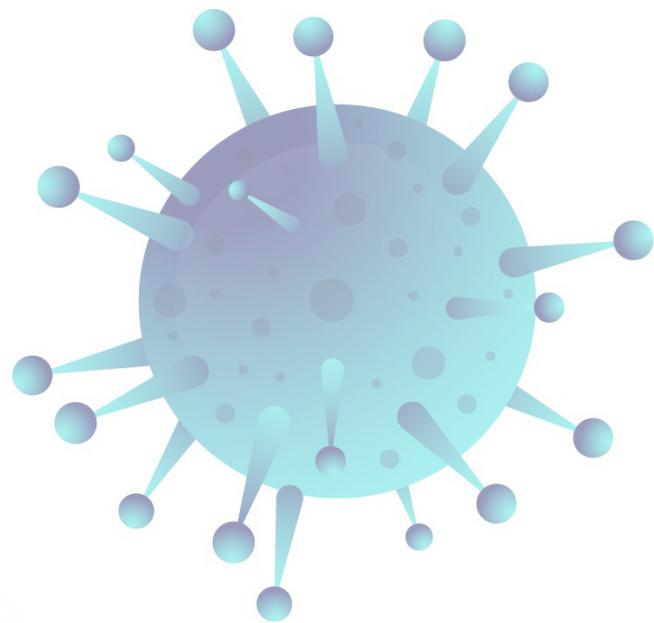
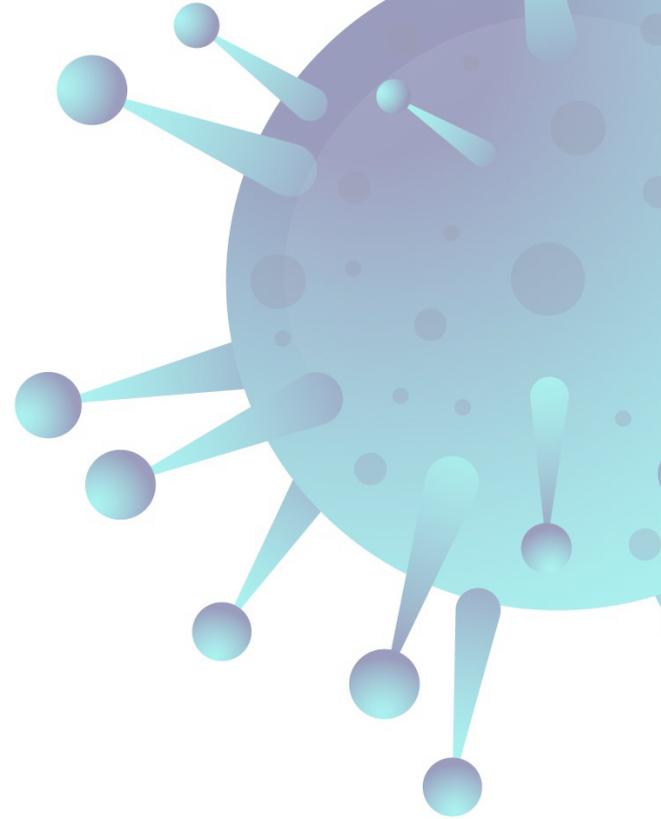


The Economic Impact of the COVID-19 Outbreak : Survey Report

May 2021



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EXECUTIVE SUMMARY

In the recent spike in COVID-19 infections in Lao PDR, the Government of Lao PDR (GoL) has announced a lockdown in Vientiane from 22nd of April 2021 onwards. for an initial duration of 14 days, and extended for another 15 days.

The lockdown, gradually extended to other provinces, has disrupted the operations of many business operators.

ECCIL EuroCham Laos has conducted a survey to assess the economic impact on our European and Lao business community of this “second wave” recommendations for further actions.

