

COVID-19 and ENTERPRISES

Briefing Note [No. 23]

Published: 18 June 2020

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The COVID-19 pandemic has been affecting enterprises of all sizes and types in unprecedented ways. This brief aims to highlight key information resources available on the functioning of enterprises in the crisis, including its impact on enterprises, responses by enterprises and policy measures to support affected enterprises.

Disclaimer: Due to the rapid evolution of the situation around the COVID-19, there has been a large and growing amount of information resources related to enterprises and the pandemic. Therefore, this brief contains not only the resources of the ILO, but also those from external organizations. Reference to those external resources does not constitute an endorsement by the ILO of the opinions expressed in them.

Visit the ILO website for regular updates on responses to the COVID-19 crisis.

► ilo.org/global/topics/coronavirus

1. Resources for enterprise response

[UNDP - Brief #2: Putting the UN Framework for Socio-Economic Response to COVID-19 into Action: Insights](#) | 3 June 2020

This brief provides insights from the 63 country-level socio-economic impact assessments (SEIA) prepared by UNDP to date under the leadership of the UN Resident Coordinators and in close collaboration with other UN agencies. SEIA objectives are many-fold including assessing the COVID-19 impact: i) at the macroeconomic level; ii) on the livelihoods of vulnerable and marginalized groups; and iii) on businesses, particularly Micro, small and medium-sized enterprises (MSMEs) and the informal sector.

[UNCTAD - Global FDI projected to plunge 40% in 2020](#) | 16 June 2020

Global foreign direct investment (FDI) flows are forecast to decrease by up to 40% in 2020, from their 2019 value of \$1.54 trillion, according to UNCTAD's World Investment Report 2020. The lockdown measures are slowing down existing investment projects. The prospect of a deep recession will lead multinational enterprises (MNEs) to reassess new projects. Policy measures taken by governments during the crisis include new investment restrictions.

[IOM - Impact of COVID-19 on small and medium-sized enterprises in Iraq](#) | 11 June 2020

To better understand the impact of COVID-19 on SMEs, International Office of Migration (IOM) Iraq conducted a survey with 456 enterprises active in different sectors in urban areas of Iraq in April 2020. The analysis found a significant impact on economic outcomes at the firm level. Effects on sales and production among firms have been the most acute, with temporary reductions in paid employment also observed.

[OECD - COVID-19 and the retail sector: Impact and policy responses](#) | 16 June 2020

The retail sector operates as a gateway to consumers from upstream sectors, accounts for almost 5% of GDP, and employs about 1 in 12 workers in OECD

countries. COVID-19 has dramatically disrupted the sector. Five policy measures that countries need to take now for the benefit of firms, workers and customers to shield the retail sector from the effects of the crisis and enhance its resilience are: 1) Ensure that liquidity assistance schemes are accessible to retail firms, irrespective of their size; 2) Help essential retailers deal with labour supply shortages, in particular by smoothing demand-supply matching for retail jobs and providing guidance on health and safety standards; 3) Support retail firms to implement social distancing measures; 4) Ensure that competition in the sector remains sufficient in the aftermath of the crisis; and 5) Increase retail firms' resilience by diversifying their sales channels, in particular by helping small brick-and-mortar retailers go online.

[ADB - COVID-19 response: moving from commitment to action](#) | 14 June 2020

This publication on the African Development Bank website enumerates the bank's rollout of emergency response support to assist African countries. It lists the different packages and funds that have reached the continent.

[ECB - The COVID-19 pandemic and access to finance for small and medium-sized enterprises: evidence from survey data](#) | 17 June 2020

The European Central Bank has conducted a survey on the access to finance for SMEs in the euro area. The publication emphasizes how the deterioration in turnover and in profits among euro area SMEs is seen as an impediment to obtaining external finance. It also shows the SMEs expectation on the availability of external finance over time.

[amfori - Maintaining sustainable supply chains during COVID-19](#) | 29 May 2020

In order to better understand the challenges and needs of its Members and Producers, the amfori COVID-19 Task Force conducted a survey in April. The data comes from amfori's survey on the impact of COVID-19 on supply chains. amfori gathered replies from over 160 member companies from 17 countries and over 400 producers from the top 10 sourcing countries. The COVID-19 has

had devastating impacts on international trade. However, it can also be seen as a wakeup call that we need to strengthen buyer-supplier relations. Social and environmental responsibilities in trade are more important than ever.

Events and webinars

[ILO Global Summit on COVID-19 and the World of Work - Building a better future of work](#) | 1-2, 7-9 July 2020

The Global Summit will provide a high-profile platform for government, employer and worker representatives, and other high-level actors, to address the economic and social impact of the COVID-19 pandemic. A concept note that provides further details on the rationale, context and main topics for discussion and a programme are now available on the ILO website.

