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IMPACT ASSESSMENT OF COVID-19 ON THE PHILIPPINE'S MANUFACTURING FIRMS

SURVEY RESULTS MAY-JUNE

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Disclaimer

This report provides information about a situation that is rapidly evolving. As the circumstances and impacts of the COVID-19 pandemic are continuously changing, the interpretation of the information presented here may also have to be adjusted in terms of relevance, accuracy and completeness.

List of acronyms

ADFIAP	Association of Development Financing Institutions in Asia and the Pacific
AIM	Asian Institute of Management
BCP	Business Continuity Plan
BPO	Business Process Outsourcing
BSMED	Bureau of Small and Medium Enterprise Development
CAR	Cordillera Administrative Region
CIG	Competitiveness and Innovation Group
DBP	Development Bank of the Philippines
DOST	Department of Science and Technology
DTI	Department of Trade and Industry
ECQ	Enhanced Community Quarantine
GCQ	General Community Quarantine
GVC	Global Value Chains
IATF	Inter-agency Taskforce
IFI	International Financial Institution
ILO	International Labour Organization
ISID	Inclusive and Sustainable Industrial Development
ISSI	Institute for Small-scale Industries
ITDI	Industrial Technology and Development Institute
LGU	Local Government Unit
MSME	Micro-, Small, and Medium Enterprises
NCR	National Capital Region
NEDA	National Economic and Development Authority
OTOP	One Town One Product
PCCI	Philippine Chamber of Commerce and Industry
ROG	Regional Operations Group
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SSD	Strict Social Distancing
UNIDO	United Nations Industrial Development Organization
UP	University of the Philippines

Key findings

The COVID-19 pandemic has left very few nations unscathed. In the Philippines, while concerted efforts around urgent health concerns were intensified, the response measures, including an enhanced community quarantine (ECQ), caused disruptions across various economic and social sectors, endangering employment and livelihoods, and resulting in urgent issues around food security and safety, nutrition and income-generation. MSMEs, contributing 36 per cent to total value-added in 2018, and employing 63 per cent of the workforce, remain highly vulnerable to economic shocks, require the most support not only during emergency periods but also during the recovery phase.

The United Nations Industrial Development Organization (UNIDO), in collaboration with the Department of Trade and Industry and other representatives of the government, private sector, academia and other development partners, initiated the *“Assessment of the Socio-economic Effects of COVID-19 and Containment Measures on Philippine Enterprises”* with the intent to (1) determine the impacts of the COVID-19 containment measures and the responses of Philippine enterprises; and (2) identify gaps and areas of improvement that can guide and inform the design of technical assistance, stimulus packages and other financing opportunities for MSME recovery beyond addressing the usual cashflow bottlenecks, but also to build better and increased resilience against possible future social or economic shocks.

The assessment reveals that during the implementation of the containment measures, respondent firms, mostly microenterprises from the manufacturing sector, encountered difficulties in coordinating their supply chains, resulting in half of the firms registering a 40 per cent reduction in operating hours, an approximately 50 per cent loss of employment, and a 60 per cent reduction in both revenue and production volume. The lack of available transport and employees’ anxiety about going to work contributed to worker shortages, with only a handful of firms capable of successfully implementing work-from-home arrangements. The majority of firms also experienced difficulties in coordinating their supply / value chains leading to shortages in the supply of raw materials and obstacles to distribution, shipping and logistics. This affected microenterprises and the domestic-oriented firms more than other firm types. These challenges were further compounded because the majority of firms did not have clear and responsive plans for business continuity, especially during extraordinary situations.

UNIDO has provided recommendations for updating policies and strengthening programmes in relation to resilient supply / value chains, ensuring safe mobility of human resources during emergency situations, and promotion of standards for business continuity management and

technology adoption for safety in workplaces. Equally important in moving forward during recovery are the recommendations relating to support for and investments in MSMEs. While firms will require various forms of assistance to successfully recover, the support packages under the existing allocation for SME financing will not adequately address the financial gaps related to cashflow bottlenecks and efforts to build back a stronger SME sector through smart investments, which is further exacerbated by the prevailing low lending confidence. Among other recommended measures, effective structuring of loan packages that are inclusive, accessible by firms that are facing the most serious challenges, such as microenterprises, that are youth- / gender-responsive, and that focus on rescuing existing firms, incorporating more robust sustainability aspects, will be crucial. Policies and programmes that foster innovation and diversification to prepare for the “new normal” will also be needed. This should be accompanied by parallel efforts to strengthen quality, safety and digital infrastructure; build and support an innovation ecosystem in a digitalized environment; promote technology development and adoption; and shift the development paradigm towards green investments, green jobs and clean technologies.

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1 Introduction

1.1 COVID-19 and containment measures in the Philippines

The COVID-19 outbreak has had a severe impact on societies and economies around the world. The healthcare system in the Philippines was unprepared to face a health crisis at this scale and of this magnitude, and has been afflicted by a shortage of facilities, manpower, medical equipment and supplies of personal protective equipment (PPE), as well as challenges with the management of excessive medical waste. The crisis has also caused economic and social disruptions, including food security and safety, nutrition and income generation, jeopardizing employment and livelihoods. The long-term socio-economic impacts are expected to be severe and far-reaching.

On 13 March 2020, in response to the increasing incidence of confirmed positive COVID-19 cases, the Philippine government imposed strict social distancing (SSD) on the National Capital Region (NCR) for 30 days, effective as of 15 March 2020¹. It later imposed an **enhanced community quarantine** (ECQ) on the entire island of Luzon, including Regions I to V and the Cordillera Administrative Region (CAR). This “lockdown”, together with similar measures initiated by government officials in other locations outside of Luzon to control the spread of the COVID-19 virus, has had a major impact on socio-economic activities, affecting income generation, employment, and the supply of goods and services estimated to potentially reach, according to the National Economic and Development Authority (NEDA), a maximum value of PHP 1.36 trillion and about 1.8 million in lost employment², assuming the adverse conditions persist until June 2020.

A Memorandum Order of the Executive Secretary was issued on 16 March 2020, providing further guidance on the parameters of the ECQ. The Inter-agency Task Force for the Management of Emerging Infectious Disease (IATF) later released **Resolution No.14** on 20 March 2020, providing additional clarification, among others, on the activities to support businesses that were permitted to operate because they produce essential goods and services. These include, but are not limited to, guidelines identifying establishments that were authorized to operate during the ECQ, as well as directives to support the unimpeded movement of cargo and essential personnel.

The Luzon ECQ was extended until 30 April 2020 by **IATF Resolution No. 20** dated 06 April 2020. On 27 April 2020, in accordance with **IATF Resolution No. 20**, some parts of Luzon

¹ IATF Resolution No. 12. 13 March 2020.

² National Economic and Development Authority (NEDA). 19 March 2020. Addressing the Social and Economic Impact of the COVID-19 Pandemic.

remained under ECQ, effective for the period 01 to 15 May 2020, while others were downgraded to **general community quarantine (GCQ)** status. Those regions in Luzon that remained under ECQ included NCR, R-III, R-IVA, Baguio, Benguet and Pangasinan. Outside Luzon, Iloilo, Cebu, Bacolod City and Davao City also remained under ECQ. **DTI Memorandum Circular 20-22** (ANNEX A) was issued on 05 May 2020 and provided further guidance on businesses allowed to operate in areas declared to be under ECQ and GCQ.

In March 2020, the government announced a fiscal measure totalling PHP 27 billion, part of which targets micro, small and medium enterprises (MSME), supporting microfinance loans and loan restructuring to promote resilience, especially for the tourism and agricultural sectors. During the ECQ in April 2020, the government announced an aid plan³ amounting to PHP 1.17 trillion (about 6.3 per cent of GDP), of which PHP 1 billion (0.09) was allocated as MSME loan assistance, PHP 35 B (2.96 per cent) was earmarked for wage subsidies, assisting small businesses that were non-operational due to the lockdown measures, while the rest of the financial aid was distributed as emergency support to vulnerable groups and individuals (26.06 per cent), for fiscal and monetary measures (70.90 per cent), and the implementation of an economic recovery plan. Part of the funds were also used to determine the extent of the pandemic's damage to industries, particularly on MSMEs.

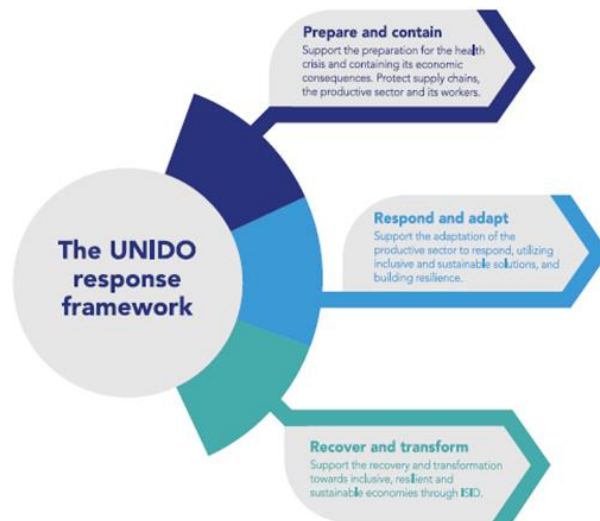
This aid plan, moreover, included a total of PHP 310 billion obtained from various multilateral and bilateral sources, part of which was used to support MSME deferrals of tax payments, loan repayments, and documentary stamp tax exemptions of credit extensions or the restructuring of loan repayments. A grant amount to PHP 150 million was received from the Asian Development Bank to supplement the resources to fight COVID-19 while access to a PHP 5 billion World Bank (WB) fast-track loan facility for the purchase of medical supplies and testing kits was also facilitated.

³ United Nations Conference on Trade and Development (UNCTAD). 12 June 2020. Philippines Country Response.

1.2 UNIDO response to COVID-19

In light of the global economic downturn caused by the spread of the COVID-19 virus, UNIDO is working with its Member States, the UN system, development partners, international financial institutions (IFIs), the business sector and others to support the national production and manufacturing sectors and their related value chains to reduce the pandemic's negative economic impacts in a sustainable and inclusive

manner. As UNIDO is not mandated to provide humanitarian or emergency response, it is focusing on socio-economic recovery approaches, aligned with the United Nations' "Framework for the immediate socio-economic response to COVID-19".



In the Philippines, UNIDO aims to cooperate with the government, private sector, development partners and the donor community to provide feasible and immediate assistance while the crisis is still ongoing, followed by support for recovery efforts in the medium- to long-term. UNIDO's COVID-19 response in the Philippines is aligned with the government's plans and programmes in the "We Recover as One" document, and covers the following areas:

- I. Strengthening healthcare, safety systems and capacities to respond to COVID-19 through productive activities;**
- II. Support for economic recovery based on MSME growth and resilience;**
- III. Socio-economic impact assessment and industrial policy advice.**

To facilitate these efforts in the Philippines, UNIDO has convened a multi-stakeholder working group composed of representatives from various government agencies, the private sector and other development partners. UNIDO is also leading the Small and Medium Enterprises (SME) Subgroup of the United Nations COVID-19 Working Group on Socio-Economic Response.

1.3 Assessment of Philippine enterprises: Towards industrial policy advice

Enterprises in the Philippines are the major drivers of the country's economy. Among them, MSMEs comprise about 99.5 per cent. While they make up the overwhelming majority of firms in the country, contributing 36 per cent of total value-added and employing 63 per cent of the workforce⁴ in 2018, MSMEs are the most vulnerable enterprises to economic shocks such as the one caused by the COVID-19 containment measures. The Secretary of the Philippines' Department of Trade and Industry has stated that the successful recovery of MSMEs will be crucial in kick-starting the economy.

In cooperation with the government, private sector and other development partners, UNIDO conducted an assessment of the effects of COVID-19 and containment measures on Philippine enterprises using an online tool consisting of questions designed to collect data to better understand the specific concerns and challenges enterprises faced during the ECQ as well as the difficulties and challenges they expect to encounter during recovery. With initial consultations with the Bureau of Small and Medium Enterprise Development (DTI-BSMED) and the Competitiveness and Innovation Group (DTI-CIG) of the Department of Trade and Industry, this assessment fed into the government action plans being developed, particularly those being developed by the IATF Anticipatory and Forward Planning Working Group. Insights and lessons drawn from this assessment can help government and development partners craft appropriate and high-impact technical and financial assistance measures, including policy advice, to address both the immediate and long-term needs of enterprises.

1.3.1 Design and methodology

The assessment's main objectives are: (1) Determine the impacts / effects of the COVID-19 containment measures (e.g. quarantine, social distancing, etc.) and responses to the operational and financial problems of Philippine enterprises; and (2) identify gaps and areas of improvement that will guide the design of technical assistance, stimulus packages and financing opportunities for recovery that go beyond addressing the usual cashflow bottlenecks to build a better and more resilient industrial sector.

