



## Covid-19 Member Survey Report

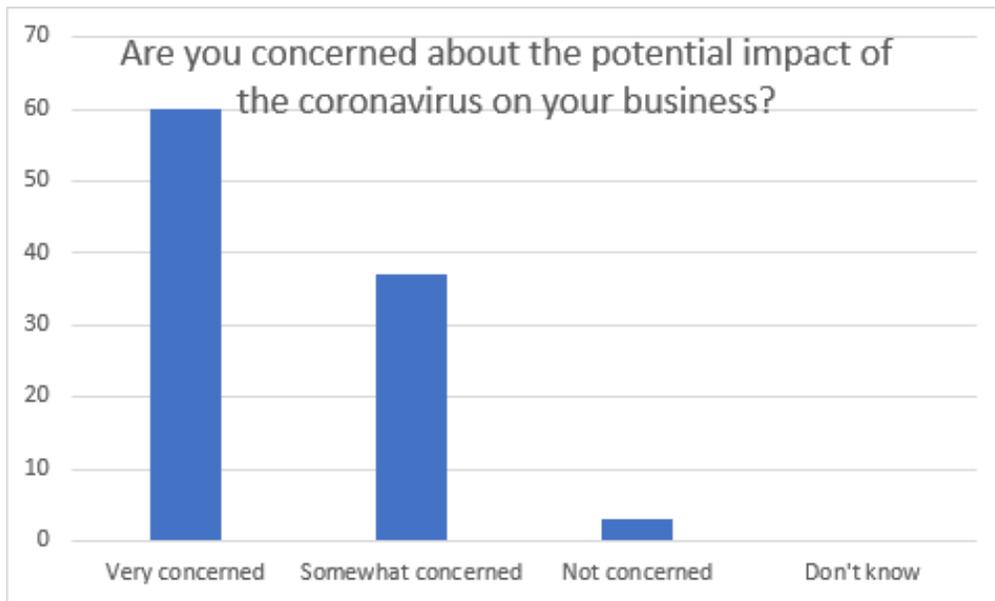
31<sup>st</sup> March 2020

### Introduction

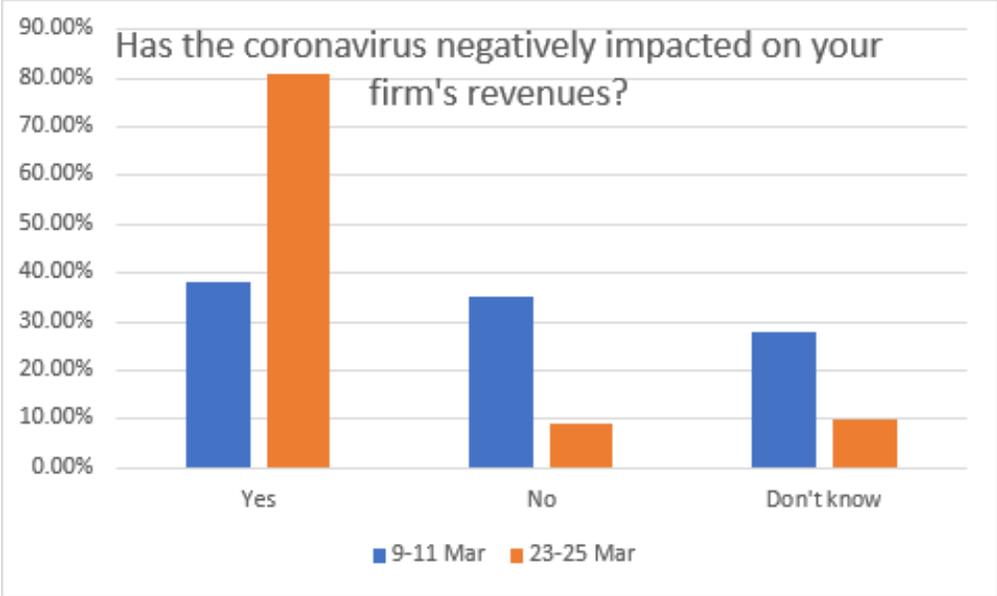
This report analyses the evolution of the impact of the coronavirus pandemic on the Dublin economy between 9<sup>th</sup> and 25<sup>th</sup> March. It summarises the findings from three surveys conducted with businesses over the period: two quantitative surveys on 9<sup>th</sup>-11<sup>th</sup> March and 23<sup>rd</sup>-25<sup>th</sup> March, with over 400 and over 300 responses respectively; and one qualitative survey between the 16<sup>th</sup> and 18<sup>th</sup> March with 100 responses. The surveys cover firms across a broad range of sectors and includes firms of all sizes.

