

**From  
the People of Japan**



*Empowered lives.  
Resilient nations.*

# Impact Of Covid-19 on business In Mauritius

## Business Mauritius and Statistics Mauritius

RESULTS DISSEMINATION

08 December 2020



DCDM RESEARCH

# 1. INTRODUCTION



# SETTING THE SCENE

COVID-19 has had major and unprecedented impact on

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

Most sectors of activity suffered from the lockdown and are still impacted as the face of the pandemic and its impact evolve.

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 Cos., in view to provide targeted solutions.

Strategic partnership between Business Mauritius and Statistics Mauritius to carry out an in-depth “Business Pulse” Survey

Technical assistance received from UNDP Country Office in Mauritius

Funded under Japan Supplementary Budget

Survey conducted by DCDM Research

# OVERALL SURVEY OBJECTIVE

To assess and measure the changes in the post-covid-19 business conditions on Small, Medium and Large Businesses operating under the aegis of Business Mauritius.

This study will provide a foundation for future studies to understand the dynamics of business recovery.

## SPECIFIC OBJECTIVES OF THE SURVEY ARE TO:

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

**Universe contacted = 2,707**

Statistically representative sample of respondents  
achieved [with a level of precision of  $\pm 5\%$ ],  
permitting publication of results

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

**Fieldwork period:**  
18<sup>th</sup> September – 14<sup>th</sup>  
October 2020

Standard QA procedures

**Methodology:**  
Online [self  
completion]+  
telephone follow ups

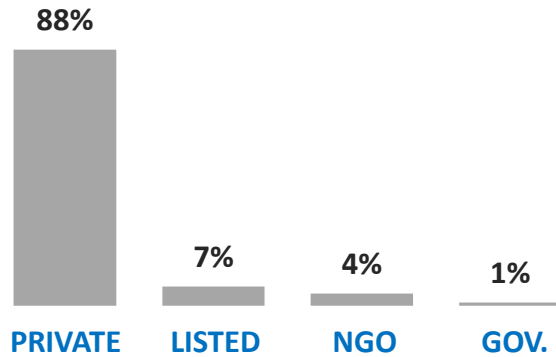
**Total estimated  
length = 20-25  
minutes**

Built in range and logic checks in  
the questionnaire

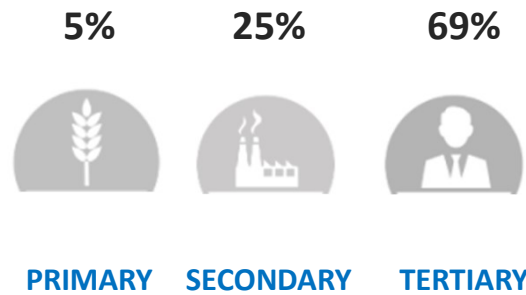
*NOTE: Details of the Survey Methodology is  
provided in Appendix*

# PROFILE OF RESPONDING COMPANIES

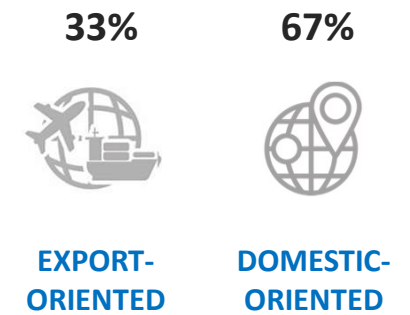
## CLASSIFICATION



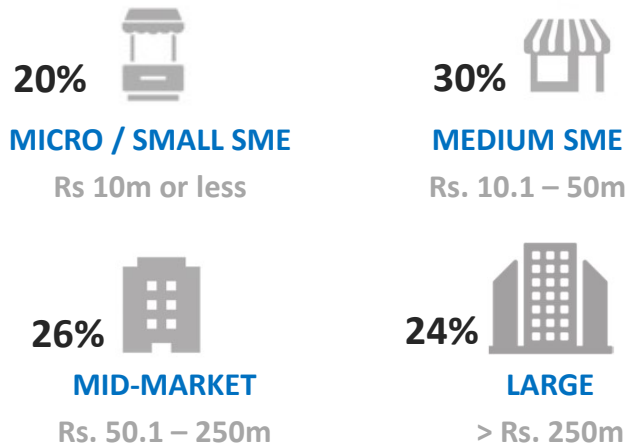
## MAJOR GROUP



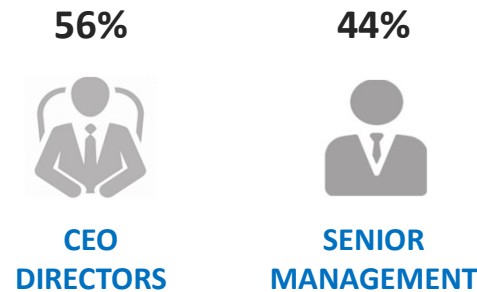
## EXPORT VS. DOMESTIC



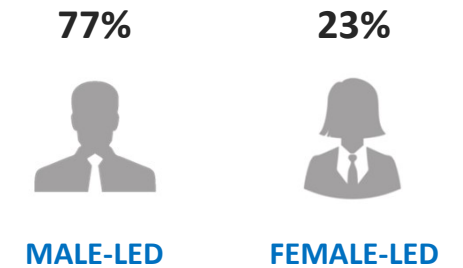
## COMPANY SIZE BY TURNOVER



## POSITION OF RESPONDENT



## HEAD OF BUSINESS



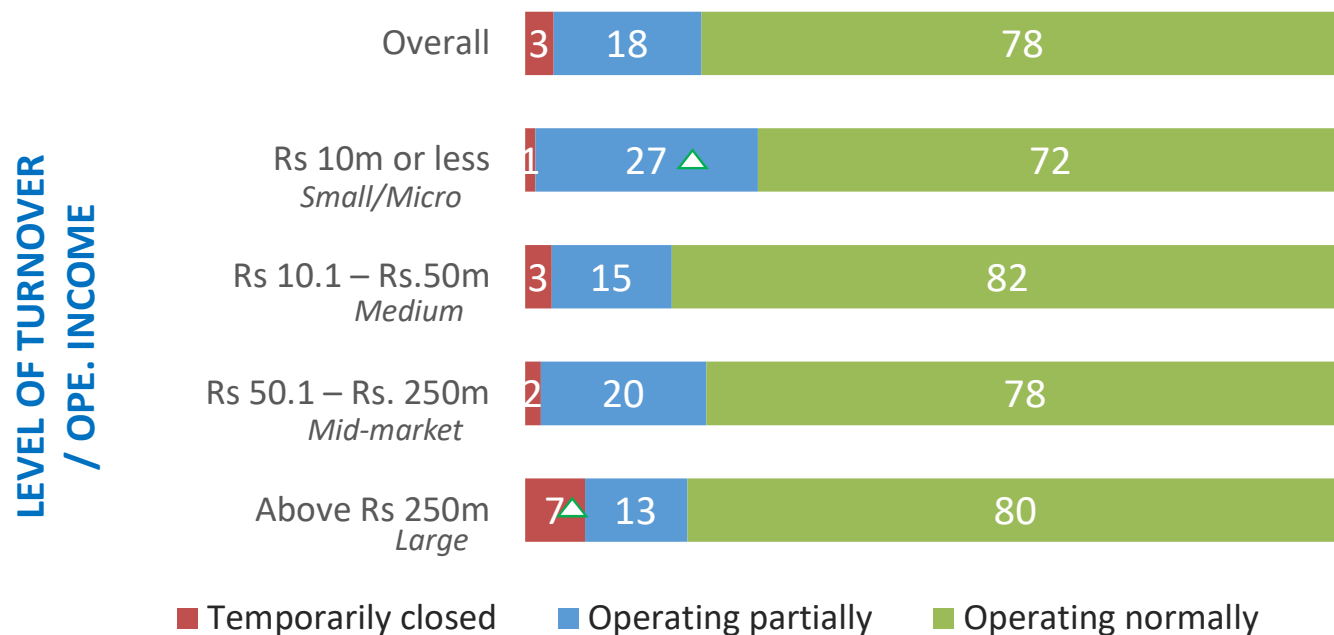
## 2. KEY RESULTS



# Operating Status [Sept-Oct 2020]

As Mauritius tries to adjust to the situation,  
78% are operating normally, 18% are operating partially

