

26 November 2020

## 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.

Statistics Portugal (INE) and the Bank of Portugal (BdP) launched, last April, the Fast and Exceptional Enterprise Survey - COVID-19 (COVID-IREE), based on a quick response questionnaire, with the aim to identify some of the main effects of the COVID-19 pandemic on business activity. The survey started with a weekly frequency, having changed to fortnightly in the month of May. In view of the evolution of restrictions on economic activity resulting from the COVID-19 pandemic, the questionnaire has been suspended since last August. However, considering the current worsening of health emergency conditions, INE and BdP decided to carry out another edition of the survey, with a reformulated set of questions, aiming to reevaluate the effects of the pandemic on the activity of enterprises and to evaluate their perception in relation to a set of possible scenarios. The collection related to this edition took place in the week from 11 to 19 November. It is important to note that the results of this survey refer exclusively to the enterprises that responded in this edition of the survey (about 6 thousand)<sup>1</sup>. These enterprises basically correspond to a representative sample underlying the calculation of the sectoral turnover indices monthly published by INE. For more information, it is recommended to read the technical note at the end of this press release. INE and Banco de Portugal once again thank the enterprises for their cooperation in this difficult time that the country is going through.

## I. ANALYSIS OF THE ECONOMIC AND FINANCIAL SITUATION OF THE ENTERPRISES

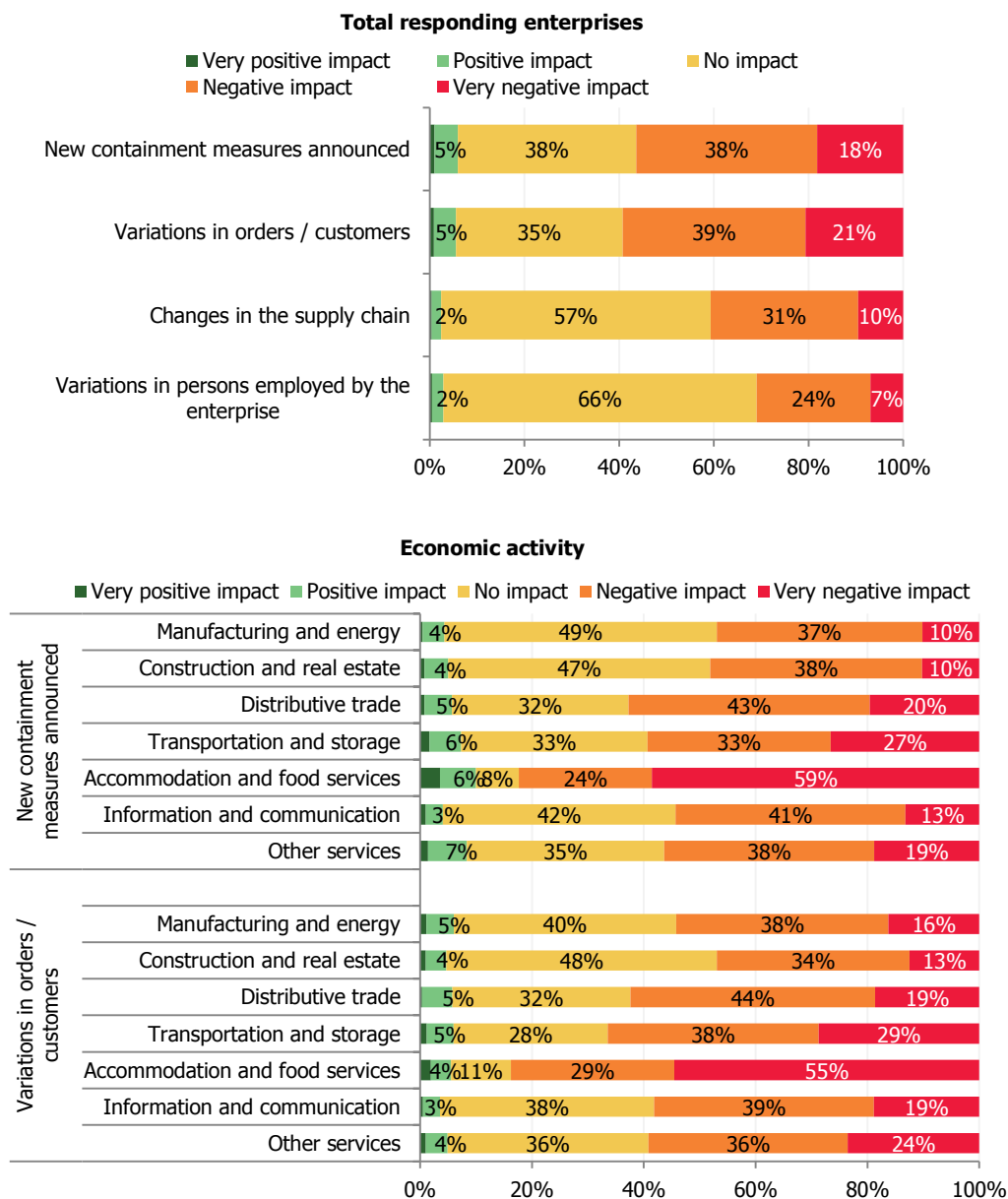
### Impact of changes resulting from the COVID-19 pandemic on enterprises' turnover

#### Most enterprises reported a negative impact on the current evolution of turnover resulting from changes in orders / customers and new containment measures

- For 59% of the respondent enterprises, variations in orders / customers have a negative or very negative impact on the current evolution of turnover, with 21% of the enterprises considering this impact to be very negative. The new containment measures were mentioned by 56% of the enterprises as having a negative or very negative impact on the evolution of turnover (18% of the enterprises in the second case).
- The responses do not show significant differences by enterprise size.
- By sector, *Accommodation and food services* is the one in which the changes resulting from the COVID-19 pandemic have the greatest negative or very negative impact on the evolution of the enterprises' turnover. For 82% of the enterprises in this sector, the new containment measures announced have a negative impact on the evolution of turnover, with 59% of the enterprises reporting a very negative impact. In an associated way, the variations in orders / customers were mentioned by 84% of *Accommodation and food services* enterprises as having a negative or very negative impact on turnover (very negative for 55% of enterprises in this sector).

<sup>1</sup> Number of valid responses until the end of 19<sup>th</sup> November, corresponding to a response rate of 65.8%.

**Figure 1 • Impact of changes resulting from COVID-19 pandemic on the evolution of enterprises turnover, as a % of the total number of enterprises**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

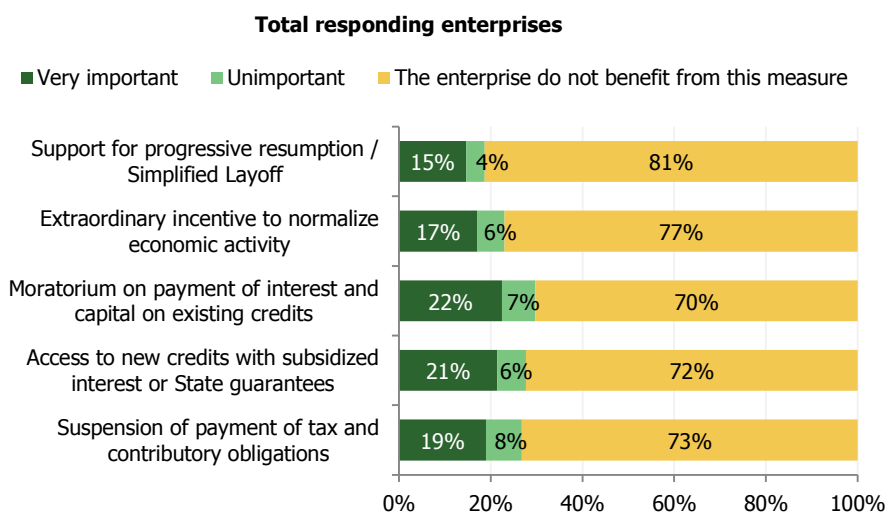
**Importance of the measures presented by the Government for the liquidity situation of enterprises**

**Most enterprises that currently benefit from the Government support measures consider them to be very important for their liquidity situation**

- Enterprises that currently benefit from support measures announced by the Government due to the pandemic COVID-19 represent between 19% and 30% of the total, depending on the measure.

- 30% of the enterprises currently benefit from the moratorium on payment of interest and capital on existing credits, being considered a very important measure for the liquidity situation by 22% of the enterprises. A similar percentage of enterprises report access to new credits with subsidized interest or State guarantees and the use of suspension of payment of tax and contributory obligations (28% and 27%, respectively). The proportion of enterprises that currently benefits from the extraordinary incentive to normalize economic activity (23%) is slightly higher than the percentage that benefits from support for progressive resumption / Simplified Layoff (19%).
- *Accommodation and food services* sector stands out clearly with the highest proportion of enterprises currently benefiting from Government measures: 58% in support for progressive resumption / Simplified Layoff, 56% in the extraordinary incentive to normalize economic activity, 50% in moratorium on payment of interest and capital on existing credits, access to new credits and suspension of payment of tax and contributory obligations.

