



Association
of European
Businesses

COVID-19 economic consequences survey results

Association of European Businesses

June 2020

Survey methodology



- Survey timing: 26-31 May 2020
- Data collection method: Online
- Respondents: AEB member companies
- **Number of responses: 114**

Respondents by number of employees

28%

20%

29%

23%

>500 persons

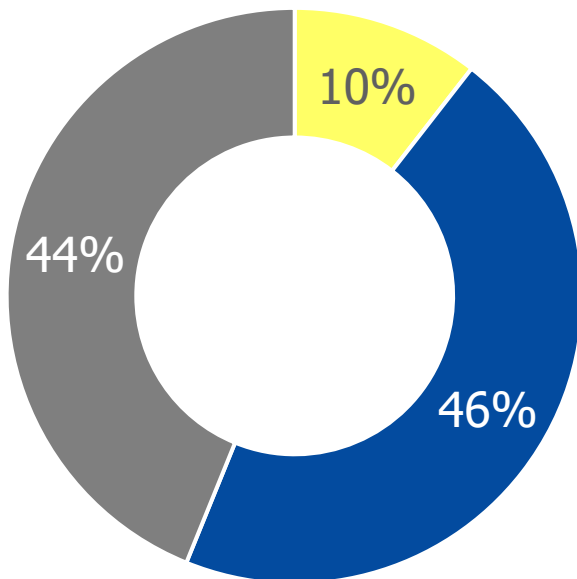
250-500 persons

50-250 persons

<50 persons



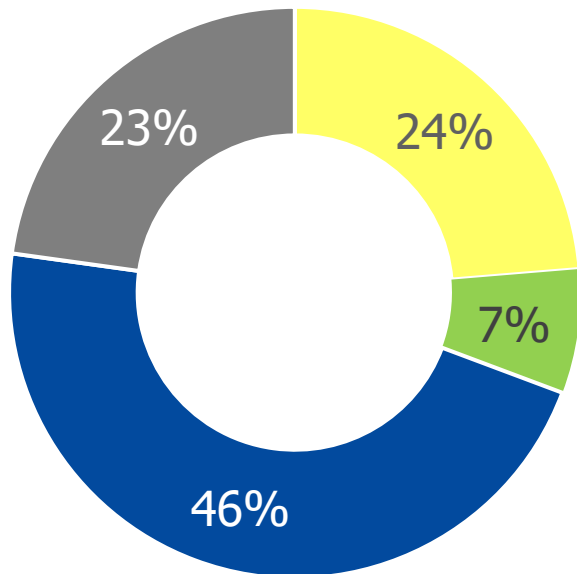
To what extent have your business operations in Russia been affected by the coronavirus (COVID-19) pandemic?



■ Not affected ■ Slightly affected ■ Strongly affected

- 90% of respondents stated their business was to some extent affected by the crisis.
- 10% were either not affected or benefited from the crisis (e.g. food processing industry).
- Uncertainties about further spread of COVID-19 and extended lockdown increase the risk of a prolonged recession.
- Impact of COVID-19 and the sharp economic contraction will result in a significant decline in revenue for capital goods (industrial sector) companies in 2020.
- Food processing and personal care companies will continue to benefit from the coronavirus pandemic.

