

MEASURING THE BUSINESS IMPACT OF COVID-19

Since the emergence of the Novel Coronavirus (Covid-19) at the end of 2019, the number of confirmed cases has soared rapidly, having a knock-on effect in the business world. Businesses have reacted quickly, grappling with the need to maintain safe and productive workplaces, but also reacting to disrupted supply chains and lost revenue.

The American Chamber of Commerce in Singapore (AmCham Singapore), in collaboration with knowledge partner Sandpiper Communications, conducted an online survey of AmCham members to better understand the impact of Covid-19 on their operations, the business environment within Singapore, and their outlook for the future. Responses were collected from February 12 to 18, 2020.

The survey finds that, as expected, the impact to businesses is tangible. Most companies will see a hit to their business operations and revenues as a direct result of the Covid-19 outbreak, and many are changing their business plans for 2020. However, surveyed companies report, the disruption is manageable. Many firms are mitigating risk by cancelling staff travel, implementing precautionary protocols to protect their employees at work, and cancelling or postponing large-scale events. The large majority, however, are not permanently repatriating foreign staff to their home countries outside of Singapore or laying off employees.

However, the perception of the situation in Singapore may be worse than the reality. Looking ahead, long-term confidence in Singapore remains robust, in part driven by the Singapore Government's effective communication strategy and efforts to address the potential economic impact. While only half of surveyed businesses have begun recovery planning, an even smaller percentage of firms are building on lessons learned and updating company policies with regards to general emergency preparedness.

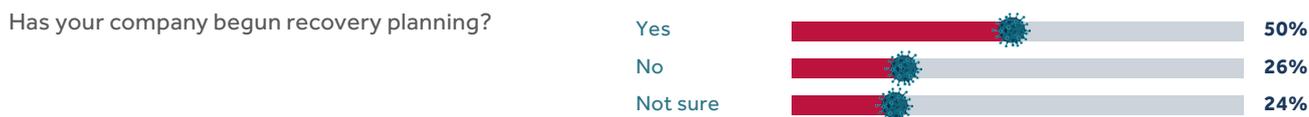
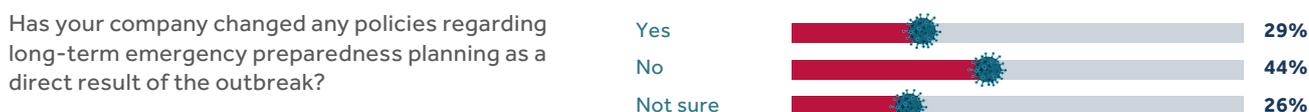
Business is concerned about misinformation and the impact it might have, although they remain largely confident that at this time Covid-19 will not affect their reputation. Companies are proactively protecting their employees and seeking to minimize transmission among their employees or between their employees and the public.



KEY FINDINGS

Business preparedness

1. Prior to the emergence of Covid-19, less than half of companies (45%) had a formal Disease Outbreak Response Plan in place. Even fewer (29%) are planning any changes to emergency preparedness protocols, even as half of companies are in the stages of recovery planning at the time of the survey.



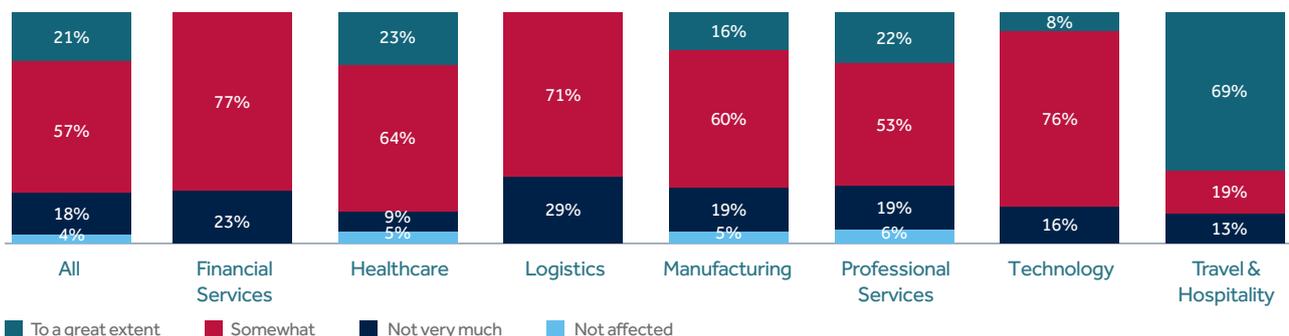
Of the 35% of companies who did not have in place a Disease Outbreak Response Plan prior to Covid-19, 1 in 2 are not planning any long-term changes to emergency preparedness policies after the current outbreak.