**Figure 2 • Degree of importance of the measures presented by the Government due to the COVID-19 pandemic for the liquidity situation of enterprises, as a % of the total number of enterprises**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

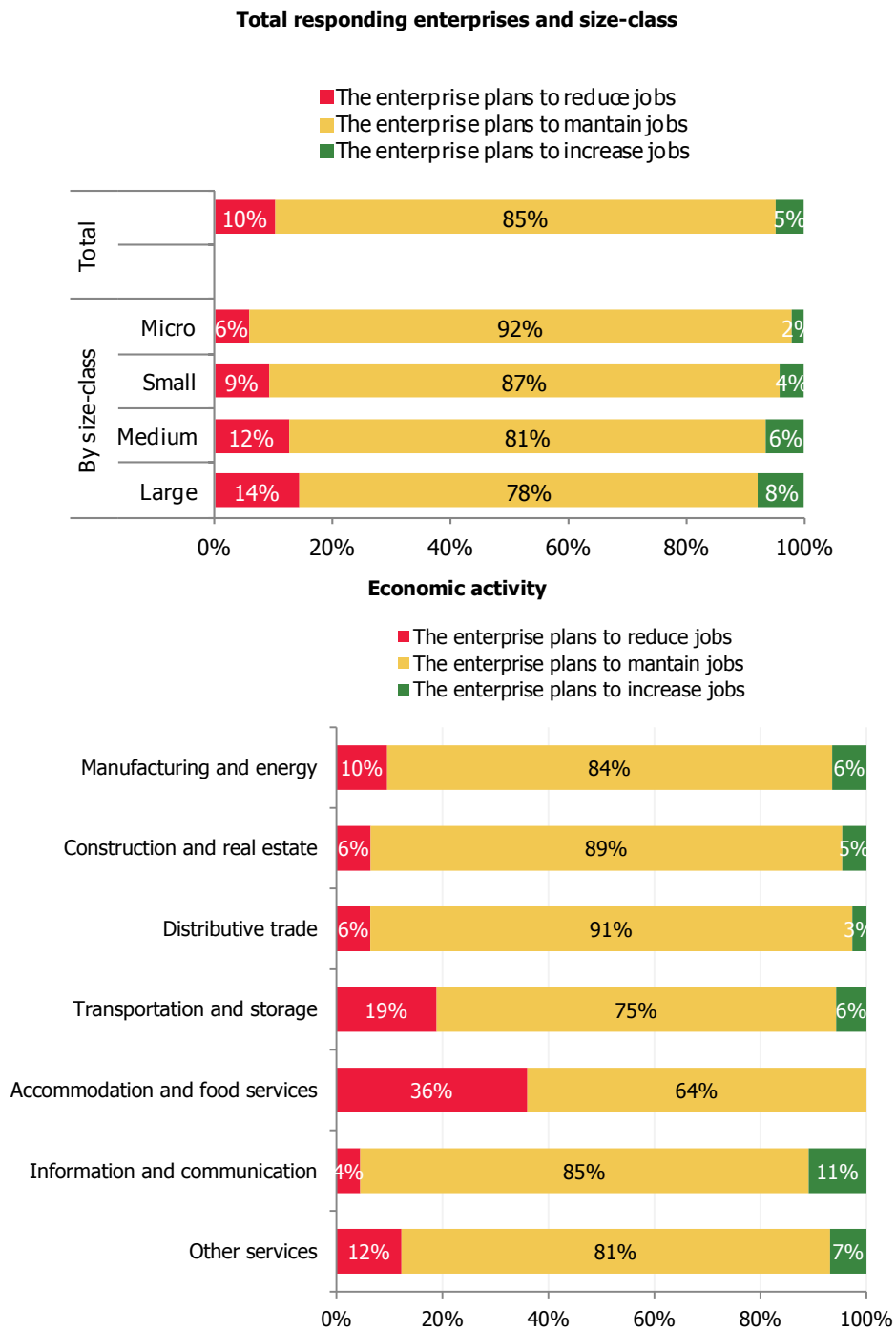
## II. ANALYSIS OF THE LABOUR SITUATION AND THE WAY OF WORKING OF THE ENTERPRISES

### Expected evolution of the enterprises jobs until the end of 2020, given the current situation

#### 85% of the enterprises plan to maintain jobs by the end of 2020

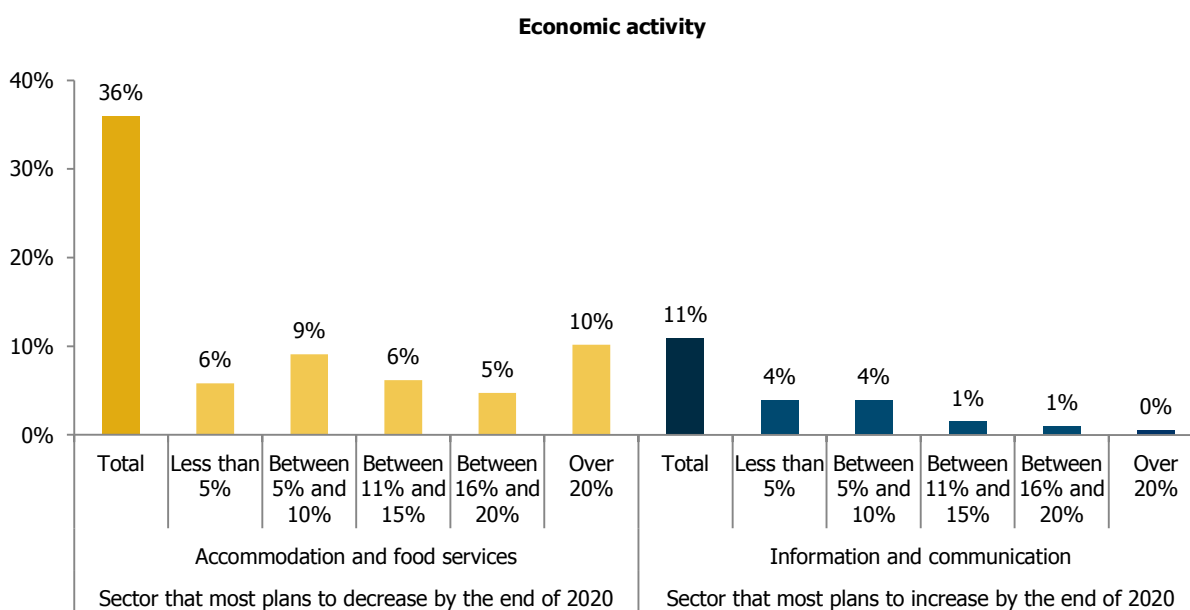
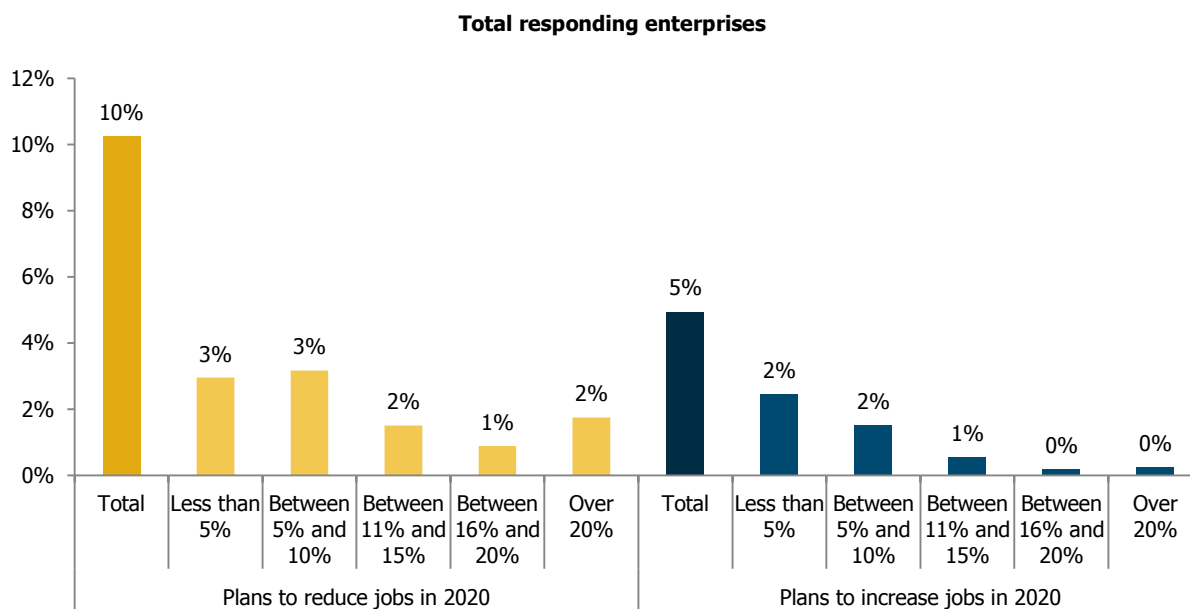
- Given the current situation, the vast majority of the enterprises (85%) plan to maintain their jobs until the end of 2020. These enterprises correspond to 68% of the total persons employed of the responding enterprises. The percentage of enterprises that plan to reduce jobs is 10%, compared to 5% that plan to increase jobs by the end of 2020 (corresponding to 21% and 11%, respectively, of employed persons).
- The proportion of enterprises with the intention of reducing jobs by the end of 2020 is proportionally increasing with the size of the enterprise, with 6% in micro and 14% in large enterprises. The same is true for the percentage of enterprises with intentions to increase jobs, being only 2% among micro and 8% among large enterprises.
- *Accommodation and food services* enterprises are the ones that most plan to reduce jobs by the end of the year (36%). In contrast, the *Information and communication* sector recorded the highest proportion of enterprises with plans to increase jobs in the same period (11%).
- In terms of the expected reduction magnitude, 6% of the enterprises plan to reduce up to 10% of jobs by the end of 2020. Only 2% of the enterprises said that this reduction could be greater than 20% of jobs. On the other hand, 4% of the enterprises have plans to increase employment by up to 10% by the end of the year.
- In *Accommodation and food services*, it is estimated that the reductions are greater than 20% of jobs in 10% of the enterprises in this sector. In *Information and communication* sector, the increase may reach 15% of jobs in 9% of the enterprises.