[Ethical Corporation - Transform: Sustainable Procurement & Circularity](#) | 7-8 July 2020

The webinar will bring together sustainability, supply chain, procurement, circular economy and CSR leaders from across the world to share their latest insights, and more importantly, tangible strategies into how they are helping deliver the required transformation of business for a sustainable, circular and inclusive future post Covid-19.

[FINDEV - Microfinance and COVID-19 in Pakistan: What happens after lockdown](#) | 8 July 2020

The COVID-19 pandemic threatens 7.3 million low-income Pakistani households that rely on microfinance institutions for access to capital and other financial services. The webinar will present results from a survey on 1,000 microfinance clients in the country one week after the country's lockdown began, as well as interviews with the microfinance institutions that serve these clients, for a detailed picture of the impact of Pakistan's lockdown on households and the industry overall.

[ICMIF - Mutuals and cooperatives as a vehicle for building long-term development](#) | 10 June 2020

This webinar served as a discussion between the UNDP and ICMIF members on how the mutual and cooperative sector has responded to the Covid-19 pandemic in emerging markets, how they are building back better and what is being done to promote development through insurance and risk finance.

[MIT organiza hackatón para enfrentar pandemia en Latinoamérica](#) | 10 June 2020

La Escuela de Administración y Dirección de Empresas del Instituto Tecnológico de Massachusetts (MIT, por sus siglas en inglés) organizó una hackatón virtual titulada Latin America vs. Covid-19, que tendrá como objetivo desarrollar soluciones para hacer frente a la pandemia de Covid-19 en Latinoamérica. El encuentro se llevará a cabo entre el 19 y 21 de junio.

2. Government response for enterprises

[ILO portal on the country policy responses](#)

This ILO portal is being frequently updated to provide recent updates on the measures implemented by governments, employers' and workers' organizations, and the ILO by country and territory.

[France puts EVs at centre of \\$13.2bn plan to restart auto industry](#) | 27 May 2020

French president Emmanuel Macron has announced France will seek to jump-start the local auto industry decimated by the Coronavirus pandemic with an €8 billion plan that includes a major boost for electric vehicles.

[US - Main Street Lending Program: Major changes and proposed program for nonprofit borrowers](#) | 17 June 2020

The Federal Reserve opened the Main Street Lending Program (MSLP), which is designed to increase access to capital for SMEs under the CARES Act. Participation in the Paycheck Protection Program (PPP) does not render a borrower ineligible for the MSLP. The Federal Reserve Board also published draft term sheets for the expansion of the MSLP to nonprofit organizations.

[EIB approves € 7.5 billion for COVID-19 response and investment in health, private sector, clean transport, education and energy](#) | 11 June 2020

The European Investment Bank today approved € 7.5 billion of new financing for projects across Europe and around the world. This includes investment to improve public health, hospital and elderly care facilities and dedicated new business lending programmes to support sectors most impacted by COVID-19.

['Re-open EU' - a new web platform launched to safely resume free movement and tourism in the EU](#) | 15 June 2020

The European Commission has launched 'Re-open EU', a web platform that contains essential information for a safe relaunch of free movement and tourism across Europe, so that you confidently can enjoy your upcoming holidays. The platform will provide real-time information on borders, travel

restrictions, public health and safety measures such as physical distancing or the use of facemasks, as well as other practical information for travellers.

[Malaysia - The impact of COVID-19 on tourism industry](#) | 12 June 2020

The pandemic is highly impacting the tourism industry in Malaysia, particularly, the airline and hotel businesses. Apart from that, this study also discusses the stimulus packages offered by the Malaysian government in order to ensure the sustainability of the tourism industry.

[Thailand's migrant workers struggle to qualify for aid during pandemic](#) | 17 June 2020

In addition to being affected by lockdowns, vulnerable workers also seem to be left behind on the relief efforts and in the recovery processes. This article gives the floor to migrant workers in Thailand who often don't qualify to receive aid from the government after losing their job. The former daily workers complain about unfair treatment, communication issues and red tapes on work permits. Many have turned to donations at local temples as they are facing rising debt and no work.

[Reactiva Perú: 70% de beneficiarios fueron mypes](#) | 14 June 2020

La primera etapa de Reactiva Perú culminó, al subastar la última repo con garantía del Gobierno y completar los S/ 30,000 millones. Según el Banco Central de Reserva del Perú (BCR), las micro y pequeñas empresas (mypes) obtuvieron el 70% de los préstamos.

3. Enterprises response

Workplace safety and working conditions

[Workplace responses to COVID-19 associated with mental health and work performance of employees in Japan](#) | 11 June 2020

The study investigated the links between workplace measures implemented in response to COVID-19 with mental health and work performance of employees in Japan. The conclusion of this paper is that workplace measures may promote and maintain the mental health and work performance of employees during the COVID-19 epidemic. The positive association between the number of measures and fear and worry about COVID-19 may reflect increased awareness about COVID-19 among employees resulted from taking the measures

Supply chain stabilization

[Les responsables achats face à la crise : publication d'une étude consacrée aux impacts de la Covid-19 sur les chaînes d'approvisionnement et les pratiques d'achats](#) | 16 June 2020

Publiée par l'ADRA, le cabinet de conseil BuyYourWay et le Médiateur des entreprises, l'étude met en lumière les impacts présents et futurs de la crise sur les pratiques achats et les enseignements à tirer pour l'avenir, notamment l'importance de la mise en place d'une politique « achats responsables » pour faciliter la collaboration et préserver de bonnes relations entre clients et fournisseurs.

