affect your business in 2021?

Top 3 factors **Negatively** affecting business in 2021



Any other local lockdowns **52%**



New COVID-19 impact on client markets **42%**



Closing of borders **40%**

Other factors:

Further depreciation of the rupee	39%
Delayed payment by clients	38%
Cash Flow issues	35%
Current local lockdown	33%

Weighted Base: All responding private companies

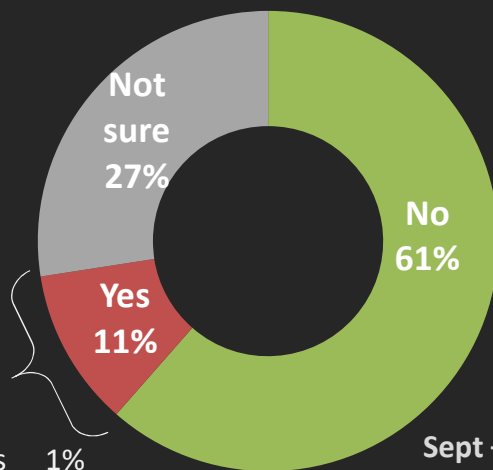
Source: G9_2: In your opinion, what are the 3 main factors that will negatively affect your business in 2021?



Risk of permanent business closure in 2021

61% foresee no risk of closure in 2021
vs. 47% in 2020

11% foresee a risk of closure ...
6% within next 5 months



Within 1 month or less	1%
Within 2–3 months	2%
Within 4–5 months	3%
Within 6 months or more	5%

Weighted Base: All responding private companies

Source: G7: Do you think there is a risk that your organisation will permanently shut down in 2021, and if so, when could this closure occur?

Risk of permanent business closure due to...



Current economic conditions
88%



Lack of capital
56%



Low profits
48%



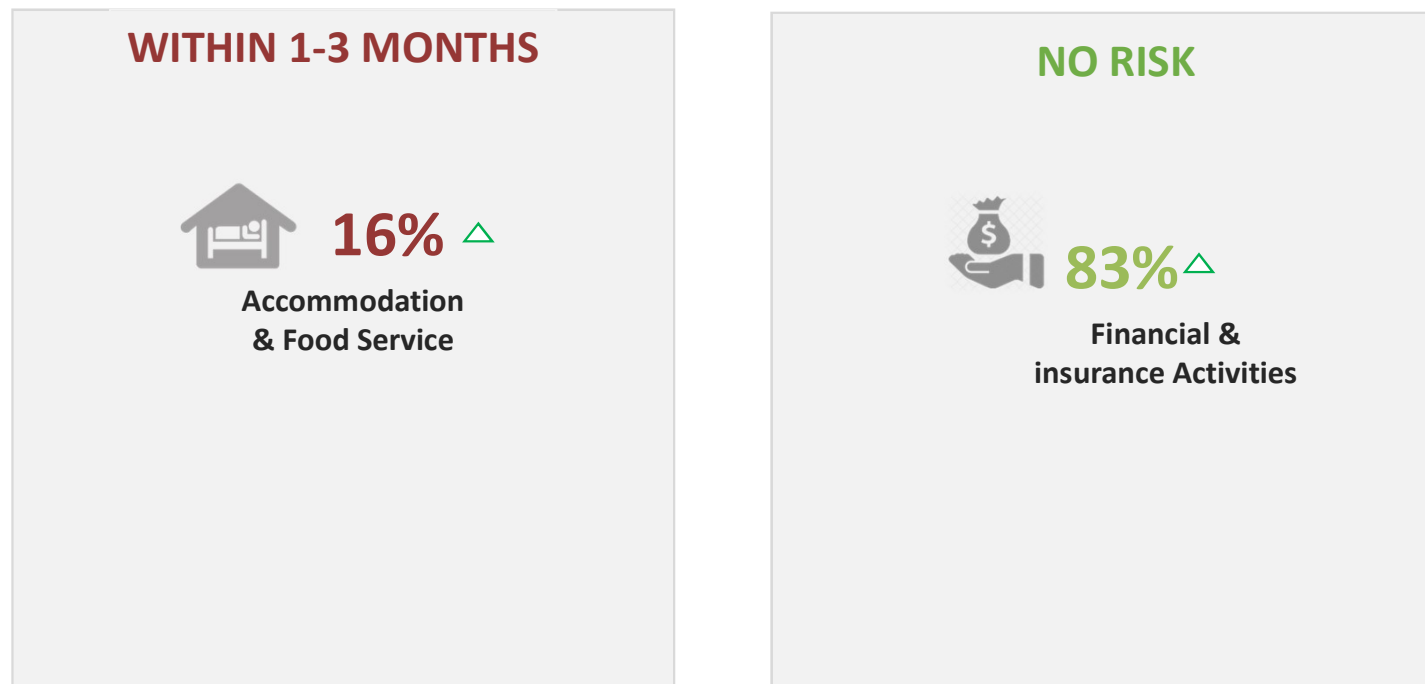
Unavailable resources
37%

Weighted Base: All responding private companies who think their business risks closure

Source: G7: Do you think there is a risk that your organisation will permanently shut down in 2021, and if so, when could this closure occur?