**Figure 3 • Expected evolution of enterprises jobs until the end of 2020, as a % of the total number of enterprises**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

**Figure 4 • Estimated evolution of enterprises jobs until the end of 2020, as a % of the total number of enterprises**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

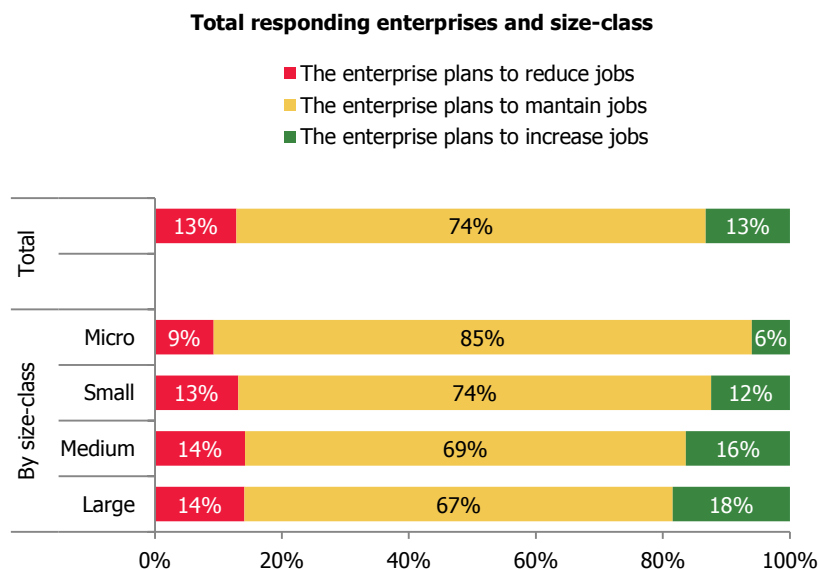


**Expected evolution of the enterprises jobs until the end of 2021, given the current situation**

**74% of the enterprises plan to maintain jobs in 2021**

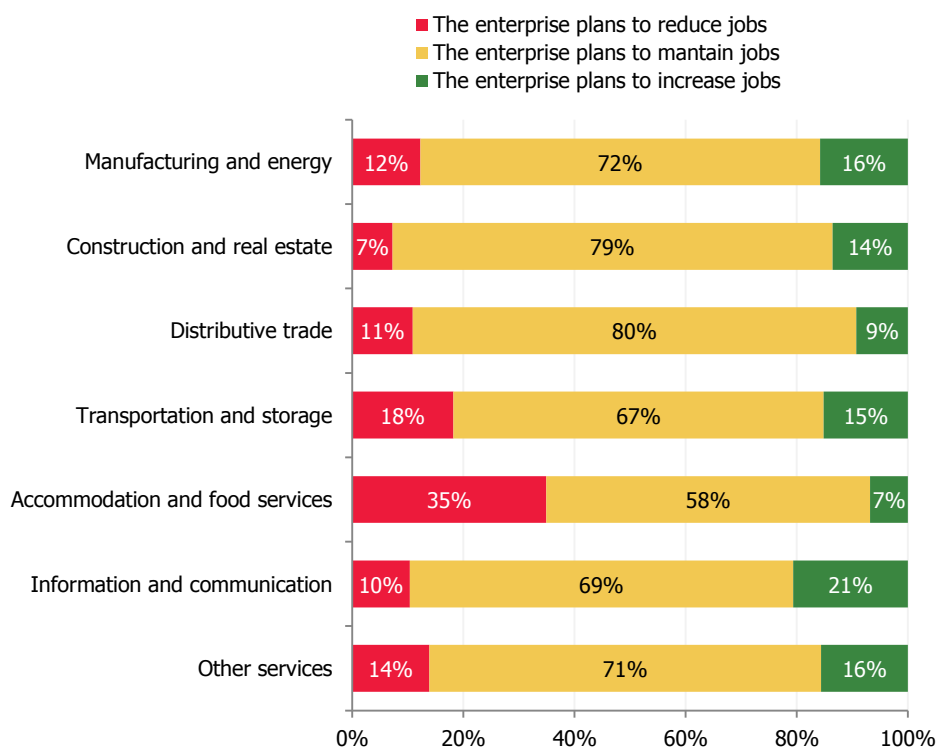
- Given the current situation, 74% of the responding enterprises plan to maintain their jobs in 2021. These enterprises correspond to 59% of the total persons employed by the responding enterprises. The reduction of jobs in 2021 is part of the plans of 13% of the enterprises, while the increase of jobs in 2021 is also being considered by 13% of the enterprises (these enterprises correspond to 15% and 26%, respectively, of total persons employed).
- The proportion of enterprises with the intention of reducing their jobs in 2021 is 9% in micro enterprises, standing at around 14% in the remaining size classes. The percentage of enterprises with plans to increase jobs in 2021 shows a clear growing trend with the increase in the size of enterprises, being 6% among micro and 18% in large enterprises.
- The *Accommodation and food services* sector has the largest percentage of enterprises (35%) with plans to reduce jobs in 2021. In contrast, enterprises in the *Information and communication* sector are the ones that most plan to increase jobs in 2021 (21%).

**Figure 5 • Expected evolution of enterprises jobs in 2021, as a % of the total number of enterprises**





### Economic activity



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

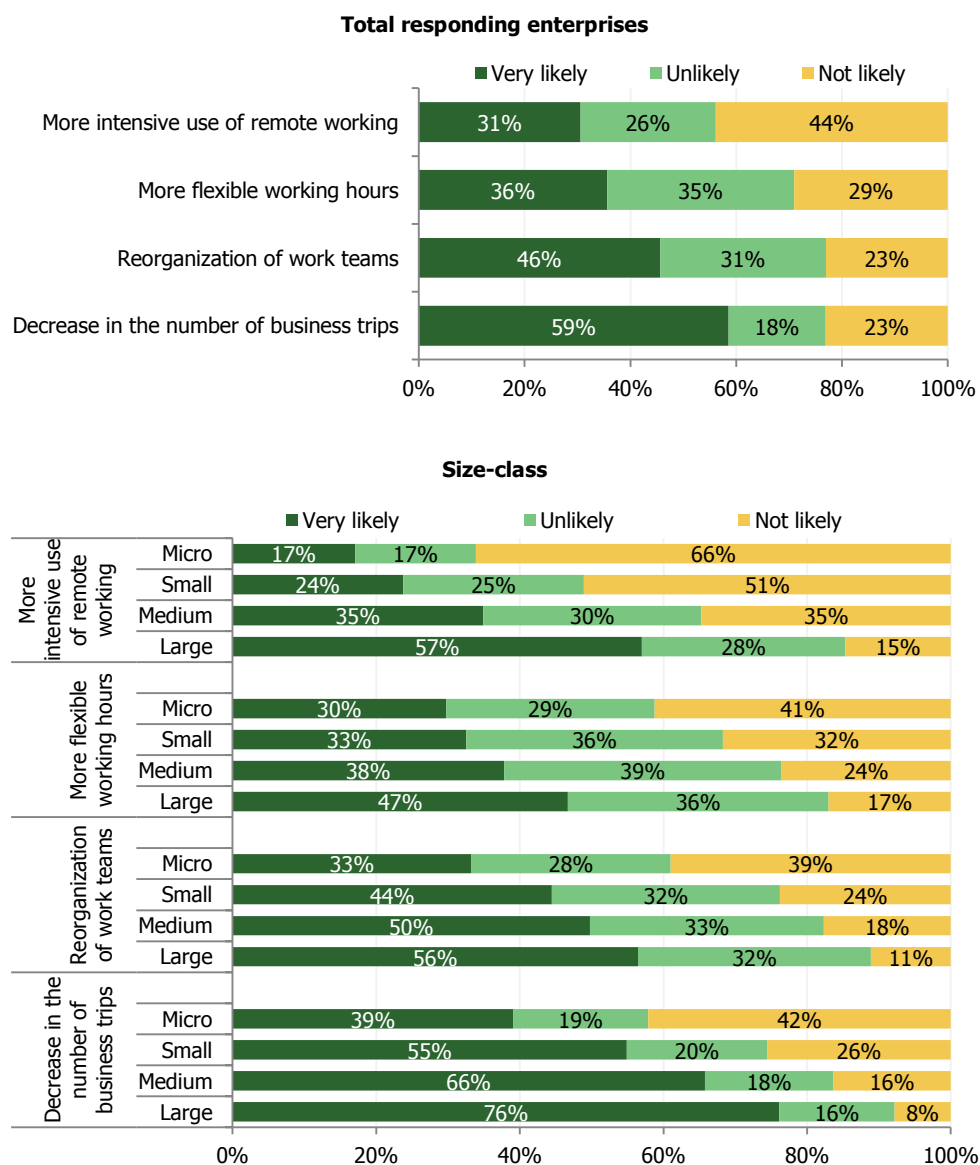
## Permanent changes in the way enterprises work due to the COVID-19 pandemic