⁴ Philippine Statistics Authority (PSA). 2018.

The online assessment tool consisted of a series of questions grouped into three categories as follows:

Categories	Data collected
Business profile	Demographics and general characteristics of business operations
Immediate impact	Situation and experiences in coping with the COVID-19 pandemic and related containment measures
Recovery	Perception of the “new normal”, technical and financial assistance required, future plans and strategies to build a better and stronger industrial sector

All questions were multiple choice, with space provided to enter other responses. Depending on the nature of the inquiry, some questions allowed for single responses while others provided space for multiple responses up to a given maximum.

To avoid duplication, to maximize the type of data being collected and to add value to nationwide efforts to address COVID-19 impacts, the questions’ design was informed by other COVID-19-related assessments such as the IATF socio-economic survey, the Consumer and Business Survey conducted by the National Economic and Development Authority (NEDA), and the UNIDO regional enterprise survey implemented in various ASEAN countries. Inputs on the design were also received from UNIDO partners, including DTI-BSMED under the Regional Operations Group (DTI-ROG) of the Department of Trade and Industry, the Industrial Technology and Development Institute (DOST-ITDI) of the Department of Science and Technology, the Rizalino S. Navarro Policy Center of the Asian Institute of Management (AIM), the Institute for Small-scale Industries of the University of the Philippines (UP-ISSI), the Philippine Chamber of Commerce and Industry (PCCI), the Development Bank of the Philippines (DBP), the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) and the International Labour Organization (ILO).

The online assessment tool targeted respondents using the Google Forms platform, and was conducted from 28 April to 16 May 2020, when ECQ was still in place for Luzon, and various other containment measures were in place in other locations.

1.3.2 Scope and analysis

The respondents included micro-, small, medium and large enterprises operating in the Philippines that were reached with the assistance of UNIDO partners. Companies and firms that participated in UNIDO projects, such as the promotion of biogas technology and food cold chains were also invited to participate in the assessment. Other respondents were also reached through existing enterprise networks and associations.

UNIDO carried out the analyses of the data, with further guidance, comments and suggestions provided by DTI-BSMED, AIM, UP-ISSI, PCCI and ADFIAP. The results reveal that the perceptions, experiences and expectations of the respondents can change quite rapidly during an ongoing crisis situation.

A total of 235 respondents participated in the online assessment. Data was disaggregated to reflect firms with similar characteristics, indicating, where possible, the higher share of responses that may be unique to the different firm sizes, sectors, value chain players, years of operation, owner's profile, etc.

2 Key insights and recommendations

The containment measures implemented by the Philippine government to address the growing number of confirmed COVID-19 cases in the country caused a serious economic setback, which industries, particularly MSMEs, were not well-prepared to absorb and adapt to. While the country has, to some extent, successfully developed resilience and adaptability to the usual climate-related events that occur with regular frequency, the complete halt of economic activities due to health concerns at this scale is unprecedented in the nation's history and caught many unprepared.

To improve preparedness and build a better and stronger industrial sector, increasing the resilience of MSMEs to face pandemics of a similar nature that may re-occur in the future, appropriate industry-related policies and mechanisms, instituted both by the government and private sector, must be put in place, properly informed by evidence-based findings collected at the firm level. Results will reinforce other findings generated by the government and other groups, adding focus to specific firm-level concerns based on which policies, programmes and other interventions can be uniquely tailored to meet the needs of different segments and sectors.

A summary of the insights gleaned from the assessment and some recommendations the country may consider in moving forward:

Around 60 per cent of respondent firms were not operational during the survey period due to the COVID-19 containment measures. A higher share of microenterprises and domestic-

oriented firms were affected. The majority of these microenterprises are manufacturers of finished goods, firms that have been in operation for 5 years or less, youth- and women-owned firms. Domestic-oriented firms, on the other hand, were mostly from the trade sector, operating for 5 years or less, and owned by individuals between the ages of 35 and 50 years old. **Around 55 per cent of non-operational firms reported losses in employment at varying degrees, with 30 per cent experiencing a loss of 100 per cent of their workforce.**

About 50 per cent of firms that were not operational were not able to successfully continue and sustain their activities during the ECQ, despite being permitted to operate, because of a number of challenges they encountered. A considerably higher share of these firms were from the manufacturing sector. **For the roughly 40 per cent of firms that were able to operate, about 50 per cent experienced a 40 per cent reduction in operating hours, resulting in around 50 per cent loss of employment and 60 per cent reduction in both revenues and production volume.** The lack of available transport for employees and anxiety about going to work contributed to the problem of inadequate workforce for maintaining operations, with only a handful of firms being able to successfully implement work-from-home arrangements. Most firms also experienced difficulties in coordinating their supply / value chains, causing shortages in raw material supply and obstacles to distribution, shipping and logistics, leading to reductions in operations. These, in turn, resulted in revenue and production losses, and in many instances, loss in employment as well. Microenterprises and domestic-oriented firms were more disproportionately affected. Furthermore, the challenges were compounded because the majority of firms did not have clear and responsive plans for business continuity, especially during extraordinary situations.

The discussions that follow are grouped into different sections focused on key areas identified by the assessment as particularly challenging for Philippine enterprises, attributable to various gaps and obstacles that became more pronounced during the quarantine period. Policies and programmes suggested in the discussions should take the specific circumstances of those firms that are at higher risk than others, such as microenterprises and domestic-oriented firms.

2.1 Supply- and value chains

During the implementation of containment measures, despite being allowed to operate and government policies supporting the operation of enterprises that produced essential goods and services, Philippine enterprises still experienced difficulties in coordinating their supply chains.

The general lack of input materials and services⁵ experienced by firms during the ECQ were attributable to the operational shutdown of suppliers and service providers crucial to the firms' operations. This was the case in particular for microenterprises in the manufacturing sector, which sought alternative sources of raw material supplies and services⁶. Issues relating to distribution, shipping and logistics brought about by travel restrictions and checkpoints⁷ created serious challenges for firms, particularly in the trade sector, while the lack of customers mostly affected firms in the service sector. Difficulties and delays around customs clearances and no uptake at the distribution points⁸, among others, were also identified. This subsequently led to cashflow bottlenecks⁹, loss of employment, and reductions in revenue¹⁰, commonly experienced by all types of firms, but more pronounced among microenterprises which have less flexibility and resilience to economic shocks.

Taking a more coherent supply- / value chain approach to policies, especially quarantine regulations, and ensuring effective execution at the ground level will greatly benefit MSMEs and industries in general, especially during crisis situations. While certain enterprises were allowed to operate due to the importance of the goods and services they produce, it will also be crucial to ensure that their entire supply- / value chain is operational as well. Looking forward, policies and programmes that promote the development of local raw material supply and minimize reliance on imports will also be helpful. This is particularly important for local manufacturing and domestic-oriented firms that rely heavily on in-country dynamics. Actively seeking out other raw material suppliers that meet quality standards globally should be encouraged. In parallel, the efficient flow of raw materials and finished goods will likewise be paramount in maximizing limited income-generating activities during periods of containment. Policies related to the movement of goods, procedures at checkpoints and other restrictions need to be effectively

⁵ Major Finding 1, (page 18).

⁶ Major Finding 4, (page 23).

⁷ Ibid. 6.

⁸ Ibid. 6.

⁹ Ibid. 5.

¹⁰ Major Finding 3, (page 22).

communicated to implementers and stakeholders, they need to be responsive and properly executed especially at the ground level where they will matter most.

2.2 Human resources

The lack of manpower due to lack of transport for employees and anxiety about going to work, was one of the main concerns raised by firms during the containment period.

Issues surrounding manpower undermined firms' capacity to execute activities at the firm level, leading to reductions in working / operating time and losses in both production volume and revenues¹¹. SMEs, large firms and export-oriented enterprises were particularly challenged by human resource capacities¹², most likely due to the complexity of their operations that require more "hands-on-deck". To adapt to the situation, firms, particularly medium-sized and large enterprises, introduced work-from-home arrangements¹³ for their employees, barring difficulties in the execution of work tasks by employees, which was also reported by some firms. The manufacturing sector was not able to capitalize on this approach given the nature of its operations, resorting instead to reductions in production. While a vast majority of firms experienced losses in employment¹⁴, microenterprises faced the biggest challenge. Despite this, a majority of firms reported no losses in women employment. There was also a clear indication that a vast majority of firms, microenterprises in particular, plan to re-hire employees as soon as operations restarted. Overall, the assessment revealed that a roughly 40 per cent reduction in operating hours of fully and partially operating firms resulted in the loss of 50 per cent of employment, and 60 per cent reduction in revenue and production volume¹⁵.

Even with a fully functioning supply- / value chain in place, it will be crucial for human resources to be effectively mobilized to ensure minimal losses in revenue and production. Appropriate regulations can be developed to support the mobility of human resources during crisis situations, subject to specific restrictions. A well-executed public-information campaign will foster confidence and allay fears among employees regarding the plans and actions taken by both the government and private sector. Effective policies that support the continued operations of firms during crises will also help prevent or minimize loss of employment. Such policies are crucial, especially for daily wage earners who rely on the operation of the firms they work for. Looking ahead, firm-level quality and workplace safety measures, as well as well-crafted and responsive

¹¹ Major Finding 3, (page 22).

¹² Major Finding 4, (page 23).

¹³ Major Finding 2, (page 20).

¹⁴ Ibid. 11.

¹⁵ Ibid. 11.

business continuity plans (BCP) will be essential in boosting confidence and promoting employee safety, allowing for continued operations.

Based on the needs identified by firms, trainings on adapting to the new normal, marketing and sales training, including e-commerce, food safety and food-related skills and digital transformation, among others, may be prioritized as capacity-building activities. These will help in re-entry planning, and the importance of documenting lessons learned to deal with such situations.

2.3 Business continuity management

The majority of firms that were not able to operate, despite being allowed to, did not have business continuity plans in place, which may have affected their ability to ensure availability of raw materials, efficient transport of goods and human resources, and the implementation of workplace safety measures during crisis situations.

Not all enterprises in the country had developed business continuity plans, especially microenterprises, which may have believed that smaller operations such as theirs do not need a business continuity plan¹⁶. There were various reasons why a firm did not have a BCP, including not knowing what a BCP is, believing that microenterprises did not need one, and lack of capacity to devise one to begin with, pointing to a lack of awareness and organizational capacity. Firms that indicated that their BCPs were not updated since they were prepared tended to only have a written BCP as part of a training activity or as a requirement to fulfil contractual obligations, without subsequent testing, monitoring and updating. Firms that had BCPs in place often had BCPs that were inadequate and unresponsive to the situation¹⁷. This may have been based on the tendency to focus on previous business disruption experiences, particularly those with a high likelihood of reoccurring, resulting in narrow disaster scenario planning.

While having a BCP does not fully ensure that a firm will be able to engage in ‘business as usual’ during a crisis, there are indications that having a BCP in place can potentially minimize the negative impact brought about by unprecedented situations such as a health-related “lockdown”. Continued strengthening of programmes and knowledge-sharing on the importance of BCPs for all types of firms, promoting “just-in-case” strategies and approaches, and supporting efforts in preparing a BCP through capacity-building and access to best practices and standards. Learnings from this pandemic will certainly add value in terms of updating / designing BCPs, taking this new threat into account and making BCPs more responsive in the future. BCPs can also be tied

¹⁶ Major Finding 6, (page 28).

¹⁷ Ibid. 16.

to investment plans and become part of the indicators against which success measurements will be gauged.

2.4 Support and investments for MSME recovery

Philippine enterprises will require various forms of assistance for successful recovery after being rendered paralyzed and unable to fully continue their economic activities due to the COVID-19 containment measures. Support packages under the existing allocation for SME financing are not expected to remain responsive to the specific needs to address financial gaps, liquidity and efforts to build back better through smart investments, brought about by the extraordinary situation firms are facing, which is exacerbated by the prevailing low lending confidence.

Most firms identified cashflow as one of the biggest challenges they expected to face during recovery¹⁸. A significant share of these firms, most of which were microenterprises and youth-owned, also indicated that they planned to take out loans from various sources, including government financial institutions, commercial and rural banks, government agency programmes, etc., to help address their cashflow bottlenecks. In addition, a higher share of firms that had already taken loans over the past two years were willing to take out more loans to help in their recovery efforts¹⁹. A higher proportion of microenterprises, female owners, and owners up to the age of 50 years had not applied for a loan in the past 2 years. This appears to further indicate issues with inclusivity and accessibility of loan facilities for certain groups.

Many of the firms pointed out that the loans they were planning on taking out would be used as working capital for recovery, to comply with tax and other government-related obligations, and payments for existing loans²⁰. Firms, mostly microenterprises, also estimated that they would need about PHP 2 million for their recovery while others projected that they would need an amount totalling over PHP 2 million, even up to as much as PHP 20 million²¹. Apart from these potential loan applications, firms were also requesting further assistance in terms of tax rate reductions, tax deferrals and waiver of government-imposed penalties²².