Risk of permanent business closure in 2021 | Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



Unweighted Base: All responding private companies

Source: G7: Do you think there is a risk that your organisation will permanently shut down in 2021, and if so, when could this closure occur?

△ Significantly higher
proportion of companies

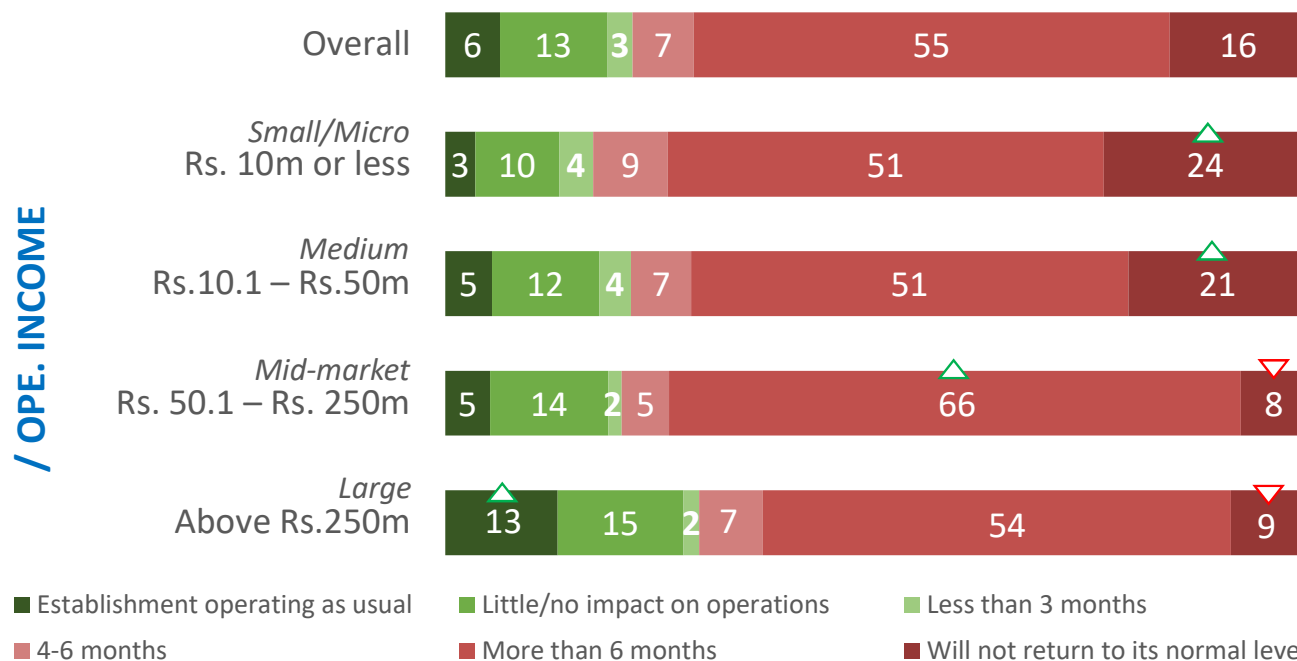
▽ Significantly lower
proportion of companies

Resuming business as usual relative to 2019

Merely 19% of businesses have been operating almost as usual vs. 2019 ... 28% of Large Companies
62% perceive it will take 4 months or more to return to normal levels of operation vs. 2019 ...
71% of Mid-market Companies
24% of Small and 21% of Medium SMEs anticipate no future return to normal ...
more pessimistic than last year [15% and 10% respectively]

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

LEVEL OF TURNOVER
/ OPE. INCOME



SIGNIFICANT DIFFERENCES NOTED

MORE THAN 6 MONTHS



75% △

Accommodation
& Food Service

OPERATING AS USUAL/LITTLE NO IMPACT



33% △

Professional, Scientific
& Technical services

Weighted 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 2019?