### 59% of the enterprises consider it very likely to permanently decrease the number of business trips

- At least 31% of the enterprises (depending on the change considered) revealed that it is very likely to permanently change their way of working as a result of the COVID-19 pandemic. Almost 60% of the enterprises consider it very likely to permanently reduce the number of business trips and for 46% of the enterprises the reorganization of work teams will also be a very likely reality. The more intensive use of remote working was mentioned by 31% of the enterprises as a very likely change in the current way of working.
- These changes are all the more likely to happen the larger the enterprise is. In large enterprises, the probability of a permanent reduction in business travel reaches 92%, being very likely for 76% of these enterprises. The difference between large and micro enterprises is particularly noticeable with regard to the more intensive use of remote working on a permanent basis: very likely in 57% of large enterprises, 40 p.p. above that recorded in micro enterprises (17%).
- The *Information and communication* sector stands out for the high proportion of enterprises that consider the possibility of permanently changing the way they work. In this sector, the most intensive use of remote working

is considered very likely by 65% of the enterprises and the most flexible working hours considered very likely by 58% of the enterprises in this sector. In contrast, there is the *Accommodation and food services* sector in which, due to the very nature of their business, 71% of the enterprises consider the more intensive use of remote working to be unlikely on a permanent basis. However, the permanent reorganization of work teams is a possibility for the enterprises in this sector, having been considered very likely by 58% of these enterprises.

**Figure 6 • Permanent changes in the way enterprises work due to the COVID-19 pandemic, as a % of the total number of enterprises**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

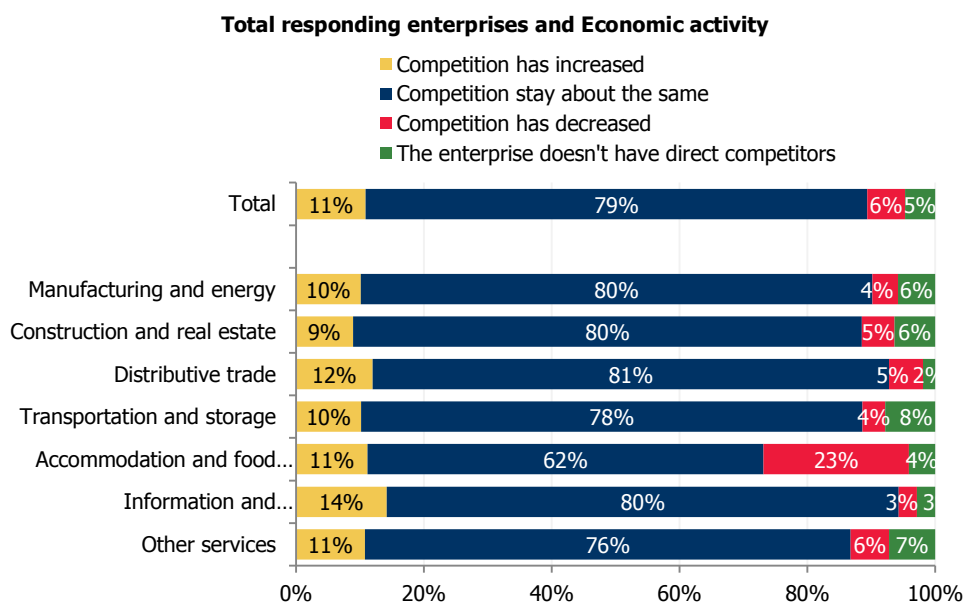
### III. ANALYSIS OF THE ENTERPRISES' MARKET

#### Evolution of the competitive environment in the market where enterprises operate, in the last 6 months

#### 79% of the enterprises consider that the competitive environment in the market where they operate has not changed

- For 79% of the enterprises, the competitive environment in the market where they operate has not changed in the last six months. Of the rest, 11% of the enterprises consider that the competitive environment has increased, compared to 6% who consider that it has decreased. 5% of enterprises with no direct competitors were identified.
- Highlight for the *Accommodation and food services* sector, with 23% of the enterprises reporting a decrease in competition. In contrast, in the *Information and communication* sector, 14% of the enterprises mentioned a competitive increase in the market.

Figure 7 • Evolution of the competitive environment in the market where enterprises operate, as a % of the total number of enterprises



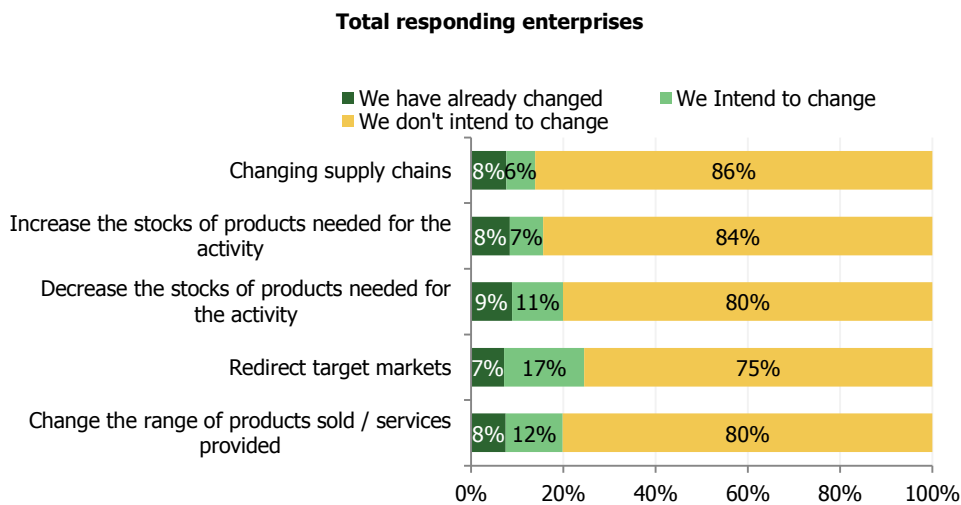
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

**Permanently changing the relationship with the main customers / suppliers**

**25% of the enterprises consider permanently redirecting target markets**

- Most enterprises did not change or intend to permanently change the relationship with the main customers / suppliers. Even so, the redirection of the target markets of operation is mentioned by 25% of the enterprises. Only 14% of the enterprises say they have already changed or intend to change supply chains.
- The *Accommodation and food services* sector stands out, with 57% of the enterprises reporting that they have already reduced or intend to reduce the stocks of products needed for the activity. This sector is also the one in which more enterprises report having already redirected, or intend to redirect, the target markets in which they operate (43% of the enterprises) and have already changed, or intend to change, the range of products sold (36% of the enterprises).

**Figure 8 • Permanently changing the relationship with the main customers / suppliers, as a % of the total number of enterprises**



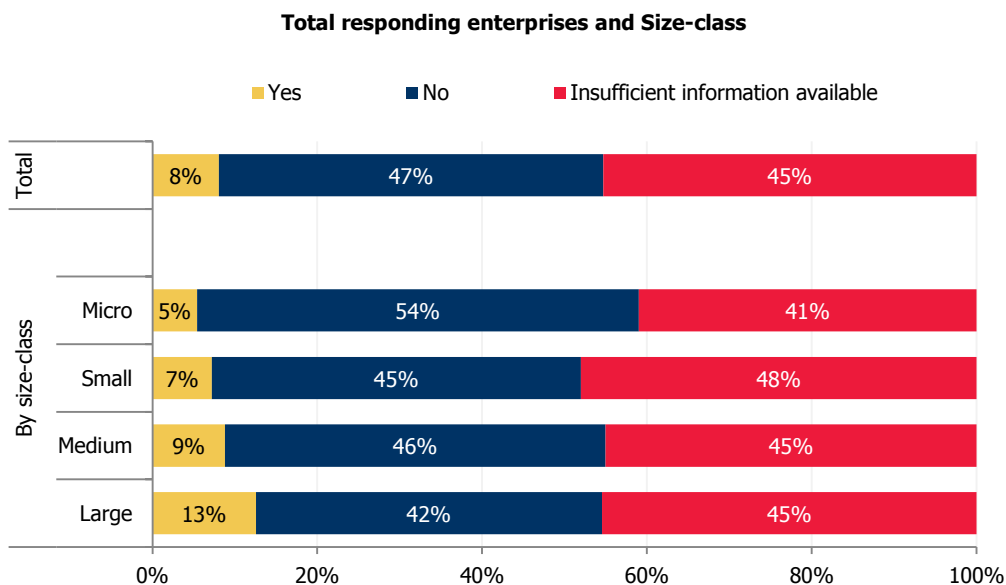
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