## CURRENT OPERATING STATUS OF RESPONDING COMPANIES [%]



**Base:** All responding private companies

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

▲ Significantly higher proportion of companies

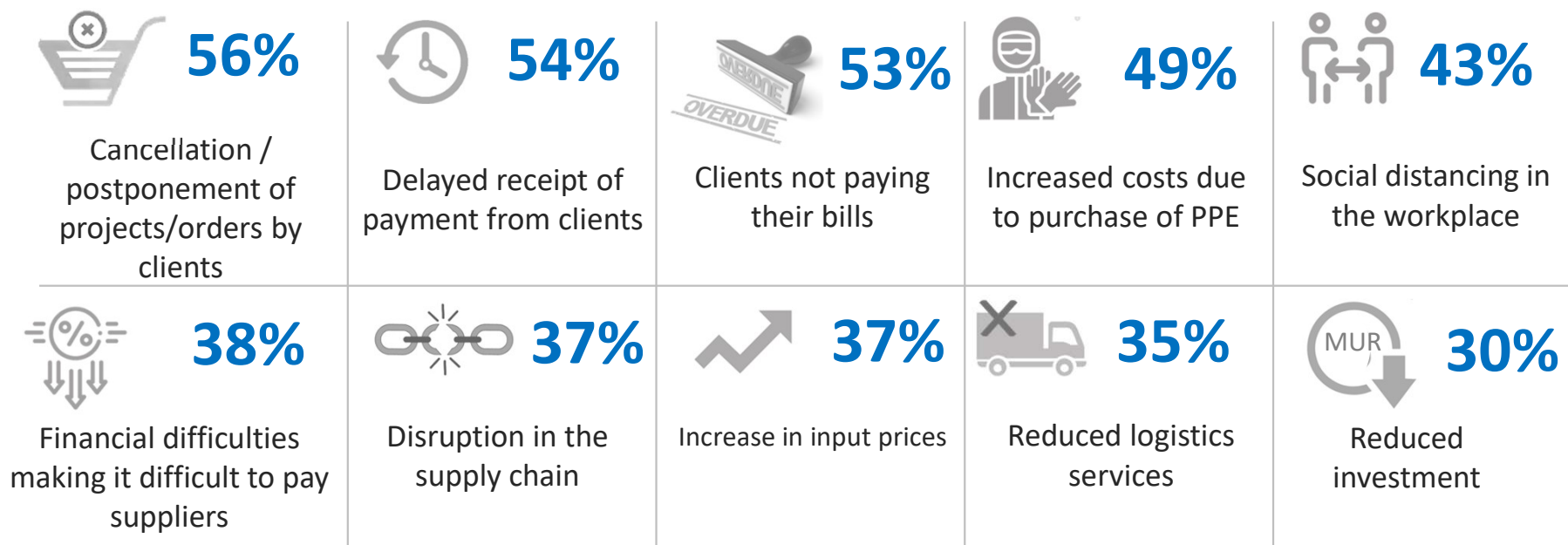
▼ Significantly lower proportion of companies



# Top 10 impacts of COVID-19

Over 50% impacted by the pandemic through:

- Clients' cancellation or postponement of orders,
- Delays in and failure of clients' payments



Base: All responding private companies

Source: C3: Has the COVID-19 pandemic affected your organisation in any of the following ways?

## 2 Key Challenges

 **67%**

Fall in demand for goods/services

 **53%**

Lack of cash flow

## Next Top 8 Challenges



**29%**

Foreign Exchange rates affecting prices of imports



**23%**

Foreign supplier delays



**14%**

Delays in delivery / shipping to customers



**10%**

Shortage of raw materials



**6%**

Domestic supplier delays



**6%**

Production delays at this business



**4%**

Difficulty in locating alternate domestic suppliers



**4%**

Border closure

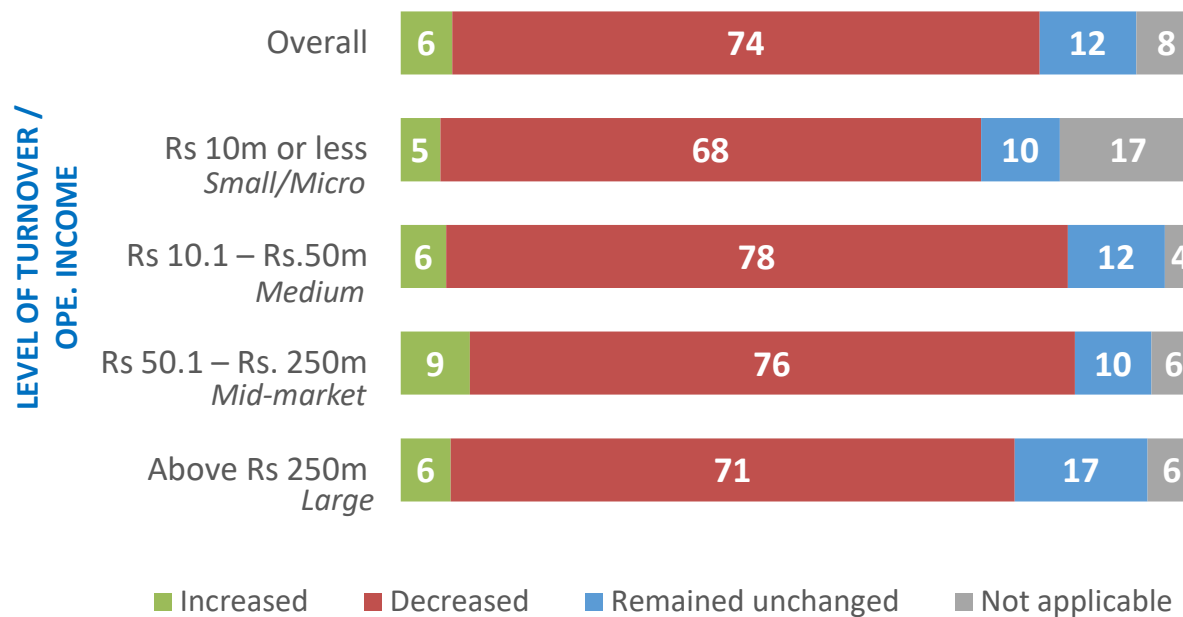
*Base: All responding private companies*

*Source: G12\_2: What are the top challenges your organisation is facing currently due to COVID-19 outbreak?*

# Impact on Sales [April–Sept. 2020 vs April–Sept. 2019]

74% experienced a decline in Sales compared to same period in 2019

**% OF RESPONDENTS REPORTING CHANGE IN SALES**  
By Level of turnover/Operating Income [%]



Base: All responding private companies

Source: B4: Comparing your organisation's sales for April – September 2020 with April – September 2019, has the approximate percentage [%] change in sales increased, decreased or remained unchanged?

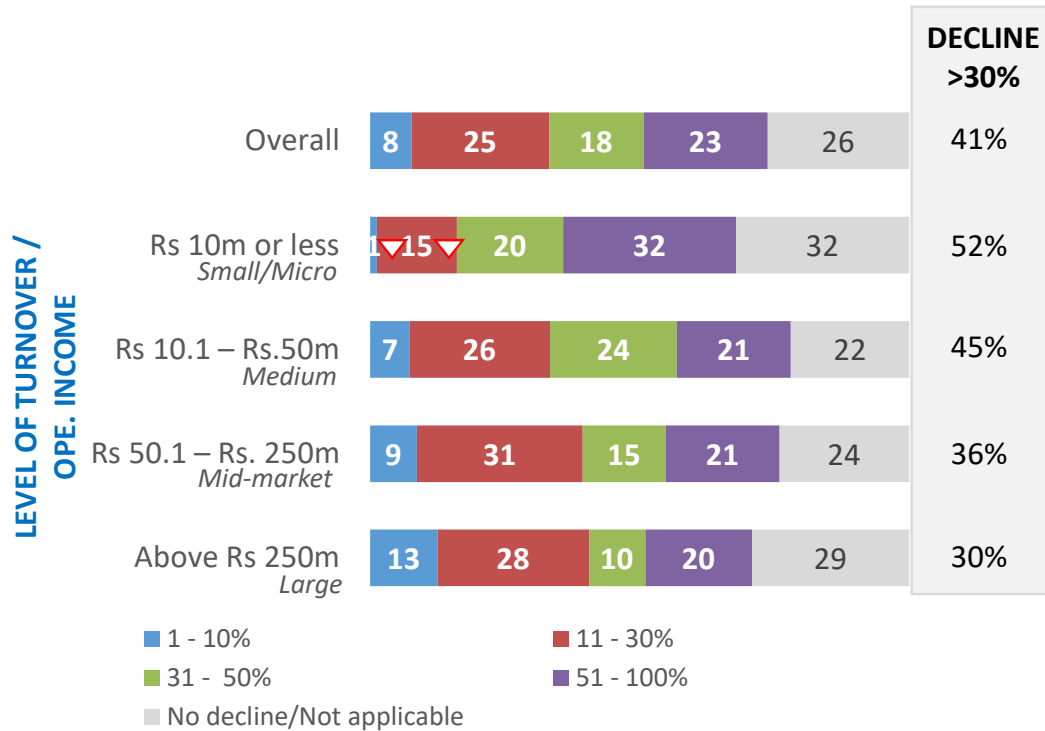
△ Significantly higher proportion of companies

▽ Significantly lower proportion of companies

# Magnitude of decline in Sales


41% registered more than 30% decline in their sales.  
SMEs were harder hit.