Firms were also concerned about how to address the continued threat to the health and safety of their workers once operations re-started. In this regard, firms called for easier access to COVID-19 tests²³ as part of the health and safety programmes and protocols they will be instituting. The

¹⁸ Major Finding 5, (page 26).

¹⁹ Major Finding 7, (page 29).

²⁰ Ibid. 18.

²¹ Ibid. 19.

²² Ibid. 18.

²³ Major Finding 8, (page 30).

lack of domestic demand and customers was also a major challenge identified by firms, which may impede recovery. Consequently, firms are requesting support to access new markets. Other requests include the easing of deadlines and regulations, reduced costs for utilities and rental fees.

Taking into account the challenges firms have identified as those they will be facing during recovery and the means by which these challenges could be addressed, it appears that the majority of firms have only sought the minimum amount of resources to meet their short-term recovery needs. It is expected that the balance sheets of the majority of firms will remain weak and that most MSMEs will continue to face credit constraints, implying that working capital will remain scarce and there will be delays in investments. While it is understandable that firms prioritize short-term investments such as those intended to address cashflow bottlenecks and balance sheet requirements, a more long-term approach to build back better needs to be promoted if industries are to survive the next crisis and if the country is to prevent any further backward steps in the country's progress towards sustainable development.

Encouraging firms to think long-term and plan for resilience can be achieved by improving the structure of loan packages that incorporate more robust sustainability aspects (e.g. business continuity management, energy/resource efficiency, renewable energy, quality and productivity, etc.) beyond cashflow bottlenecks. A clearer indication of the appropriate institutions and offices as sources of financial support and streamlined delineation of roles in terms of catering to the needs of specific markets / business segments, which also includes account management and project supervision and management, will also be helpful. Loan packages also need to be designed to be inclusive, accessible by firms that face the biggest challenges, such as microenterprises, to be youth- / gender-responsive, and to better meet the needs of the "missing middle", promoting sound MSME investment. The focus needs to be on rescuing existing firms, helping them become more sustainable and adapt better to the "new normal". Simultaneously providing loan restructuring opportunities and devising alternative loan repayment arrangements, such as waivers of interest, penalties, etc. to ease MSMEs' financial burden. Introducing fiscal and tax relief measures or tax breaks could also assist MSMEs with their liquidity problems.

In addition to these fiscal and monetary measures, MSMEs should also be encouraged by the national government to increase their participation in local procurement programmes of national government agencies and local government units (LGUs) as a way to boost local production and product innovation at the community level. Regional approaches that capitalize on specific geographic-driven competencies and resources should be taken into consideration. For instance, revitalizing the One-Town, One-Product (OTOP) Programme as a part of the government approach as whole in national recovery efforts could be a key starting point. OTOP can promote

local entrepreneurship, creating jobs and generating additional income for local communities, fostering increased participation of the private sector and LGUs in the economic recovery programme. Through OTOP, local authorities in every city and municipality can take the lead in identifying, developing and promoting a specific product or service based on the local community's competitive advantage. MSMEs can be supported through best technologies and best practices to manufacture, offer and market distinctive products or services using indigenous raw materials and local skills and talents, promoting innovation, productivity and competitiveness. Encouraging consumers to support products manufactured by local MSMEs will be important as well.

2.5 Industry innovation and diversification

Expectations about the “new normal” included both opportunities and challenges among firms in terms of new investments to support resilience building and diversification.

Firms generally showed interest in diversifying their business operations²⁴ to help them adapt to the “new normal”. Some firms were considering new business models while others were contemplating the production of new products and processes. In fact, a higher share of microenterprises had already attempted implementing new business models focused on using online channels²⁵. Others specifically requested assistance in accessing new markets. Most firms believed that there would be changes in marketing activities, with particular emphasis on e-commerce, as well as changes in operations and processes (inventory, distribution, etc.), while still others stated that they expected new business regulations to be crafted and implemented²⁶. Diversification and adjustment to the “new normal” will certainly require thinking out of the box and the adoption of standards and technologies. Most firms recognized that they may need assistance in transitioning to the use of advanced digital and disruptive technologies, the application of standards and technologies related to e-commerce, quality and safety standards for products and processes, occupational health, energy efficiency and renewable energy, among others²⁷.

Regardless of how the “new normal” and its characteristics were perceived, the assessment showed that firms were actively thinking about approaches and opportunities on how to adapt to the “new normal”. Industry innovations and diversification will be important in supporting the creation of new domestic and global markets, decreasing reliance on imported goods and raw

²⁴ Major Finding 10, (page 33).

²⁵ Major Finding 4, (page 23).

²⁶ Major Finding 9, (page 32).

²⁷ Ibid. 24.

materials as well. Quality, safety and digital infrastructure as well as the innovation ecosystem must be strengthened through effective policies and programmes, incentives for technology development and adoption, and investment promotion, ensuring access for MSMEs and socio-economic inclusion for as many as possible. MSMEs can also be supported through technical assistance grants and subsidized programmes for access to technologies, markets, etc. as they enter the “new normal”. Financial tools and technologies and other similar packages can boost productivity and financial sustainability in a digitalized environment.

One positive impact of the COVID-19 containment measures in the country has been the decrease in greenhouse gas emissions during the quarantine period, encouraging the prioritization of climate-related issues in green recovery efforts. There appears to be momentum to shift the country’s development paradigm towards green investments and green jobs. As such, stimulus and investment programmes should direct funds to key industries and sectors that would boost the expansion of infrastructure in the transport, healthcare, education and energy sectors. This could also cover investments in specific areas such as efficient food value chains, electro-mobility and environmentally sound waste management. The recovery programme should accelerate government investments in clean energy and incentivize local companies to improve energy efficiency.

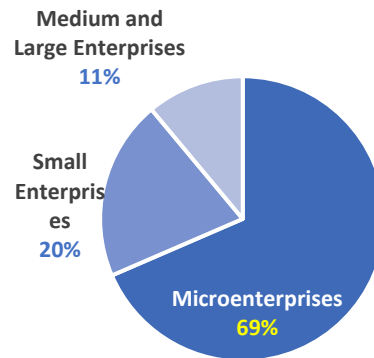
3 Respondent demographics

This section presents the key results and takeaways in relation to the respondents’ demographics, including some information on the basic characteristics of the firms’ business operations. Whenever relevant, relationships among disaggregated classifications are provided. Relevant data and their corresponding charts are presented as needed. Information on confirmed COVID-19 cases in key locations under ECQ during the survey period are also discussed. The detailed data, charts and findings are available upon request.

Key takeaways:

1. *A considerable majority of respondent firms (69 per cent) are microenterprises.* Around half of these firms are in the manufacturing sector, a predominant number of which produce finished goods, mostly for the domestic market. This segment also accounts for a larger share of firms that are youth-led and women-owned and have been in operation for 3 years or less. A vast majority of these firms were fully Filipino-owned, with firm owners who completed at least a tertiary level education.

Respondent firms according to firm size

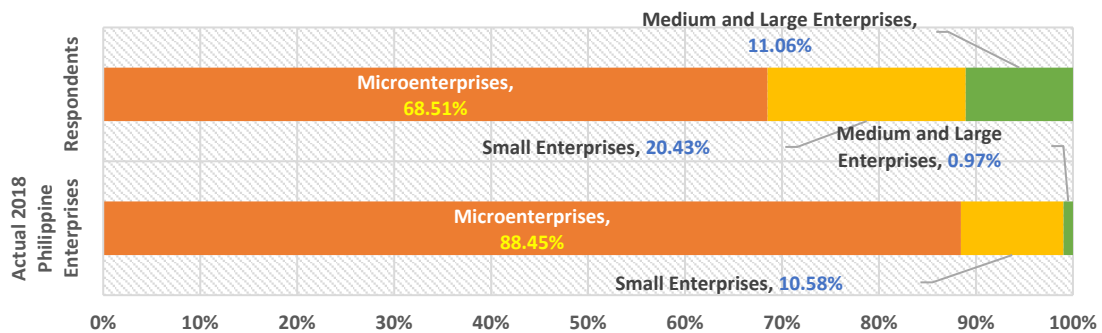


2. *The next biggest group are small enterprises, accounting for one-fifth of respondents.* This group was represented by a larger share of firms engaged in manufacturing when compared with other firm sizes. While a considerable majority produces finished goods for the export market, a higher proportion compared to microenterprises in the manufacturing sector also produce intermediate products. The owners of about half of the small firms that participated in the survey are aged 50 years and above, while a large majority of firms is owned by men. Nearly 9 out of 10 of these firms have been in operation for over 10 years. Mostly are fully Filipino-owned, most of the owners had completed a tertiary level education, with a considerable share proceeding to attain post-graduate degrees.

3. *Grouped together, medium-sized and large enterprises comprise about one-tenth of respondent firms.* While half of these firms are in the manufacturing sector (similar to the group of microenterprises), a bigger share is also from the service sector. As is the case for small firms, most medium / large enterprises also produce finished goods, almost entirely for export, while a higher proportion compared to microenterprises in the manufacturing sector produces intermediate products. A significant majority of medium / large firms is owned by individuals who are aged 50 years and older, while, similar to the case of small firms, a considerable majority is owned by men, although far more than is the case for smaller firms. Most of the firms are Filipino-owned, with a vast majority having been in operation for over 10 years; a larger share of these firms' owners have successfully completed post-graduate programmes.

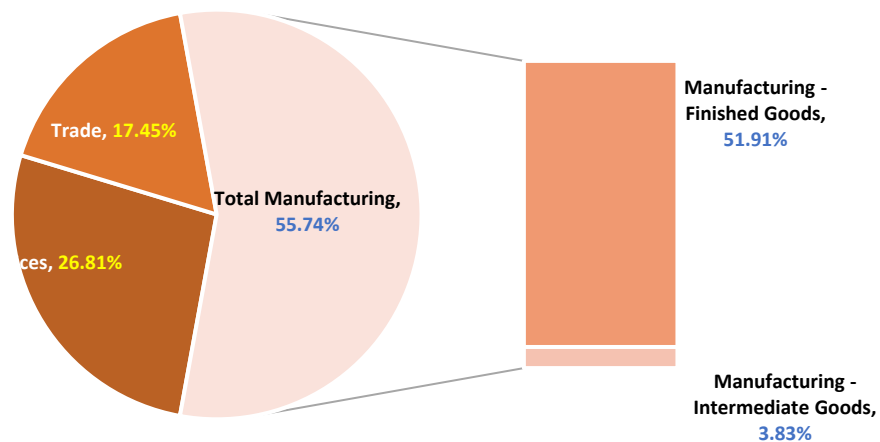
4. While the relative sizes of the percentages of respondent firms according to asset size are, to some extent, consistent with the real proportions of Philippine enterprises nationwide, the share of microenterprises that participated in the survey was considerably lower than the actual number of microenterprises in the country based on 2018 MSME data. By contrast, the number of small, medium-sized and large enterprises that participated was higher compared to the national data.

Comparison of total number of Philippine enterprises (in 2018) and respondent firms according to firm size

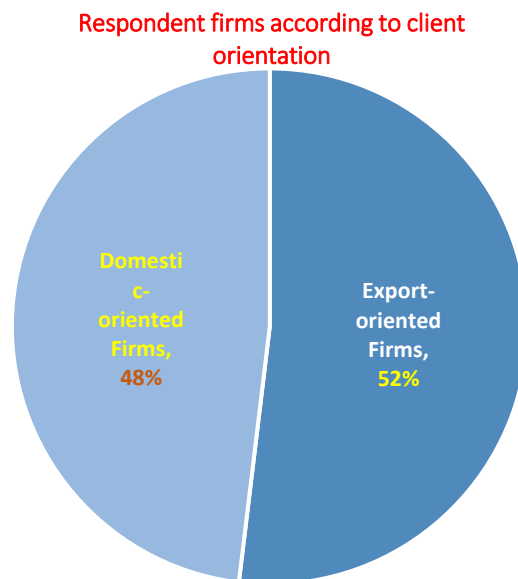


5. *A majority of respondent firms is from the manufacturing sector, specifically, the food and beverages industry.* The share of respondents representing the manufacturing sector, a vast majority of which produce finished goods, is higher compared to the actual number of firms in the country. The firms from the trade and service sectors were also well-represented, although at lower percentages compared to the country’s actual number of such firms.

Respondent firms according to sector



6. *There is an equal mix of participating firms that are export-oriented and domestic-oriented.* According to UNIDO's definition, export-oriented firms include those that intensively participate in global value chains (GVCs) and export outside of the GVCs with at least 10 per cent of their sales going to foreign entities and multinational companies. Domestic-oriented firms, on the other hand, are those with sales of 90 per cent or more to domestic markets.