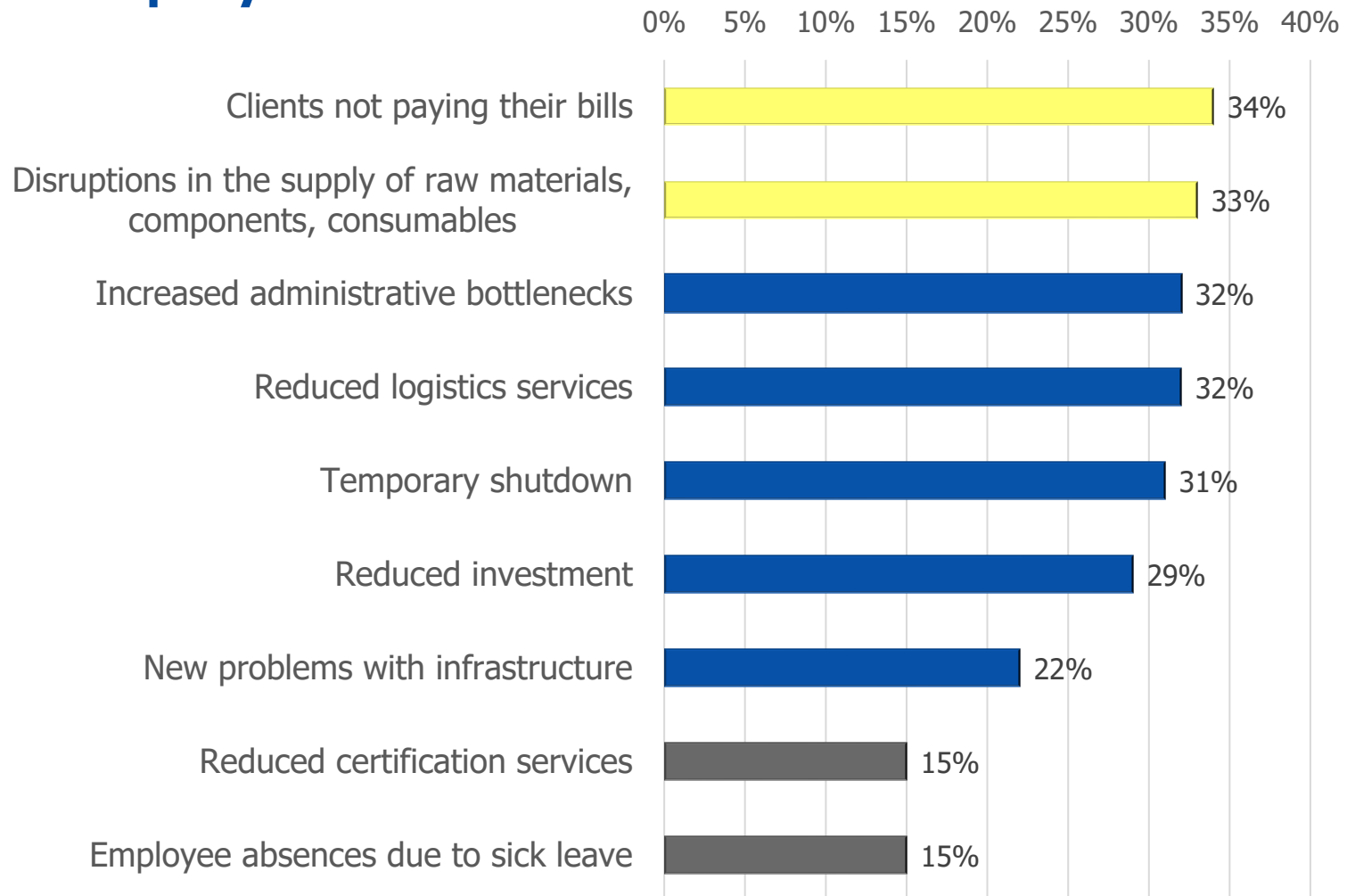
How has the business activity of your company changed since the introduction of the Russian lockdown measures on 31 March 2020 (YOY)?



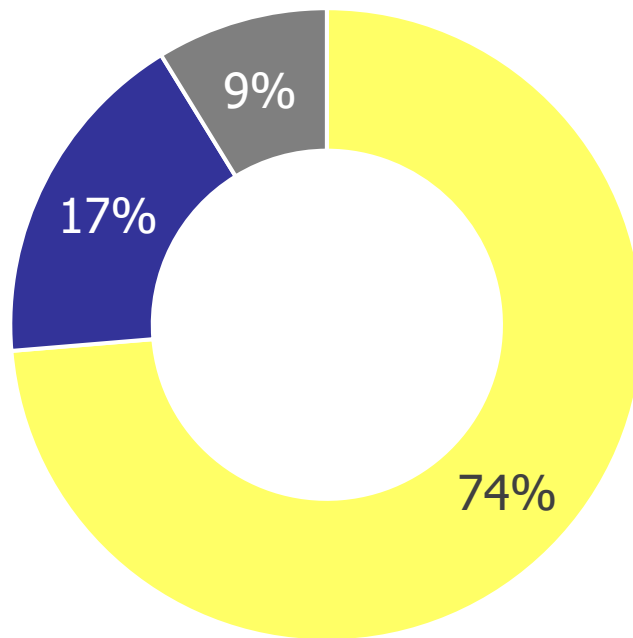
- Not changed
- Increased
- Decreased by less than 25%
- Decreased by more than 50%