Significantly higher
proportion of companies



Significantly lower
proportion of companies



11. GOVERNMENT SUPPORT MEASURES

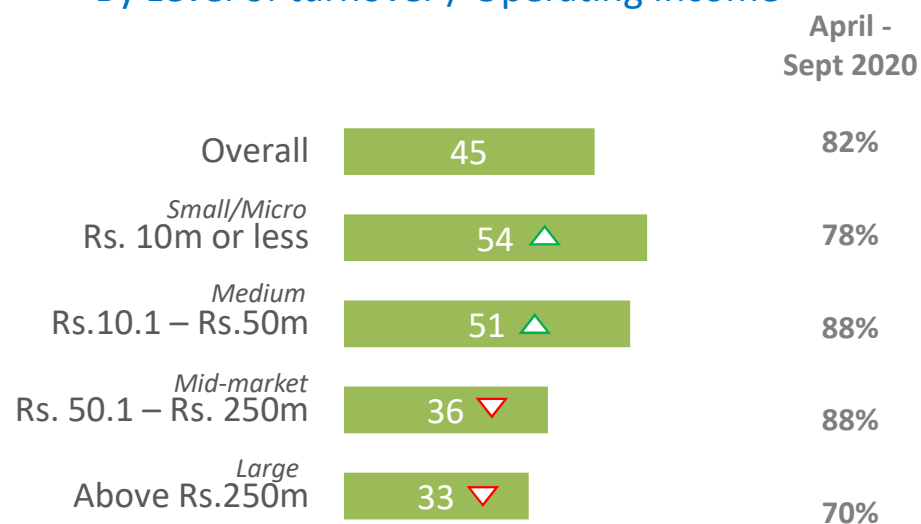


Government Wage Assistance Scheme [GWAS] received [April-June 2021]

45% of companies are currently on GWAS, much less [82%] than in April - Sept 2020...
More of Small [54%] and Medium SMEs [51%]

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

LEVEL OF TURNOVER
/ OPE. INCOME



SIGNIFICANT DIFFERENCES NOTED

RECEIVED GWAS

95%
Accommodation
& food

Unweighted base

Unweighted Base: All responding private companies

Source: F1_1: What percentage [%] of your employees are currently on Wage Assistance Scheme?

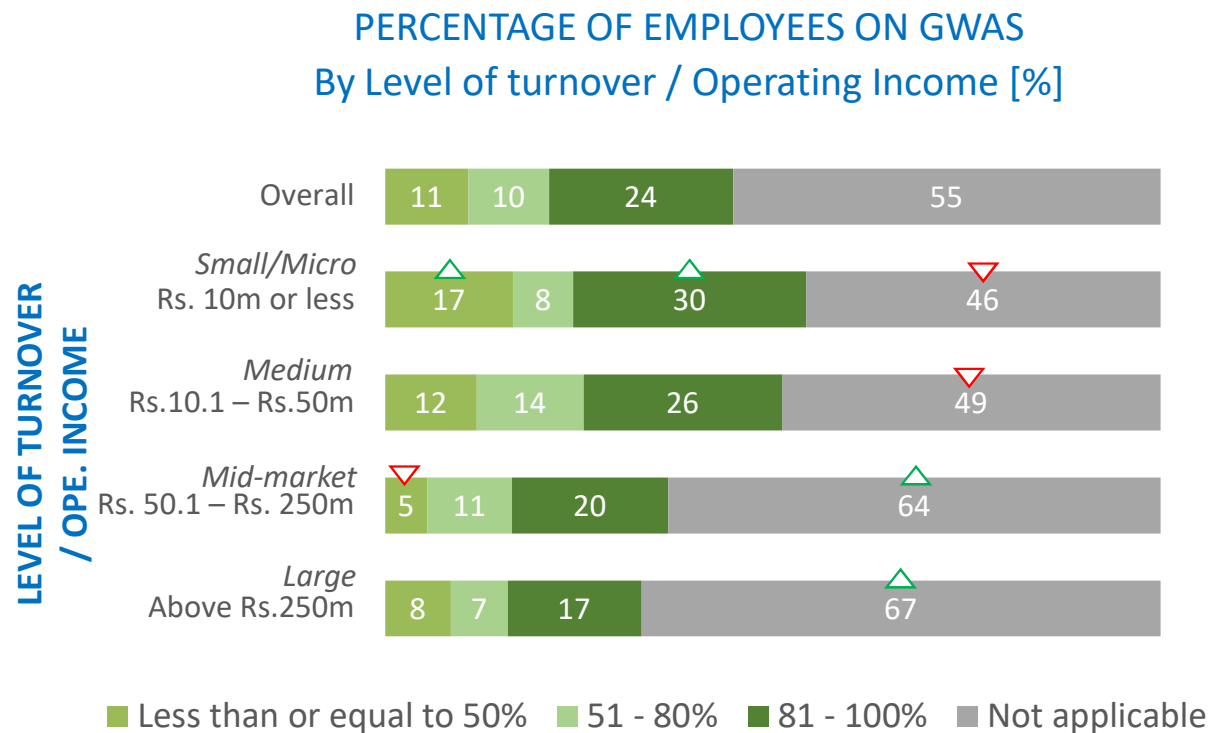
Significantly higher
proportion of companies