By Level of turnover/Operating Income [%]



## SIGNIFICANT DIFFERENCES NOTED AT SECTORAL LEVEL:

≤ 30% DECLINE IN SALES

△ 48% 

Wholesale & Retail Trade

ABOVE 30% DECLINE



89% △

Accommodation & Food Service

△ Significantly higher proportion of companies

▽ Significantly lower proportion of companies

Base: All responding private companies

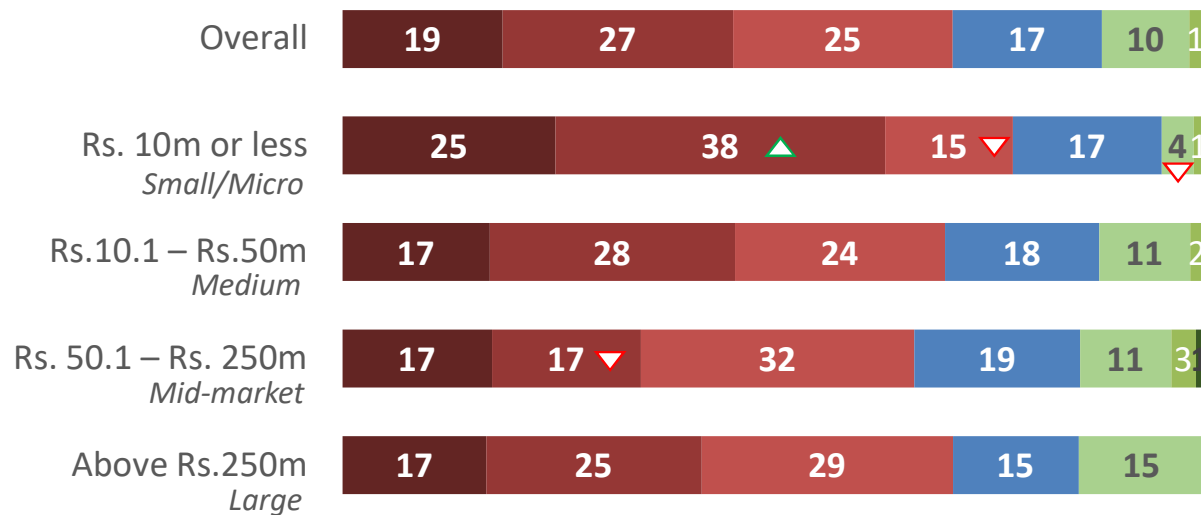
Source: B4\_B: What has been the approximate percentage [%] decrease in sales?

# Impact on turnover for FY 2020/2021 vs 2019/2020

71% expect a lower turnover/operating income in FY 2020/21  
46% anticipate more than 25% decrease in their level of turnover

## IMPACT ON TURNOVER OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER / OPE. INCOME



■ Decrease of more than 50%

■ No major change [less than 5%]

■ Increase of more than 50%

■ Decrease of 25% to 50%

■ Increase of 5% to 25%

■ Decrease of 5% to 25%

■ Increase of 25% to 50%

▲ Significantly higher proportion of companies

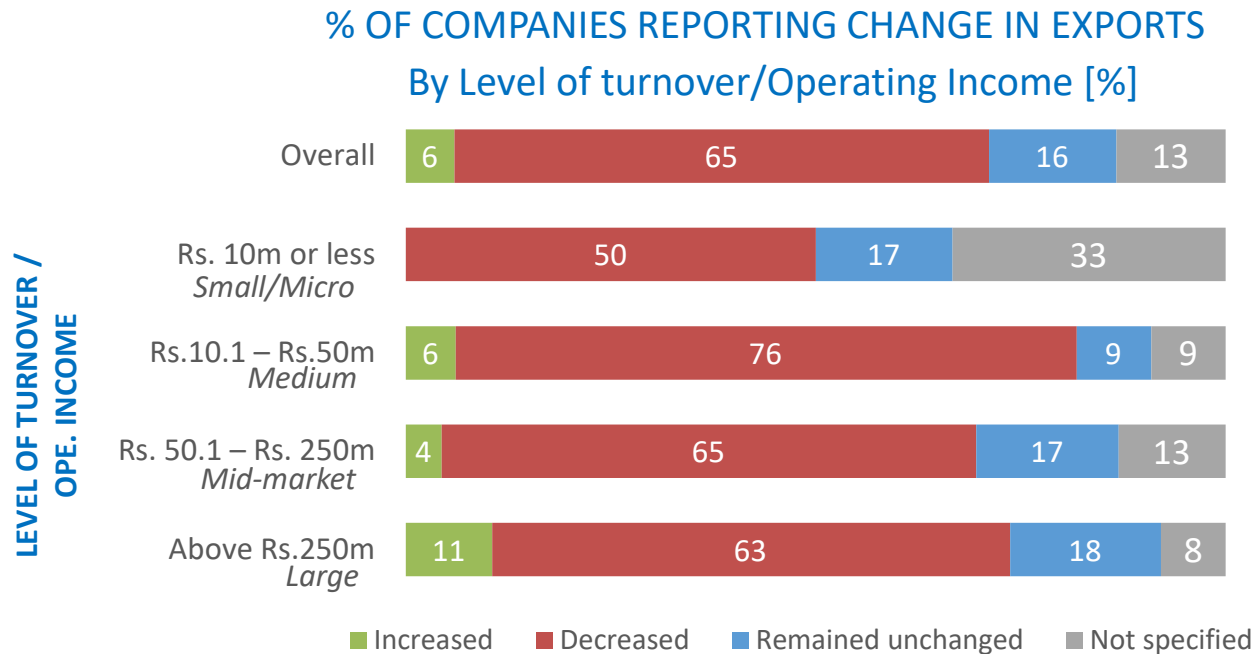
▼ Significantly lower proportion of companies

Base: All responding private companies

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

# Impact on Exports [April-Sept. 2020 vs. April-Sept. 2019]

33% engage in Exports of goods or services  
65% saw their exports decline



**Base:** All responding private companies engaged in exports

**Source: B5:** If your organisation's sales rely on export, has the approximate percentage [%] change in exports in April – September 2020 versus April – September 2019 increased, decreased or remained unchanged?

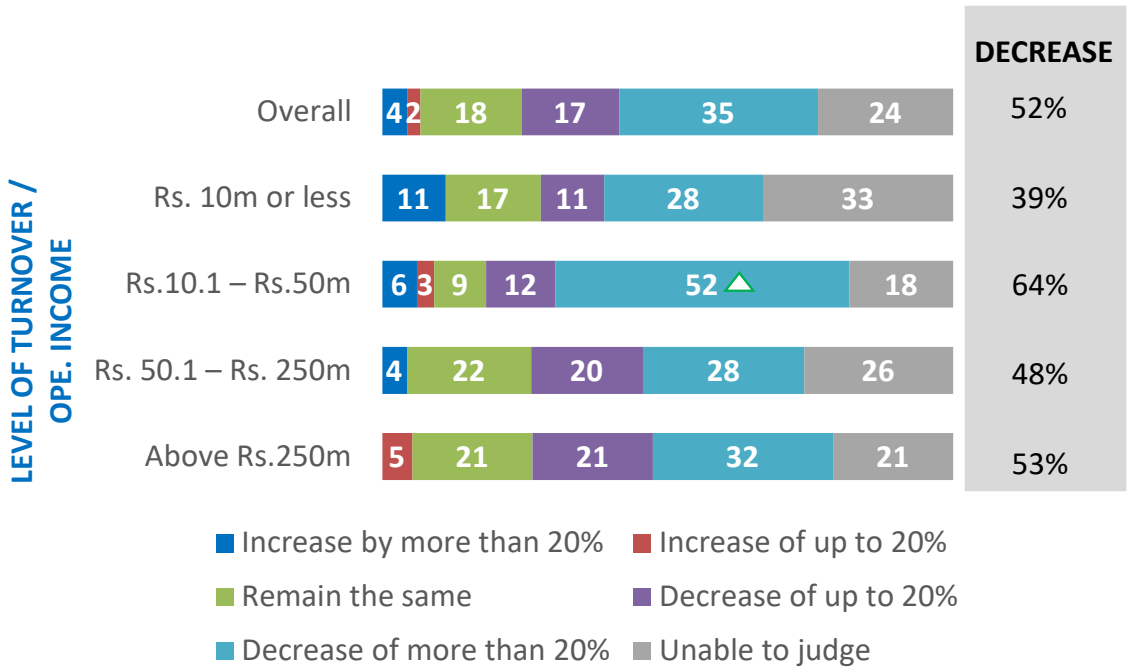
△ Significantly higher proportion of companies

▽ Significantly lower proportion of companies

# Medium-term outlook on Exports until April 2021

52% anticipate a decrease in Exports  
24% are uncertain

% OF COMPANIES EXPECTING A CHANGE IN EXPORT VOLUME OVER THE NEXT 6 MONTHS  
By Level of turnover/Operating Income [%]