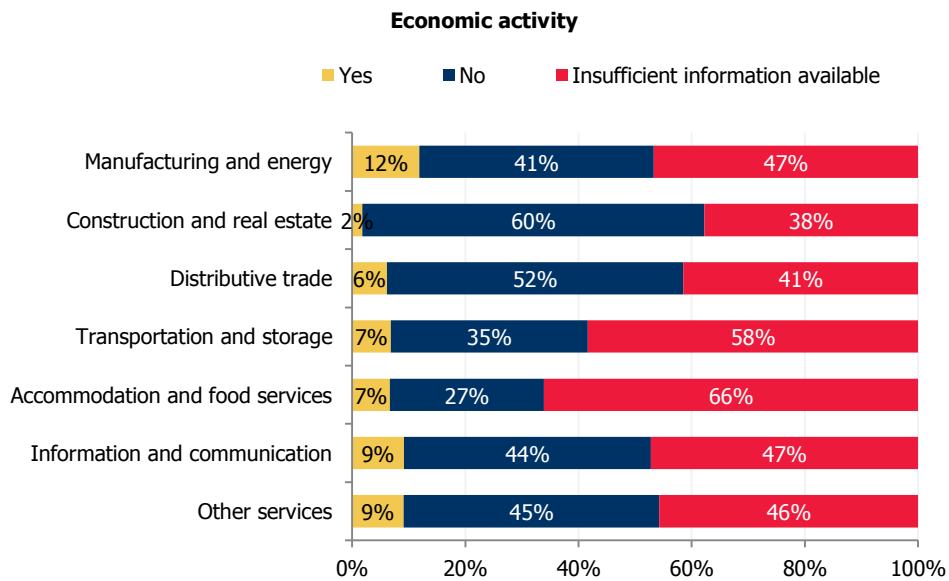
#### IV. RESOURCE TO RECOVERY AND RESILIENCE PLAN FUNDS ("NEXT GENERATION EU") AND APPLICATION AREAS

##### 8% of the enterprises intend to resource to the Recovery and Resilience Plan funds

- Only 8% of the respondent enterprises mention their intention to compete for funds associated with the Recovery and Resilience Plan. For 45% of the enterprises there is still not enough information available for decision making and 47% of the enterprises do not intend to compete for these funds.
- The intention to use the funds of the Recovery and Resilience Plan is growing with the size of the enterprises, having been mentioned by 5% of micro and 13% of large enterprises.
- The *Manufacturing and energy* sector has the highest percentage of enterprises that intend to resource to the funds under the Recovery and Resilience Plan (12%) and the *Construction and real estate* sector has the lowest (only 2% of enterprises). *Accommodation and food services* is the sector in which most enterprises reported the still insufficient information available on this matter (66%).

Figure 9 • Intention to compete for funds associated with the Recovery and Resilience Plan ("Next Generation EU"), as a % of the total number of enterprises



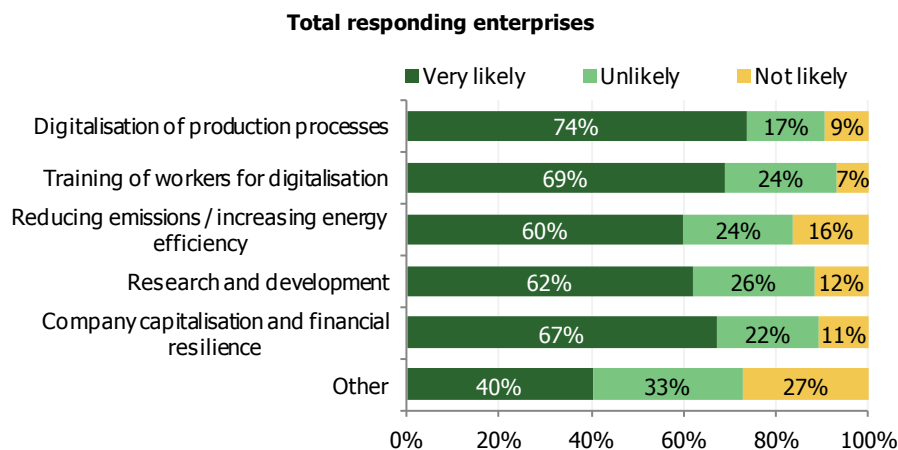


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

**74% of the enterprises that intend to use the recovery and resilience plan funds consider its application in the digitalisation of production processes very likely**

- 74% of the enterprises that responded intend to use the funds of the Recovery and Resilience Plan consider it very likely to be applied in the digitalisation of production processes and 69% of the enterprises in the training of workers for digitalisation. The enterprises’s capitalization and financial resilience was also an area pointed out by 67% of the enterprises as very likely. The very likely use of funds in reducing emissions / increasing energy efficiency was mentioned by 60% of the enterprises.

**Figure 10 • Areas where enterprises intend to invest funds associated with the Recovery and Resilience Plan (“Next Generation EU”), as a % of the total number of enterprises that intend to compete for funds**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

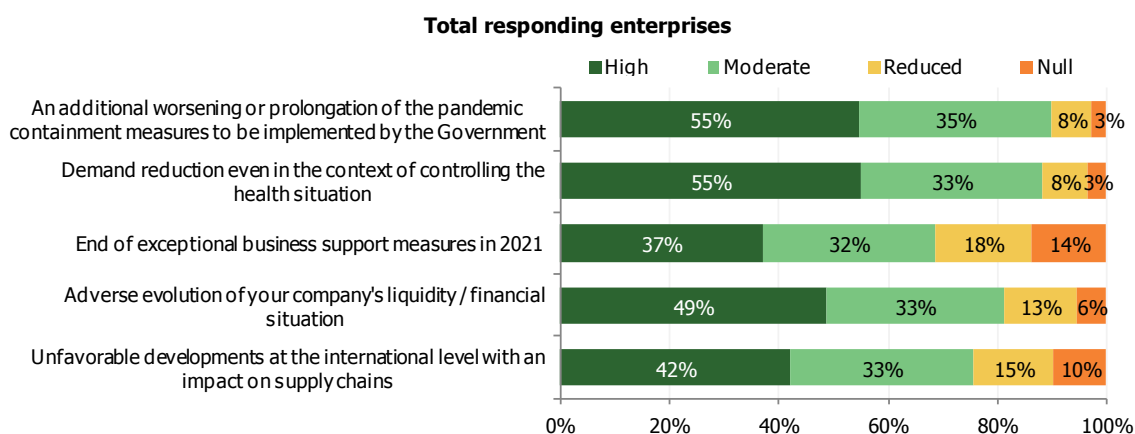
## V. SENSITIVITY ANALYSIS OF THE ENTERPRISES

### Concern of the enterprises regarding different possible scenarios

#### 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

- 55% of the enterprises express high concern and 45% moderate concern in the face of a scenario of worsening or prolonging measures to contain the pandemic. Also, a scenario of reduced demand is a cause for concern for 88% of the enterprises (high concern to 55%). The adverse evolution of its liquidity and financial situation is of high or moderate concern to 81% of the enterprises (high concern to 49%). The potential end of exceptional business support measures in 2021 is a high or moderate concern for 69% of the enterprises (high concern to 37%).
- By size, a scenario of adverse evolution in the liquidity / financial situation of the enterprises is of higher concern to smaller enterprises, constituting a high or moderate concern for 84% of micro enterprises, compared to 73% of large enterprises. A similar situation occurs with the scenario of the end of exceptional measures to support enterprises in 2021, which is considered of high or moderate concern by 71% of micro enterprises, compared to 61% in large enterprises.
- The *Accommodation and food services* sector stands out with more than 90% of the enterprises expressing a high or moderate degree of concern in relation to most of the predicted scenarios.

Figure 11 • Degree of concern of the enterprises in relation to different possible scenarios, as % of the total number of enterprises



Source: Statistics Portugal and Bank of Portugal, COVID-IREE



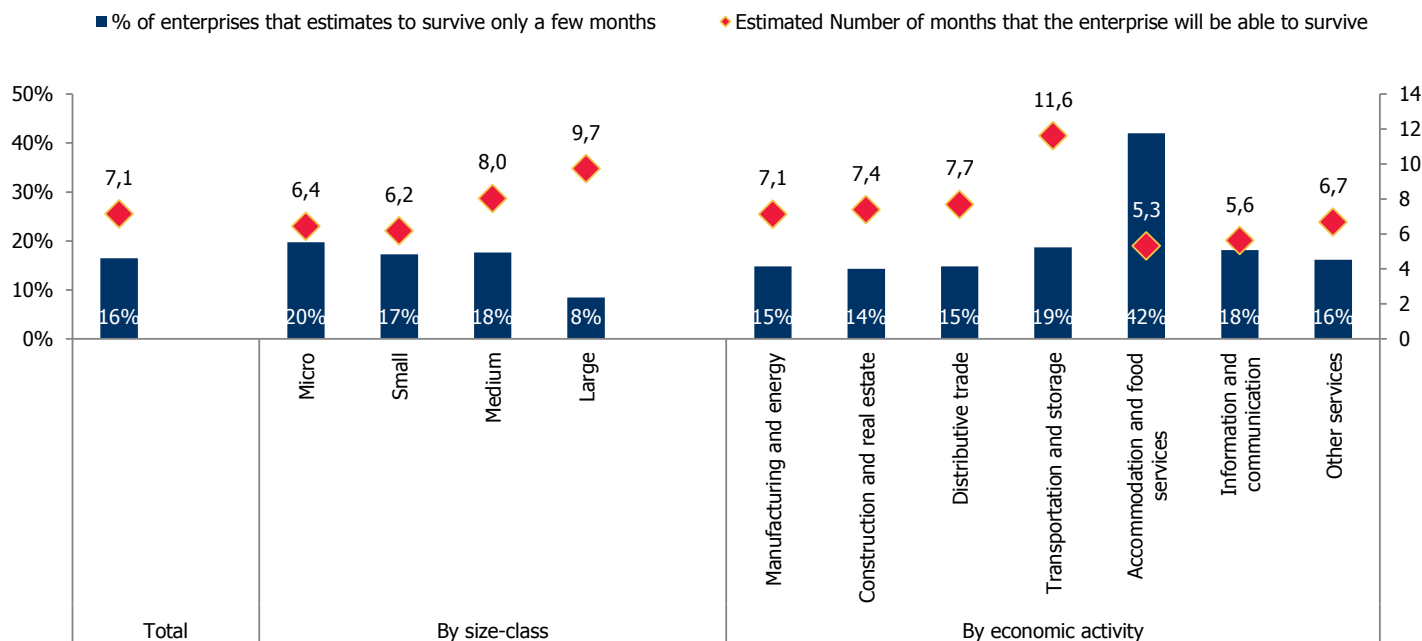
## Estimated enterprises' survival time in a scenario of worsening pandemic containment measures and the absence of additional support measures

