



BenCham Shanghai



BenCham COVID19 Survey part II: Impact on Business

Introduction

BenCham COVID19 Experts Program – Surveys

WHAT?

At the beginning of the COVID19 crisis, in early February, BenCham Shanghai has set up a program in order to bring answers to Benelux business community concerns: the BenCham COVID19 Experts Program.

HOW?

We are constantly and directly in touch with our community on a 7/7 basis via mobile phone/social media. BenCham is providing:

- Official announcement from gov. bodies (CN/Benelux)
- Documentation and analysis on specific COVID19 topics
- Wechat dedicated group
- Surveys
- Webinars
- 101 consultations
- Toolbox

About the survey: methodology

- Submit by phone, via wechat
- Anonymous
- More than 100 feedbacks received
- From SME to LE, the surveyed companies represent a large range of Benelux industries (F&B, Pharma, LSHC, FSI, retail) in China.
- The survey itself was distributed nationally in China
- Supported by governments via social media channels.

1. Survey figures

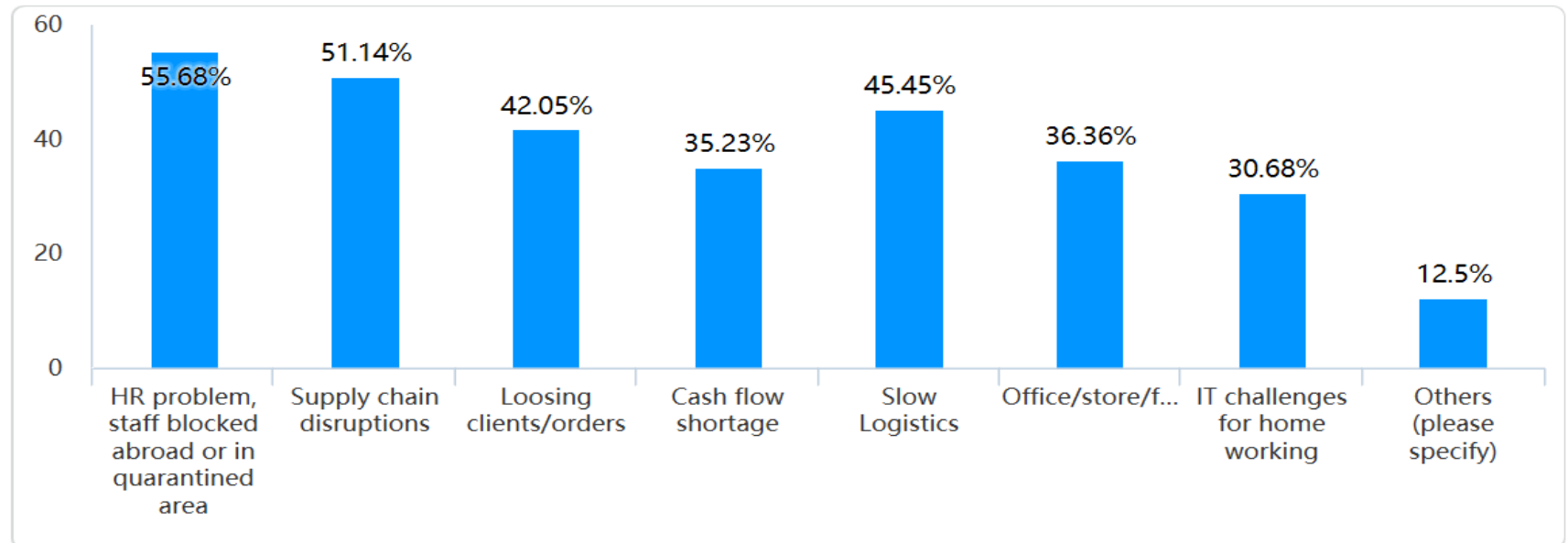
I.I. COVID19 impact is Human

For 95% of Benelux enterprises in China, the biggest impact is on HR matters

Some of the companies have experienced a **direct impact**: over 30% of them have suppliers in quarantined areas, and another 30% have major customers from there. The main concern of our community is the HR problem: 56% have suffered the staff shortage due to the quarantine or the cancelation of international flights. Supply chain disruptions is another difficulty for 51% of the surveyed companies.

HR concerns for managers are focus on salary's payment, annual leave regimen during the extension of the CNY holidays and quarantine status for returnees after the end of the official holidays.