### Impact on Revenue

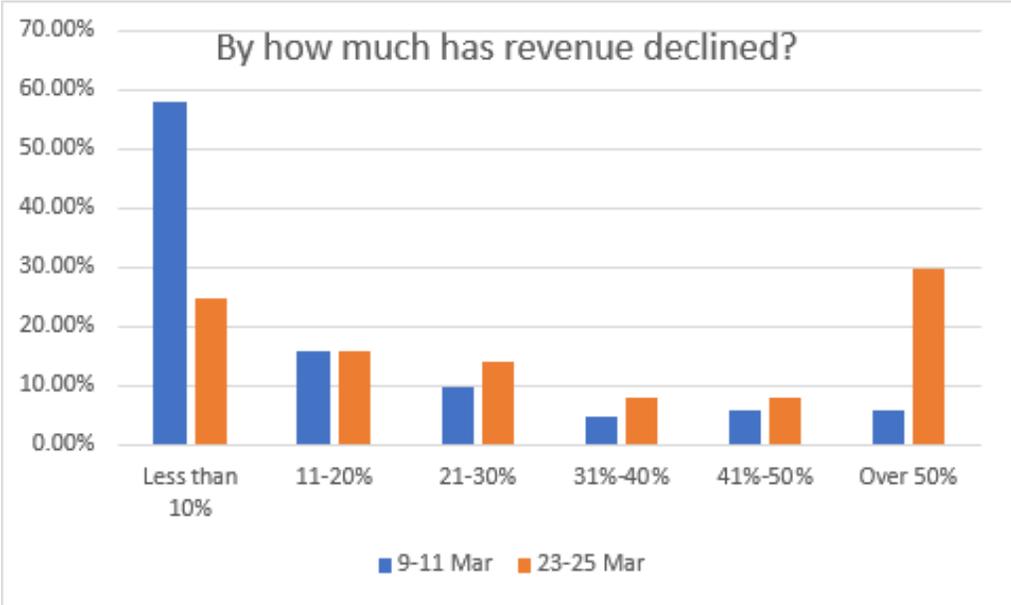
Our first survey showed high levels of concern about the impact of the coronavirus pandemic on businesses even at this early stage in the crisis, with just over 60% very concerned.



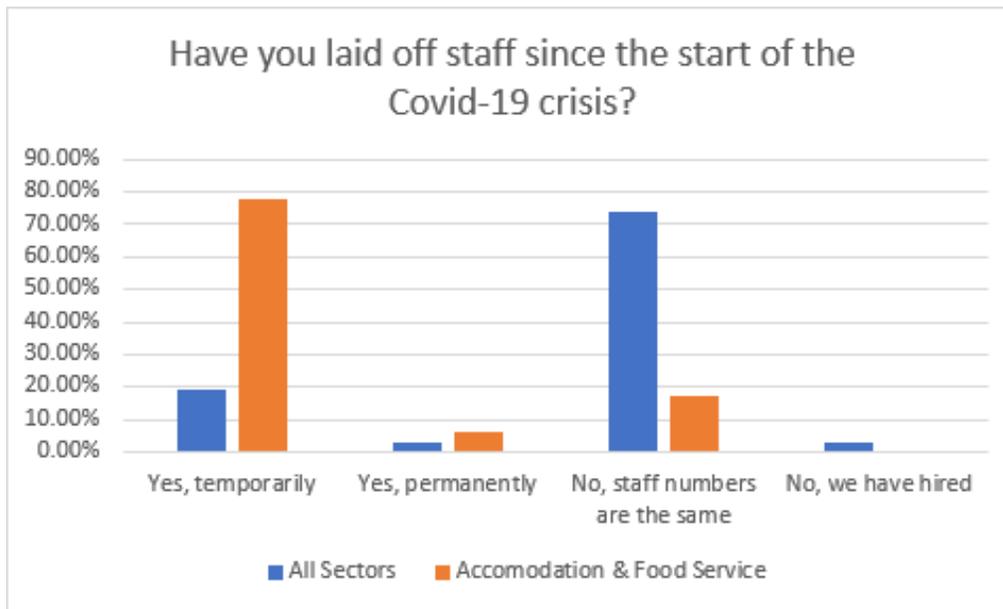
As the scale and impact of the coronavirus became clearer, the proportion of firms declaring an impact on their turnover doubled over the two week period to just over 80%. All respondents in the Accommodation & Food Service sector indicated a decline in revenue. The number of firms who were not sure of the impact of the coronavirus also fell sharply.