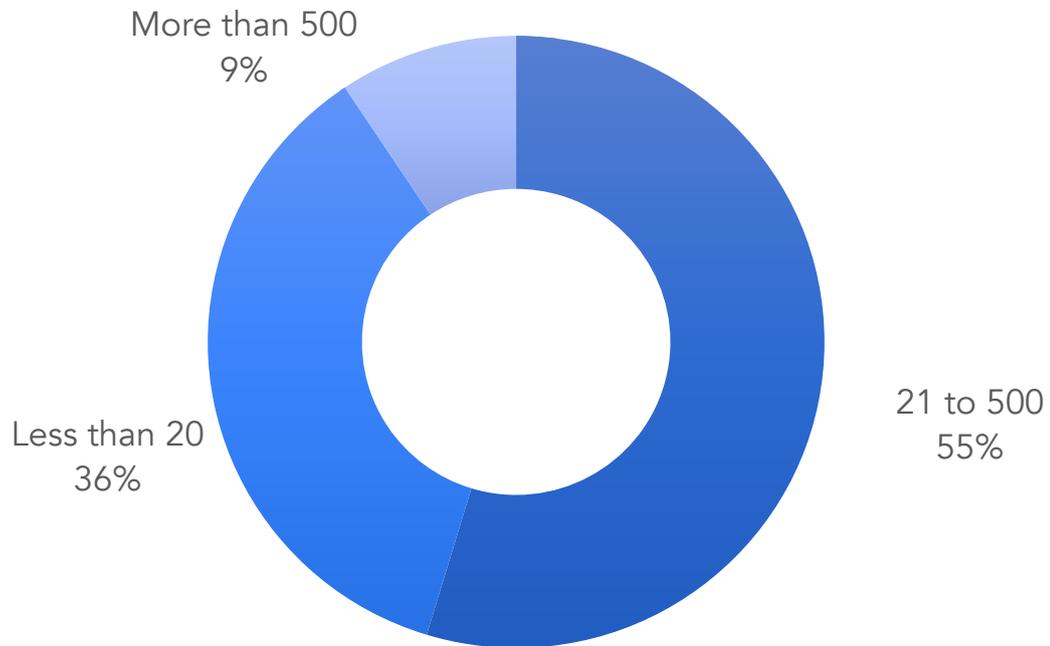
The survey was conducted between the 10th and 14th of May 2021 and a total of **64 Companies** participated in the poll.

Key Findings

- 50% of the respondents consider their businesses are significantly affected.
- 30% of the respondents estimate 1 - 2 years will be needed to recover
- 20% of the respondents reported an increase in revenues