Base: All responding private companies engaged in Exports

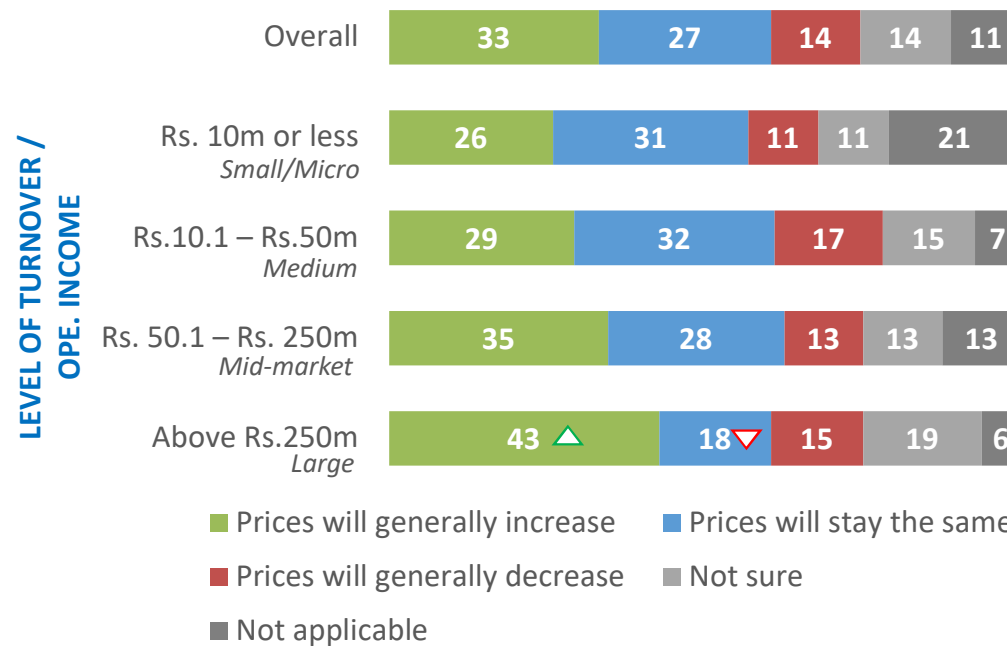
Source: B5\_1: How do you expect the pandemic to affect your company's export volume over the next 6 months?

# Anticipated Selling Price Changes

33% expect a general price increase

% OF COMPANIES EXPECTING CHANGES IN SELLING PRICES OF THEIR GOODS OR SERVICES OVER THE NEXT FEW MONTHS

By Level of turnover/Operating Income [%]



**Base:** All responding private companies

**Source:** B7: What are your expectations about prices of goods or services that your business will sell over the next few months?

Significantly higher proportion of companies

Significantly lower proportion of companies

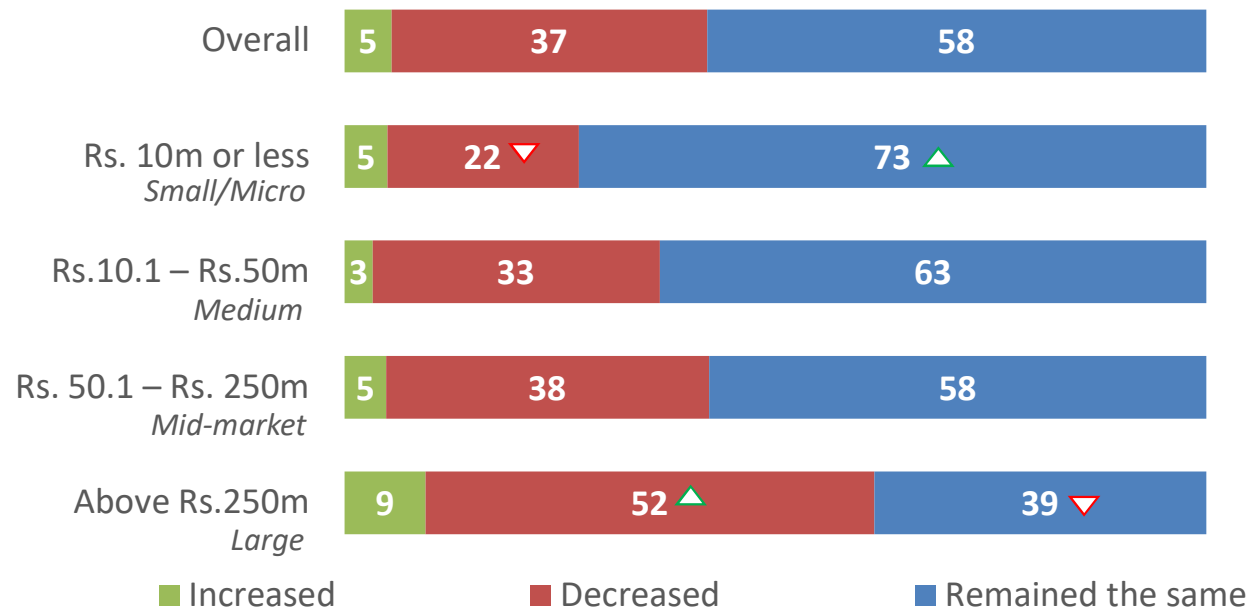


# Impact on Cashflow [April-Sept 2020 vs April-Sept 2019]

Reduced cashflow for 37% of the companies overall,  
22% of Small SMEs and 52% of Large Companies

## CASH FLOW AVAILABILITY OF RESPONDING COMPANIES [%]

LEVEL OF TURNOVER  
/ OPE. INCOME



**Base:** All responding private companies

**Source: E2\_1:** Overall, has your organisation's ability to access financial resources since the outbreak of Covid-19 increased, remained the same or decreased in regards of: Cash flow availability

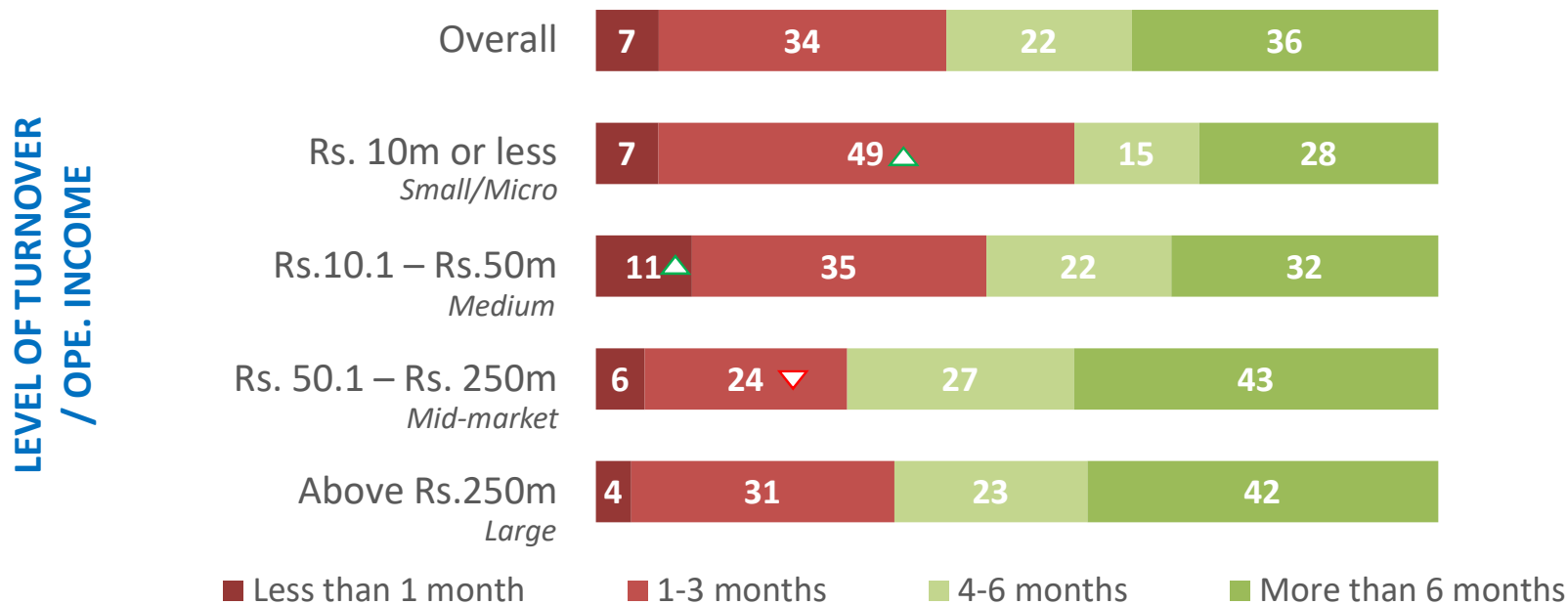
▲ Significantly higher  
proportion of companies

▼ Significantly lower  
proportion of companies

# Anticipated cashflow sustainability

41% of respondents have less than 3 months of cashflow  
56% of Small SMEs vs. 35% of Large Companies.