7. Firms in the trade sector tend to be domestic-oriented while those in the service sector are more export-oriented. Domestic-oriented firms tend to have been in operation for 3 years or less while more export-oriented firms have already been operational for more than 10 years. A higher share of firms in the manufacturing sector have been in operation for over 10 years.
8. Firms located in the National Capital Region (NCR) and Region IVA (CALABARZON) comprise half of the respondent firms. These regions were part of the Luzon-wide Enhanced Community Quarantine that was implemented from 15 March throughout the survey period. These were also the locations with the highest number of positive COVID-19 cases in Luzon.

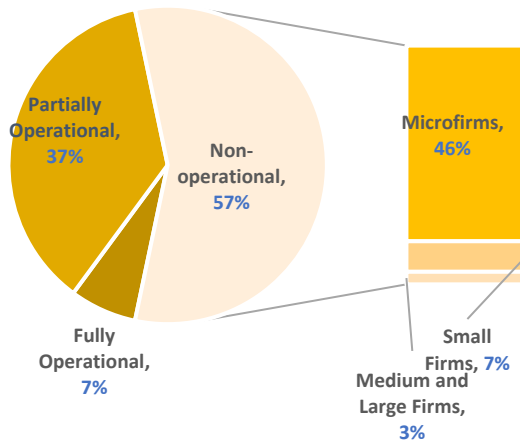
4 Major findings

This section presents the key results and takeaways on the immediate effects of the COVID-19 containment measures on Philippine enterprises and the support necessary for subsequent recovery. Whenever relevant, the relationships between the disaggregated classifications are provided. Relevant data and their corresponding charts are presented as needed. The detailed data, charts and findings are available upon request.

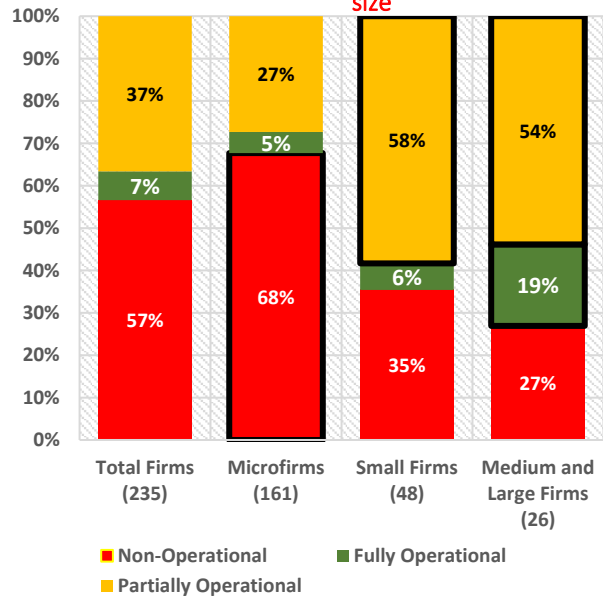
Key takeaways:

1. *The majority (57 per cent) of respondent firms were not operating during the survey period.* A higher share of microenterprises compared to total firms was not able to operate, while a higher proportion of medium and large firms was able to at least operate partially or fully. A higher share of domestic-oriented firms was not operational.
 - *The majority (53 per cent) of firms that were not operational were allowed to operate but were not able to due to various challenges.* Microenterprises and firms in the manufacturing sector appeared to be more severely affected in this regard, reflecting a higher proportion compared to the total sample.
 - The operational challenges identified by the majority of firms that were not able to operate despite being allowed to included: **(1) cashflow bottlenecks; (2) unavailability of input materials / services; and (3) lack of customers.** While cashflow seemed to be the biggest problem, concerns relating to the transport of employees and logistics issues were also raised. The lack of input materials and services figured prominently as well, particularly for manufacturing firms and domestic-oriented firms, causing them to halt their operations. The lack of customers was the leading concern for firms in the service sector.

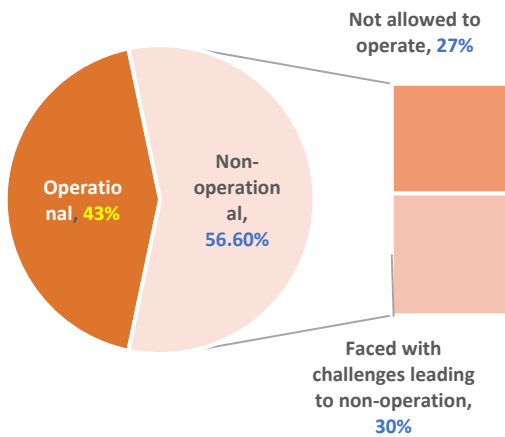
Respondent firms according to operational status



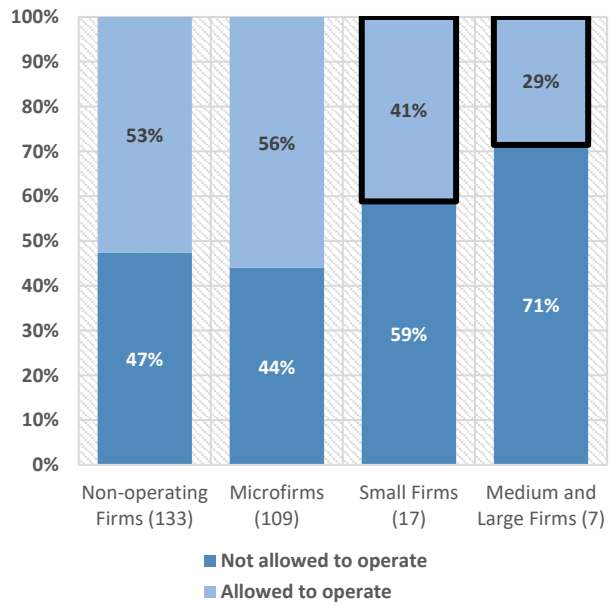
Respondent firms, operational status vs firm size



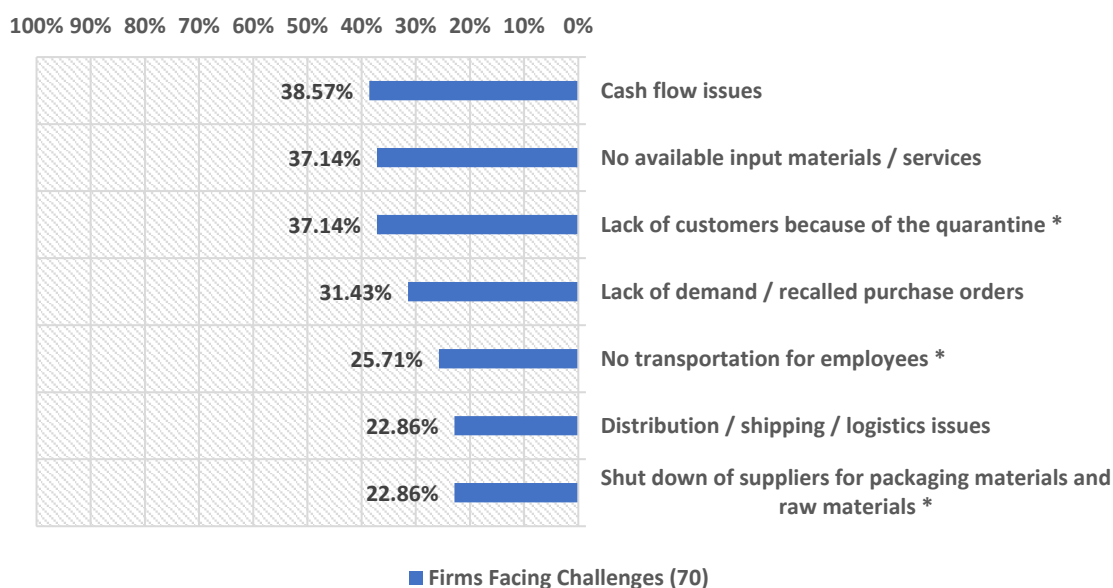
Respondent firms according to permission to operate



Respondent firms, permission to operate vs firm size



Challenges faced by non-operating firms permitted to operate



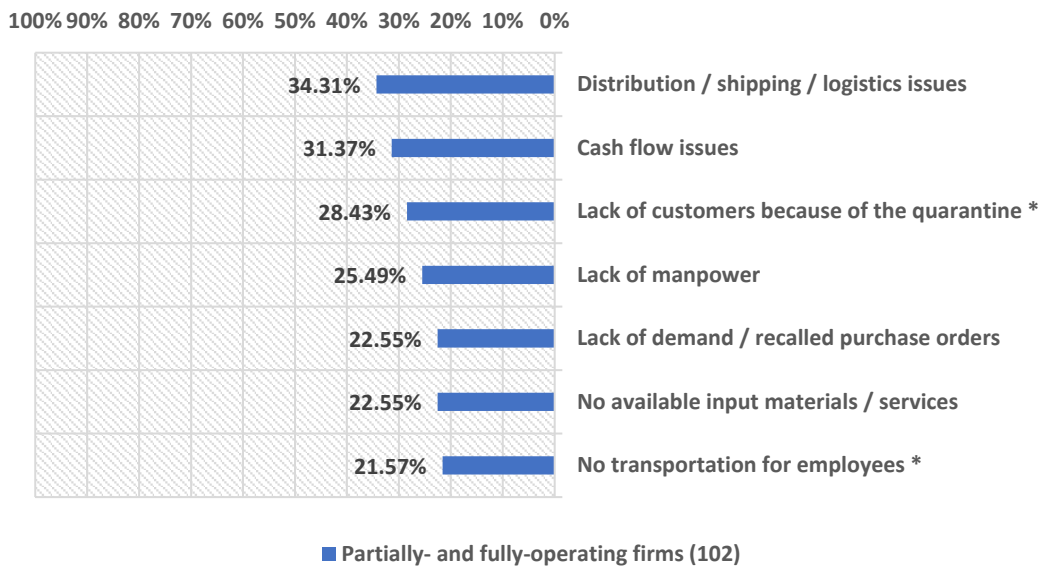
Note: * voluntary responses

2. *The main concerns among firms that were able to fully or at least partially operate (43 per cent) mostly revolved around disrupted value chains.*

- The operational challenges identified by a high share of these firms included: **(1) distribution, shipping and logistics problems; (2) cashflow bottlenecks; and (3) lack of customers.**
- As they were able to operate, these firms seemed to have faced fewer challenges related to the lack of input materials while **concerns about output-related factors such as “distribution / shipping / and logistics” appeared to be more pronounced,** particularly among microenterprises and those in the trade sector. Firms—microenterprises in particular—also contended with issues such as the lack of customers, as did firms in the service sector. SMEs and large firms, as well as export-oriented enterprises were more concerned about human resource challenges in relation to transport. Among these issues, cashflow bottlenecks and the lack of customers figured prominently, especially for microenterprises.
- To adapt to the crisis situation, the majority of firms introduced **(1) reduced working / operating hours; (2) moved to partial operations; and (3) requested employees to work from home.** Medium-sized and large firms requested their employees to work from home. This set-up was more easily implemented by firms outside of the manufacturing sector. Manufacturing firms mostly resorted to reducing their production volume. Small-sized firms, on the other hand, opted to operate partially,

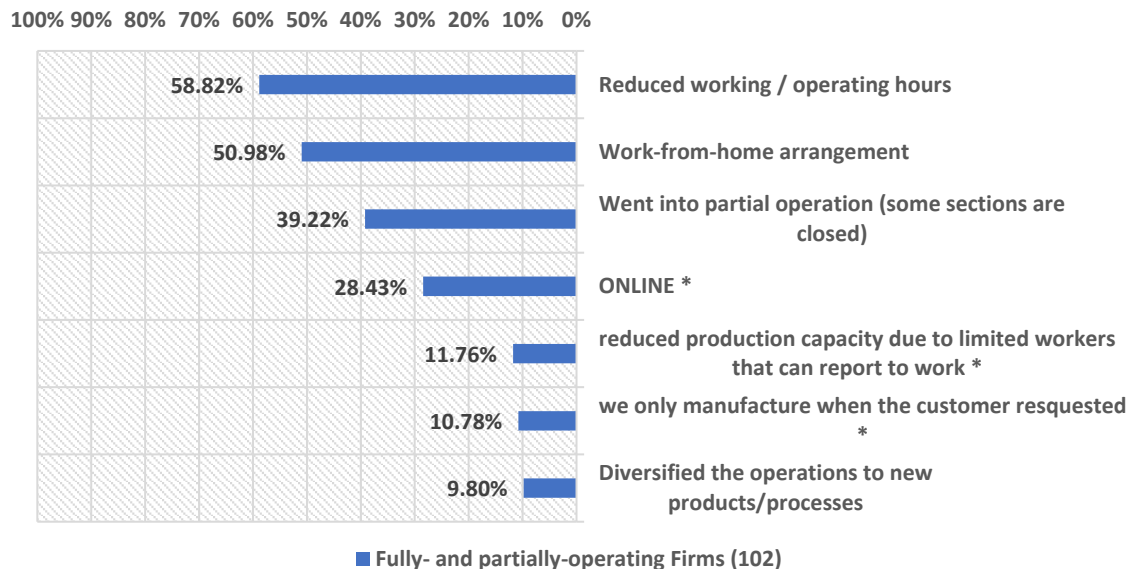
closing down certain sections of their businesses. Firms in the trade sector appeared to be struggling with this approach. Microenterprises increased the usage of online channels to continue their activities, which the service sector seemed unable to capitalize on.