### 16% of the enterprises estimate that they can survive, on average, 7.1 months in the face of a scenario of worsening pandemic containment measures and the absence of additional support measures

- 84% of responding enterprises do not expect to close in a scenario of worsening pandemic containment measures and the absence of additional support measures. On the other hand, 16% of the enterprises estimate that they will survive, on average, 7.1 months, if such a worsening scenario occurs. In a distribution by time intervals, 6% of the enterprises estimate to subsist only up to 3 months, 6% between 4 and 6 months, 4% between 7 and 12 months and 1% more than 1 year.
- The percentage of enterprises that foresee closure after a few months in a global scenario of worsening pandemic is higher in smaller enterprises, being 20% in micro enterprises, compared to only 8% in large enterprises. In addition, the average number of months that enterprises estimate to be able to survive is higher in larger enterprises: 9.7 months in large enterprises, compared to 6.4 months in micro enterprises. In a perspective of distribution by time intervals, 15% of micro enterprises estimate to subsist only up to 6 months, while in large enterprises this percentage is 5%.
- The *Accommodation and food services* sector will clearly be the most affected by an eventual scenario of worsening pandemic conditions, with 42% of the enterprises referring they can survive only a few months. In the remaining sectors, this percentage was below 20%. In view of the possible scenario of global deterioration, enterprises in the *Accommodation and food services* sector would be able to survive, on average, 5.3 months, below the total average. In particular, 33% of the enterprises in this sector revealed that they were able to survive only up to 6 months in a context of worsening the current scenario, which compares with an average of around 11% in the remaining sectors. The *Transportation and storage* sector has the highest average subsistence time (11.6 months).

**Figure 12.1 • Estimated time that enterprises will be able to survive in a scenario of worsening pandemic containment measures and the absence of additional support measures, as a % of the total number of enterprises**

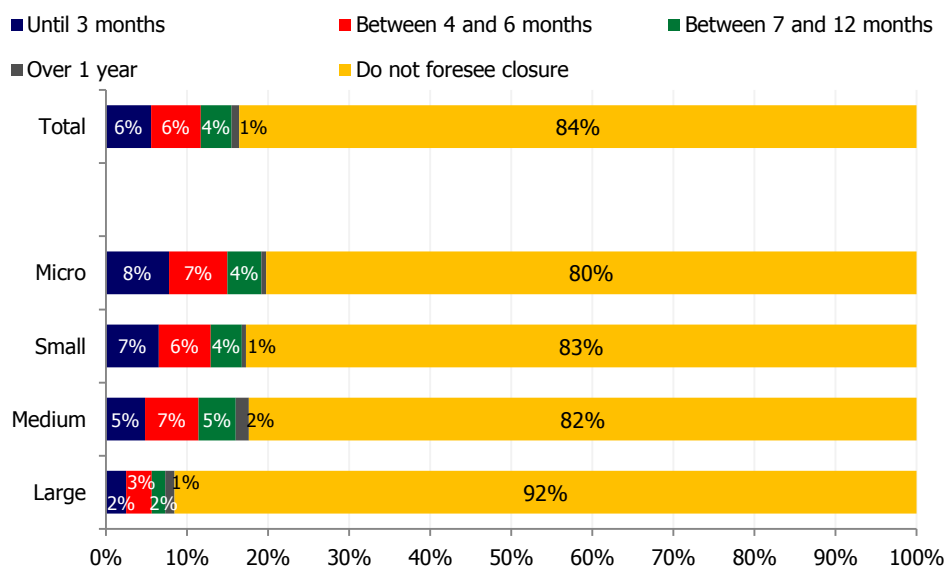
**Total responding enterprises, Size-class and Economic activity**

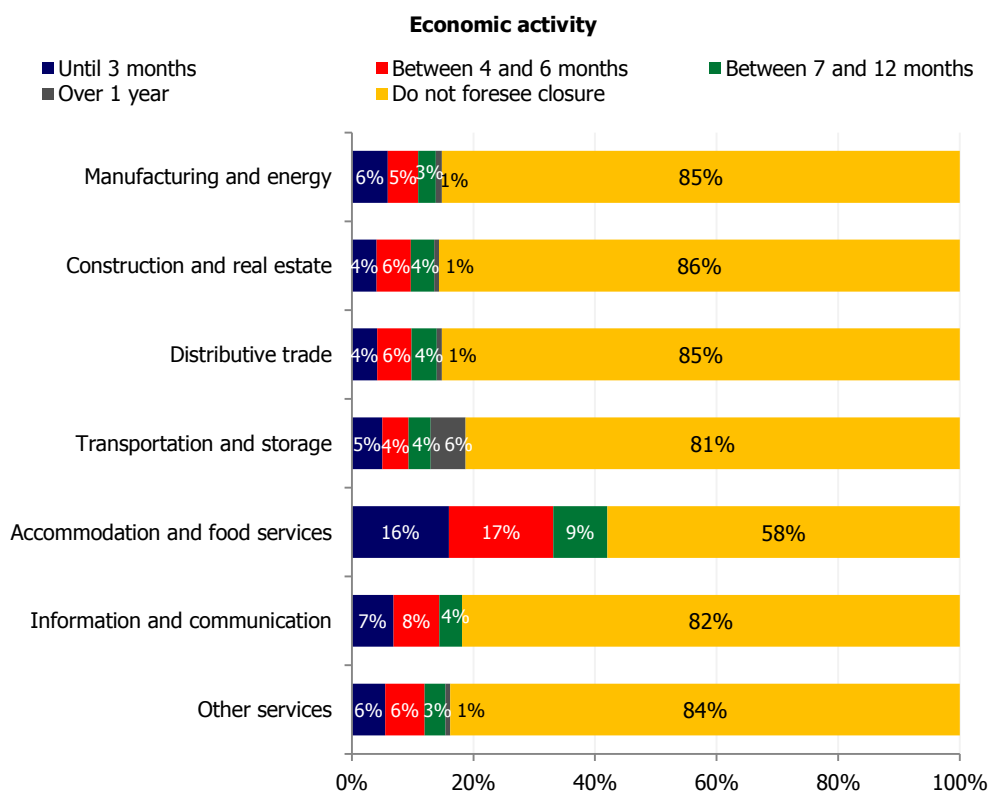


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

**Figure 12.2 • Estimated time that enterprises will be able to survive in a scenario of worsening pandemic containment measures and the absence of additional support measures, as a % of the total number of enterprises by classes of time**

**Total responding enterprises and Size-class**





Source: Statistics Portugal and Bank of Portugal, COVID-IREE

**Importance for the enterprises of a possible extension of government support measures, given a scenario of worsening containment measures close to that observed during the state of emergency (in March / April 2020)**

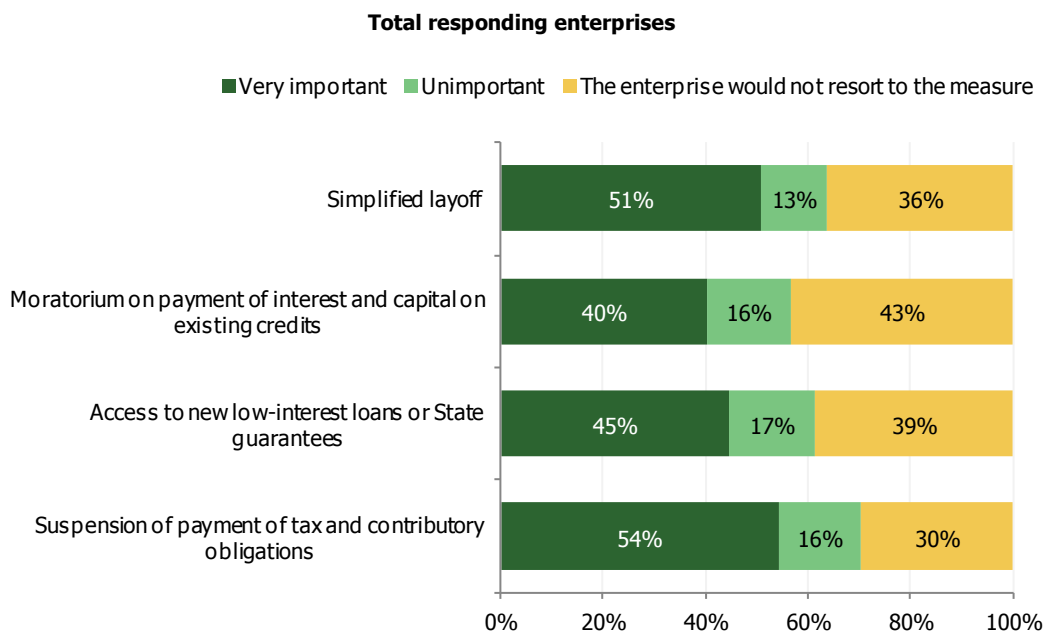
**At least 40% of the enterprises consider extending, replacing or extending government support measures very important, given a scenario of worsening containment measures**

- In a scenario of worsening containment measures (similar to that observed during the state of emergency that prevailed in March and April), a significant proportion of enterprises consider that it would be very important to extend Government support measures: 54% in the case of suspension payment of tax and contributory obligations, 51% in the simplified layoff, 45% in access to new low-interest loans or State guarantees and 40% in the case of the moratorium.
- In contrast, a percentage equal to or higher than 30% of enterprises, depending on the measure, would not resort to government support measures in a possible scenario of worsening containment measures.
- The percentage of enterprises that consider it would be very important to extend support measures in a scenario of worsening containment measures is more significant in the group of micro, small and medium-sized

enterprises (SMEs) than in large enterprises. However, in the case of the simplified layoff, the proportion of enterprises is very similar (51% in SMEs and 50% in large enterprises). The suspension of payment of tax and contributory obligations is considered very important by more than half of SMEs: 59% of micro, 58% of small and 52% of medium-sized enterprises. On the other hand, more than half of large enterprises would not resort to the moratorium for the payment of interest and capital (54%).