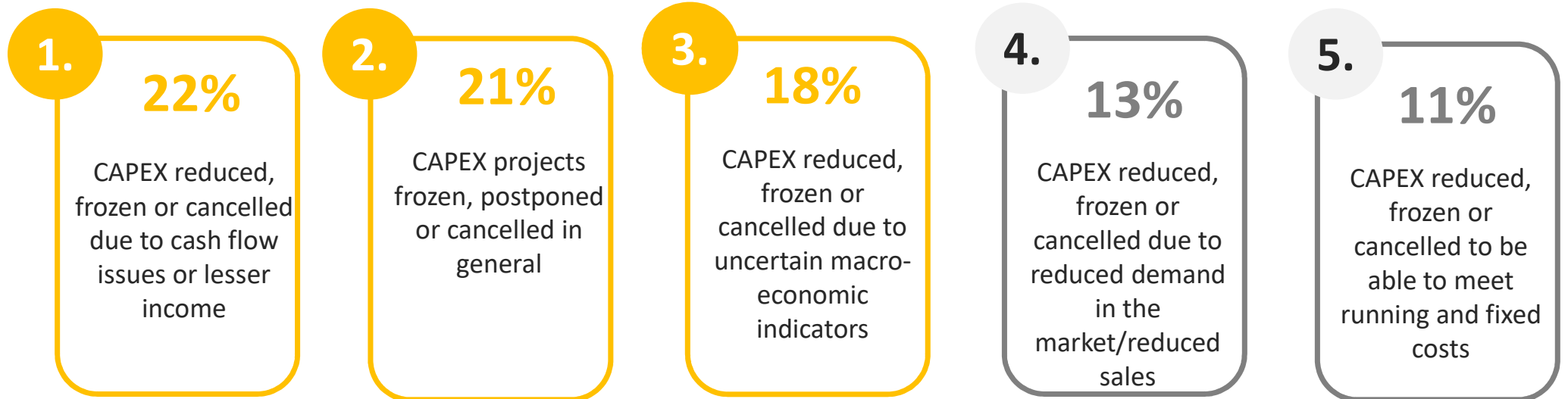
## IMPACT ON CURRENT CASH FLOW OF RESPONDING COMPANIES [%]



Base: All responding private companies

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

# Ways in which COVID-19 affected business's Capital Expenditure



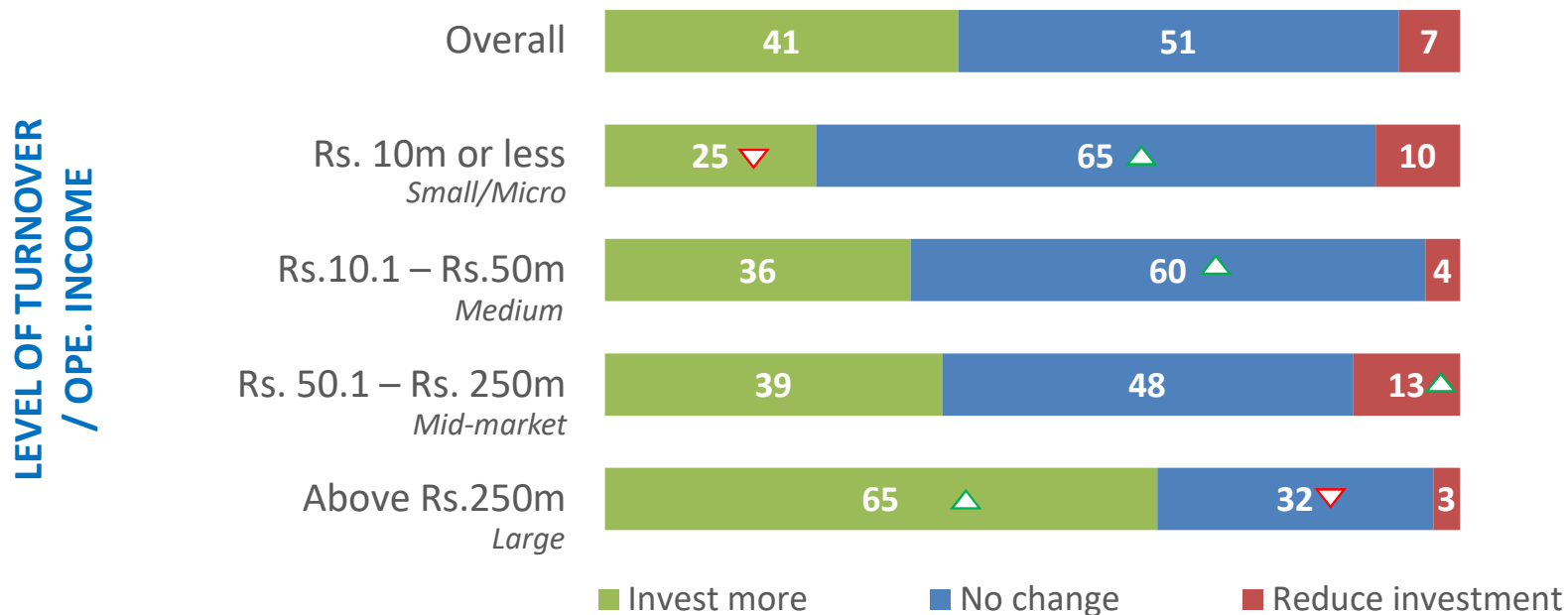
*Base: All private companies reporting changes in capital expenditure (higher, lower or stopped)*

*Source: E7: Please explain in more detail how the coronavirus (COVID-19) pandemic has affected your business's capital expenditure*

# Future plans on sustainability

92% plan to maintain or increase investment on sustainable development ...

## FUTURE PLANS ON SUSTAINABLE DEVELOPMENT OF RESPONDING COMPANIES [%]



▲ Significantly higher proportion of companies

▼ Significantly lower proportion of companies

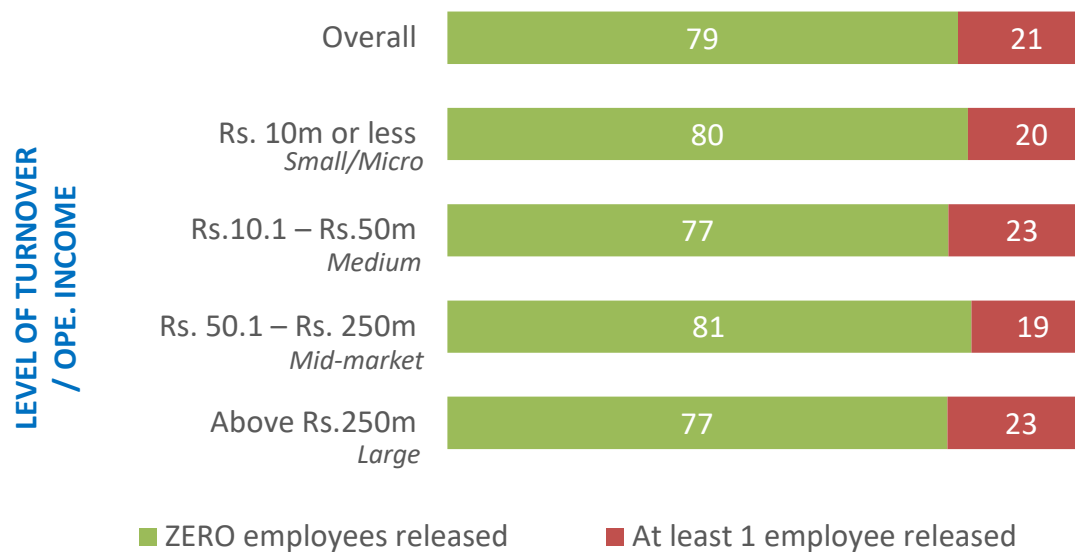
Base: All responding private companies

Source: H3: What are your future plans regarding sustainable development projects?

# Companies' ability to maintain employment

Despite the COVID-19 outbreak,  
79% of the companies maintained FULL employment

% OF COMPANIES MAINTAINING OR RELEASING WORKERS  
FROM EMPLOYMENT SINCE THE COVID-19 OUTBREAK  
By Level of turnover / Operating Income [%]



**Base:** All responding private companies

**Source:** D1\_1: Since the outbreak of COVID-19, how many workers have you had to release from employment due to the COVID-19 outbreak?

△ Significantly higher  
proportion of companies

▽ Significantly lower  
proportion of companies

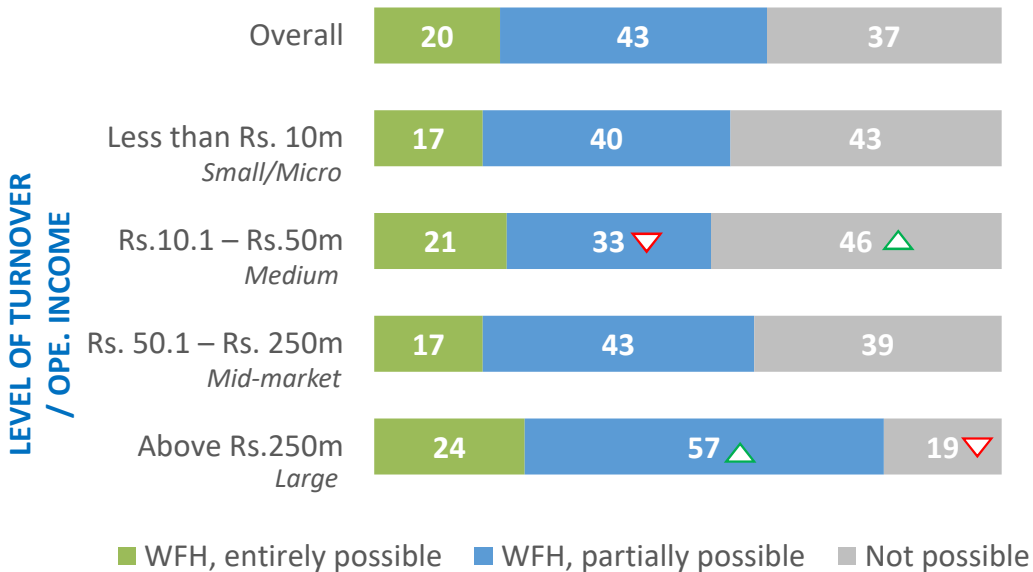


# Ability to work from home [WFH]

Work from home possible in 63% of the companies, more so within Large Companies [81%] and less within Small SMEs [57%].