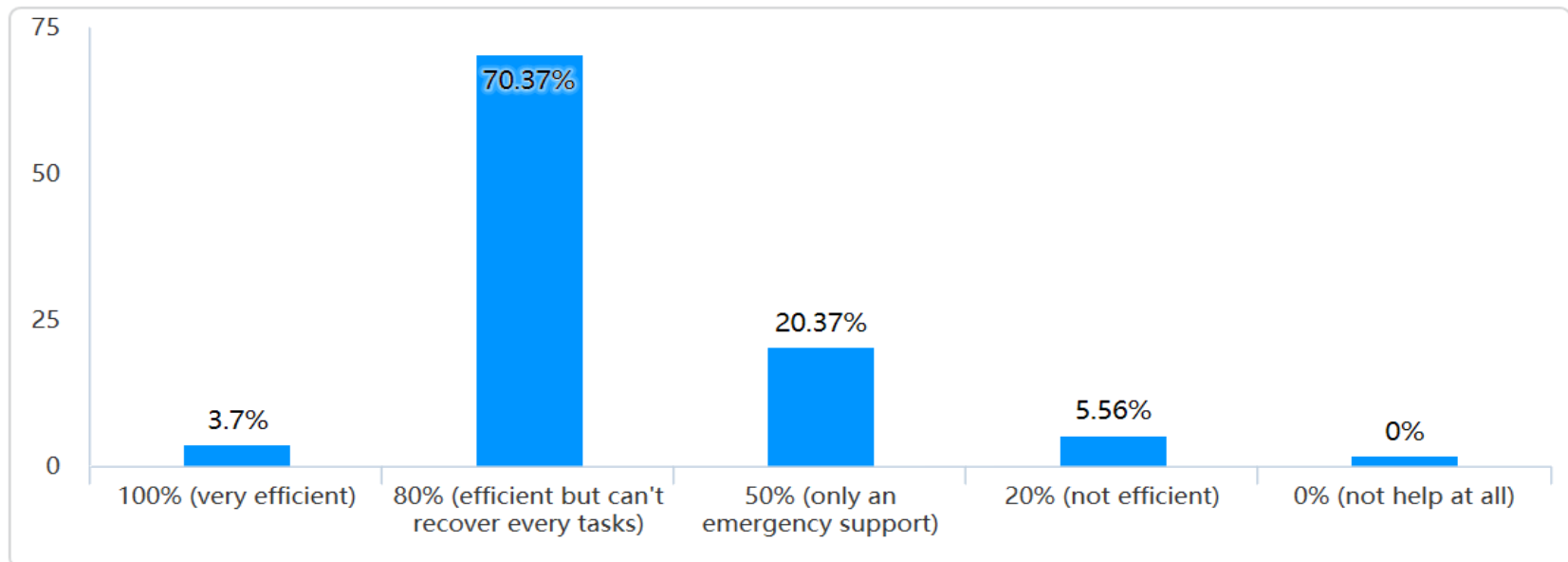
The **focus is changing** during the lockdown period, only 18% of surveyed companies estimated that HR turnover would be a problem when work resumes (survey 1), but in reality, once office reopened, 56% of companies have faced the HR problems (survey 2)



1.2. Remote Office: mixed feelings about efficiency

For 1 company on 4, remote office is an emergency support with a questionable efficiency

Once impacted, the resilience is our priority in China. During the virus fast spreading period, over 60% of surveyed companies had installed home working system, and they are generally satisfied. 3.7% considered the remote working as a very efficient way to continue their company's daily operation, 70% judge this method efficient even though it can't recover all the tasks.