Challenges faced by operational firms



Note: * voluntary responses

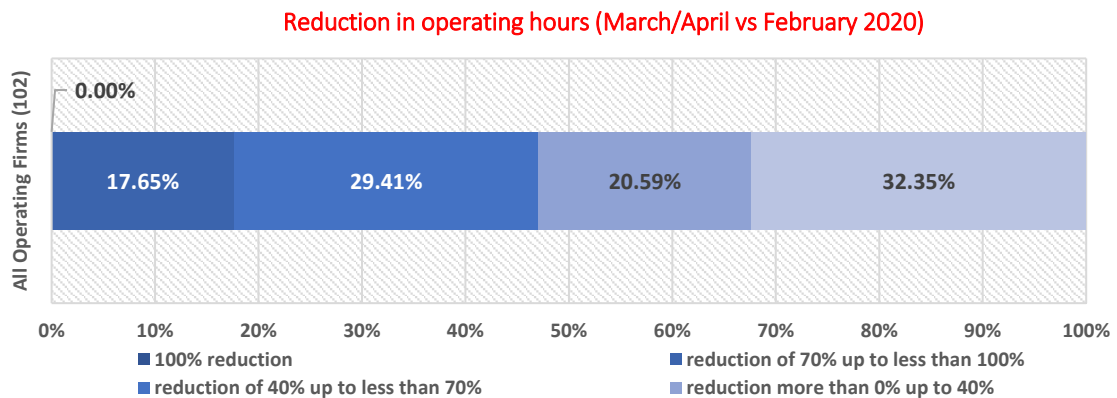
Changes adopted by operational firms



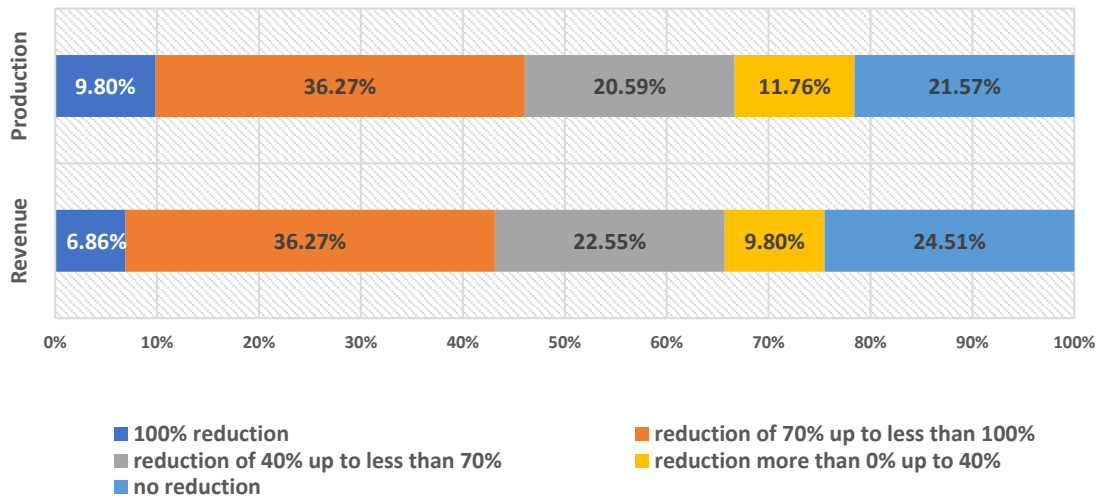
Note: * voluntary responses

3. *A roughly 40 per cent reduction in operating hours in fully- and partially operating firms resulted in a 50 per cent loss of employment and a 60 per cent reduction in revenue and production volume.*

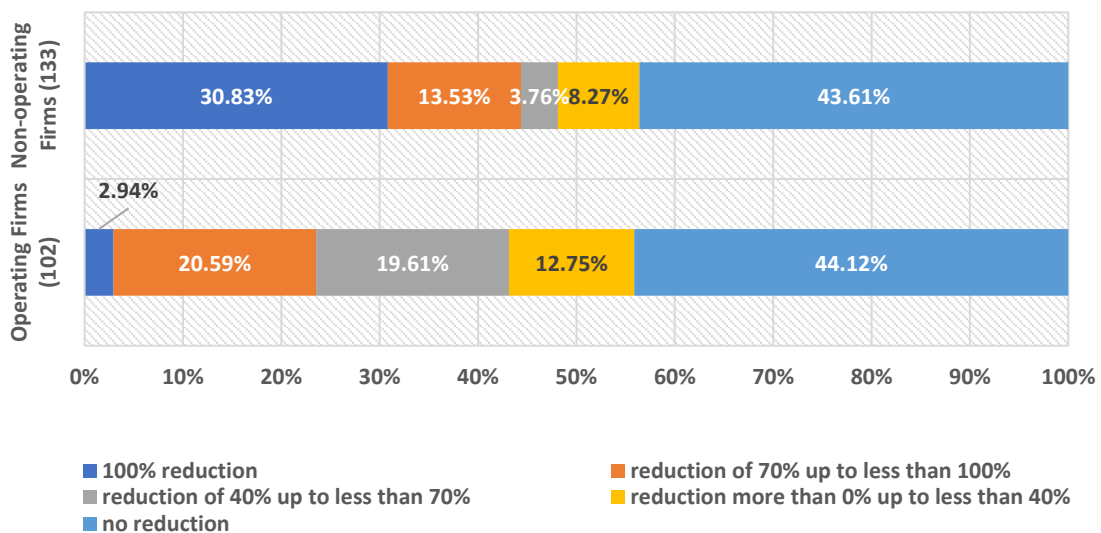
- *Compared to February 2020, about half of the firms (operational and non-operational) reduced their operating hours in March/April by at least 40 per cent.*
- *With this period, 65 per cent also reported a reduction of at least 60 per cent of both revenue and production volume.* About one-third reported layoffs of at least 70 per cent. The majority of firms that experienced cashflow bottlenecks reported a decrease in revenue of at least 40 per cent.
- *Compared to February 2020, most firms resorted to reducing their workforce in March/April at varying degrees, with around one-third of non-operational firms laid off 100 per cent of their workers.* The majority of firms reported that no women employees were laid off, while in 10 per cent of firms, 100 per cent of all women employees were laid off.
- About three-quarters of firms that laid off workers expressed the wish to re-hire their former employees. Around 80 per cent of microenterprises expressed the same intention.



Reduction in revenue and production volume (March/April vs February 2020)



Reduction in employment (March/April vs February 2020)

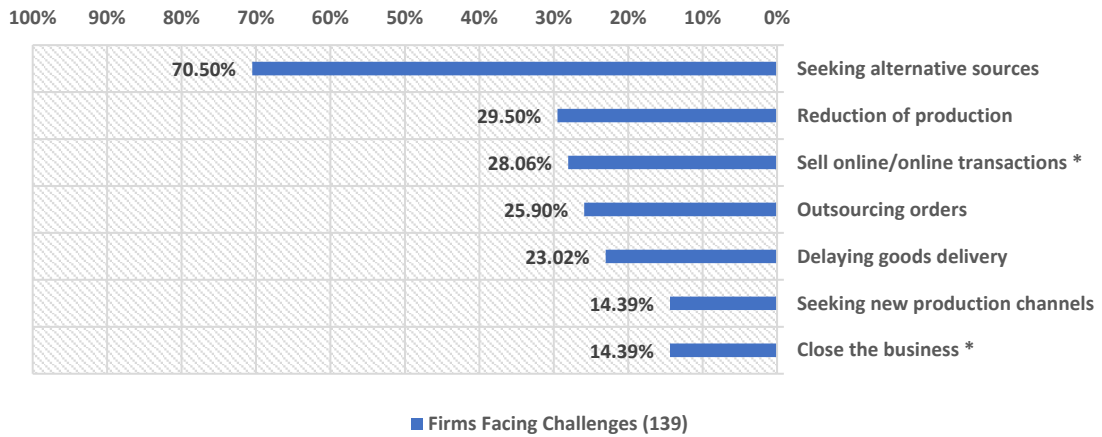


4. Whether firms were able to operate during the Enhanced Community Quarantine (ECQ), and to what extent and efficiency, depended on the availability of human resources and how well the activities within the supply chain had been coordinated.

- For firms that experienced **shortages of inputs** during the ECQ, the means they considered to address their concerns included: **(1) seeking alternative sources; (2) reduction of production; and (3) online transactions**. A considerable majority considered seeking alternative sources of raw materials and services over other possible actions.

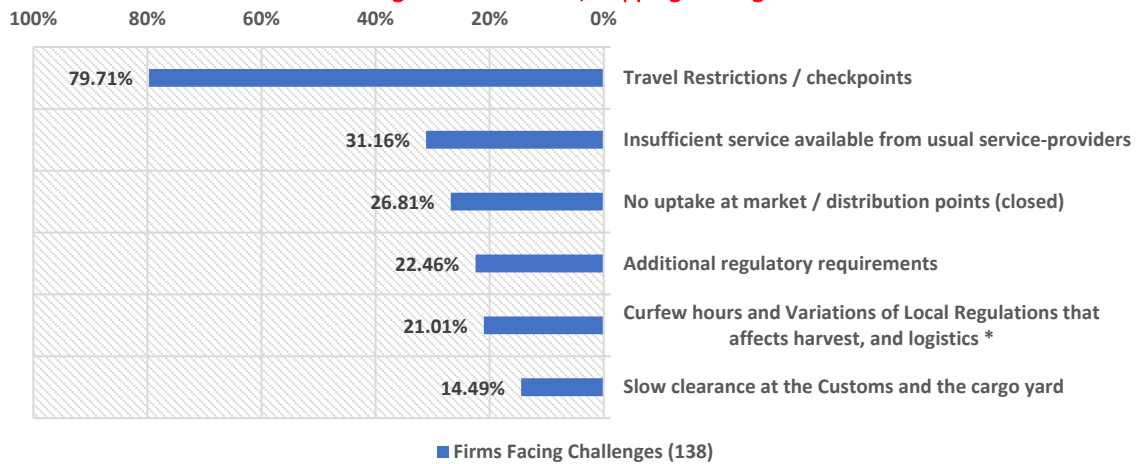
- The nature of concerns around **distribution, shipping and logistics**, as indicated by a high share of firms, included: **(1) travel restrictions / checkpoints; (2) insufficient service availability; and (3) no uptake at markets / distribution points**. A large majority identified travel restrictions and checkpoints as the main reason for the challenges they faced in terms of distribution, shipping and logistics. This may have potentially caused about at least 70 per cent of reduction in sales revenue for around 40 per cent of operating firms.
- The measures used by a high proportion of firms **to address concerns surrounding distribution, shipping and logistics** included **(1) alternative service providers; (2) waiting for the lifting of the quarantine; and (3) searching for alternative markets**. While a higher share of medium-sized, large firms and firms in the trade sector considered seeking out alternative service providers, microenterprises, manufacturing firms and firms in the service sector mostly opted to wait for the quarantine and restrictions to be lifted. Domestic-oriented firms, in particular, were more interested in looking for alternative markets compared to other firm types.
- A higher proportion of firms indicated **(1) a lack of available transport; (2) anxiety of workers to go to work; and (3) difficulty of social distancing at the workplace, as the cause of their problems with regard to lack of manpower**. A considerable majority mentioned lack of available transport as their main challenge in relation to the lack of manpower.
- A higher share of firms indicated **(1) acceptance of the decrease in sales; (2) delays in delivery; and (3) additional measures to ensure workplace safety as some of the options to address challenges associated with the lack of manpower**. Firms, in particular medium-sized and large enterprises, considered providing staff with housing apart from introducing additional measures to workplace safety.