## % OF COMPANIES ASSERTING THE NATURE OF THEIR BUSINESS ALLOWS EMPLOYEES TO WORK FROM HOME

By Level of turnover / Operating Income [%]



## SIGNIFICANTLY HIGHER AMONG THE FOLLOWING SECTORS:

WFH NOT POSSIBLE



64%

**Manufacturing Sector**

Z

WFH ENTIRELY / PARTIALLY POSSIBLE



93%

**Information & Communication**



92%

**Professional, Scientific & Technical services**

Significantly higher proportion of companies

Significantly lower proportion of companies

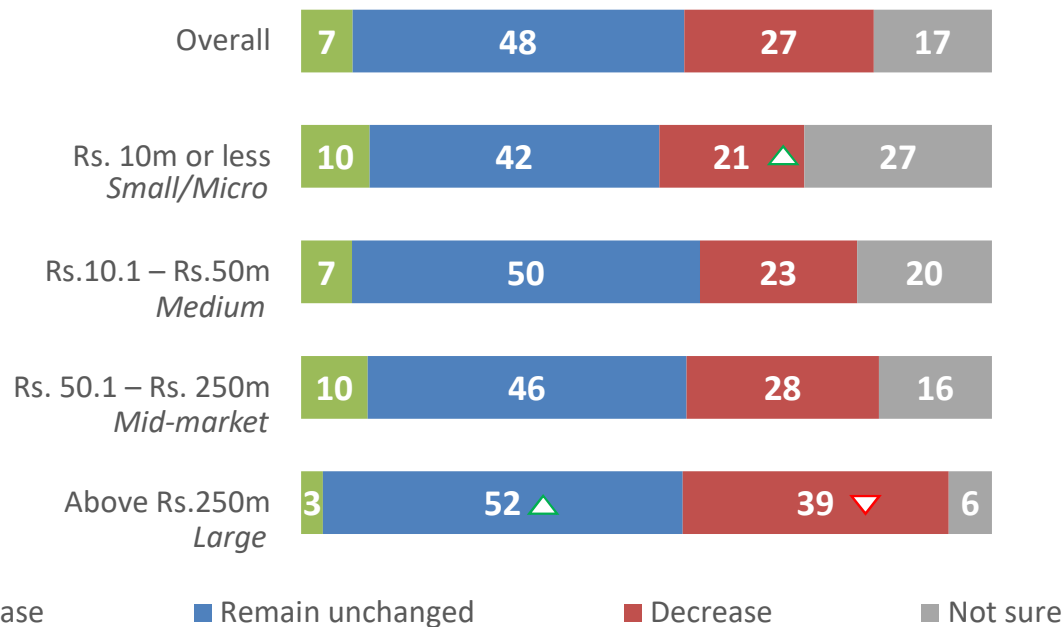
Base: All responding private companies

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

# Anticipated change in workforce

55% will maintain or increase their workforce,  
27% anticipate a decline and 17% are uncertain

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



**Base:** All responding private companies

**Source: G8:** Do you expect your organisation's workforce size to change over the next months due to the COVID-19 outbreak?

### SIGNIFICANTLY HIGHER AMONG THE FOLLOWING SECTORS:

#### WILL REMAIN UNCHANGED

**69%** ▲  
Wholesale & Retail



#### WILL DECREASE



**51%** ▲

Accommodation  
& Food Service

▲ Significantly higher proportion of companies

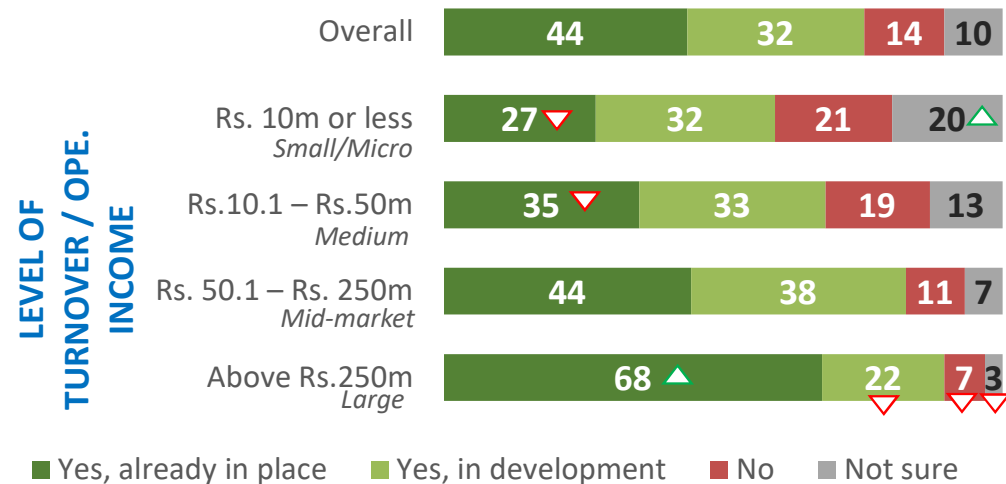
▼ Significantly lower proportion of companies



# Presence of Business Continuity Plan [BCP]

44% already have a BCP in place  
68% of Large Companies vs. 27% of Small SMEs.

By Level of turnover / Operating Income [%]



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

**Base:** All responding private companies  
**Source:** G1: Does your organisation have a business continuity plan in place?

# Usefulness of Business Continuity Plan

## 93%

found their organisation's BCP to be very/somewhat useful in the current pandemic

**Base:** All private companies already having Business Continuity plan in place or in development:176  
**Source:** G3: How useful is your organisation's business continuity plan in the current COVID-19 pandemic?

# Adoption of E-commerce | Challenges faced

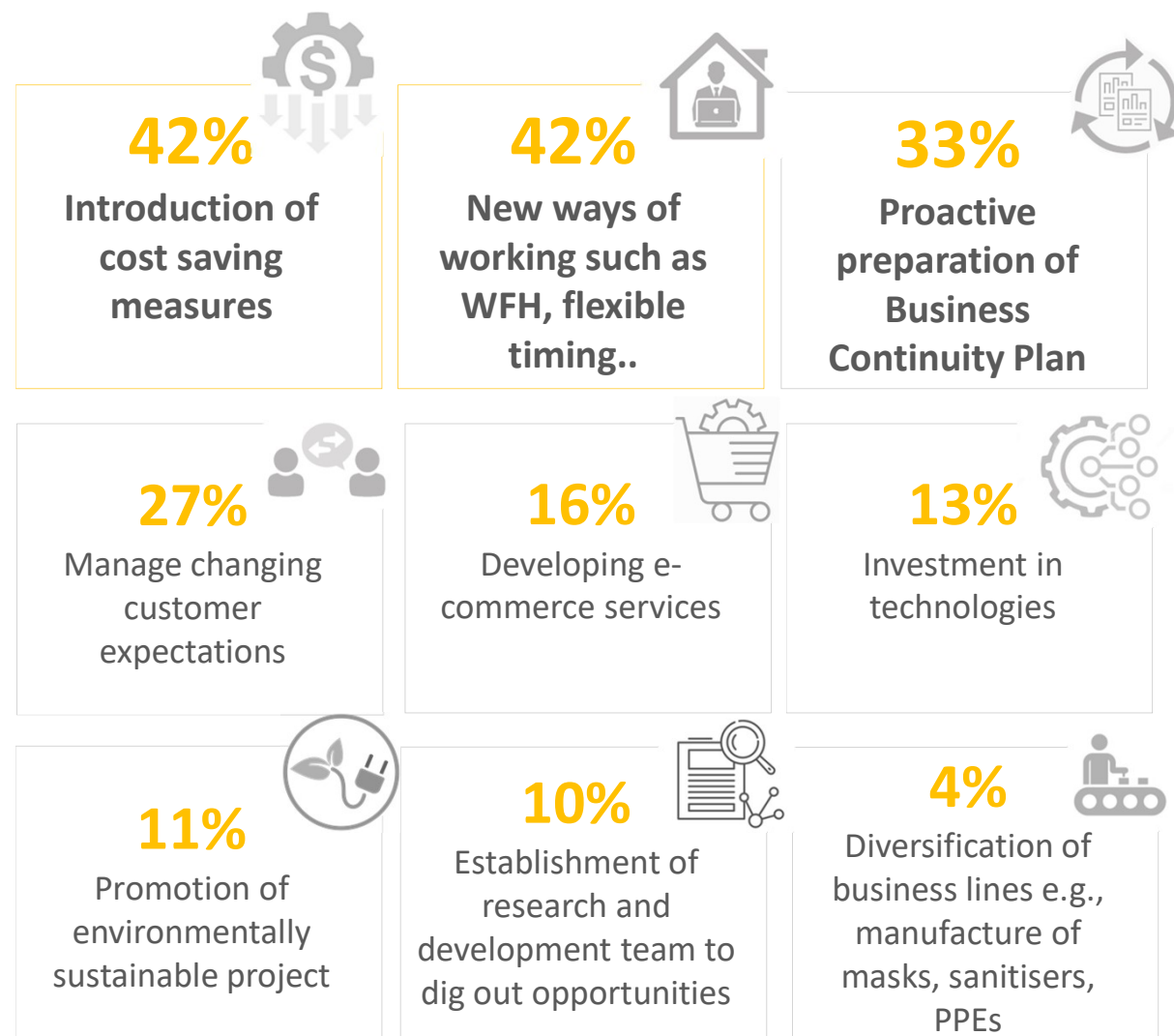
**54%**  
Faced **NO**  
challenges

## TOP 3 CHALLENGES FACED



# Opportunities derived

COVID-19 pandemic has pushed companies to adapt for better resilience.