Significantly lower
proportion of companies



Percentage of employees on GWAS [April-June 2021]

Between 81 – 100% of employees are currently on GWAS in 24% of companies [vs. 47% in April-Sept 2020]...
30% of Small SMEs



Weighted Base: All responding private companies

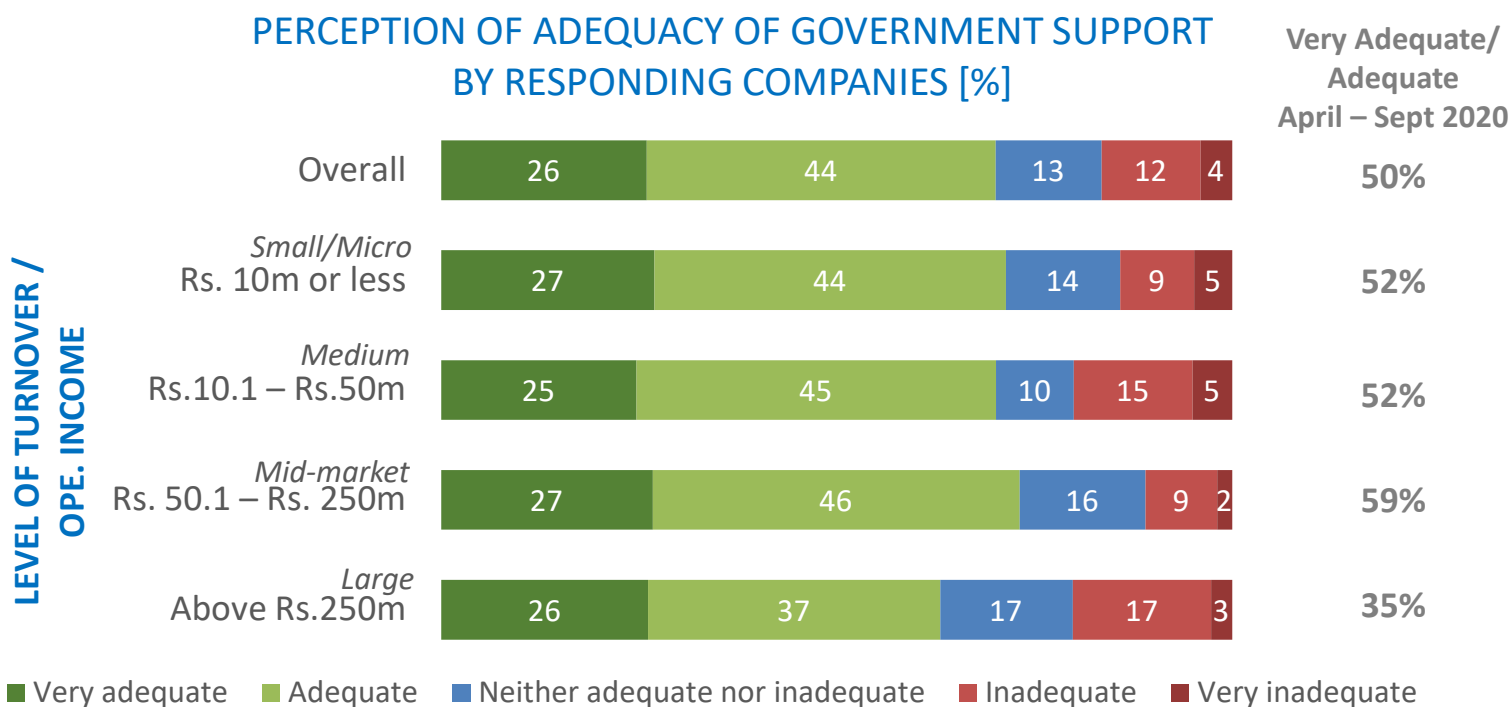
Source: F1_1: What percentage [%] of your employees are currently on Wage Assistance Scheme?

△ Significantly higher
proportion of companies

▽ Significantly lower
proportion of companies

Adequacy of Government Support measures [April-June 2021]

70% find the Government support measures to be very adequate/adequate vs. 50% in 2020



Weighted base: All responding private companies on GWAS

Source: F2: Has the GWAS been adequate to help your organisation cope with the COVID-19 impacts?