- 23% of companies had faced overwhelming challenges and decreased business activity by more than 50% (e.g. hotel business).
- 46% of respondents reported a drop in business activity by up to 25%.
- 24% had not noticed any change.
- 7% reported activity increase. Some companies stated they had signed new contracts. The stock and bond market crisis in March created an opportunity for some others due to the fall in the markets.
- In general, the respondents expect further decrease in H2 2020 and 2021.

How has the coronavirus (COVID-19) pandemic affected your company?



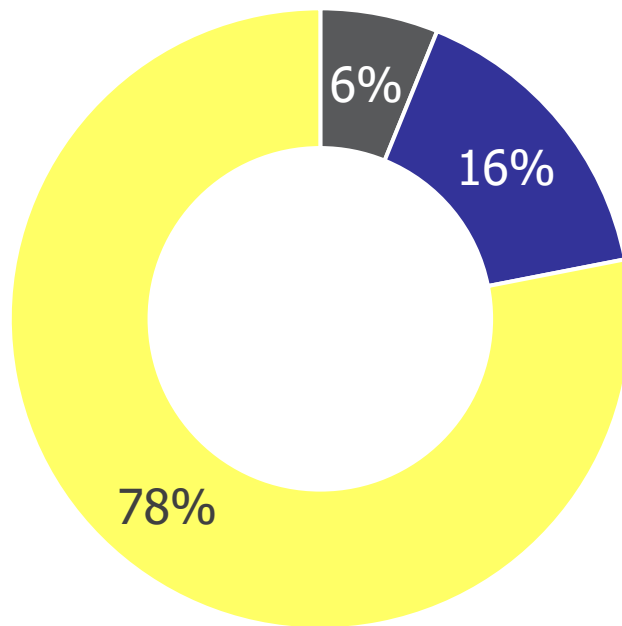
Have you had to lay off staff because of the coronavirus (COVID-19) pandemic?



- No, we are trying to keep staff onboard
- No, but we had to make our staff take a leave
- Yes, partially

- 74% of respondents are trying to keep the staff onboard so far, and some even hired new personnel. On the other hand, some companies stated that if the downturn continues, they would not be able to do it for long without government help.
- 17% had to send their staff on leave or reduce workdays.
- 9% stated they'd had to lay personnel off or were going to do it shortly.

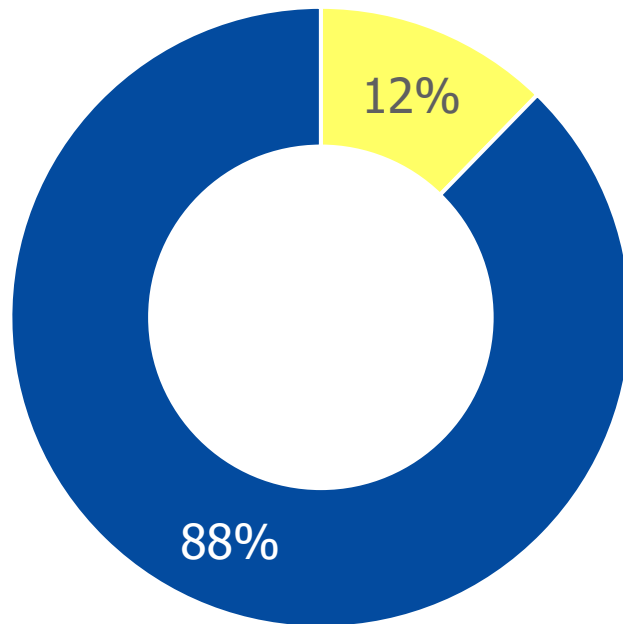
How do you assess the risk of permanent closure of your business over the next 12 months?