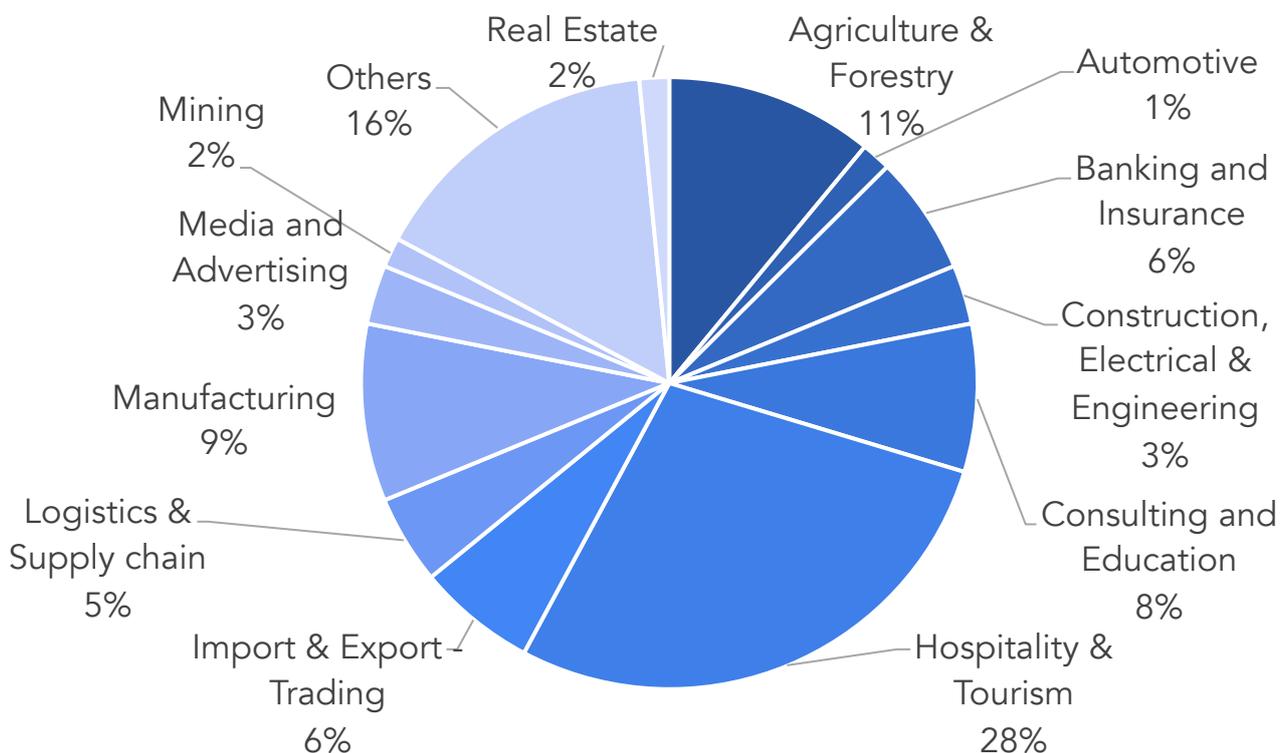
RESPONDENTS' PROFILE

More than the half of the organisations surveyed employs 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 (28%). Agriculture & Forestry sectors represent 11% of the surveyed organisations; Consulting and Educations, 8%.

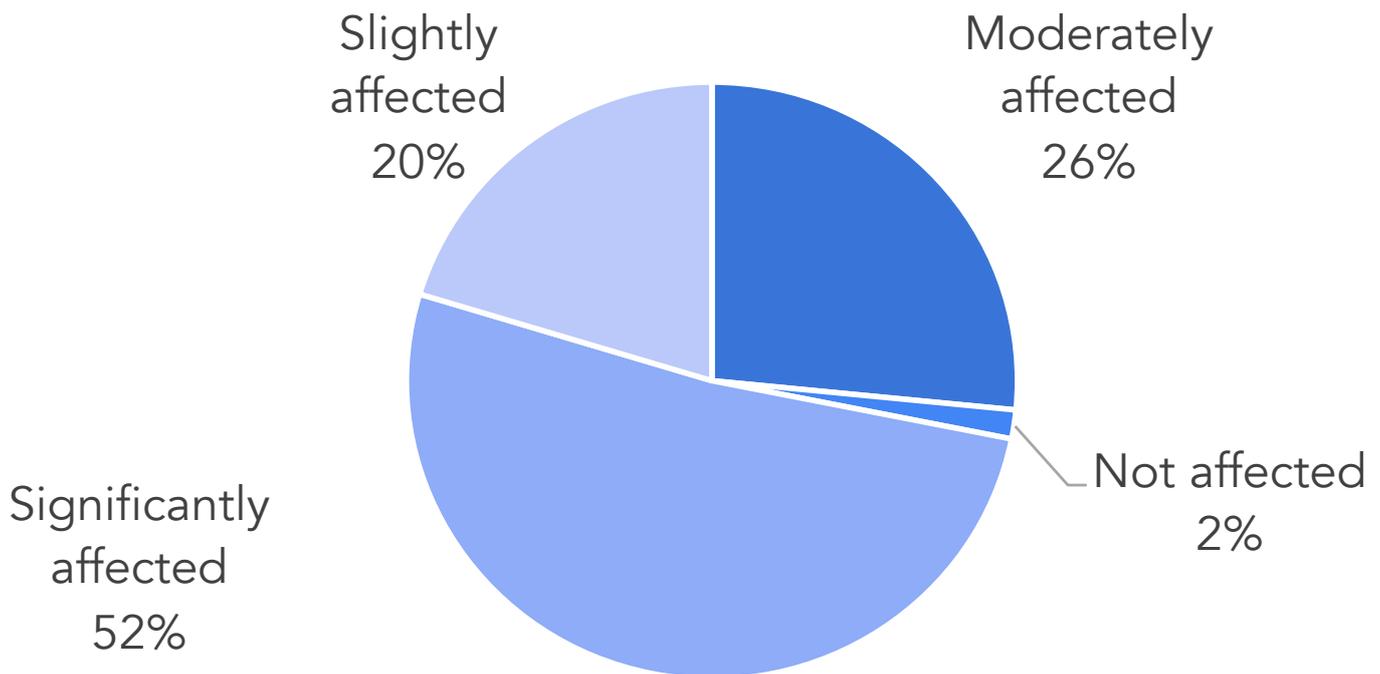
Industries included in the Others (16%) are from Microfinance, Telecoms, Hydropower...