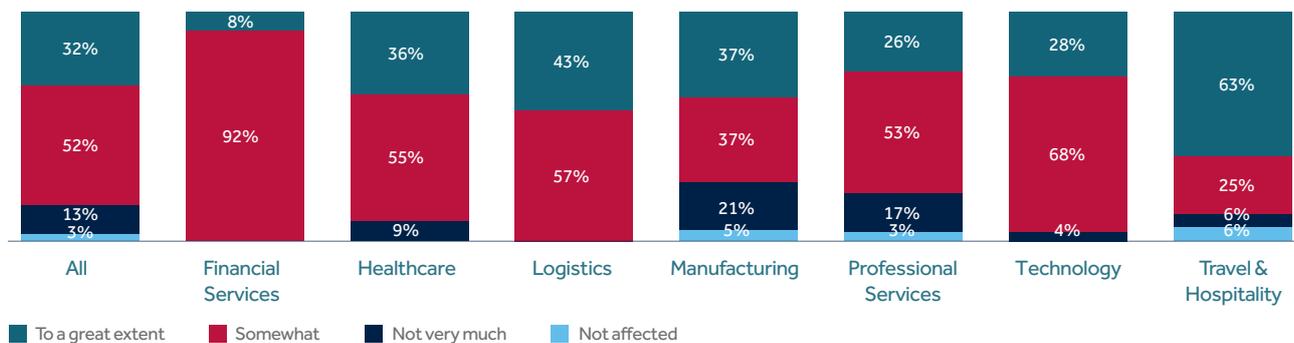
Impact of Covid-19

2. In the context of business operations and revenue, the travel and hospitality industry has been impacted by Covid-19 the most. Of firms in the travel and hospitality industry, 88% report extensive or moderate impact to their business operations, both within Singapore and the broader Asia-Pacific. 94% of the same respondents also expect a downturn in 2020 revenues as a direct result of the outbreak.

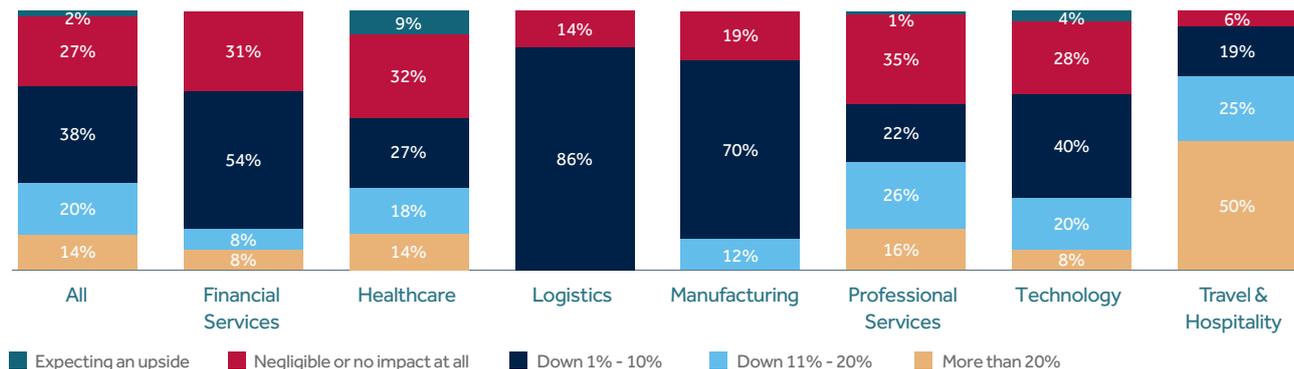
To what extent has Covid-19 impacted your business operations in Singapore? *By Industry*



To what extent has Covid-19 impacted your business operations in Asia-Pacific? *By Industry*

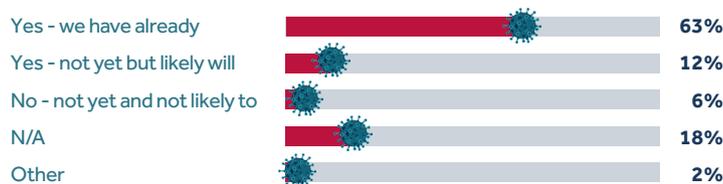


What impact will Covid-19 have on your company's estimated 2020 revenues? *By Industry*



