

The Economic Impact of the COVID-19 Outbreak : Survey Report

April 2020



EUROPEAN CHAMBER OF
COMMERCE AND INDUSTRY IN LAOS

CONTENTS

3 Executive Summary

4 Respondents' Profile

5 Survey Results

EXECUTIVE SUMMARY

COVID-19 is an infectious disease caused by the most recently discovered coronavirus. The outbreak of COVID-19 has disrupted the global economy. Even a contained outbreak could result in significant economic impact in the short run.

The evolution of the disease and its economic impact is highly uncertain which makes it difficult for policymakers to formulate an appropriate macroeconomic policy response.

In March 2020, the European Chamber of Commerce and Industry in Lao PDR (ECCIL EuroCham Laos) conducted a survey to map out the expected economic impacts with European businesses active in Laos. The purpose of the survey is to address concerns to the Government of Lao PDR and to seek ways in which the authority may provide support.

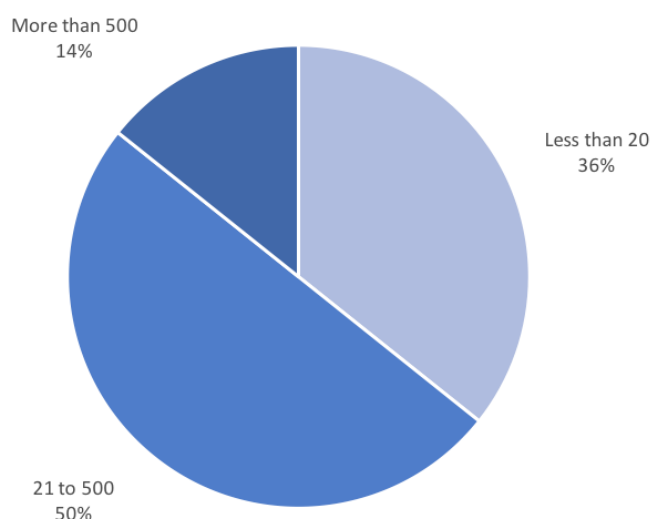
The survey, commissioned by EBOWWN, was conducted between the 27 March 2020 to 03 April 2020 and a total of 56 Companies participated in the poll.

Key Findings

- More than 60% of the respondents consider their businesses are significantly affected
- 70% of the respondents estimate a loss of 50% or more of their revenue.
- 4 to 6 months will be necessary for a recovery, according to 1/3 of the respondents.
- Key areas respondents call for Government support are on tax deferral or break, rebate on power and water bills and more flexibility and support from Banks and Financial institutions.

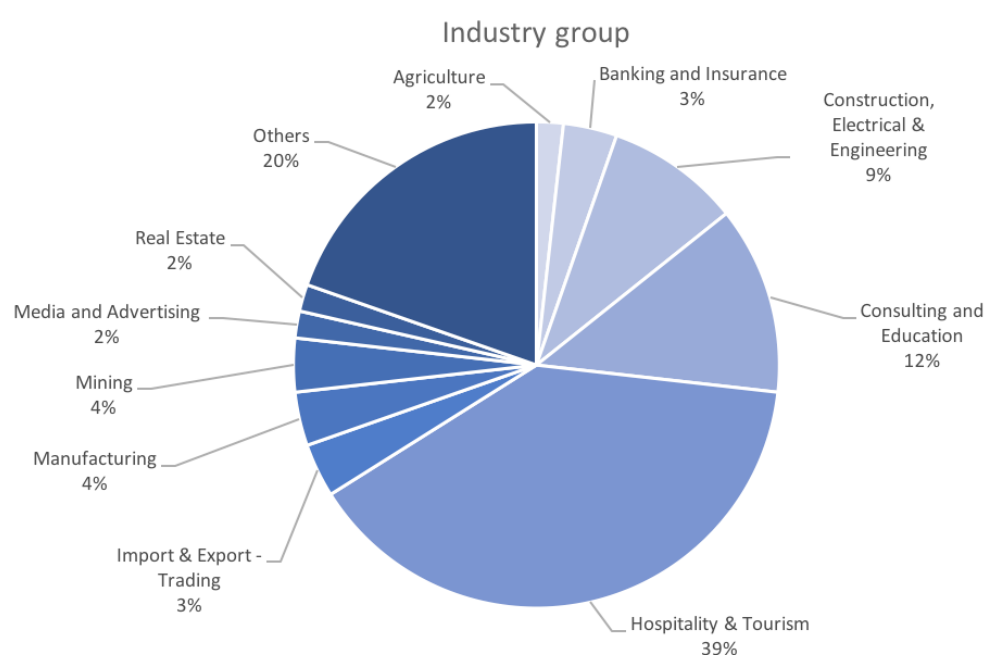
RESPONDENTS' PROFILE

Half of the organisations surveyed employ between 21 to 500 employees, while one third of them has less than 20 employees.



Respondents came from across different industry groups, with the largest from Hospitality sector (39%). Consulting and Educations sectors represent 12% of the surveyed organisations; Construction, Electrical & Engineering, 9%.