In our first survey between 9<sup>th</sup> and 11<sup>th</sup> March, the majority of firms indicating a reduction in revenue reported a small reduction, with 58% indicating a decline of less than 10%. Just 5% had seen a decline of over 50%. Two weeks later, just under 30% of businesses showed a decline of over 50%, and 60% of businesses reported a decline of greater than 20% in revenue.



## Impact on Labour



A total of 22% of businesses had either temporarily or permanently laid off staff due to the Covid-19 crisis by the 25<sup>th</sup> March. This compares to 83% of firms in the Accommodation & Food Service sector. Interestingly, a small number of firms (2.6%) are still hiring. This contrasts with data from our Q1 Business Outlook survey a few weeks earlier, which indicated that about 50% of firms expected their staff numbers to increase.

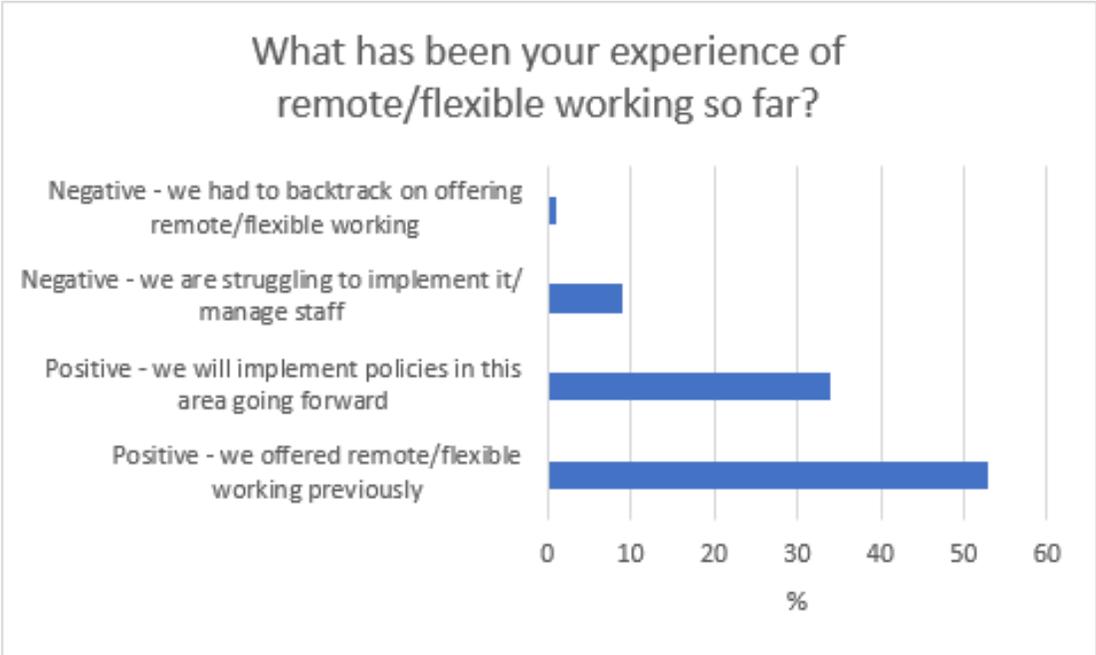


Looking at how firms were assessing further staff layoffs and reductions in numbers over the next three months, there was a high degree of uncertainty. However, three out of every ten respondents expected further cuts in staff numbers, with four out of every ten mid-sized firms (50-250 employees) expecting further cuts. A sectoral breakdown is presented below, indicating

a large number of firms expecting to lay off staff in the Accommodation & Food Service, Construction, and Transportation & Storage sectors.