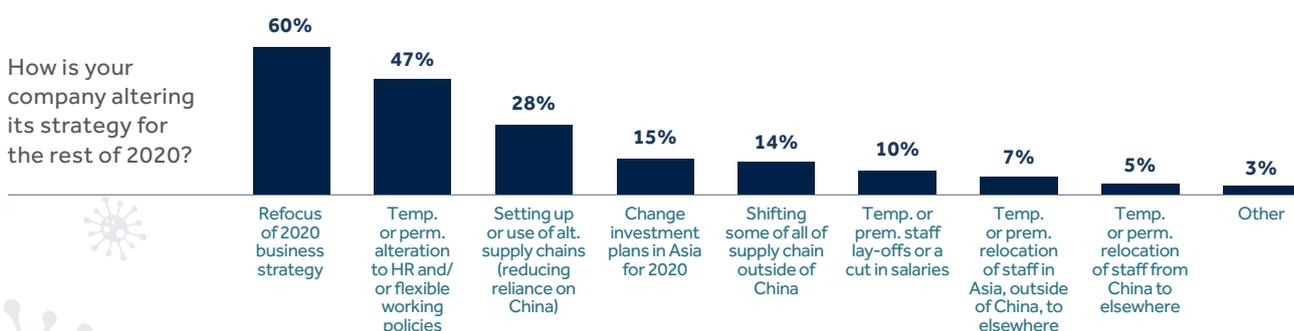
3. Over half of businesses report that Covid-19 has affected their operations, both within Singapore and the Asia-Pacific. These businesses also expect a loss of revenue in 2020; those who report extensive or moderate impact to their operations also anticipate substantial revenue loss. Corresponding to the 72% of firms who estimate revenue loss, three in five companies have already cancelled large-scale meetings or events.

Has your company already or does it intend to postpone or cancel any large-scale meetings or events in Singapore as a direct result of Covid-19?



4. While the situation may still be in its early stages, the majority of firms are refocusing their business strategies for the rest of 2020. Just under half (47%) are enforcing temporary or permanent changes to their HR or flexible working policies. But very few are implementing temporary or permanent lay-offs or cuts to salary, with only one in 10 reporting this.

Is your company re-evaluating some or all of its business strategy or operations for the rest of 2020 as a direct result of Covid-19?



5. However, the perception of the severity of the situation is worse outside of Singapore than in reality. The impact of the outbreak to businesses is clear, as many firms are taking precautionary measures both in regards to their workforces and their longer-term business strategies. However, respondents report that the perception is that the situation on-the-ground is more under control than it may seem from outside Singapore.

Do you feel that the perception of the severity of the situation with Covid-19 in Singapore is worse outside Singapore than within it?



Singapore and Government

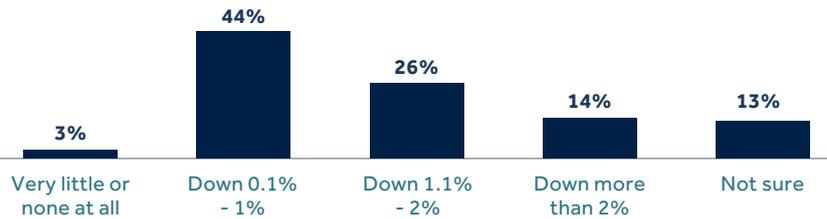
6. Confidence in Singapore as a business destination remains high. Any fallout on society or to companies' operations from the outbreak in the short- to medium-term is outweighed by continued confidence in Singapore as a business hub for the region.

Do you still have long-term confidence in Singapore as a business hub?



7. One reason for ongoing confidence in Singapore as a business destination is in the Singapore Government's response to the outbreak. Almost all (97%) of respondents believe the Singapore Government (Ministry of Health, Ministry of Manpower, Ministry of Trade and Industry, and Enterprise Singapore specifically) has been effective regarding health and safety updates. Moreover, 79% believe the Singapore Government has been effective in addressing the potential economic impact.

What impact do you expect Covid-19 to have on Singapore's GDP? ¹



¹ Survey responses were collected prior to the announcement of the Budget 2020 by the Singapore Government on February 18, 2020.

Do you think the Singapore Government has been effective in communicating health and safety updates with respect to Covid-19?



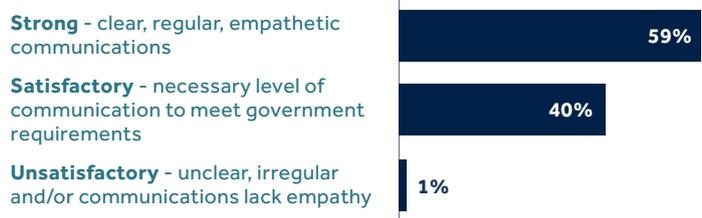
Do you think the Singapore Government has been effective in addressing the potential economic impact of Covid-19?



Efforts to mitigate risk

8. Businesses also believe they are effectively managing communication strategies and have policies in place to mitigate risks.

How do you feel that your company has performed in communicating to employees around Covid-19?