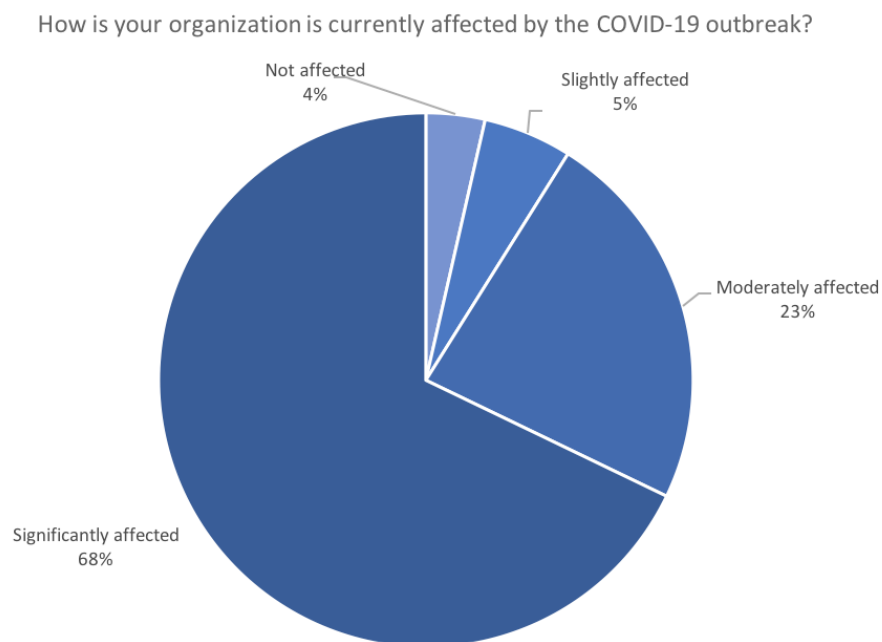
Industries include in the Others (20%) are from Services, Telecoms and Retail...



IMMEDIATE EFFECTS

How is your organization currently affected by the COVID-19 outbreak?

Almost all the respondents felt the effects of the COVID-19 outbreak: 68% of the organizations reported they are significantly affected, 23% claimed they are moderately affected, 5% said they are slightly affected and 4% are not affected.



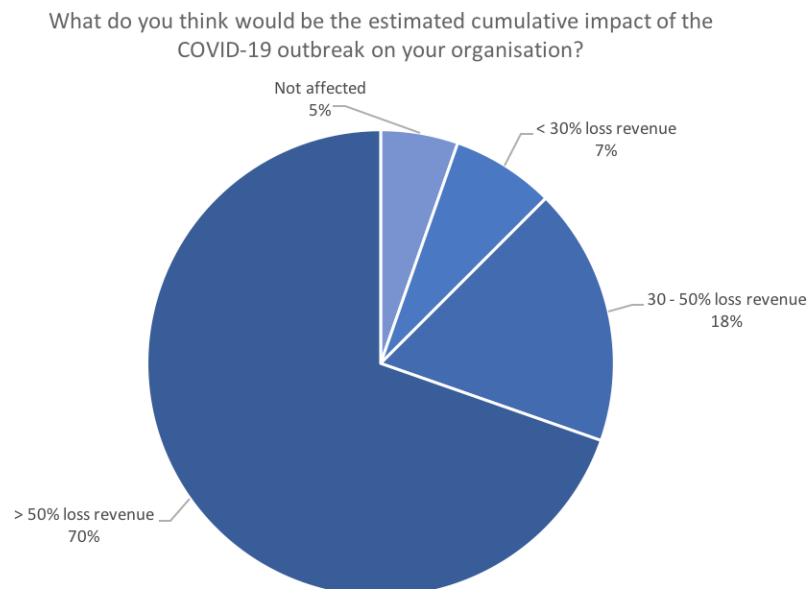
How is your organization currently affected by the COVID-19 outbreak?

Respondents expressed different aspects affected by the COVID-19 outbreak, especially a drop of sales and customers, and reduced workforce.

Supply Chain Disruptions - Employees - Work From Home
 Lack of Customers - Less Revenue - No Purchase Closure of Borders
Closure of Business (school, learning centers)
 Cancellation of Bookings - Loan Repayment Capacities
Postponement of Field Works - No Travellers
 Projects Delay

How is your organization currently affected by the COVID-19 outbreak?

70% of the organizations conceded that COVID-19 will have considerable effects on revenue performance, with an estimated loss of revenue of 50% or more.



For how long do you expect it will take for your organization/industry to recover from the COVID-19 outbreak?