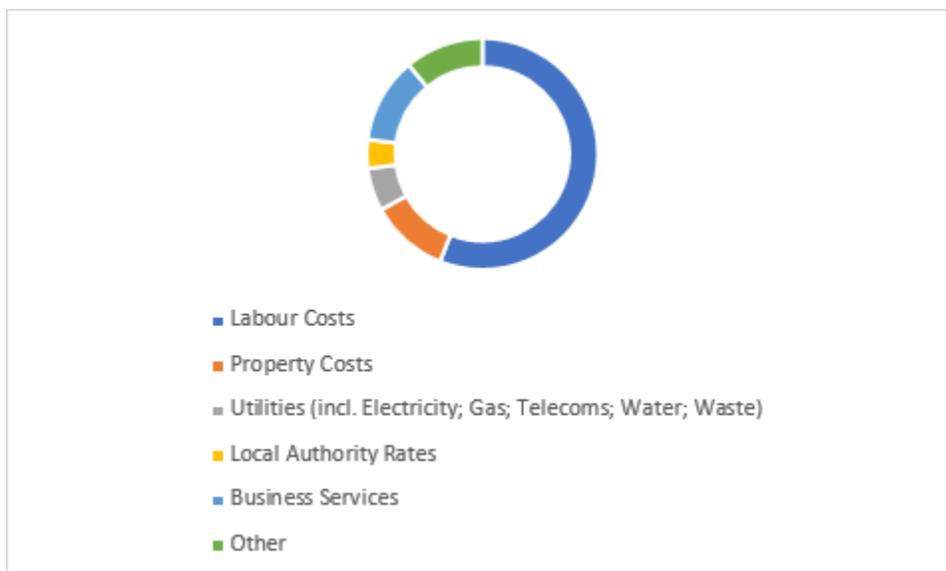
Do you expect to lay off staff in the next three months?			
Sector	Yes	No	Don't know
Retail & Wholesale	33%	40%	27%
Accommodation & Food Service	53%	18%	29%
Construction	61%	8%	31%
Manufacturing	0	62%	38%
Services (including ICT, Financial & Professional)	24%	36%	40%
Transportation & Storage	50%	0	50%

In our initial survey we asked businesses how prepared they were to implement remote/flexible working at short notice. Over 70% of businesses had a plan in place and just over 16% were in the process of putting a plan in place. Two weeks later, the vast majority of companies (93.5%) had implemented remote working to some degree, with two thirds of businesses working almost entirely remotely. Just one company reported that it was still working on implementing remote working and about 5% reported that it was not possible for their business. Finally, we asked businesses about their experience with remote working, with 86% reporting positive experiences and 34% of those companies who had not offered remote working previously stating that they will implement policies in this area going forward.