Means considered to address shortages of inputs

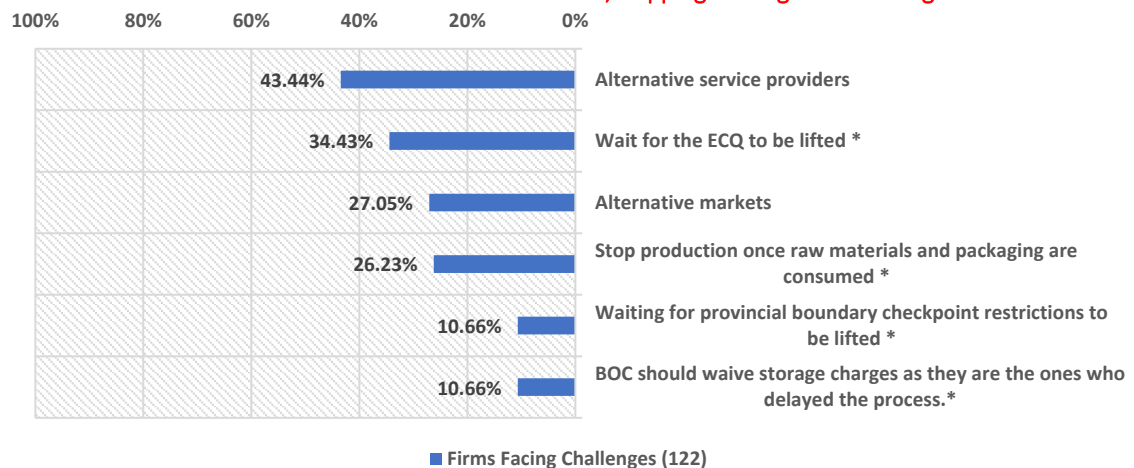


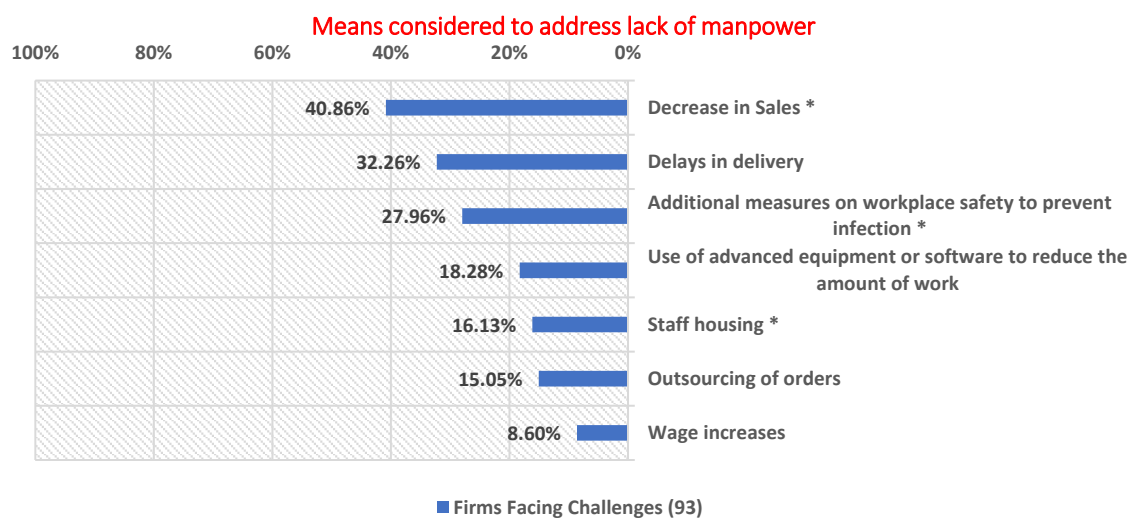
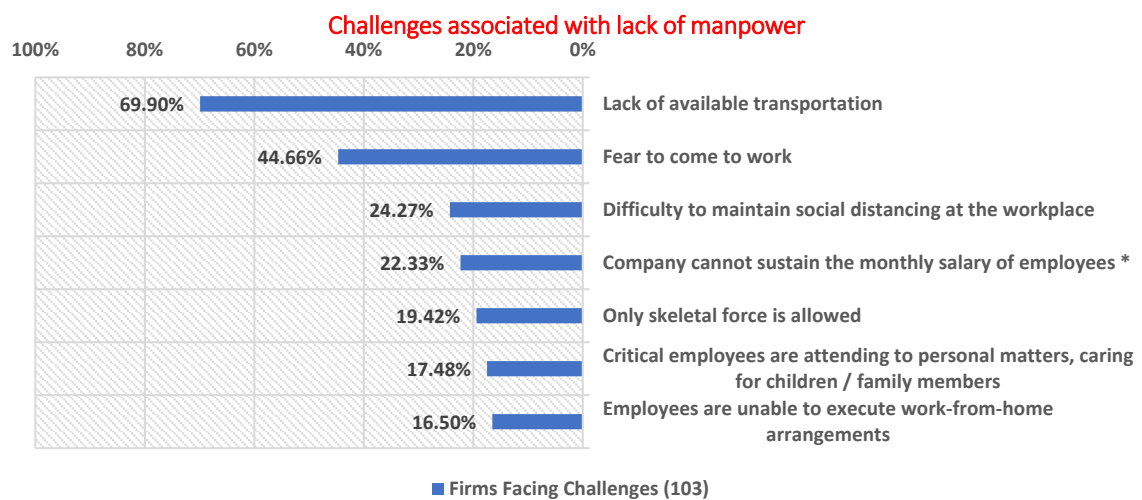
Note: * voluntary responses

Challenges in distribution, shipping and logistics



Means considered to address distribution, shipping and logistics challenges





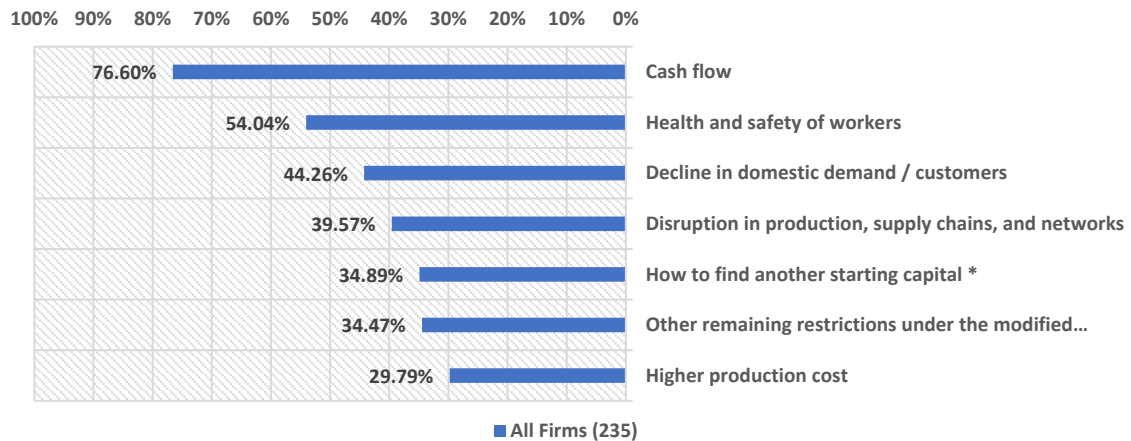
Note: * voluntary responses

5. *Some of the biggest challenges a higher share of firms expect to face when economic activities resume after the ECQ is lifted include (1) cashflow bottlenecks; (2) health and safety of workers; and (3) decline in domestic demand / customers.*

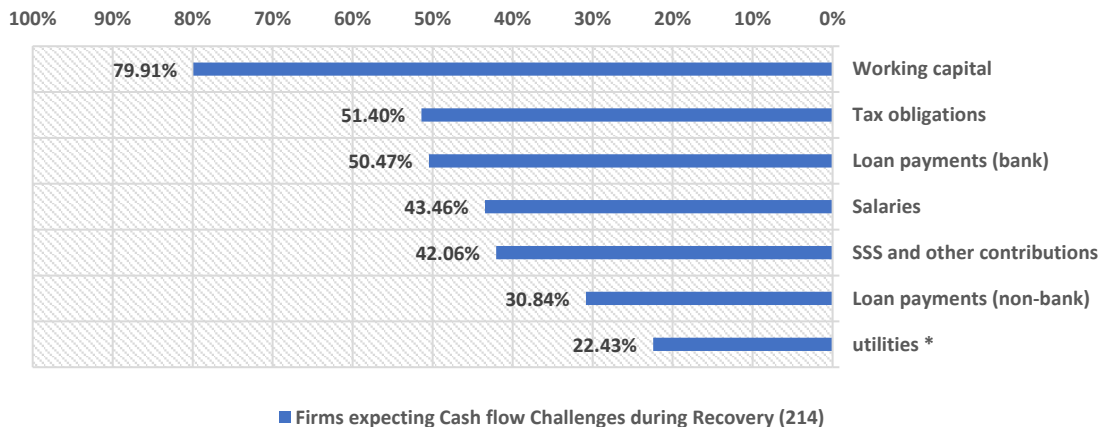
- A considerable majority of firms responded that cashflow will be one of the biggest challenges they will be facing. Responses on the health and safety of workers were consistent with the concerns about the lack of manpower that firms experienced during ECQ. Similarly, comments on the decline in domestic demand and customers seemed to be a continuing concern expected beyond the ECQ with regard to distribution, shipping, logistics and supply chains in general.

- In relation to cashflow bottlenecks, a higher proportion of firms identified these as being: (1) **working capital**; (2) **tax obligations**; and (3) **loan repayments to banks**.
- Given these challenges, a higher share of firms indicated that they were considering (1) **loans from government financial institutions**; (2) **subsidies for MSMEs**; and (3) **DTI loans, DOST loans for machinery to address their cashflow bottlenecks**. The majority of firms that were expecting cashflow bottlenecks, namely SMEs and large firms in particular, indicated that they were planning to take out loans from government financial institutions. A higher share of microenterprises was hoping to receive subsidies.
- *Among firms considering loans to address their cashflow bottlenecks, about 65 per cent indicated they would be used for working capital; about 40 per cent for loan repayments, and 40 per cent for tax obligations.*

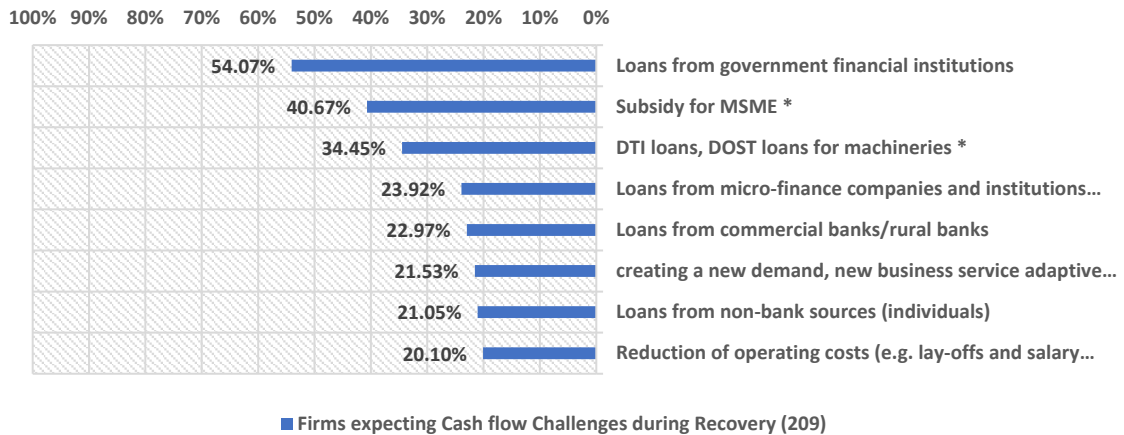
Biggest challenges for firms during recovery



Nature of cashflow bottlenecks



Means considered to address cashflow bottlenecks

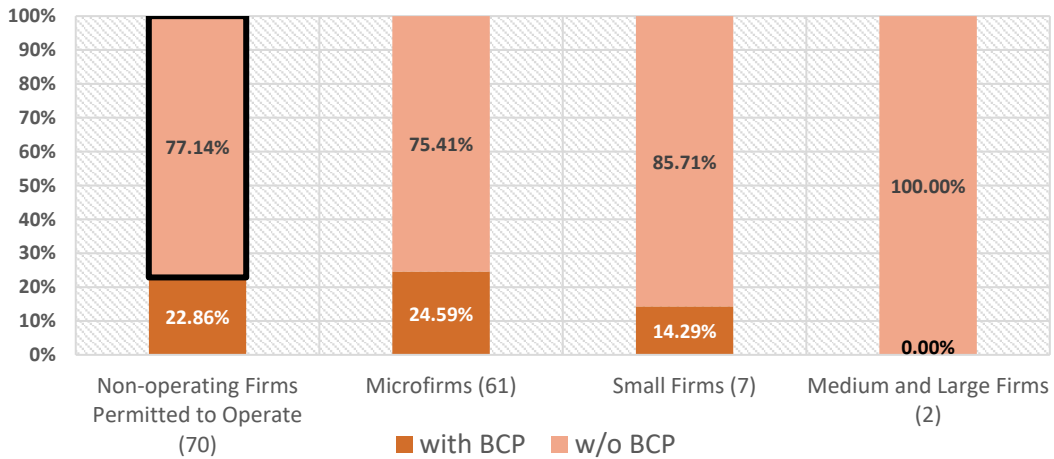


Note: * voluntary responses

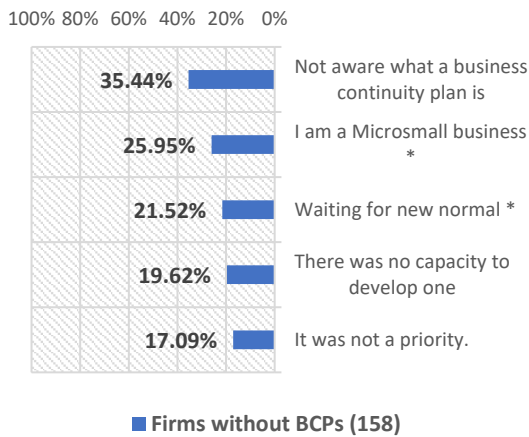
6. About one-third of respondent firms had BCPs.