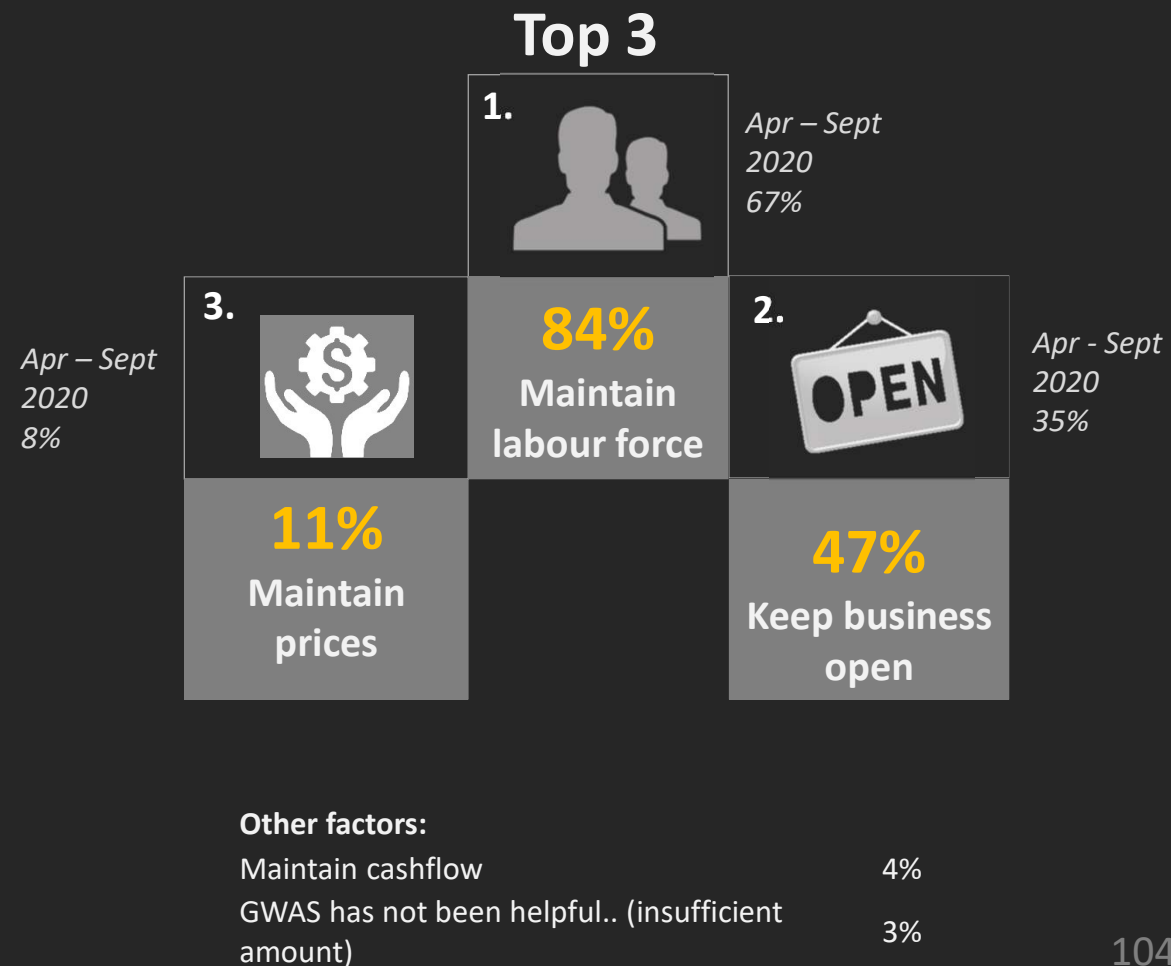
△ Significantly higher proportion of companies

▽ Significantly lower proportion of companies



Helpfulness of Government support measures [April-June 2021]

Government support measures:
most helpful to maintain
labour force, just as in
2020.