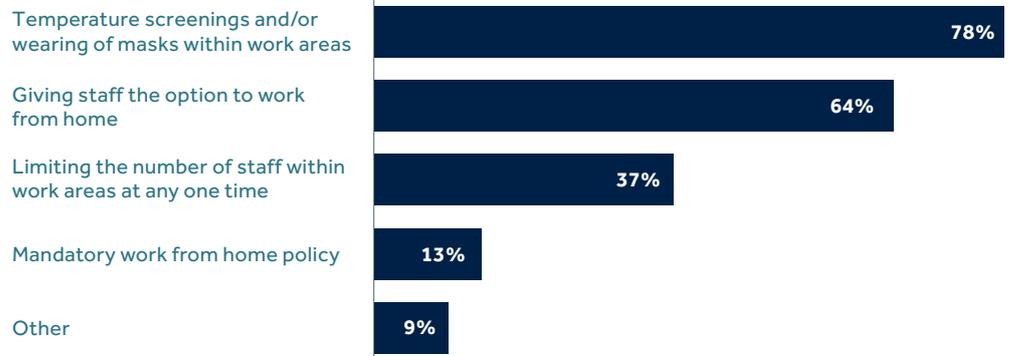


The majority of companies are implementing day-to-day precautions to ensure the well-being of their staff, including limiting staff travel. However, most are stopping short of permanently repatriating employees as a precautionary measure.

Does your company have a plan to minimize potential transmission of Covid-19 between employees and/or between employees and the public?



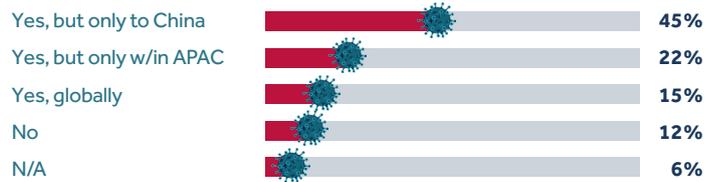
Which of the following measures is your company taking to ensure your workforce remains healthy?



Has your company cancelled staff travel into Singapore as a direct result of Covid-19?



Has your company cancelled staff travel outside of Singapore as a result of Covid-19?



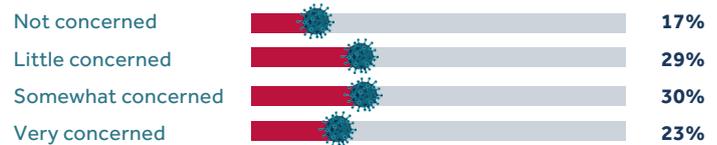
Has your company already or is it likely to repatriate any staff back to their home countries outside of Singapore as a result of Covid-19?



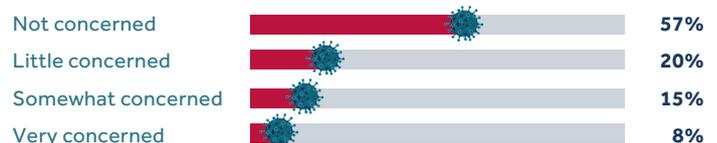
Misinformation and reputation

9. While the spread of misinformation around the virus is still of concern, companies are either managing the implications for their businesses effectively. Companies' ability to engage with clients or stakeholders has been impacted; for example, 73% of companies have cancelled or postponed large-scale events and meetings.

How concerned are you about the spread of misinformation about Covid-19 and the impact it might have on your business?



How concerned are you that Covid-19 will have an impact on your company's reputation?



SURVEY DEMOGRAPHICS

Primary Industry

Professional Services	36%
Manufacturing	18%
Travel & Hospitality	11%
Technology	11%
Healthcare	9%
Financial Services	6%
Other	6%

Company Size in Singapore

50 people or less	36%
51 – 199 people	25%
200 – 999 people	22%
1,000 – 4,999 people	12%
5,000 or more people	4%

Geographic Coverage

Global	36%
One or more countries of the Asia-Pacific region outside of ASEAN	36%
One or more countries of ASEAN only, in addition to Singapore	19%
Singapore only	9%



About AmCham Singapore

Established in 1973, the American Chamber of Commerce in Singapore (AmCham Singapore) is the largest and the most active international business association in Singapore and Southeast Asia, with over 4,700 members representing more than 600 companies. Our Chamber is comprised of 13 industry specific committees and 1 subcommittee, and conducts nearly 200 events per year. AmCham is a forward-thinking, business-progressive association. Our goal is to provide the information and facilitate the access and connections that give members insight into the local, regional, and global operating environment, enhance their professional capabilities, and enable them to make well informed business decisions.

For more information please visit
www.amcham.org.sg



About Sandpiper Communications

Sandpiper Communications is a leading strategic communications consultancy, based in Asia Pacific and operating globally. Our multinational team of senior advisers combines deep local knowledge with a global perspective. We use our shared experience to make sense of the challenges our clients face in a time of unprecedented change. We draw on rich, data-driven insights and research to inform our advice and deliver measurable value. Sandpiper Communications works as a single, global team with one P&L. Together, we work to meet the needs of our clients quickly and effectively wherever they are in the world.

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