The American-Hellenic Chamber of Commerce presents the results of the survey on the impact of COVID-19

March 2020
Introduction

The emergence and spread of the new COVID-19 virus, poses a serious threat not only for the global health but for the global economy as well, with unforeseen consequences so far.

Major economic sectors are facing severe damage, while concerns about a potential economic recession are increased.

The American-Hellenic Chamber of Commerce, in response to the general concerns and uncertainty of the Greek business community, conducted a survey on the impact of COVID-19 from 16/03 until 20/03.

Data Collection Period: 16/03/2020 until 20/03/2020

Participation of 281 companies/organizations

The survey’s results indicate that the majority of the participating companies are being affected by the virus impacts and they are expecting a decrease in their projected revenues. On the contrary, there are companies which are not, so far, affected by the COVID-19 outbreak and they are looking forward to prospect revenues increase. These companies are operating in the fields of food & beverages, technology and supply chain. It is noteworthy that most of the small companies (<50 employees) are anticipating a decrease of more than 50% of their revenues.

Furthermore, according to the participating companies the crisis outcomes will be immediately perceivable and in less than 1 to 3 months the negative impact on the economy will be visible. This is also reflected by the fact that more than half of the participating companies are facing severe problems on their importing/exporting activities. The travel disruptions, the uncertainty and the inability to make business decisions, as well as the reduced demand for companies’ products, consist of the main business problems.

Another important point of the survey is the fact that almost all companies believe that their planned investment decisions will be reduced and the majority of them that their operating market will have a decreased growth. As mentioned above, there are exceptions especially in companies operating in the fields of food & beverages, technology and health. These companies are expecting growth not only in their investment decisions but in their number of employees as well.

In addition, the participating companies reported that they have already taken additional measures in order to address the COVID-19 crisis. The implementation of health safety measures in the workplace, the digitization of their operating mode, as well as the cancellation of all their business
activities (trips, conferences, meetings) are amongst the companies taken actions as an effort to limit the phenomenon. Companies’ next steps are the reassessment of their strategy and their budget, the reduction of their expenses and the re-evaluation of the projected revenues. Some of the participating companies have already closed their offices by applying the “work from home” policy, while those which are obliged to remain open due to their product’s nature are operating with emergency personnel.

Regarding the required government’s measures in order to confront the crisis, companies reported the necessity of their financial support. The state in order to financially support the companies should examine the “freeze” of their payments and debts and their general tax liabilities to the state combined with loans adjustment by postponing their loan payments or by lending with low or zero interest rates. Based on the results, companies consider that the state should implement a strict “stay home” policy and companies’ lockdown (except for those with essential products). Several companies also reported that it is important the state to regulate the employers’ contributions and to reinforce the funds for the employees’ payments for the companies who were forced to close. It is highly important for the state to promote partnerships with the telecommunication companies in order to enhance our country’s digital infrastructures and support businesses working remotely. Determined initiatives of the state and the directives’ implementation by the companies and the employees will contribute to the confrontation of this asymmetric threat and the turnaround of the recessionary climate.
1. Companies size based on the number of employees

The majority of the 281 participating companies with a percentage of 58% are companies with less than 50 employees, 8% consists of companies with 50 to 100 employees, 11% represents companies with 101-150 employees, and finally the percentage of 23% consists of companies with more than 150 employees.

2. Companies sector

The high percentage of 66% consists of companies who belong in the service sector, while the remaining percentage of 34% is allocated to the remaining sectors (industrial sector, manufacturing, retails, primary sector). It should be highlighted that only 1% of the companies have extended activity in all the sectors.
3. Field of companies' activity

According to the results, the participating companies come from various economic sectors. Most of the results, refer to companies’ activities such as consulting services, food & beverages, technology, and health. The following table depicts the number of the participating companies per field of activity.