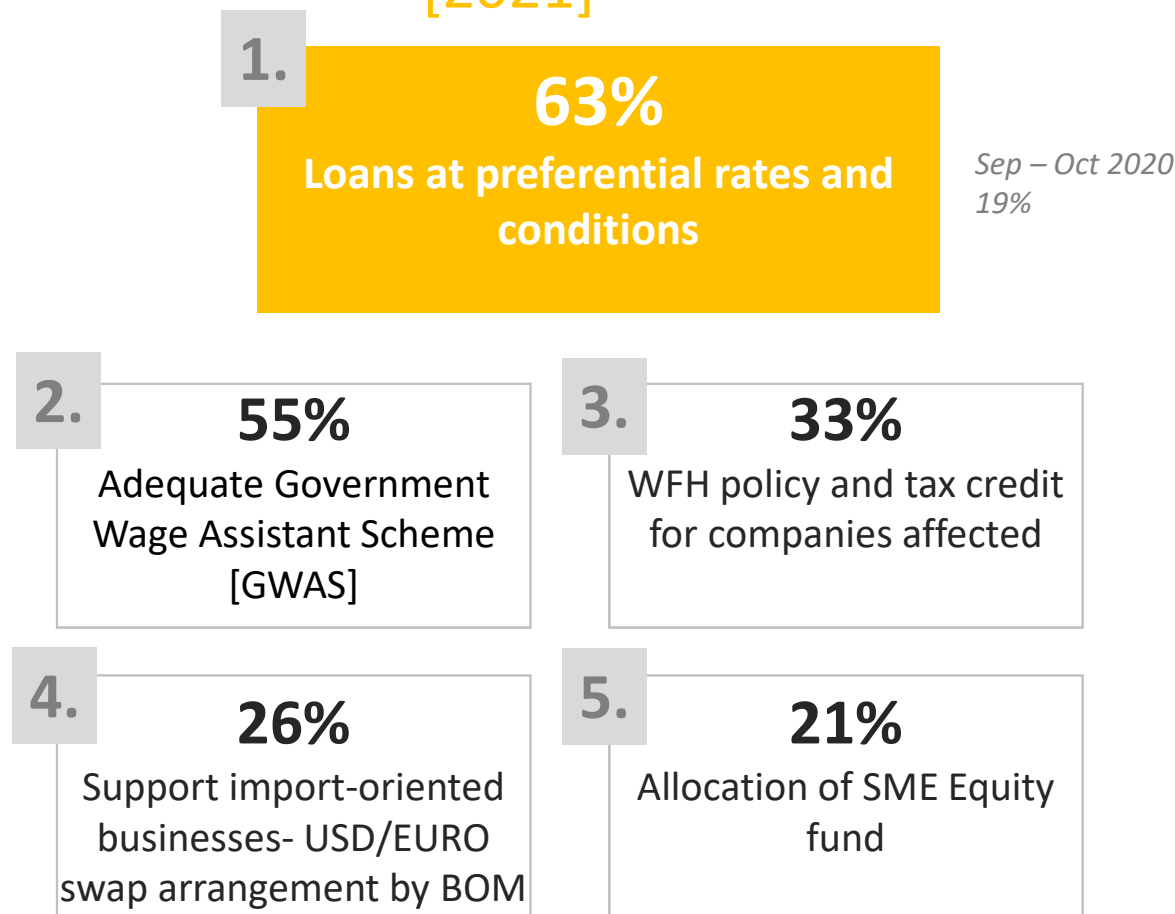
12. FUTURE BUSINESS NEEDS IN TERMS OF SUPPORT



Topmost support sought
from Government is
loans at preferential
rates, 63% in 2021 vs.
19% in 2020

55% would still prefer
GWAS

Top 5 Future Govt. Support Measures needed [2021]



Weighted Base: All responding private companies

Source: G20: In 2021, what government interventions/support would you like to have to help your business?



Top 5 Government Support Measures Needed [2021]

Sectoral level

SIGNIFICANT DIFFERENCES NOTED:



MANUFACTURING

36%

Support import-oriented businesses- USD/EURO swap arrangement by BOM

32%

Allocation of SME Equity fund



WHOLESALE AND RETAIL TRADE

51%

Support import-oriented businesses- USD/EURO swap arrangement by BOM



INFORMATION & COMMUNICATION

59%

WFH policy and tax credit for companies affected



ACCOMMODATION & FOOD SERVICE

94%

Adequate Government Wage Assistant Scheme [GWAS]

79%

Loans at preferential rates and conditions



PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

58%

WFH policy and tax credit for companies affected

Unweighted Base: All responding private companies

Source: G12: What will be the top three challenges facing your organization in 2021?



Significantly higher proportion of companies



Significantly lower proportion of companies



13. WAY FORWARD



Way Forward [1/3]

The follow-up survey confirms that businesses continue to bear adverse impacts compared to pre-pandemic conditions of 2019.

Areas for further discussion

1. Impact on SMEs vs. Mid-Market and Large Companies

56% of companies interviewed were **SMEs**, many of which continue to **bear higher adversities** compared to Mid-Market and Large enterprises, in terms of Sales, Cash-flow, Investment capacity, Resilience.

62% anticipate that it will take **4 months or more to return** to 2019 normal level, while 24% of Small SMEs believe their activity will never return to 2019 levels.

It will be **key to propose solutions for SMEs, Exporters and Large companies** based on their sector and their most pressing needs (cash flow, demand, cost of inputs...).