IMMEDIATE EFFECTS

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

Almost all the respondents felt the effects of the COVID-10 outbreak: 52% of the organisations reported they are significantly affected, 26% claimed they are moderately affected, 20% said they were slightly affected



What aspects of your business are affected by the COVID-19 outbreak?

Respondents expressed different aspects affected by the COVID-19 outbreak, half of the organisations considered drop of sales, 20% reported issues with Human Resources, some claimed disruption in movement of goods and project delay.

Difficulties on movement of goods

Sales decrease

Income delay

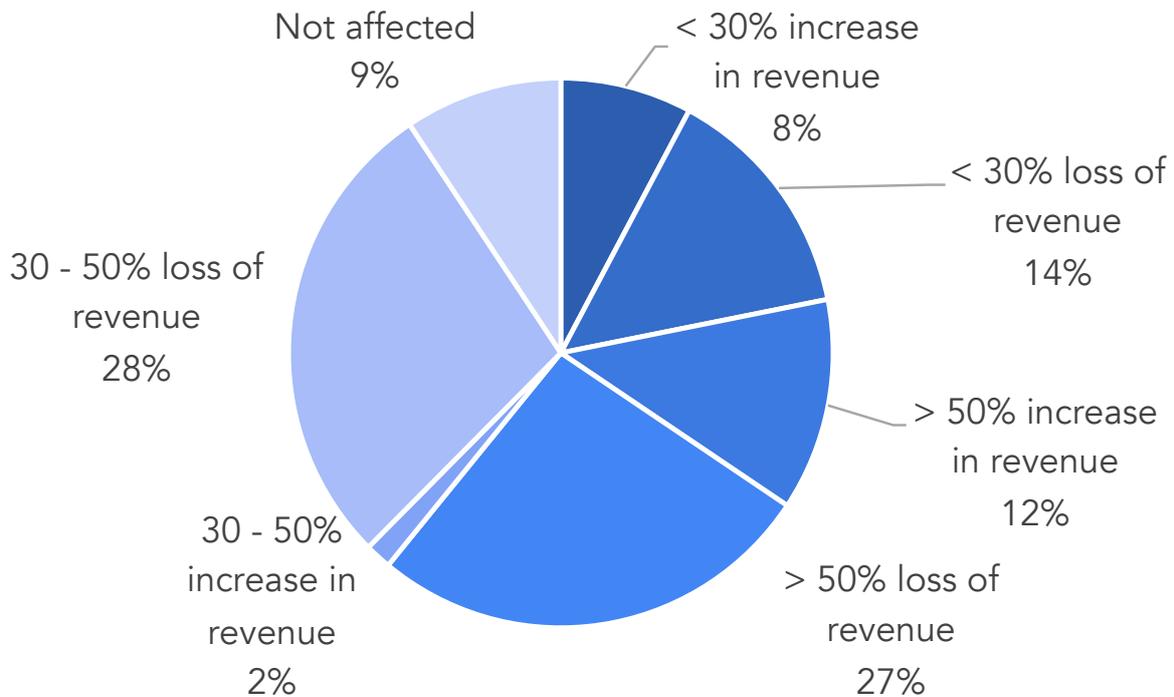