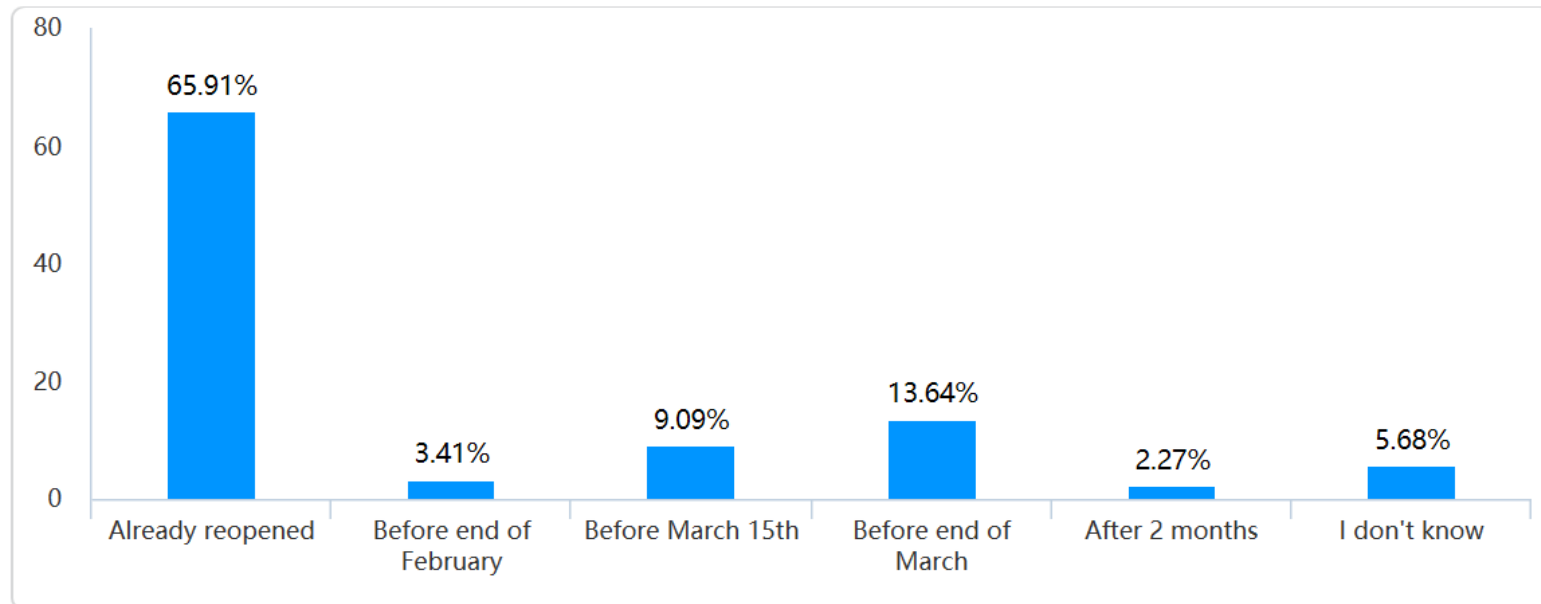


I.3. Economic Recovery facing Epidemic Contagion

From the moment M of the outbreak, it will take more than 10 weeks to resume work*

The business is recovering from the COVID-19 situation. By the end of February, almost 70% of our surveyed companies has reopened their offices/factories, but the other 22% are expecting their business return to the normal routine before end of March.

But a lot of companies don't their staff in full. Some workers are still away from work and being either in Shanghai nor in Europe and to go back to work is easy. There is an evolution since the survey n.1: foreigners are not encouraged anymore to leave China.



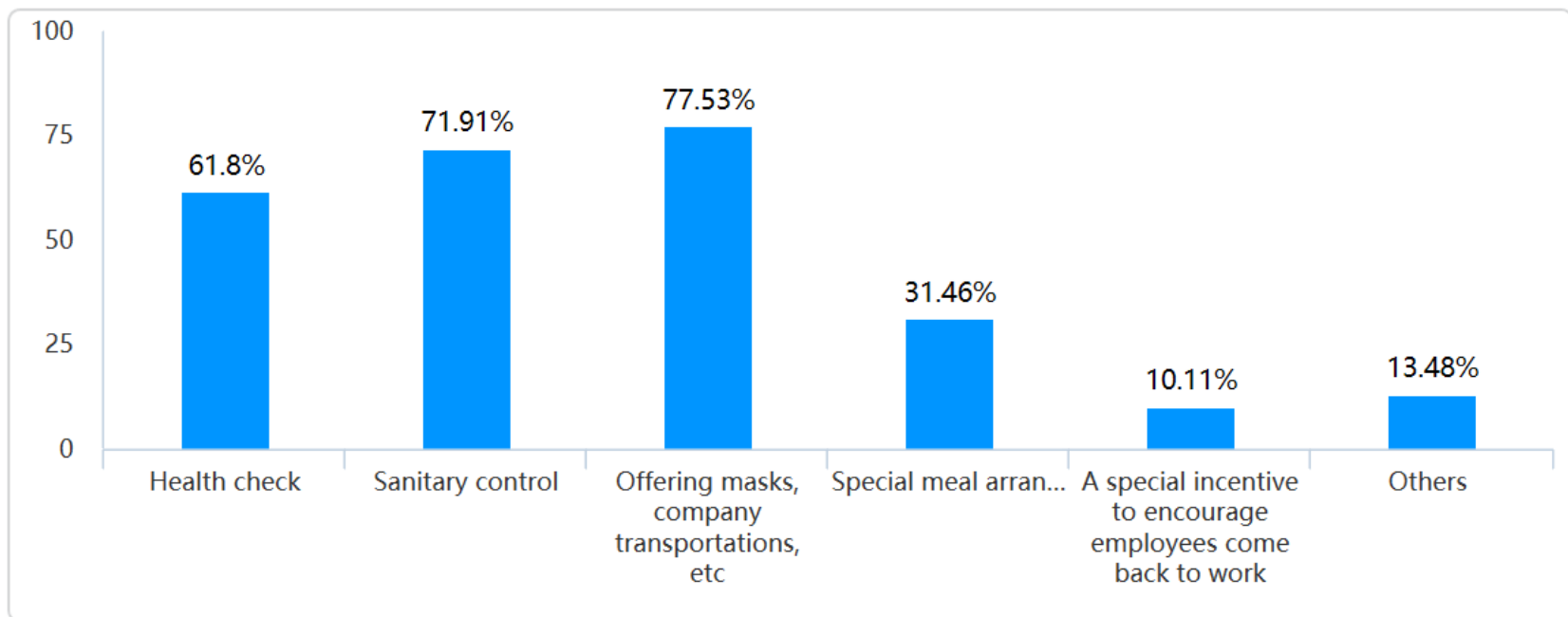
*from the end of the extended CNY holidays