- ***A large share of firms that were not able to operate despite being allowed to did not have existing business continuity plans (BCPs).*** This is consistent with the challenges these firms faced in relation to “lack of input materials / services”, transport for employees and “distribution, shipping and logistics”. Two-thirds of respondent firms did not have BCPs in place.
- For firms with no existing BCPs, a higher share reported that they: **(1) were not familiar with BCPs; (2) were a micro- business; and (3) that there was no capacity to develop one.**
- ***For firms with existing BCPs, a higher proportion indicated that they experienced challenges in implementing it.*** The majority of firms indicated that their BCP was **inadequate and lacking**, while others mentioned that their BCP **did not adequately respond to the emergency** and that **restrictions during ECQ limited activities.**

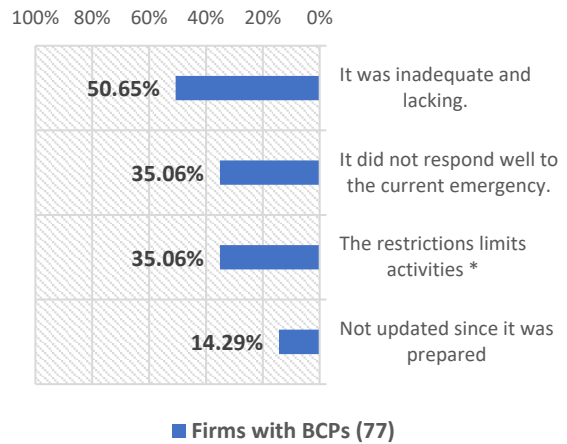
Non-operating firms allowed to operate, BCP vs firm size



Reasons for not having a BCP



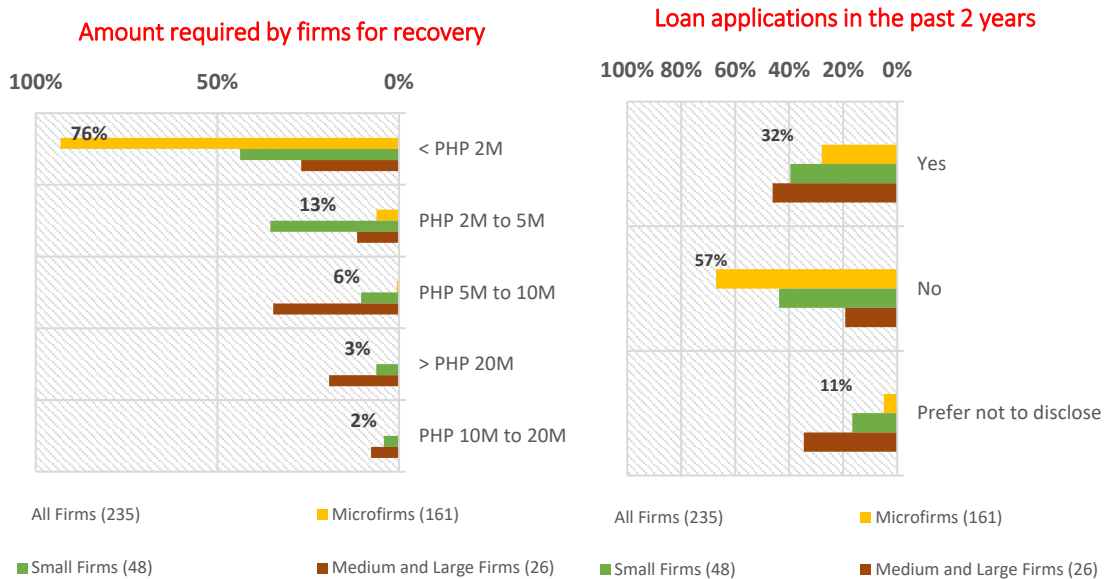
Challenges in implementing a BCP



Note: * voluntary responses

7. About 75 per cent of firms expected that they would need at most PHP 2 million to help in their business recovery.

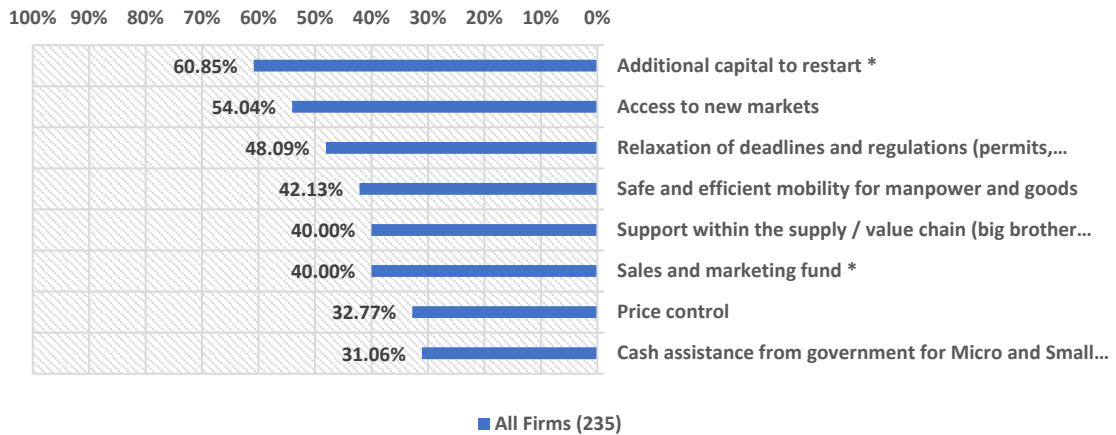
- **Around 60 per cent reported that they had not applied for a loan in the past 2 years.** A higher share of microenterprises, firms owned by women, and firm owners aged below 50 years reported that they had not applied for a loan over the past 2 years.
- **A higher proportion of firms that have taken loans in the past 2 years indicated that they were considering taking out another loan to address their cashflow bottlenecks.**



8. Firms indicated that they will require support in the areas of (1) market and business environment; (2) human resources and compensation; and (3) financial aspects to assist in the recovery of their business.

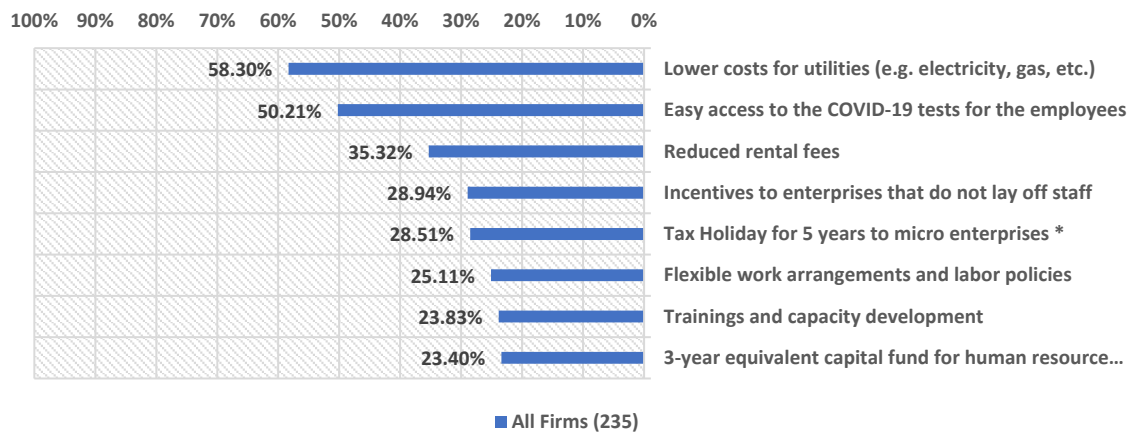
- As regards assistance in the area of market and business environment, a higher share of firms indicated that they would require: **(1) additional capital to re-start their operations; (2) access to new markets; and (3) relaxation of deadlines and regulations.**
- In terms of human resources and compensation, a higher proportion of firms stated that they would welcome: **(1) lower costs for utilities; (2) easy access to COVID-19 tests for employees; and (3) reduced rental fees.**
- To support their recovery along financial lines, firms also identified **(1) access to financial assistance / loans; (2) reduction of tax rates / deferral of taxes; and (3) for government to not charge penalties.**
- A vast majority of firms called for access to financial assistance and loans while many other firms mentioned lower costs for utilities and access to new markets, among others.

Required support for recovery of firms - market and business environment

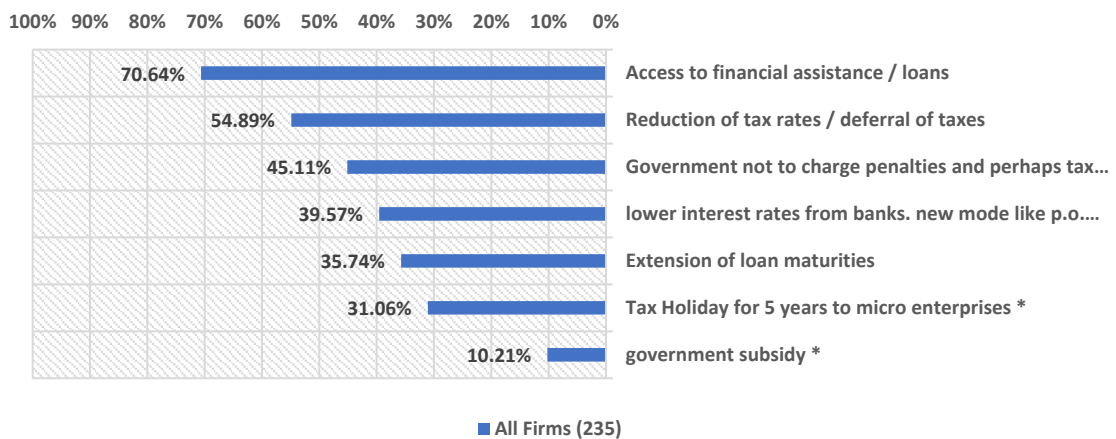


Note: * voluntary responses

Required support for recovery of firms - human resources and compensation



Required support for recovery of firms - financial aspects

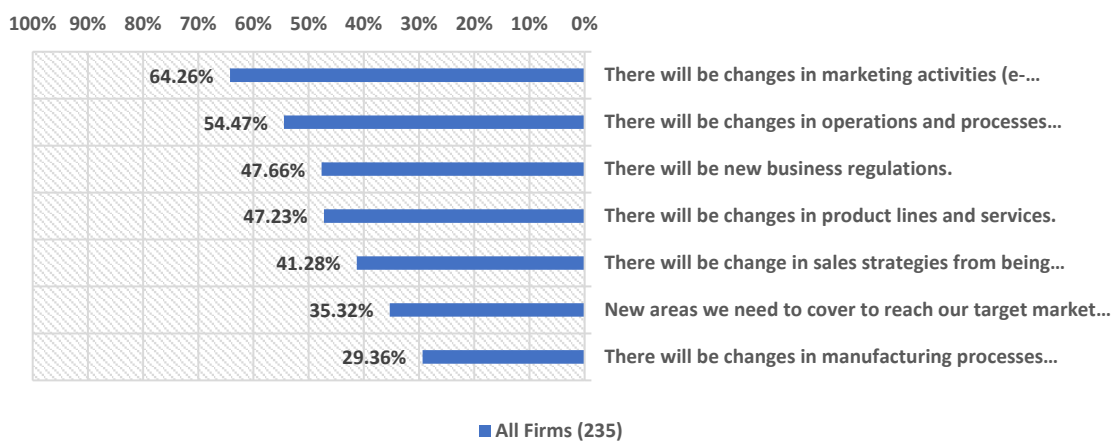


Note: * voluntary responses

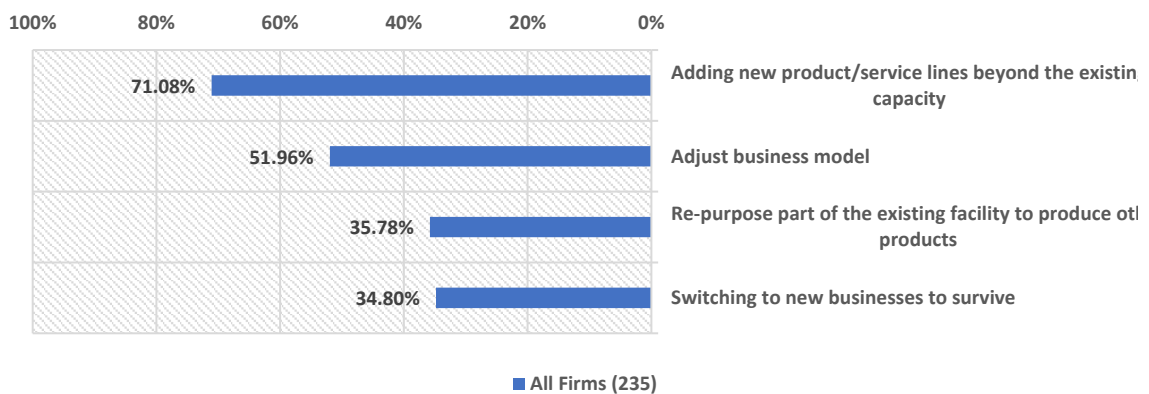
9. *A higher share of firms stated that as far as the “new normal” is concerned, they will introduce changes to their marketing activities (e-commerce); to their operations and processes (inventory, distribution, etc.); new business regulations will be introduced, and changes in product lines and services will be introduced.*