Costs of business operations

Human resources

Project delay

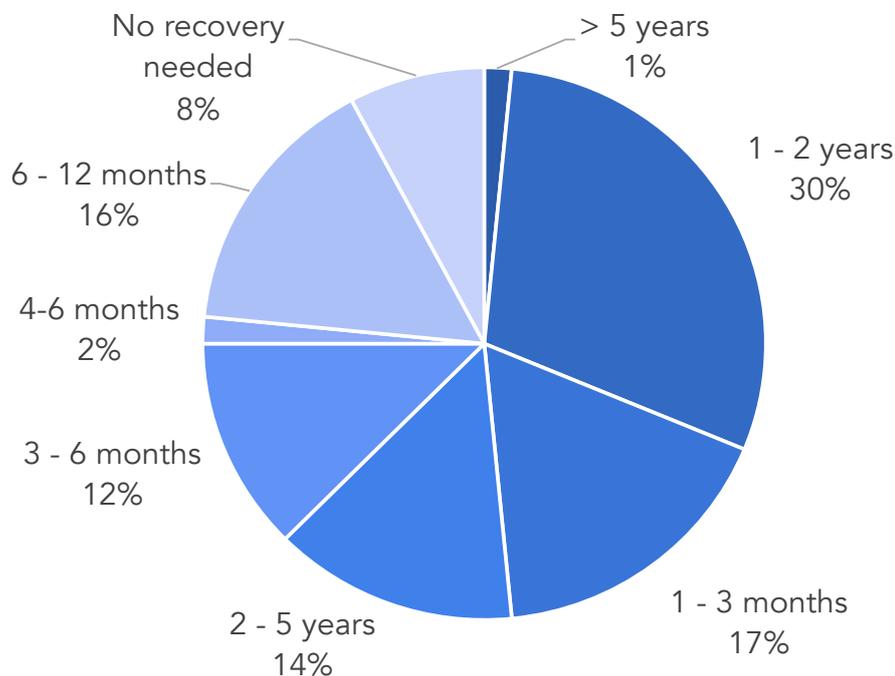
What is the cumulative impact of the COVID-19 outbreak on your organisation?

55% of the organisations conceded that COVID-19 causes loss of revenue between 30 - 50% for more than 50%, while around 20% reported an increase in revenue.



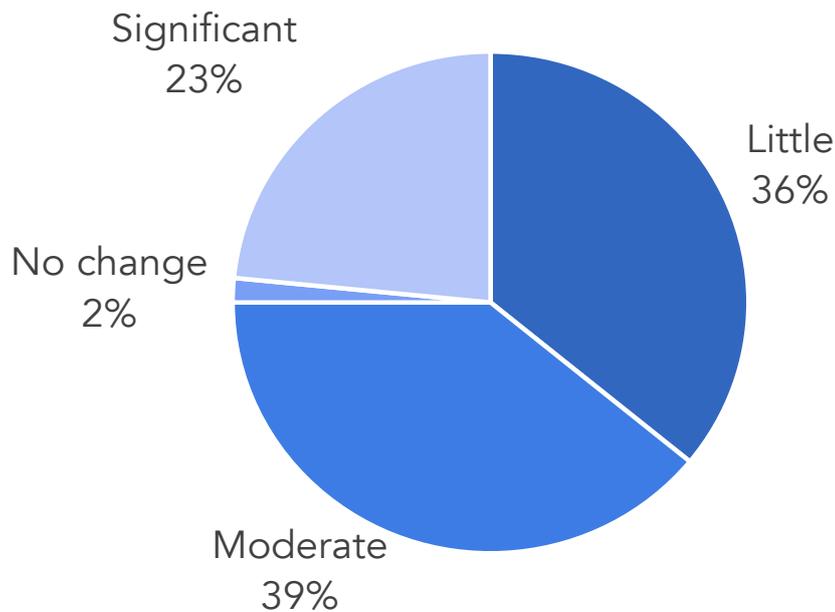
How long do you expect it will take for your organisation/industry to recover from the COVID-19 outbreak?

30% of organisations expect it will take 1 - 2 years to recover, while respectively 17% and 16% of the respondents estimated the recovery is a matter of months; Recovery is not needed for 8% of the surveyers.