## Impact on Business

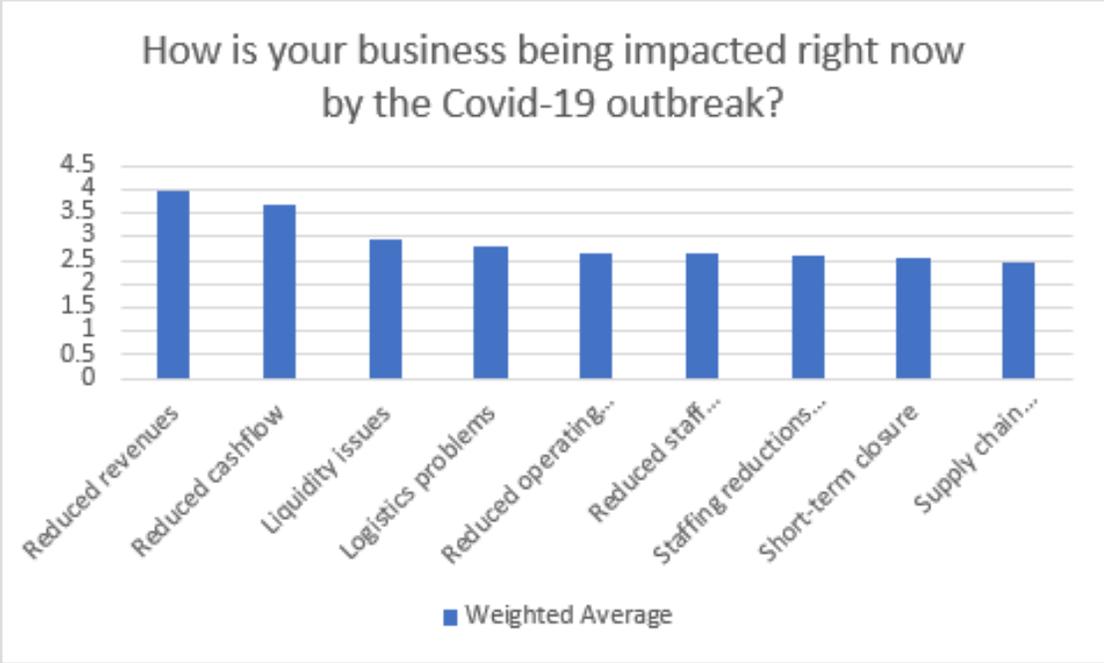
Looking at the cost base of business, we find that Labour Costs account for just over half of all business costs, with Property Costs and Business Services accounting for 10.9% and 11.7% respectively.



The Covid-19 outbreak impacts on business in a number of ways, largely through reduced revenues, reduced cash flow, and poor liquidity. Interestingly, companies are least worried about their supply chains.

*How is your business being impacted right now by the Covid-19 outbreak?  
(Rank in order of impact with 5 being most serious impact)*

Business Impact	Low impact	2	3	4	High impact	Weighted Average
Reduced revenues	7%	8%	17%	17%	51%	3.97
Reduced cashflow	16%	6%	19%	14%	45%	3.66
Liquidity issues	25%	14%	26%	13%	22%	2.94
Logistics problems	32%	13%	18%	17%	20%	2.8
Reduced operating / service hours	39%	13%	14%	10%	24%	2.67
Reduced staff working hours	40%	12%	16%	10%	22%	2.63
Staffing reductions / layoffs	44%	8%	17%	9%	22%	2.58
Short-term closure	45%	8%	17%	7%	23%	2.56
Supply chain interruptions	38%	18%	18%	12%	14%	2.45



**Qualitative Feedback**

We also asked firms a number of open questions over the period about the impact of the Covid-19 crisis and proposals for measures that Government might take to support business.

*How is the Covid-19 outbreak impacting on your business?*

clients Problems **Logistics problems** weeks **work** closure **will** revenue  
**cashflow** Reduced revenue cashflow **staff** travel  
**Reduced revenue** due **reduced** customers  
**issues** cash flow **business** concerns **Logistics** take projects  
 working home **time**

Reduced revenue and cashflow issues were highlighted repeatedly in the answers as significant challenges for businesses. Over 69% of businesses that completed the survey raised one or both as an issue.

Logistics and facilitating working from home have also presented challenges, particularly alongside the current issues in regards to childcare. The postponement, cancellation or delay of projects has also had a significant impact on business.

*What specific actions could Government take to help your company deal with these issues?*

work delayed businesses salaries ensure back pay defer time put staff  
employees support Defer tax payments us  
Revenue place VAT Reduce VAT reduced PRSI payments people  
Provide tax will

Once again companies raised the issue of cashflow and measures that could be taken to alleviate this growing problem. A number of proposals were put forward in terms of delaying payment of tax, including VAT, PAYE, and PRSI, to support businesses. Commercial rates are also referred to as a possible expense on business that could be deferred.

Throughout the feedback, businesses show particular concern about their staff and measures that can be put in place to replace lost income or to alleviate burdens on employees such as mortgage payments and rent. The need for consistent communication, clarity, and guidance from Government also emerges several times from respondents.

*Anything else you want to tell us about how your business is dealing with Covid-19?*

On this question the most common answers concerned working from home. Where possible, business are enabling their employees to work from home and switching to virtual meetings. IT infrastructure is critical for this to work successfully. Once again the need for clear and consistent communication and certainty from Government was also raised, particularly by SMEs.