■ High ■ Medium ■ Low

- 78% of respondent assess the risk of permanent business closure as low. Food trade industry confirmed its stable position.
- Tourism and hospitality industry stated that it would depend on how fast the activities resume, epidemiological restriction are lifted, borders open, international flights and private mass transportation (buses) are allowed.
- 16% foresee a medium risk of business closure over the next 12 months.
- 6% assess the risk as high (mainly SMEs).

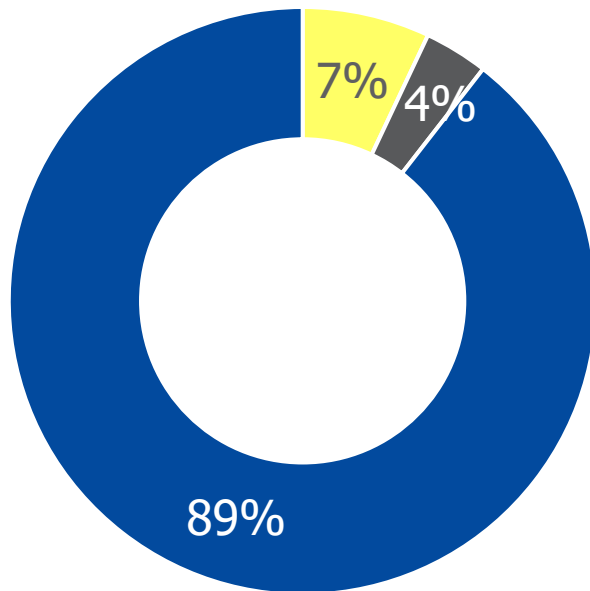
Do you qualify for any state support?



■ Yes ■ No

- 88% of respondents did not qualify for state support. Some of them pointed out that they were not eligible as foreign companies.
- 12% qualified for state support.

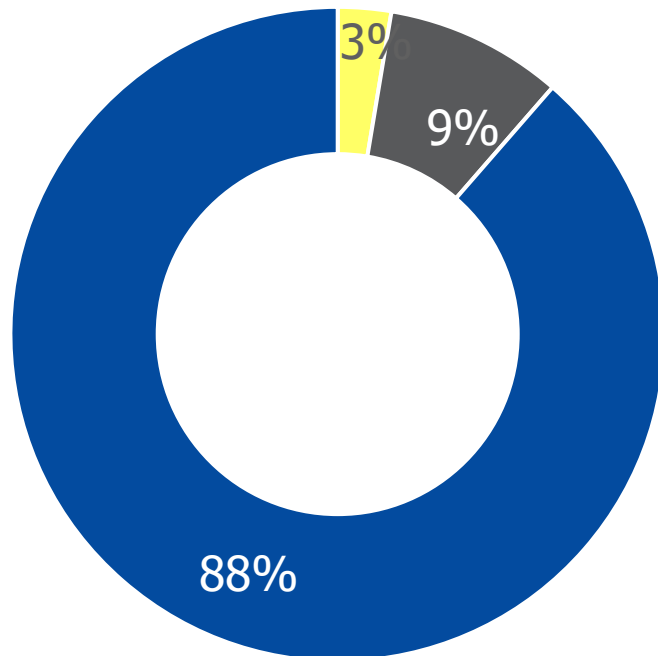
Have you applied for the support measures provided by the Russian Government?



- Yes, we have applied
- We faced problems when applying
- No, we have not applied

- 89% have not applied for state support.
- 4% faced problems when applying.
- 7% have applied.