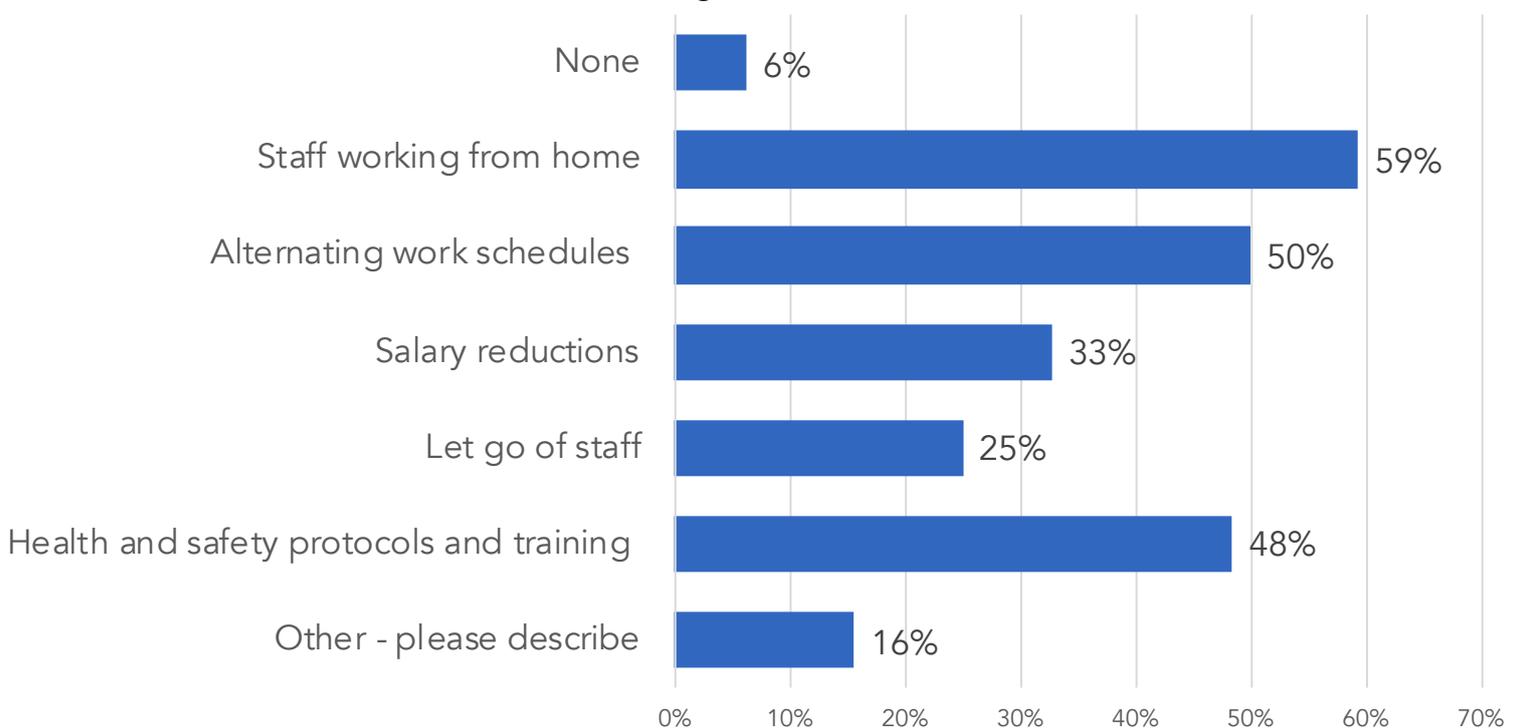
To what extent has the COVID-19 situation increased your organisation’s operating cost, due to preventive and protective measures for staff, partners, and suppliers?

More than 70% of the respondents reported the extent at which the pandemic affected their businesses due to mitigating measures is little or moderate (36% and 39% respectively), while 23% answered significant reach.



What HR strategies have you implemented due to the April 2021 COVID-19 outbreak?

50% of respondents has implemented a work-from-home arrangement and 50% working on alternating work schedules. 48% implemented health and safety protocols and training. A third had to reduce the salaries and 25% let go of staff.



Others HR strategies

Respondents shared other HR strategies implemented, such as facilitating access to vaccination for their employees and putting in place a Business Continuity Plan, for instance.

Support with food for daily allowance or distribution of masks for workers and family

Business Continuity Plan - Back up site activation

Limited core team on site

Vaccination access facilitation

Dissemination of daily information

What other changes have you made to cope with the impacts of COVID-19 on your business?

Surveyed organisations provided us with other changes they have made to cope with the impacts of the outbreak, among which, strengthening online presence and looking for opportunities with the domestic market.