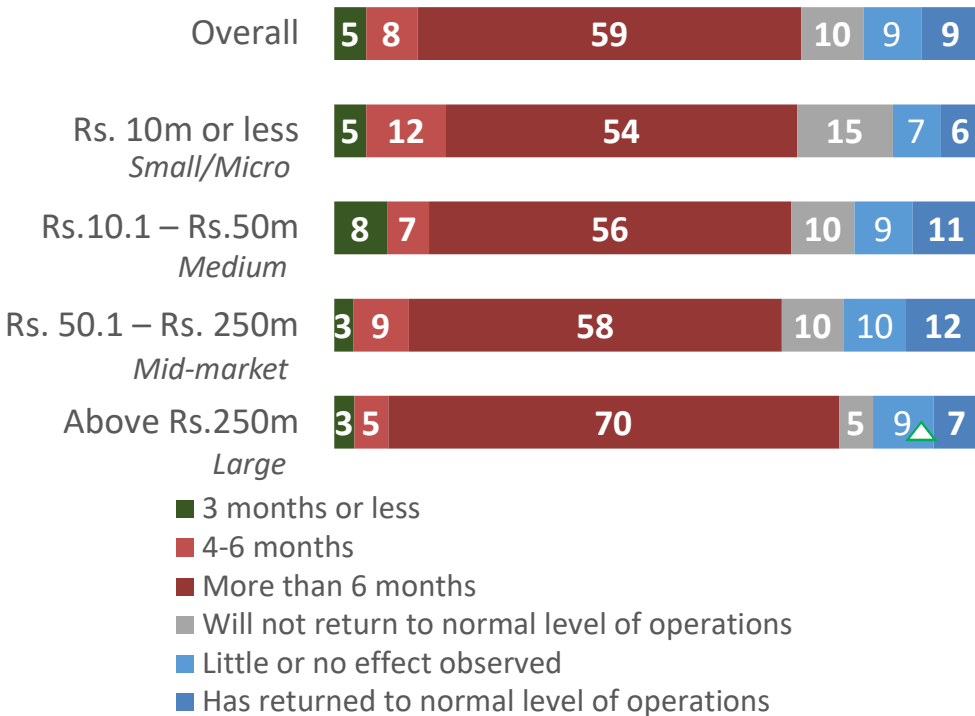
*Base: All private companies*

*Source: G22: What opportunities did your organisation derive from this pandemic?*

# Expected time to return to normal

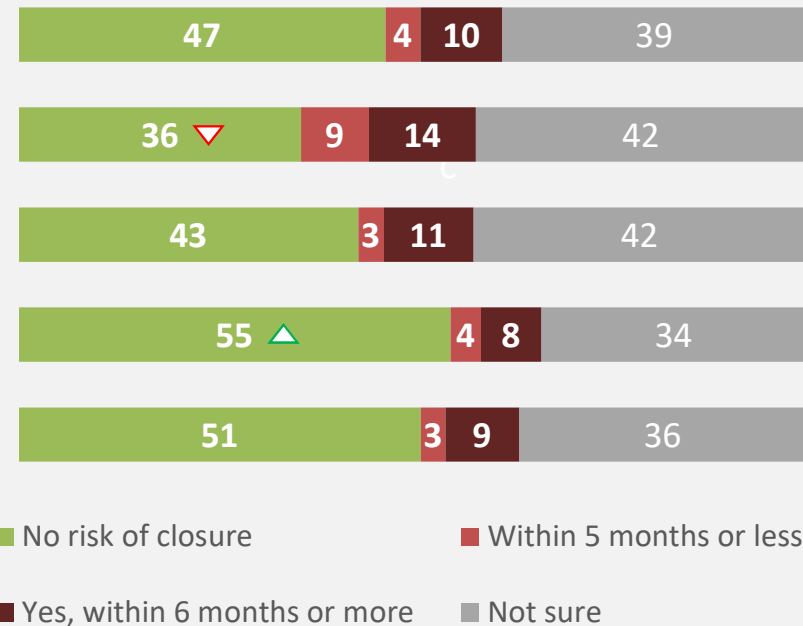
18% back to normal, 59% in >6 months and 10% Never.

LEVEL OF TURNOVER / OPE. INCOME



# Risk of permanent business closure

14% foresee a risk of closure  
High uncertainty



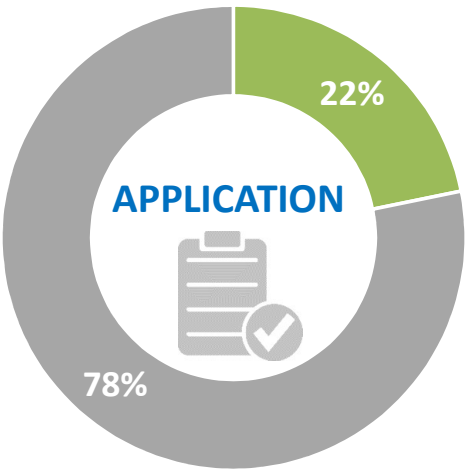
**Base:** All responding private companies  
**Source: G19:** In your opinion, how much time do you think will pass before your organisation returns to its normal level of operations relative to one year ago?

**Base:** All responding private companies  
**Source: G7:** Do you think there is a risk that your organisation will permanently shut down because of the COVID-19 crisis, and if so, when could this closure occur?

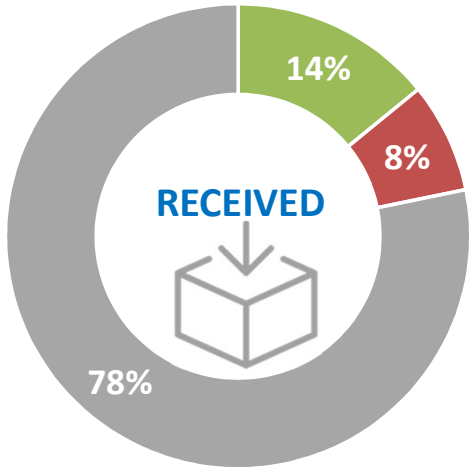
# Government Support Measures [Excl. WAS]

from DBM, SME Equity Fund, BOM, SIC, ISP

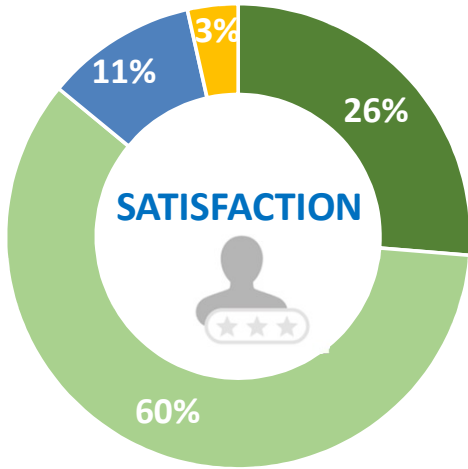
22% applied and only 14% received the required financial support.  
 Nearly all recipients [86%] were satisfied with the support received



- Applied
- Did not apply



- Received
- Did not receive
- Did not apply



- Very satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied

**Base:** All responding private companies  
**Source: F0.A:** Has your organisation applied for any Government support from the DBM, SME Equity Fund, BOM, SIC, ISP?

**Base:** All responding private companies  
**Source: F0.B:** Did you receive the required financial support from the above institutions DBM, SME Equity Fund, BOM, SIC, ISP?

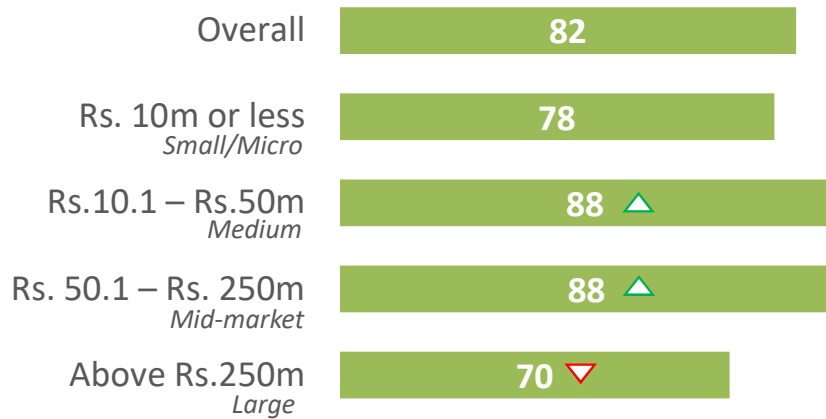
**Base:** All responding private companies receiving Govt. Support  
**Source: F0.C:** How far were you satisfied with the quality of service received from (DBM, SME Equity Fund, BOM, SIC, ISP)?