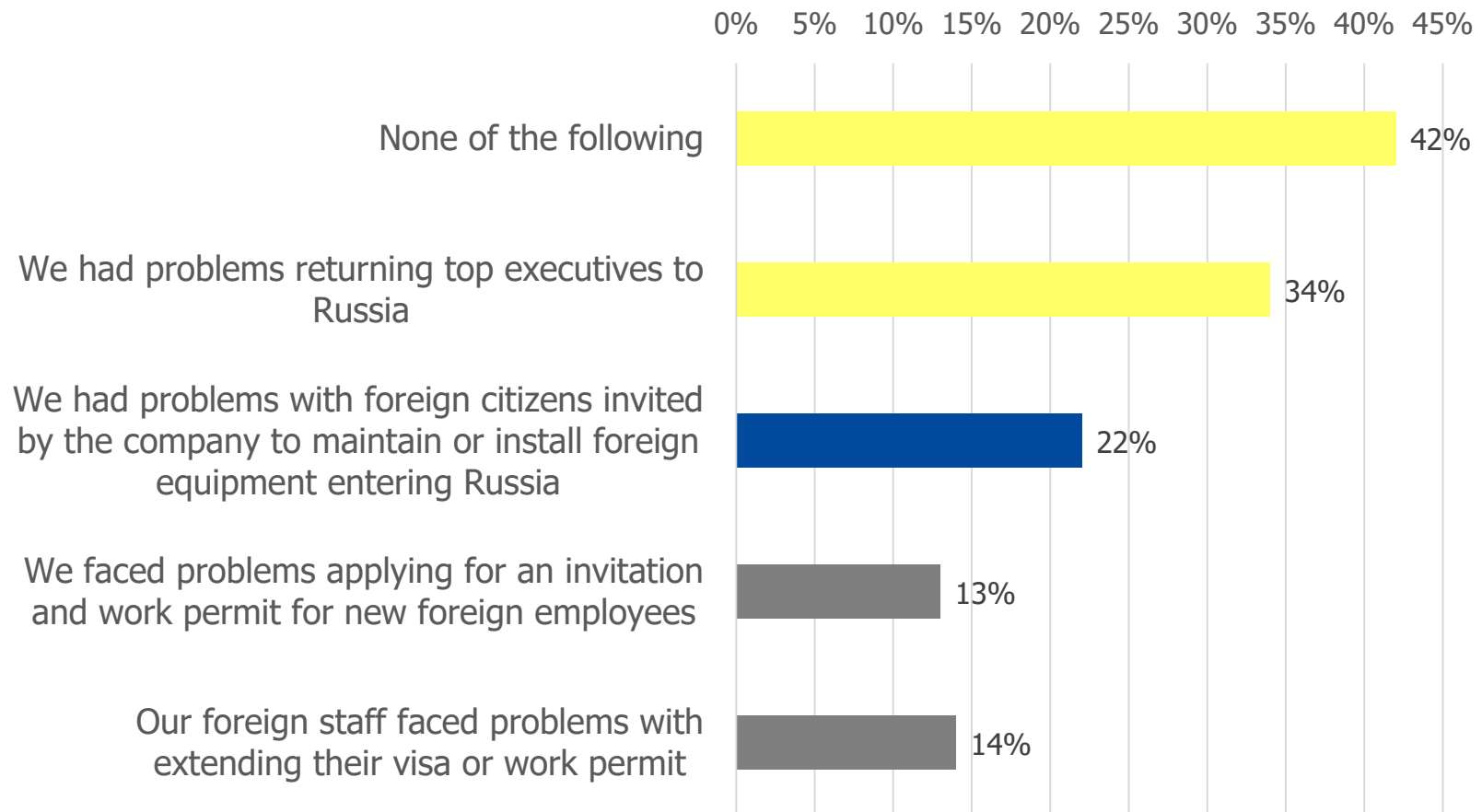
If you applied, have you received state support?



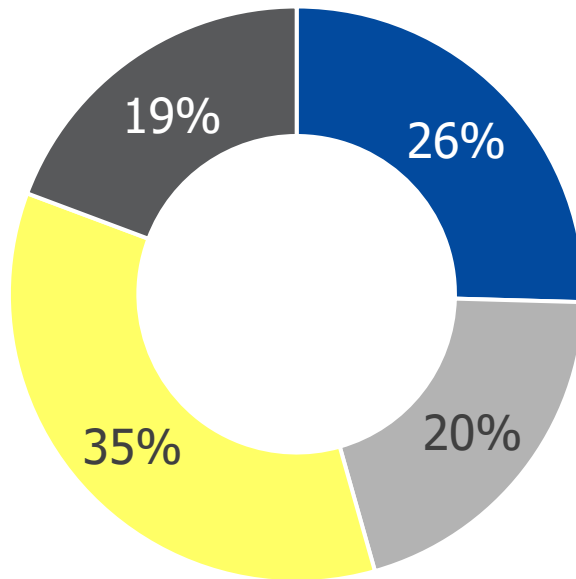
- Yes, we have received
- No, we were unable to receive
- Not applicable

Only 3% of respondents acknowledged they had received state support.