More online marketing - Online work - Use of digital platforms

Renegotiation of contracts with suppliers and partners

Looking at domestic market opportunities - Working on new services line

Reduced prices - Temporary closure of businesses

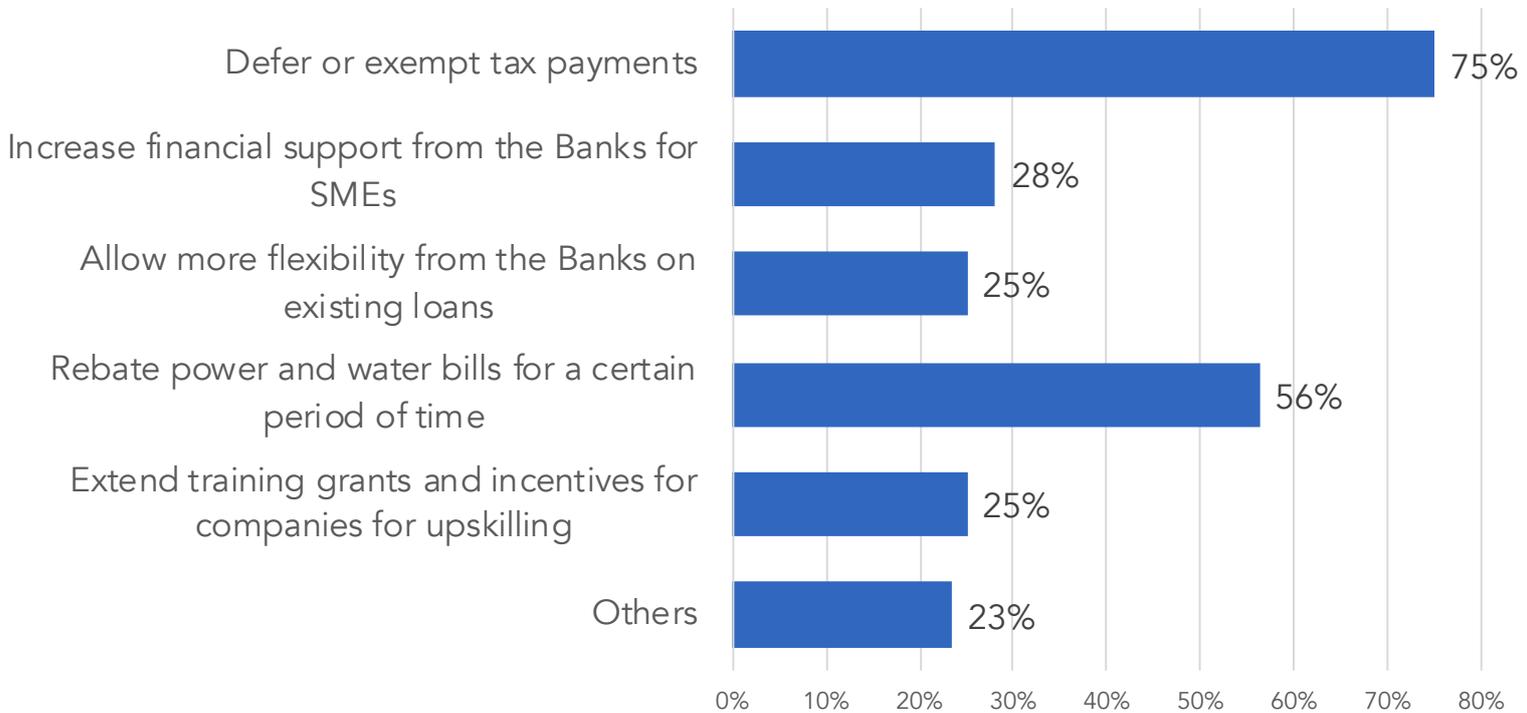
Flexibility and adaptability - New logistics solutions

Saving operational costs

Networking

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 organisation/industry?

Among the measures, more than 70% expect tax deferrals or exemptions, almost 60% agreed rebate on commodity bills would be a beneficial measure.