# Government Wage Assistance Scheme [GWAS] received

82% received GWAS ... more Medium [88%] and Mid-market [88%] Companies

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

LEVEL OF TURNOVER  
/ OPE. INCOME



## SIGNIFICANT DIFFERENCES NOTED IN:

### RECEIVED GWAS

93%▲  
Manufacturing

92%▲  
Accommodation & food

▲ Significantly higher proportion of companies

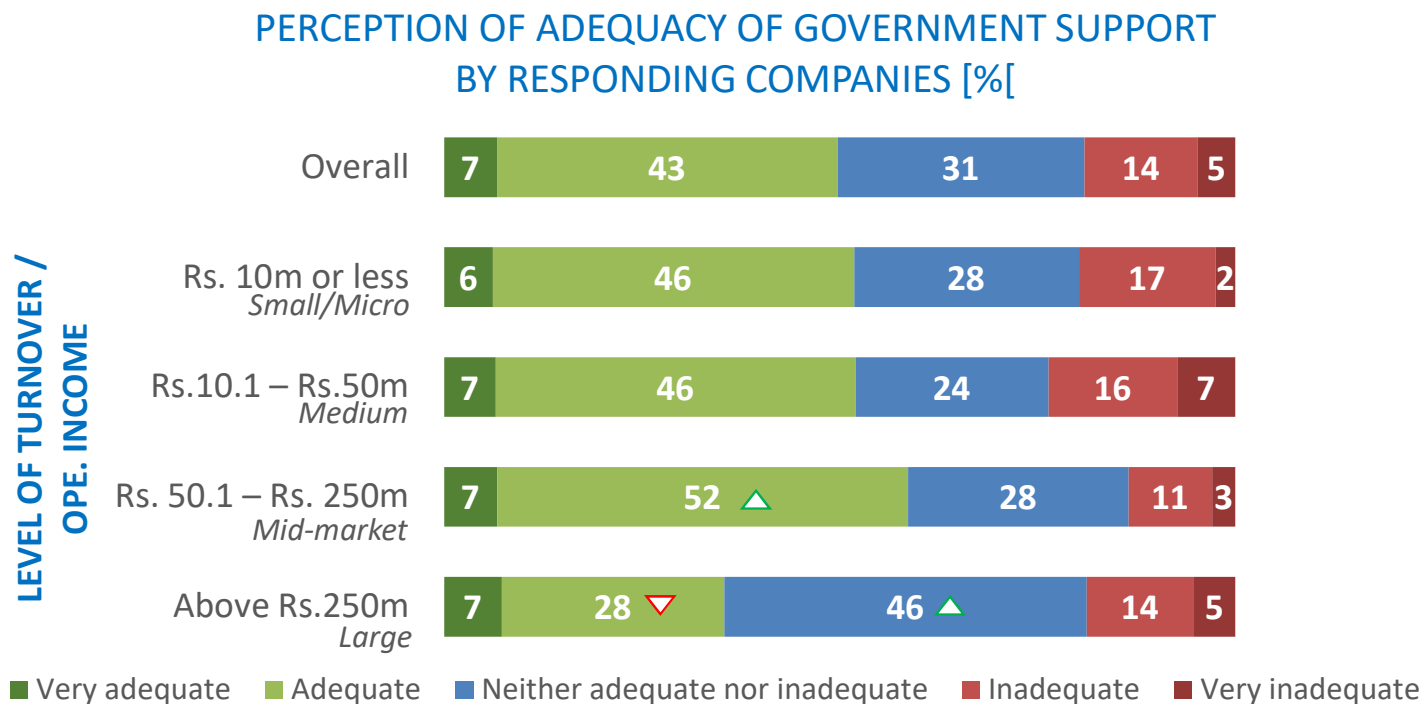
▼ Significantly lower proportion of companies

Base: All responding private companies

Source: F1: Since the outbreak of COVID-19, has your organisation received any of the following government support measures issued in response to the crisis?

# Adequacy of Government Support measures

51% find the Government support measures to be very adequate/adequate, more so among Mid-market enterprises [59%] and lesser among Large Companies [35%].



Base: All responding private companies

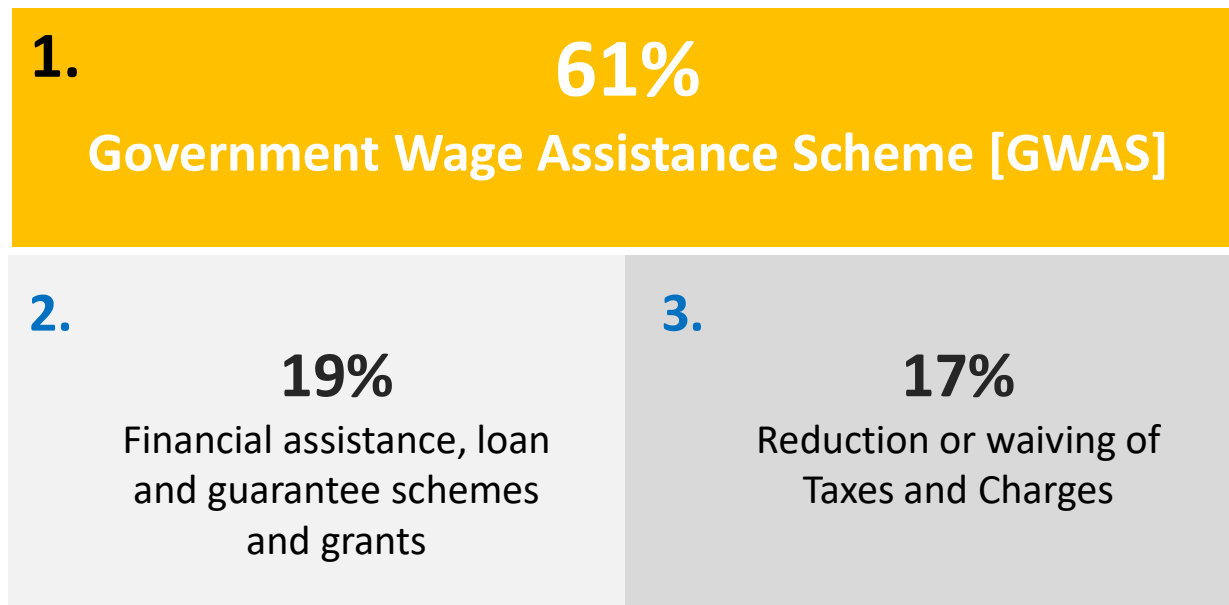
Source: F2: Have the government's support measures been adequate to help your organisation cope with the COVID-19 impacts?

▲ Significantly higher proportion of companies

▼ Significantly lower proportion of companies

# Top 3 Future Govt. Support Measures needed

61% would still request GWAS with some improvements



*Base: All responding private companies*

*Source: G4: Which of the following government measures would be most helpful as your organisation copes with the COVID-19 crisis?*

*Source: G20: What other government interventions would you like to have?*



### 3. WAY FORWARD



# Way Forward

Overall, the survey confirms that businesses are in a serious situation, with poor visibility and likely adverse impacts on finances, employment and investment over the coming months.

Areas for further discussion

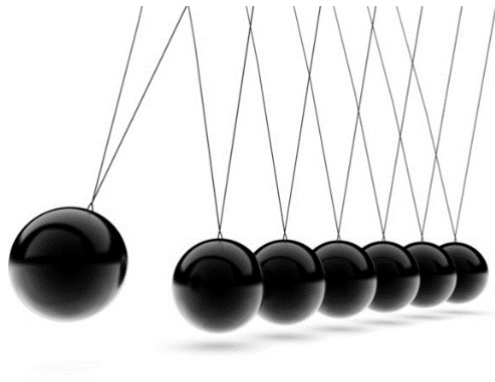
- Private sector investment : Where/How?
- Labour market: Quality of jobs/skills mismatch
- Competitiveness and Agility of Businesses
- Work from Home practices, E-commerce and Business Continuity Planning
- Investments in Sustainability

The unprecedented crisis calls for Public-Private Collaboration and Partnership on fundamental issues:

- Effective Support measures for businesses

Thematic surveys in 2021; main survey in 6 months.

# FULL REPORT CONTENT



1. INTRODUCTION
2. IMPACT ON BUSINESS CAPACITY TO OPERATE
3. IMPACT ON COMPANIES' COMMERCIAL PERFORMANCE
4. IMPACT ON FINANCIALS
5. IMPACT ON SUSTAINABLE DEVELOPMENT
6. IMPACT ON PRODUCTION CAPACITY AND OUTPUT
7. IMPACT ON AVAILABILITY OF INPUTS AND FINISHED GOODS
8. IMPACT ON EMPLOYMENT & EARNINGS
9. BUSINESS MODELS TO BUILD RESILIENCE
10. ANTICIPATION OF LONG-TERM IMPACT ON BUSINESSES
11. GOVERNMENT SUPPORT MEASURES
12. FUTURE BUSINESS NEEDS IN TERMS OF SUPPORT
13. WAY FORWARD

THANK YOU  
Q&A