What kind of migration issues has your company faced after the restriction measures were introduced?



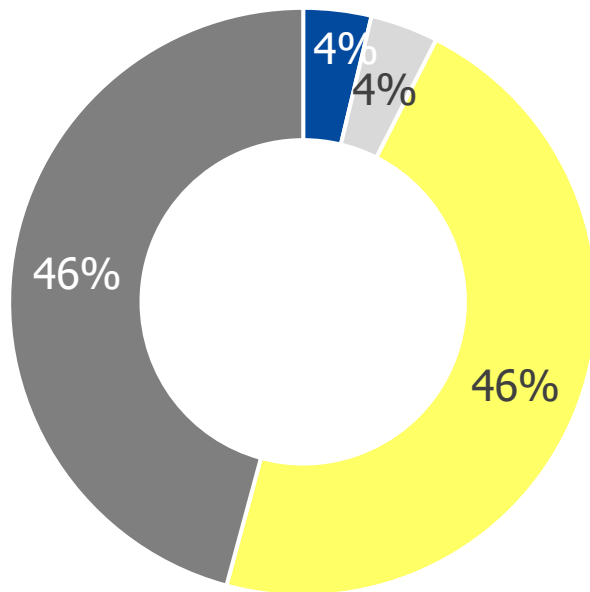
When do you plan to return to working in the office?



- 35% of companies do not plan to return to work right after the official epidemiological restrictions are lifted but will wait for guidance from the HQ.
- 26% of respondents will be back right after the quarantine is over.
- 20% will wait for at least 2 weeks before letting their staff return to office work.
- 19% stated they had not stopped operations.

- Right after official epidemiological restrictions are lifted
- Not earlier than 2 weeks after official restrictions are lifted
- In accordance with the HQ policy, and it may take some time
- We have not stopped operations

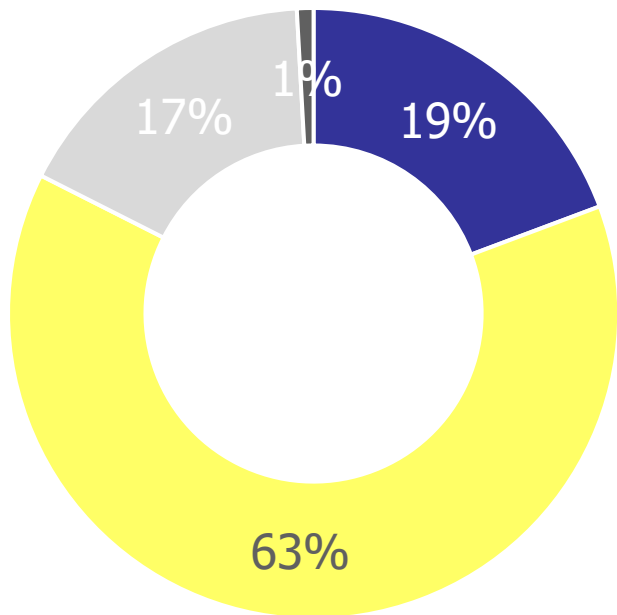
When do you plan to return to work in the factories/production sites?



- 46% of companies stated they had not shut down manufacturing.
- Another 46% do not have production sites in Russia.
- 4% will restart manufacturing right after official restrictions are lifted.
- 4% will wait for more guidance from the HQ even after the official quarantine is over.

- Right after official epidemiological restrictions are lifted
- In accordance with the HQ policy, and it may take some time
- We have not stopped operations
- We do not have production sites in Russia

To what extent do you expect your work setup to change after the crisis?



- 0% will continue to work remotely
- 10 -30% will continue to work remotely
- 50-75% will continue to work remotely
- 100% will continue to work remotely

- 63% of respondents stated they would have a more flexible schedule with the option to work from home, up to 30% of employees will continue to work remotely.
- 17% responded that the schedule would depend on the epidemiological situation, but up to 75% of employees would continue to work remotely.
- 19% of respondents will return to full-time office operations.
- Only 1% will completely switch to remote work.

How do you see your business practices changing as emergency measures are lifted?