[Small business response to COVID-19 shows long-term growth potential](#) | 12 June 2020

Even in the darkest times, small business owners are showing just how innovative and resilient they can be. Small business is taking action, responding to the current crisis and making the necessary changes to survive and even thrive. The current crisis may provide an opportunity for small business owners willing to bring the supply chain home.

Production innovation and adaptation

Asia's travel startups battle for survival as investors pull back | 18 June 2020

KKday, an online travel site drew in tens of millions of dollars from renowned investors, including Alibaba Group Holding and Line, and it broke into a string of new markets. With orders canceled and revenue down 90% in early April, the company has migrated to a slightly different line of business: selling souvenirs online. Klook, KKday's rival that is backed by SoftBank Group, has entered the fray in the food and dining sector, offering restaurant bookings, food delivery and home cooking supplies on its platform.

Colombia - La tecnología blockchain puede impulsar la competitividad del sector agropecuario | 17 June 2020

Dimuto es una agrotech que usa la tecnología blockchain para dar visibilidad de la cadena alimenticia de frutas, vegetales y café, para generar confianza entre los participantes, desde el productor hasta el consumidor final. La empresa, de Singapur, llegó a Colombia con la inversión del venture capital Latin Leap. Stefan Krautwald, general partner del fondo, explica la solución tecnológica.

Support to customers and communities

How are Gavi's private sector partners stepping up to help fight COVID-19? | 10 June 2020

To help governments and health workers, many of Gavi's private sector partners are offering their financial clout, manufacturing power and expertise to support the fight against this new disease. From the repurposing of factories to produce vital medical supplies, to ramping up production to equip doctors, nurses and health workers on the front line with the protective clothing they need, a whole host of companies have been making a big impact. Some firms have also used their technology to help address the spread of misinformation that has been flying around the digital space.

Recovery and post-recovery planning

What does Covid-19 mean for the future of work? | 15 June 2020

The article sets out four probable shifts in the workplace in the US: 1) Remote work could further the racial divide; 2) Determining promotions and merit increase will become data centric; 3) Cyber security measures will become even more necessary; 4) Methods of feedback will drastically change.

Colombia - Empresas están reconfigurando sus operaciones por la pandemia | 16 June 2020

Según la 22ª edición del Barómetro de Confianza en el Capital de EY, la gran mayoría de las empresas del país y del mundo se están enfocando en solucionar los impactos inmediatos del Covid-19 frente a las cadenas de valor, los ingresos y la rentabilidad, al mismo tiempo que reconfiguran la asignación de capital y los planes de fusiones y adquisiciones para lo que viene después de la crisis.

Other/multiple response

BP warns of \$17.5 billion hit as pandemic accelerates move away from oil | 15 June 2020

BP is writing down the value of its assets by as much as \$17.5 billion as a shift away from fossil fuels is accelerated by the coronavirus pandemic. "BP's management ... has a growing expectation that the aftermath of the pandemic will accelerate the pace of transition to a lower carbon economy and energy system, as countries seek to 'build back better' so that their economies will be more resilient in the future," it said in its statement.

amfori's stance on post-lockdown labour rights | 9 June 2020

Global business association amfori expresses its deep concern about the recent developments in India, where more and more states have announced their intention to suspend basic labour rights, including minimum wage, workplace safety and working hours, for a period of up to three years to allegedly

revitalise the economy and attract foreign investments. amfori urges governments to stick to internationally recognised labour rights when planning their recovery, taking into account the needs of the most vulnerable categories.

Harvard Business Review - Lessons from Chinese companies' response to Covid-19 | 5 June 2020

Harvard Business Review conducted a series of 20 in-depth, in-person interviews, as well as a large-scale survey of more than 350 senior executives, to ascertain how the Chinese corporate world has adapted, innovated, survived — and even thrived — through this uncertain time. It identified 11 lessons to help inform business leaders throughout the rest of the world.

World Economic Forum - 3 ways companies can build a more resilient society post COVID-19 | 12 June 2020

Senior Vice-President of APCO Worldwide, an advisory and advocacy consultancy, states that businesses have a pivotal role and responsibility in driving recovery and building a greener, fairer and smarter world. The article highlights innovative responses by the private sector and sets out a few ways for companies to contribute towards a smarter recovery: 1) Assess and lean-in to organizational strengths; 2) Be ambitious and creative in defining areas to bring the broadest impact; and 3) Unleash new multiplier partnerships.