- The *Accommodation and food services* sector stands out, once again, with the highest percentage of enterprises attaching importance to a possible extension, replacement or expansion of Government support measures, in the face of a scenario of worsening containment measures. Almost 90% of enterprises in this sector consider the expansion or replacement of the simplified layoff to be very important and 79% attach great importance to the suspension of payment of tax and contributory obligations. Also noteworthy is the *Information and communication* sector, in which more than half of the enterprises would not resort to a moratorium for the payment of interest in an eventual scenario of a pandemic worsening (53%).

**Figure 13 • Degree of importance for enterprises of a possible extension, replacement or extension of government support measures, given a scenario of worsening containment measures close to that observed during the state of emergency, as a % of the total number of enterprises**



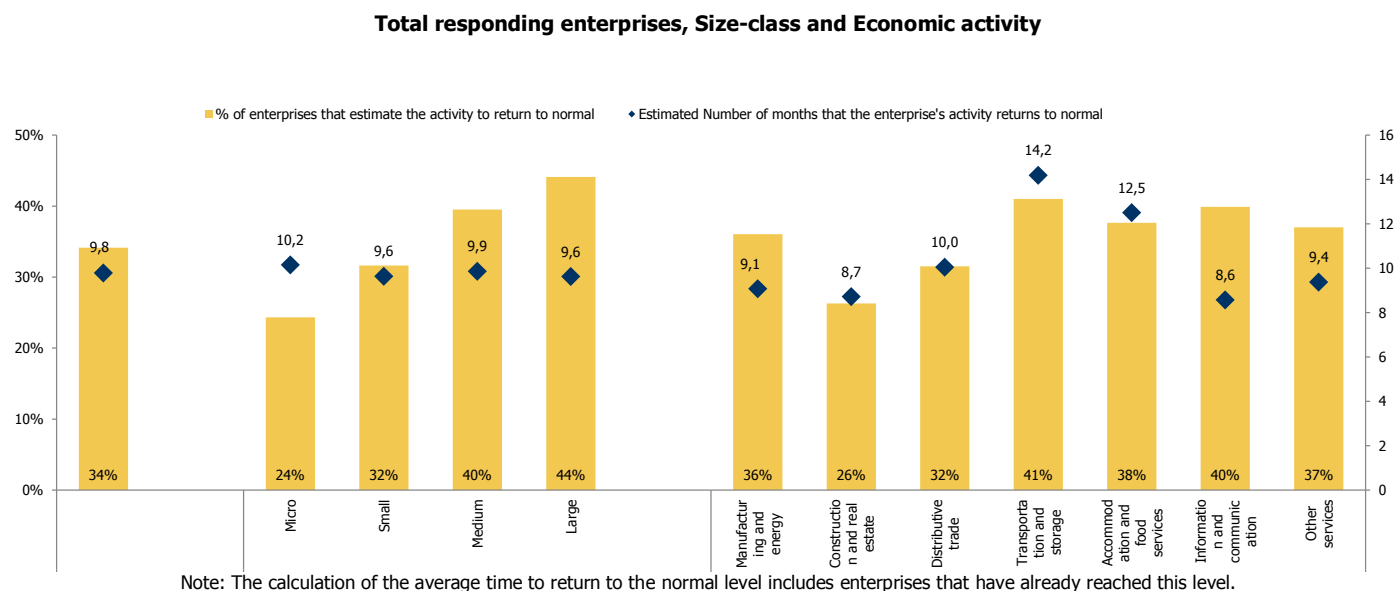
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

## Estimated time for business activity to return to normal, assuming effective control of the pandemic in 2021

### 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 in an average interval of 9.8 months

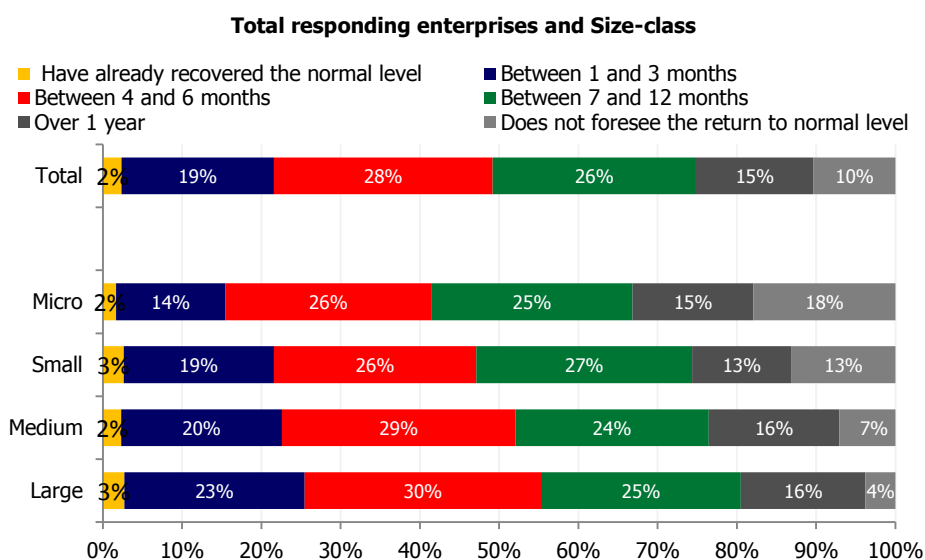
- 34% of the responding enterprises estimate that the activity has already returned or will return to normal in a scenario of effective control of the pandemic in 2021. On average, these enterprises estimate that the return to normality will occur in 9.8 months. In the same context, 4% of the enterprises 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 (answers "Do not know / do not answer").
- The percentage of enterprises that estimate that the activity has already returned or will return to normal, assuming a scenario of effective control of the pandemic, increases with the size of the enterprise, standing at 44% in large enterprises and 24% in micro enterprises.
- The *Construction and real estate* sector contains the lowest proportion of enterprises that have resumed or expect to resume the normal level of activity (26%), followed by *Distributive trade* (32%). At the opposite extreme, there are *Transportation and storage* and *Information and communication* (41% and 40%, respectively). Admitting effective control of the pandemic, enterprises in the *Transportation and storage* sector are those that, on average, need more time for the activity to return to normal (14.2 months). In the *Information and communication* sector, the estimated average time is substantially shorter (8.6 months).
- In a distribution by time intervals, and considering the total set of respondents excluding "Do not know / do not answer", it appears that 2% of the total enterprises have already recovered the normal level of their activity, 47% estimate they can do it between 1 and 6 months and 26% between 7 and 12 months. For 15% of enterprises, the estimated time to return to normality will be greater than 1 year and for 10% there is no prospect of a return to normality.
- By size, 23% of large enterprises estimate that their activity will return to normal between 1 to 3 months, while in micro enterprises this percentage is only 14%.
- In the *Accommodation and food services* sector, only 11% of enterprises estimate that their activity will return to normal between 1 and 3 months, compared to a higher percentage in the other sectors, namely in the sectors of *Manufacturing and energy* and *Information and communication* where this percentage reaches 24% and 23%, respectively. In the *Information and communication* sector, 7% of enterprises report having already recovered the normal level of activity.