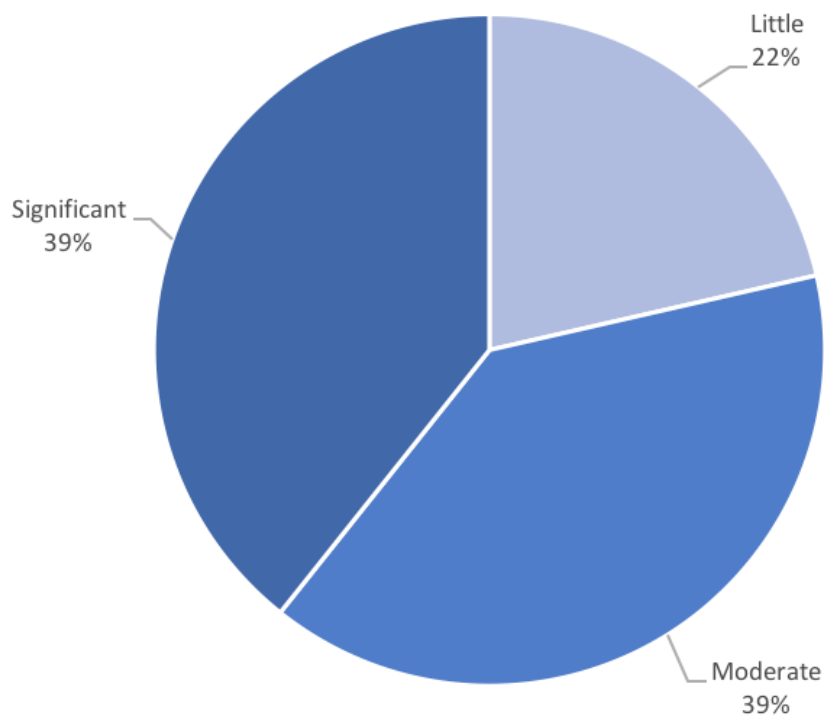
One-third of the organizations estimates it would take 4 to 6 months for them or their industry to recover, while another one-third considers 10 to 12 months would be necessary.



To what extent has the COVID-19 situation increased your organization's operating cost, due to preventive and protective measures for staff, partners, and suppliers?

Less than 80% of the respondents reported the extent at which the pandemic affected their businesses due to mitigating measures is moderate or significant (39% respectively), while 22% answered a little reach.

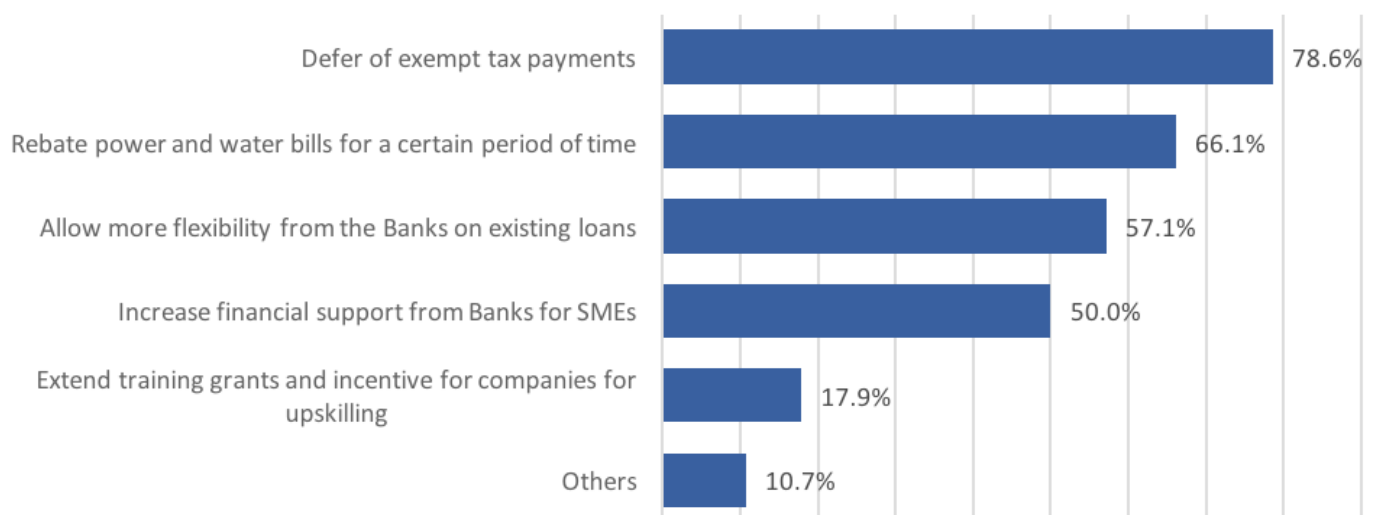
To what extent has the COVID-19 situation increased your organisation's operating cost, due to preventive and protective measures for staff, partners, and suppliers?



What kind of measures/support would you like to have in place by the Lao Government to cushion the impact of the situation on your organization/industry?

Surveyed organizations called for various measures from the Government to help combat the effects of the virus outbreak: almost 80% expect tax deferrals or break, 66% agreed rebate on power and water bills would be a beneficial measure and 57% asked for flexibility and support from Banks and financial institutions.

What kind of measure/support would you like to have in place by the Lao Government to cushion the impact of the situation on your organisation/industry?



Vientiane, 6th April 2020
 Survey undertaken by ECCIL EuroCham Laos
 from 27th March to 03rd April 2020