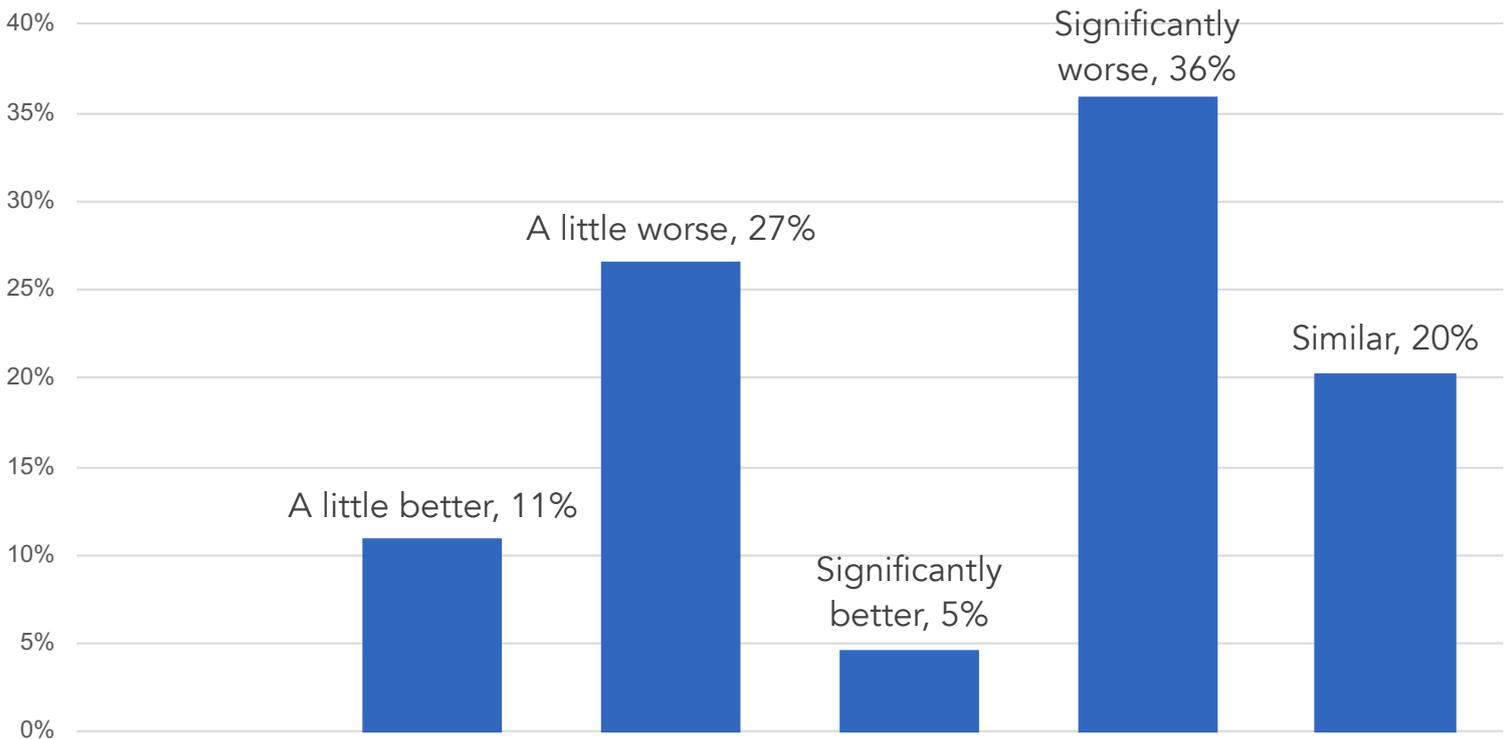


Other measures

Open borders with safety measures
Allow essential travel
Reduce the quarantine time for vaccinated people
Improve administrative process
Proper measures and support for business sector
Promotion campaign for tourism industry

In comparison to the COVID-19 outbreak in April-May 2020, how would you evaluate the current economic situation of your company?

More than one third of the companies estimates the current outbreak is affecting significantly business operations; around 15% at the opposite, estimate the economic situation of their company is better.



Thank you for taking time answering the questionnaire.

Vientiane, 18th of May 2021
Survey undertaken by ECCIL EuroCham Laos
from 10th to 14th of May 2021