2. Business Innovation and Resilience

Going digital seems to be one of the **most important strategies** adopted by businesses, whether it is through online sales, digitization of organisation process, introducing artificial intelligence or working from home. The pandemic has been a good catalyst.

While large companies will maintain their investments in sustainability initiatives, such investments are still low in SMEs.

Policies and facilities to be put in place to facilitate Technology Absorption, Innovation and Market diversification.

Way Forward [2/3]

Areas for further discussion

3. Labour Market

While the Government Wage Assistance Scheme [GWAS] has allowed 84% of the surveyed businesses to maintain full-employment up to Q1 2021, the gradual phasing out of GWAS in 2021, coupled with the persistence of poor market conditions, is pushing towards unavoidable changes in employment level in some areas.

Indeed, changes in business models are anticipated which will no doubt necessitate changes in employment patterns and workforce. While 55% expect a stable workforce, nearly 1 out of 4 companies anticipate the need to gradually decrease their workforce, while only 14% plan an increase.

It will be imperative for relevant public and private institutions to collaborate to identify sectors/activities at risk and anticipate and plan for individual support for re-skilling and transitioning to in-demand sectors.

Way Forward [3/3]

Areas for further discussion

4. Government support

To sustain business operations and employment, further discussions are required on support measures requested by companies.

In particular, it will be important to ensure that existing and new measures are effectively implemented, monitored and adjusted to bring the desired result, with regards to access to preferential finance, access to local and export markets, mitigation of forex risks and access to direct wage support where applicable.

5. Gender-related impacts

A gender-based analysis on the Initial survey did not reveal any significant gender-specific issues. The analysis will be repeated on the results of the follow-up survey, to identify specific areas of intervention to help vulnerable female-led enterprises.

APPENDIX 1: SURVEY METHODOLOGY



Sample Universe - Consolidation



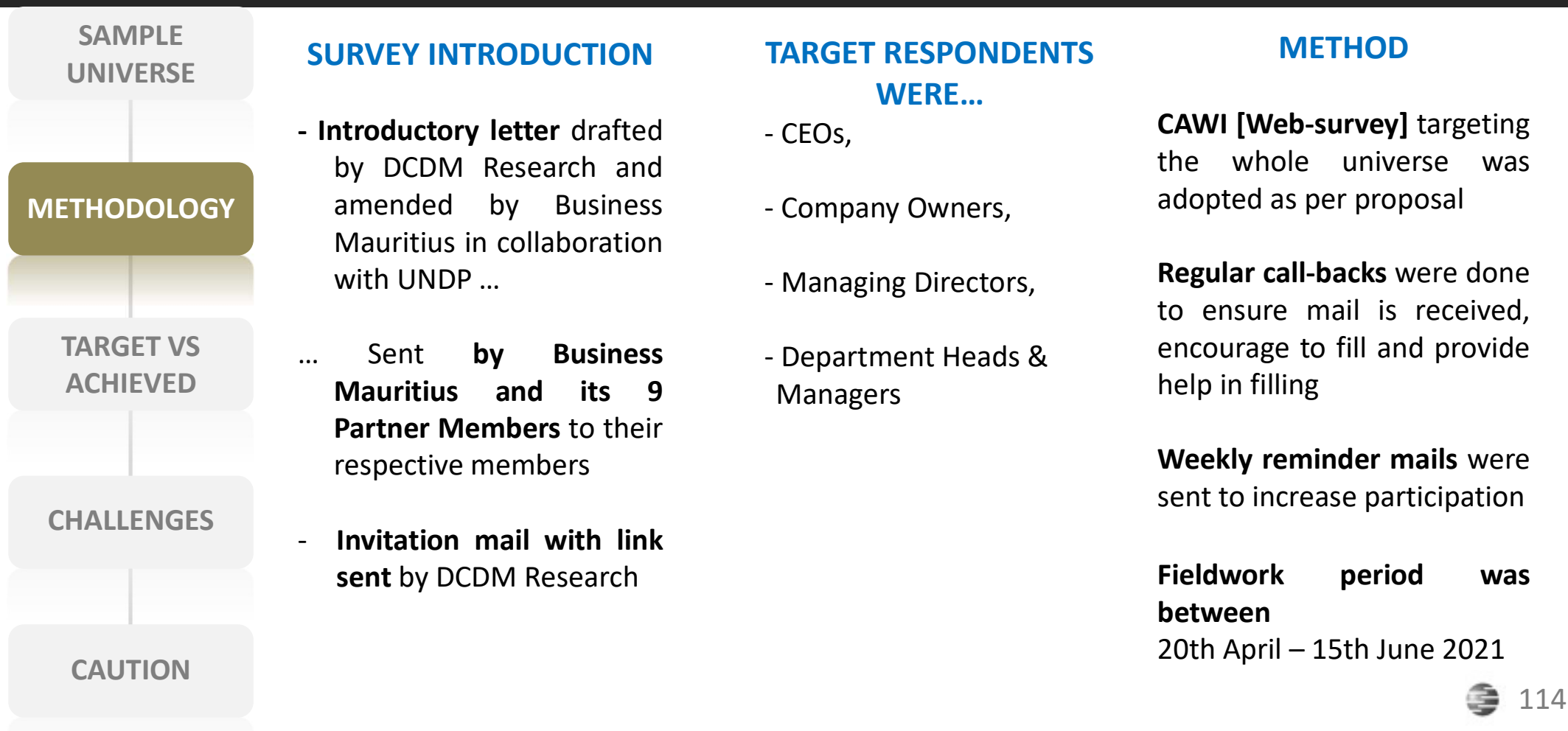
Same contact database as first Business Survey was used for the Follow-up Survey. Final contact database was the consolidated version of databases received from **Business Mauritius, Statistics Mauritius and the 9 Partner Members of Business Mauritius in 2020.**