<table>
<thead>
<tr>
<th>Field of activity</th>
<th>Companies</th>
<th>Field of activity</th>
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<tr>
<td>Consulting Services</td>
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<td>Insurance Services</td>
<td>5</td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
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<td>Media &amp; Communication</td>
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<td>Technology</td>
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<td>Health</td>
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<td>Legal Services</td>
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<td>Education</td>
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<td>Tourism Services</td>
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<td>Energy</td>
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<td>Entertainment</td>
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<tr>
<td>Consumer Products</td>
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<td>Engineering Equipment &amp; Services</td>
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<td>Agricultural Products &amp; Services</td>
<td>7</td>
<td>Environmental Products &amp; Services</td>
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<tr>
<td>Automobiles &amp; Components</td>
<td>6</td>
<td>Shipping</td>
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<tr>
<td>Construction</td>
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<td>Transport Services</td>
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<tr>
<td>Professional Equipment &amp; Services</td>
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<tr>
<td>Events’ Organization</td>
<td>5</td>
<td>Utilities</td>
<td>1</td>
</tr>
</tbody>
</table>

4. Companies country of activity

Most of the participating companies (61%) have legal presence and representative offices mostly in Greece, as shown in the diagram below, followed by a percentage of 18% with presence in European countries. A percentage of 12% have legal appearance or representative offices in U.S.A, and a percentage of 9% has presence in any other country. It should be mentioned that the participating companies had the ability to choose more than one answer, in case of having presence in more than one country.
5. COVID-19 impact on the companies

As it is shown in the following diagram, the extremely high percentage of 92% reflects that the COVID-19 outbreak has severe effect in the companies. However, it appears that there are no or less affected companies (8%). These companies are mainly in the field of F&B, technology and logistics & supply chain services.
6. COVID-19 impact on companies operating areas

Evaluating the companies’ answers, it seems that their daily operations and revenues have the more consequences from COVID-19 outbreak. On the contrary, the production is currently facing the least impact, as the demand of necessities is extremely increased.

7. Companies budget review

The emergence of this new virus shows that companies are uncertain and extremely divided regarding their future, forcing a percentage of 45% to review their annual budget.
8. COVID-19 impact degree on companies’ revenues

Most of the participating companies (41%), consider that is too early to see an impact on their revenues. A percentage of 56% believes that there will be a revenue decrease, without being able to project the exact loss. At this point it is worth noting that a percentage of 3% seems to count on a prospect increase or on a zero impact on their revenues. These companies are in the field of food and technological products. It should be mentioned as well that small companies (< 50 employees), are highly concerned regarding their expected revenues and they are expecting a decrease of 50% or more.

9. Estimated time of COVID-19 impact emergence

The current question depicted the participants estimated time for the emergence of the COVID-19 impacts to their company’s operation in the case of the phenomenon will continue. An overwhelming percentage of 81%, considers that COVID-19 impacts will need up to 3 months to be emerged in their companies.
10. Importing / Exporting countries

The companies listed the countries where they have expanded their importing/exporting activity. According to the data collected, U.S.A. is on the top of the list, with the rest of them being allocated in European Union countries and Asia. The following chart imprints the countries with the most answers.

10a. COVID-19 impact on importing / exporting activities

A high percentage, 61% of the companies with importing/exporting activities replied that are facing severe consequences in this area, while only 39% of them has no impact so far from the virus outbreak.
11. COVID-19 impact on business operations

According to the survey’s results, COVID-19 has caused severe impacts on specific business functions-operations. Specifically, it is depicted a high impact on travel (22%), as well as on business decisions due to high uncertainty (18%). Therefore, most of the business operations are facing significant consequences, with a percentage of 1% representing companies with no impact on their operations.

12. Estimated time for companies return to their normal level of operation

Due to the current uncertain environment, many companies are not able to predict the time needed for their readjustment to the normal operating levels (59%). However, most of them (31%) assess that summer will mark the beginning of the phenomenon recession, so they will be able to return gradually to their “regularity”.
**13. COVID-19 impact on the predicted companies market operation growth**

A high percentage of 62%, predicts a decrease on their operation market growth for the year 2020, while only 6% anticipates an increase. Finally, a percentage of 29% believes that it is too soon to predict an impact on the operation market, while 3% thinks that there will be zero impact.

![Pie chart showing the distribution of predicted market growth impacts](chart)

**14. COVID-19 impact on the planned companies’ investment decisions for 2020**

An extremely high percentage of 86%, asserts that COVID-19 will have a negative impact on the planned companies’ investment decisions. This reversed climate depicts the companies’ reluctance to proceed with investment initiatives in the current year. Only a small percentage depicts that COVID-19 will have positive impact on their companies’ investment decisions. These companies are in the field of food & beverage, health and technology.