I.4. Protective measures to control the virus

Being 100% compliant and beyond is paramount. For staff, company become a referent for general protective measures

Our companies have shown compliance to government measures on office reopening. Only 5% of them judge the reopening procedure hard to comply, but they still follow the rules despite their reluctance.

To keep their employees safe in the working environment, most of the surveyed companies organized health check, sanitary control, masks distribution and company transportations. Some companies provided special meal delivery, or other incentives to recognize and appreciate their employees' effort in this special moment. The idea is to keep the employees engaged in China, working in team for economic recovery

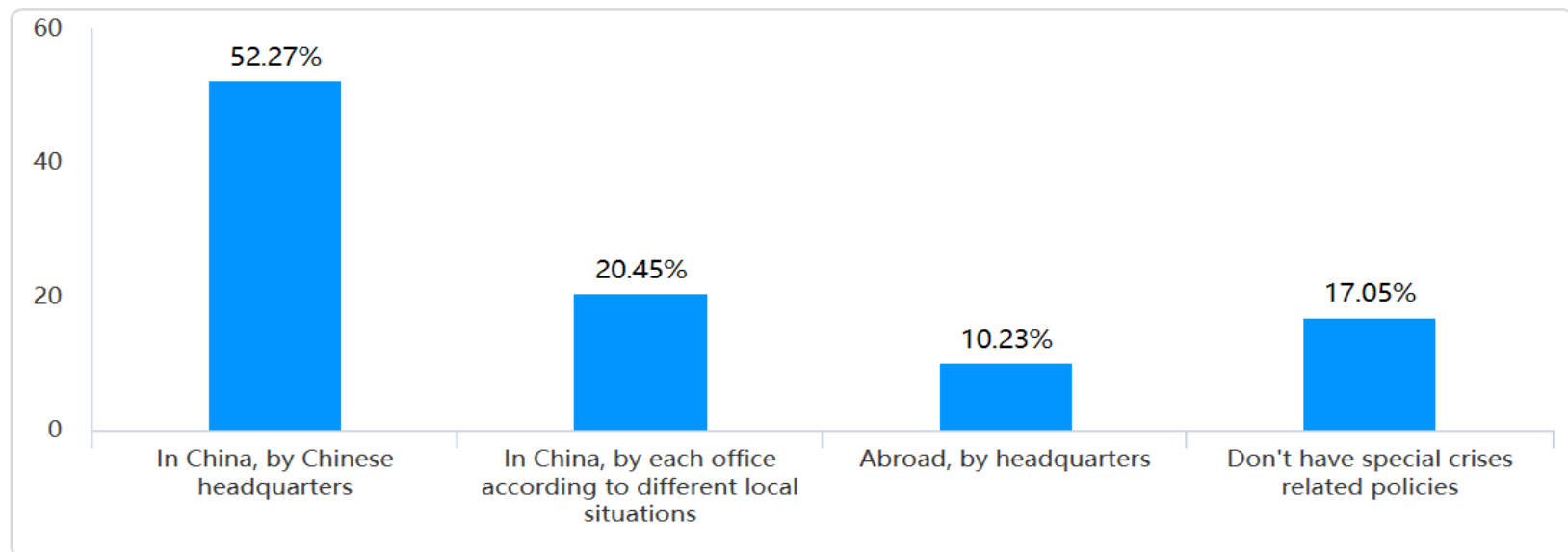


I.5. Management decisions are local

What make sense is to have a local crisis center to take decision, close to where it applies

For most of companies (73%), the crisis management decisions were made in China, by their Chinese headquarters or by each office according to different local situations.