Mauritius Chamber of Agriculture



Survey Methodology Followed



Survey methodology – Quality Control



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

A stratified sampling methodology was adopted at design stage with the objective to reach 800 respondents.

However, 76% of the target was finally achieved.

The achieved split by sector of activity is very well in line with the universe. A minimum response rate of 20% was achieved across sectors, 8pts more than first Business Survey.

NOTE:

2 Companies were added in the database following requests during the survey from Survey Committee increasing the universe from 2,707 to 2,709

SECTOR OF ACTIVITY	UNIVERSE	% (a)	TARGET	RESPONDING BUSINESSES	% (b)	VARIANCE (a – b)	RESPONSE RATE [%]
BASE	2,709		800	609	100	-	22%
A. Agriculture, forestry and fishing	80	3.0	30	23	3.8	-0.8	29%
B. Mining and quarrying	8	0.3	8	4	0.7	-0.4	50%
C. Manufacturing	495	18.3	120	107	17.6	0.7	22%
D. Electricity, gas, steam and air conditioning supply	11	0.4	10	5	0.8	-0.4	45%
E. Water supply: sewerage, waste management and remediation activities	7	0.3	7	3	0.5	-0.2	43%
F. Construction	106	3.9	30	22	3.6	0.3	21%
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	487	18.0	118	95	15.6	2.4	20%
H. Transportation and storage	103	3.8	30	31	5.1	-1.3	30%
I. Accommodation and food service activities	285	10.5	70	63	10.3	0.2	22%
J. Information and communication	154	5.7	35	27	4.4	1.3	18%
K. Financial and insurance activities	17	0.6	17	5	0.8	-0.2	29%
<i>K.1. Commercial Banks</i>	19	0.7	19	8	1.3	-0.6	42%
<i>K.2. Insurance activities</i>	86	3.2	30	28	4.6	-1.4	33%
L. Real estate activities	53	2.0	30	17	2.8	-0.8	32%
M. Professional, scientific and technical activities	367	13.5	85	76	12.5	1.1	21%
N. Administrative and support service activities	133	4.9	30	22	3.6	1.3	17%
P. Education	91	3.4	30	19	3.1	0.2	21%
Q. Human health and social work activities	63	2.3	30	17	2.8	-0.5	27%
R. Arts, entertainment and recreation	68	2.5	30	18	3.0	-0.4	26%
S. Service activities not elsewhere classified	65	2.4	30	13	2.1	0.3	20%
Conglomerate	11	0.41	11	6	1.0	-0.6	55%

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

SAMPLE
UNIVERSE

METHODOLOGY

TARGET VS
ACHIEVED

CHALLENGES

CAUTION

TELEPHONE FOLLOW-UPS

Out of total 6,067 telephone calls made, 30% of the calls resulted in completed interviews, top 4 challenges faced were...

27%

Follow-up / Call back again at later date and time

21%

No answer, unreachable

7%

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

5%

Non-working or disconnected number

NOTE: 14 Companies reported to be closed out of 2,709 companies contacted

REMINDER EMAILS

During the course of the survey reminder emails were sent 11 times to the full contact database. Final email status for all 3,386 email contacts were..

86%

Email address were good

14%

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 mainly from Statistics Mauritius database.

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

Analysis are done on an overall and by company size level. All information presented at Overall and Co. Size levels were weighted to ensure representativeness of the sample by Sector of Activity.

Analysis by sector of activities are unweighted. Analysis not always shown for all sectors due to small sub-sample sizes.



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