![Pie chart showing the distribution of predicted investment decision impacts](chart)
15. **COVID-19 impact on companies’ number of employees**

The prospective consequences in the companies’ employment area are reflected with the high negative percentage (75%) of the responses. The general uncertainty causes severe disruptions on companies’ employment planning. In contrary, companies in the field of **F&B** and **technology**, foresee a **positive impact** because of the anticipated increasing staff demand.

![Pie chart showing the distribution of responses regarding the impact on companies’ number of employees.](chart)

16. **Work from home policy or any other related policy**

According to the participating companies’ answers, the extremely high percentage of 85% has implemented a **work from home or any other related policy**, in order to ensure the business operation continuity. However, some companies, because of their product or service nature, are not able to implement a stay from home policy and require their personnel physical appearance.

![Pie chart showing the distribution of responses regarding the implementation of work from home or any other related policy.](chart)
16a. Work from home vs work from the office productivity level

Companies who have already implemented remote working policies, have noticed that their employees are the same productive (37%), while other companies (33%) have noticed less productivity. However, a percentage of 21% has not shaped an opinion on this issue, while only 7% claims that the staff is more productive.

![Pie chart showing productivity levels](image)

16b. Additional companies measures due to COVID-19

Companies, in their first attempt of dealing with the current situation, took additional measures. They reduced their contact with people outside the company, cancelled all their arranged meetings, the events’ participation or organization and the executives’ business trips. In order to continue company’s daily operation, the work from home policy was implemented. All the necessary work and meetings are conducted via digital applications. In companies where physical presence is required, it was decided to cut down the working hours, to implement the shift work policy and to proceed the company’s operation with emergency staff. It should be mentioned that, several companies are locked down following the state’s instructions. Other additional measures for the companies unable to interrupt their operation, was the implementation of strict health measures in the workplace, by providing the staff with sanitary equipment (masks, gloves, antiseptics), the daily employees temperature measurement or the intensive disinfection of the workplaces. In addition, an extremely important measure was the company’s strategy overhaul for the forthcoming months. The budget review, the cost cutting, the production cost decrease, the payment postponement wherever feasible, as well as the re-evaluation of predicted revenues, were the key elements of these companies restructuring.
The worldwide spread of COVID-19 has led most of the companies (75%) to cancel their attendance or participation in local or international conferences and exhibitions. It should be mentioned that according to the answers, several companies have proceeded to the cancellation or postponement of their scheduled events or their attendance to them.

Because of the transport and travel restrictions inside and outside Greece, several exhibitions/conferences have been postponed or even cancelled. Based on the collected data, the following list depicts the exhibitions/conferences with the most answers.
The sudden aggravation of COVID-19 raised extreme concerns regarding the companies’ future. The state, in order to secure companies operation and confront this threat, implemented several measures. According to the results, the business community seems to be divided regarding the implemented measures, as 42% is satisfied and 58% appears to be unsatisfied and believe that more actions are needed.
According to the recorded answers businesses seem to be really concerned regarding their financial future. In this context, most companies seek the **provision of financial support by the state mechanism**. The companies’ **tax and loan liabilities’ postponement** combined with the facilitation in **lending in lower rate** consist proposed measures. Furthermore, they demand the implementation of policies regarding the subsidy of the payment of their employees and the **postponement of employer’s social security contributions**. It should be mentioned the necessity of the **state support** to companies facing severe impacts due to the phenomenon outbreak. An important additional measure in order to confine the phenomenon spreading is the **circulation prohibition** even by **penalty enforcement**, as well as the **companies’ lockdown** (except from those with essential products – e.g. food, medicines). To this extent, the **state’s partnership** with telecommunication companies is very important in order to enhance country’s **digital infrastructure**. Finally, ensuring **health infrastructures’ smooth operation** and securing R&D funds for the development of **medicines and vaccines** against COVID-19 are essential additional measures.

![Graph showing percentage of additional state measures](image)

- Financial support
- Freeze of payments
- Loan adjustment
- Strengthening of digital infrastructure
- Companies lockdown
- "Stay home" policy
- Tax reduction
- Regulation for employers & employees