Unfortunately 1/5 of Benelux companies in China had no crisis plan ready at the time of the outbreak. These companies are thinking now about a crisis management strategy after the epidemic.

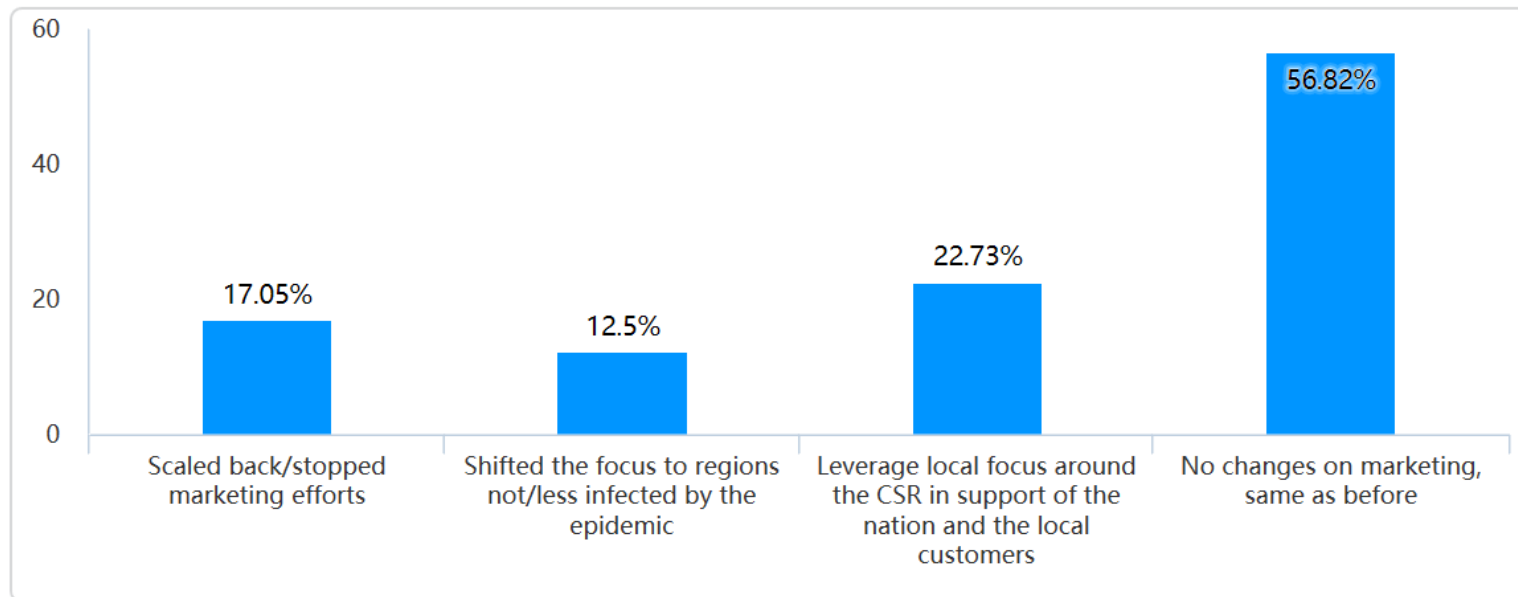


I.6. Business sentiment indicator: optimistic despite the impact

Maintaining a strong link with customers is part of the strategy

Event though the virus outbreak is a hard experience for most of us, Benelux companies are still optimistic for their business. We can see their confidence reflected by their marketing focus. Over half of the surveyed companies didn't change yet their marketing strategy during the outbreak but 22% were more engaged in CSR, noticeably to inform about the situation, potential delay in delivery.

12.5% had shifted their focus to other markets which is a strong evolution from the 2% mentioned in the previous survey.



2. BenCham COVID19 Experts Program

2.1. BenCham panel of experts



HR & Legal Expert
 Philippe Snel
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Da Wo



Biologist, Sociologist Expert
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Riverbanks Investments
SInnolabs



And many more from
 BenCham community!

McKinsey&Company

ERIC SALMON & PARTNERS



2.3. BenCham COVID19 Expert Program : information

Beside the analysis of our experts, BenCham is monitoring 7/7 and sharing official information only

Chinese authorities:



Our 3 Consulates General:



2.3. How to *contact* BenCham Expert Panel?



WeChat

Join the BenCham Experts COVID-19 WeChat Group



Email

Contact shanghai@bencham.org



LinkedIn

<https://www.linkedin.com/company/bencham-shanghai-benelux-chamber-of-commerce>



Don't hesitate to share your questions or concerns!