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Fast and Exceptional Enterprise Survey – COVID-19

November 2020

COVID-19: monitoring the impact of the pandemic on enterprises

More than half of the responding enterprises reported a negative or very negative impact on the current evolution of turnover associated with the reduction in orders / customers (59%) and the new containment measures (56%). These percentages rise to 84% and 82%, respectively, among enterprises in the *Accommodation and food services* sector.

Enterprises that currently benefit from support measures announced by the Government due to the COVID-19 pandemic represent between 19% and 30% of the total, depending on the measure. Most beneficiary enterprises rate them as very important for their liquidity situation. At least 50% of the *Accommodation and food services* enterprises benefited from some measure presented by the Government during the surveying period.

85% of the enterprises are expected to maintain jobs until the end of 2020, while 10% of the enterprises have plans to reduce them. In 2021, 74% of the enterprises plan to maintain jobs, with the percentage of those planning to increase and decrease identical. In *Accommodation and food services*, the percentage of enterprises that plan to reduce jobs, by the end of the year or in 2021, is around 35%.

Regarding permanent changes in the way of working motivated by the pandemic, 59% of the enterprises consider the reduction of the number of business trips and 31% the most intensive use of remote working very likely.

In a scenario of effective control of the pandemic in 2021, 34% of the enterprises consider that the activity has already returned or will return to normal, estimating an average return time of 9.8 months. In the same context, 4% of the enterprises do not foresee the return to the normal level and 62% are unable to anticipate whether their turnover will return to the normal level or not.

90% of the enterprises express a high or moderate degree of concern in the face of a worsening or prolongation of measures to contain the pandemic to be implemented by the Government.

84% of the enterprises do not foresee closure in a scenario of worsening pandemic containment measures and the absence of additional support measures. In contrast, 16% of the enterprises estimate that they can survive, on average, only about 7 months in such a scenario. In the enterprises from the *Accommodation and food services* sector, this percentage is 42% and the average subsistence time is 5.3 months.

At least 40% of the enterprises consider an extension of government support measures to be very important in the face of a scenario of worsening containment measures. In *Accommodation and food services* sector, 90% and 79% of the enterprises consider the expansion or replacement of the simplified layoff and the suspension of tax and contributory obligations to be very important. Only 8% of the enterprises intend to use the funds of the Recovery and Resilience Plan ("Next Generation EU"). From the remaining, 45% consider that there is not yet enough information available for decision making.