**Figure 14.1 • Estimated time for business activity to return to normal, assuming effective control of the pandemic in 2021, as a % of the total number of enterprises and Average number of months**

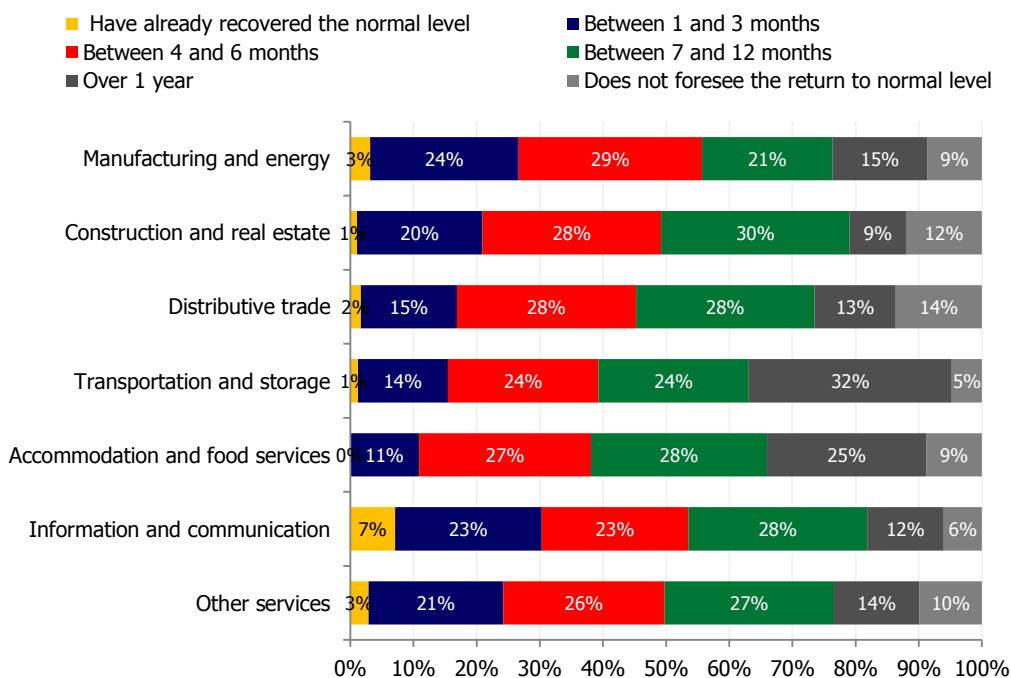


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

**Figure 14.2 • Estimated time for business activity to return to normal, assuming effective control of the pandemic in 2021, as a % of the total number of enterprises by classes of time**



**Economic activity**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

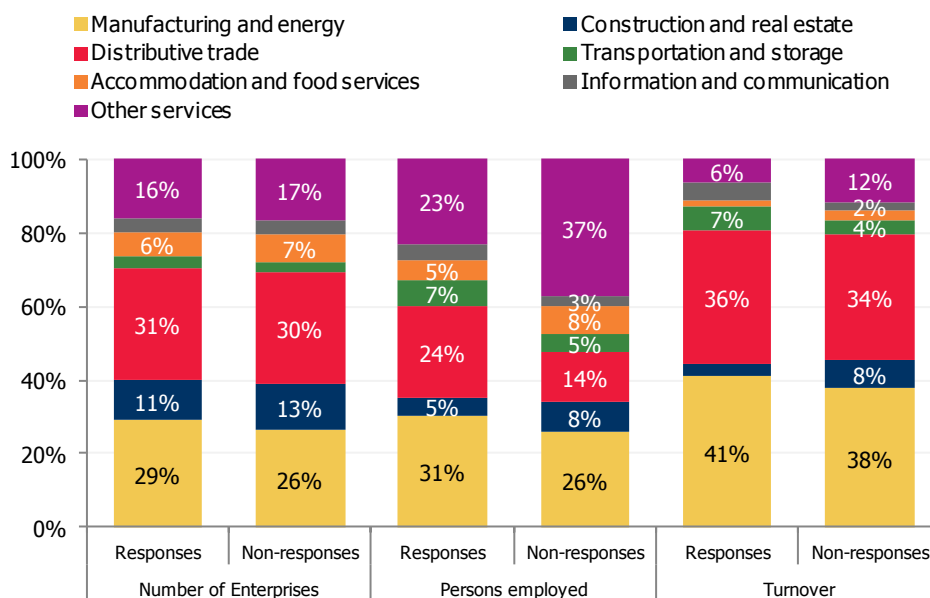


## Technical note

The statistical data disclosed in this information note correspond to those collected by the Fast and Exceptional Enterprise Survey – COVID-19 (COVID-IREE), in the period from 11 to 19 November 2020, with reference to the month of November 2020. The survey was addressed to a broad range of micro, small, medium and large enterprises representative of the various sectors of economic activity, the sample being 8,875 enterprises. A total of 5,837 valid responses were obtained, representing an overall response rate of 65.8%. The responding enterprises represent 67.9% of the persons employed and 76.3% of the turnover of the sample.

The following graph shows the distribution between responding and non-responding enterprises, in terms of the number of enterprises, persons employed and turnover, as a % of total enterprises in the sample, by economic activity:

**Figure 15 • Structure of the number of enterprises, persons employed and turnover, as a % of total number of responding and non-responding enterprises by economic activity**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

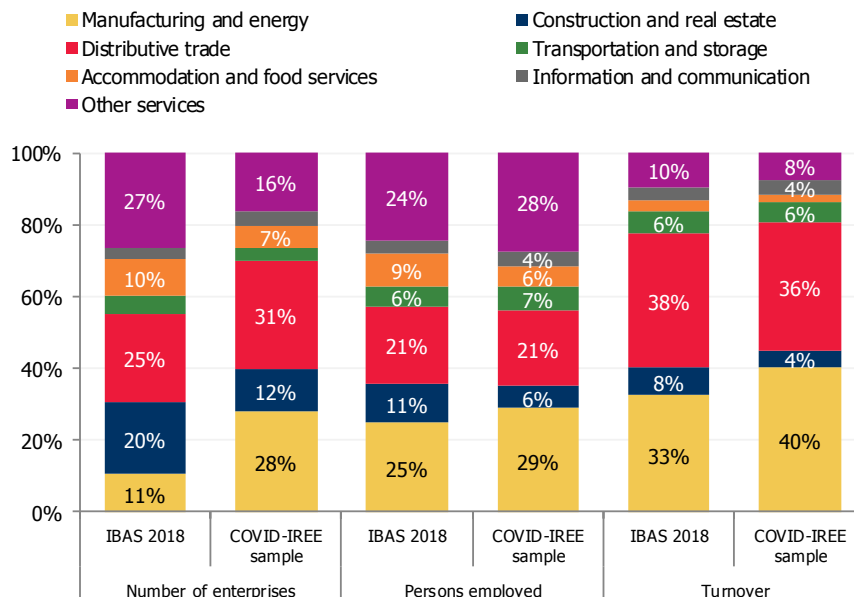
Applying a simple *Probit* model to assess the probability of response to the survey, a lower probability of response of micro and small enterprises was observed, and the possible bias resulting from this should be considered in the analysis. However, there was no evidence of bias associated with the sector of economic activity of the enterprise.

The results of this survey are always indicated as referring to the responding enterprises in each week of survey and no extrapolation of the results to the universe of firms is made (see methodological documentation associated with the new Fast and Exceptional Enterprise Survey (COVID-IREE) available at:

<http://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1593>

The sample of this survey basically corresponds to the integration of the samples underlying the monthly industry, construction, distributive trade and services turnover surveys, plus about three hundred enterprises, aiming at completing the sectors of activity represented. The context information of this sample has as reference the Integrated Business Accounts System (IBAS 2018). The following figure presents, by economic activity, the structures of the number of enterprises, persons employed and turnover in the COVID-IREE sample and in the universe of firms - IBAS 2018.

**Figure 16 • Structure of the number of enterprises, persons employed and turnover, of the universe of enterprises (IBAS 2018) and the sample of the Fast and Exceptional Enterprise Survey**



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

This survey began with a weekly frequency in order to obtain urgent information on the consequences of the current pandemic (COVID-19) on business activity, having moved to a fortnightly frequency after the end of the state of emergency but where a number of limitations to economic activity remain. Considering the evolution of the restrictions on economic activity resulting from the COVID-19 pandemic, INE and BdP decided to suspend the questionnaire from August onwards. However, considering the current worsening of health emergency conditions, INE and BdP decided to carry out another edition of the survey, with a reformulated set of questions, aiming to reevaluate the effects of the pandemic on the activity of enterprises.

In this information note were considered:

- 4 enterprise size-classes: Micro enterprise (number of persons employed < 10 and turnover ≤ EUR 2 million); Small enterprise (number of persons employed < 50, turnover ≤ EUR 10 million and not classified as micro enterprise); Medium enterprise (number of persons employed < 250, turnover ≤ EUR 50 million and not classified as micro or small enterprise); and Large enterprise (number of persons employed ≥ 250 or turnover > EUR 50 million)
- 7 groups of economic activities: Manufacturing and energy (sections B to E from CAE Rev.3), Construction and real estate (sections F and L from CAE Rev.3), Distributive trade (sections G from CAE Rev.3), Transportation and storage (sections H from CAE Rev.3), Accommodation and food services (section I from CAE Rev.3), Information and communication (section J from CAE Rev.3), and Other services (section M to S from CAE Rev.3, except section O). This classification is based on the A10 nomenclature of the European System of Accounts (ESA2010).

#### Acronyms:

%	Percentage
BdP	Bank of Portugal
CAE-Rev.3	Portuguese Classification of Economic Activities, Revision 3
COVID-19	New coronavirus
COVID-IREE	Fast and Exceptional Enterprise Survey – COVID-19
IBAS	Integrated Business Accounts System
INE	Statistics Portugal

SME Small and medium enterprises

VVN Turnover

**Information to users:** For the sake of simplicity, throughout this press release the answer options “Does not know / does not answer” and “Not applicable” were excluded from the graphic representation, with the exception of Figure 14.1 given the high number of responses obtained in the option “Does not know / does not answer”. However, the full information can be found in the excel tables attached to this press release.

For issues related to the rounding of values, the totals, in value or percentage, may not correspond exactly to the sum of their parts.