- Younger firm owners and women owners appeared to be more inclined to believe that they would implement changes in their marketing activities in the “new normal” while a higher proportion of older firm owners and men claimed that they would introduce changes in their operations and processes in the “new normal”.
- *A vast majority of firms (85 per cent) indicated their willingness to diversify in light of the “new normal”. A higher share of firms considered (1) adding new product / service lines beyond their existing capacity; (2) adjusting business models; and (3) repurposing part of their existing facilities to produce other products.*

Perception of the "new normal"



Options considered for diversification of operations



Note: * voluntary responses

10. *Looking forward and preparing for the “new normal”, a higher share of firms indicated interest in considering standards and technology solutions to help them adapt better to future crises: (1) advanced digital and disruptive technologies; (2) e-commerce; and (3) quality and safety standards for products and services.* These responses appeared to be consistent with how firms perceived the “new normal”, characterized by new marketing approaches and new products and processes. A higher share of firm owners aged 50 years and below were more interested in e-commerce and quality/safety standards, while those aged 50 years and above were more interested in process improvements and renewable energy / energy efficiency.



Annexes

ANNEX A	Detailed List of Sectors Allowed to Operate During ECQ and GCQ as per DTI Memorandum Circular 20-22	35
ANNEX B	List of Questions Used in the Assessment	41

ANNEX A – Detailed List of Sectors Allowed to Operate During ECQ and GCQ as per DTI Memorandum Circular 20-22

SUBJECT: Business Establishments or Activities Allowed to Operate in Areas Declared Under Enhanced Community Quarantine (ECQ) and General Community Quarantine (GCQ) Pursuant to the Omnibus Guidelines on Community Quarantine as Confirmed and Adopted by the President Under Executive Order No. 112 S. 2020

Section 3. Category I – IV Business Establishments or Activities. Annexed to this circular is the list of business establishments or activities under Category I – IV, both for allowed and not allowed, according to the categorization provided under the Omnibus Guidelines, as confirmed and adopted by Executive Order No. 112 S. 2020

No presumption shall arise as to the exclusivity or inclusivity of the enumeration of business establishments or activities annexed in this circular. The Department may update the annexed list to add or limit the coverage of business activities and establishments under them as the need arises.

Category 1 Industries: Full Operational Capacity		
Sectors	Allowed in ECQ	Allowed in GCQ
Retail Establishments (Groceries, Supermarkets, Hypermarkets, Convenience Stores, Public Markets, Pharmacies and Drug Stores)	✓	✓
Laundry Shops (including self-service)	✓	✓
Food Preparation Establishments insofar as take-out and delivery services and Water-Refilling Stations	✓	✓
Logistics Service Providers (Cargo Handling, Warehousing, Trucking, Freight Forwarding, and Shipping Line)	✓	✓
Delivery Services, whether in-house or outsourced, transporting food, medicine, other essential goods such as hygiene products and medical supplies, clothing, accessories, hardware, housewares (such as appliances), school and office supplies, including computer accessories, ink, IT, communications, and electronics equipment, pet food, and other veterinary products	✓	✓
Power, energy, water, information technology and telecommunications supplies and facilities, including waste disposal services as well as property management and building utility services	✓	✓
Electricity, Gas, Steam, and Air Conditioning Supply Services	✓	✓
Water Collection, Treatment, and Supply	✓	✓

Category 1 Industries: Full Operational Capacity		
Sectors	Allowed in ECQ	Allowed in GCQ
Waste Collection, Treatment and Disposal Activities, and Materials Recovery	✓	✓
Sewerage (except emptying of septic tanks but including pest control, garbage collection and disposal, sewer maintenance and treatment)	✓	✓
Repair and Installation of Machinery and Equipment	✓	✓
Real Estate Activities (For GCQ: Include leasing, buying, selling, subdividing, appraising, and development of cemetery and columbarium)	✓	✓
Telecommunications companies, internet service providers, cable television providers, including those who perform indirect services such as the technical, sales, and other support personnel, as well as the employees of their third-party contractors doing sales, installation, maintenance and repair works	✓	✓
Energy companies, their third-party contractors and service providers, including employees involved in electric transmission and distribution companies, electric power plant and line maintenance, electricity market and retail suppliers, as well as those involved in the exploration, operations, trading and delivery of coal, oil, crude or petroleum and by-products (gasoline, diesel, liquefied petroleum gas, jet oil, kerosene, lubricants), including refineries and depots or any kind of fuel used to produce electricity	✓	✓

Category 1 Industries: Full Operational Capacity		
Sectors	Allowed in ECQ	Allowed in GCQ
Gasoline Stations	✓	✓
Construction workers accredited by the Department of Public Work and Highways to work on facilities identified for purposes of quarantine and isolation, including such facilities for the health sector, emergency works, flood control, and other disaster risk reduction and rehabilitation works	✓	✓
Manufacturing companies and suppliers of equipment or products necessary to perform construction works	✓	✓
Media Establishments	✓	✓

Category 2 Industries: 50% Up to Full Operational Capacity		
Sectors	Allowed in ECQ	Allowed in GCQ
Other Manufacturing Activities - Beverages (e.g. alcoholic drinks) - Cement and Steel - Electrical Machinery - Wood Products, Furniture - Non-metallic Products - Textiles/ Wearing Apparels - Tobacco products - Paper and Paper products - Rubber and Plastic Products - Coke and Refined Petroleum products - Other non-metallic products - Computer, Electronic, and Optical Products - Electrical Equipment - Machinery and Equipment - Motor Vehicles, Trailers, and Semi-Trailers - Other Transport Equipment - Others	x	✓

Category 2 Industries: 50% Up to Full Operational Capacity		
Sectors	Allowed in ECQ	Allowed in GCQ
Mining and Quarrying	✓	✓
Electronic Commerce Companies	✓	✓
Postal and Courier and Delivery Services of all other products not included in Section 2.4.f of the Omnibus Guidelines	✓	✓
Export-oriented companies (For ECQ: work-from-home, onsite or near site accommodation, or point-to-point shuttling arrangements. Export-oriented businesses shall be allowed to install and transport the necessary work-from-home equipment, to enhance their operations by deploying their workers under on-site or near-site accommodation arrangements, or provide point-to-point shuttle services from their near-site accommodations to their offices)	✓	✓
Essential public and private construction projects, such as but not limited to sewerage, water services facilities, and digital works, and health facilities, and priority projects	x	✓
Repair of Computers and Personal and Household Goods	✓	✓
Housing Service Activities	✓	✓
Office Administrative, Office Support and Other Business Activities, such as but not limited to photocopying, billing, and record keeping services	x	✓

Category 2 Industries: 50% Up to Full Operational Capacity		
Sectors	Allowed in ECQ	Allowed in GCQ
Accommodation only for the following: - For areas outside Luzon, guests who have existing booking accommodations for foreigners as of May 1, 2020; - Guests who have existing long-term bookings; - Distressed Overseas Filipino Workers (OFWs) and stranded Filipinos or foreign nationals; - Repatriated OFWs in compliance with approved quarantine protocols; - Non-OFWs who may be required to undergo mandatory facility-based quarantine; and - Health care workers and other employees from exempted establishments under the Omnibus Guidelines and Applicable Memoranda from the Executive Secreetary	✓	✓
Funeral and embalming services. Provided, that funeral service operators are directed to provide shuttling service and/or housing accommodations for their personnel and staff	✓	✓
Veterinary Clinics	✓	✓
Security and Investigatuon Activities	✓	✓

Category 3 Industries: 50% Work-On-Site Arrangement, Work-From-Home, and Other Alternative Work Arrangement		
Sectors	Allowed in ECQ	Allowed in GCQ
Business Process Outsourcing (BPO) companies with work-from-home, on-site or near site accommodation, or point-to-point shuttling arrangements. For this purpose, BPOs and their service providers shall be allowed to install and transport the necessary work-from-home equipment, to enhance their operations by deploying their workers under on-site or near-site accommodation arrangements, or provide point-to-point shuttle services from their near-site accommodations to their offices	✓	✓
Banks, money transfer services, microfinance institutions, pawnshops, and credit cooperatives, including their armored vehicle services, if any	✓	✓
Capital markets, including but not limited to the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Philippine Stock Exchange, Philippine Dealing and Exchange Corporation, Philippine Securities Settlement Corporation, and the Philippine Depository and Trust Corporation	✓	✓

Category 3 Industries: 50% Work-On-Site Arrangement, Work-From-Home, and Other Alternative Work Arrangement		
Sectors	Allowed in ECQ	Allowed in GCQ
Other Financial Services such as Money Exchange, Insurance, Reinsurance, and Pension Funding, Except Compulsory Social Security	✗	✓
Legal and Accounting	✗	✓
Management Consultancy Activities	✗	✓
Architecture and Engineering Activities; Technical Testing and Analysis	✗	✓
Scientific and Research Development	✗	✓
Advertising and Market Research	✗	✓
Computer Programming (such as writing modifying, testing and supporting software, planning and designing computer systems), information service activities (such as data processing and hosting activities) and other related activities	✗	✓
Publishing and Printing Activities (such as printing of newspapers, magazines, and other periodicals, books, brochures, manuscripts, posters, maps, atlases, advertising catalogues, prospectuses, etc; printing directly onto textiles, plastic, glass, metal wood, and ceramics)	✗	✓
Motion Picture, Video and Television Program Production, Sound Recording, and Music Publishing Activities	✗	✓
Rental and Leasing Activities, other than real estate (such as leasing of motor vehicles, machinery, and equipment, except for entertainment and mass gathering purposes)	✓	✓

Category 4 Industries: Not Allowed to Operate		
Sectors	Allowed in ECQ	Allowed in GCQ
Gyms/ Fitness studios and Sports Facilities	x	x
Entertainment industries such as but not limited to cinemas and theaters, karaoke bars, comedy bars, pubs, bars, nightclubs, beerhouses, etc.	x	x
Kid amusement industries such as but not limited to toy stores, playgrounds, playrooms and rides	x	x
Libraries, archives, museums, and other cultural centers art galleries, botanical and zoological gardens	x	x
Tourist destinations such as but not limited to water parks, beaches, and resorts except those used as quarantine facility	x	x
Travel agencies, tour operators, reservation service and related activities	x	x
Gambling and betting such as but not limited to cockfighting, casinos, and the like	x	x
Personal Care Services such as massage parlors, sauna bath establishments, facial care, foot spa, and waxing salons	x	x
Any other amusement, leisure, gaming, and tourism establishments that promote mass gathering	x	x
Category 3 Industries: 50% Work-On-Site Arrangement, Work-From-Home, and Other Alternative Work Arrangement		
Sectors	Allowed in ECQ	Allowed in GCQ
Employment Activities (such as recruitment and placement, for essential activities)	✓	✓
Other activities such as photography services; fashion. Industrial, graphic, and interior design	x	✓
Malls and Commercial Centers)including hardware stores, clothing and accessories, mall-based government frontline services, other non-leisure stores and establishments; provided, that dining services shall remain closed	x	✓
Barbershops and salon (including nail care), subject to compliance with strict health standards	x	✓
Other non-leisure whole sale and retail establishments and activities: - Wholesale and Retail Trade of Motor Vehicles, Motorcycles, and Bicycles, including their parts and components - Repair of motor vehicles, motorcycles, and bicycles (including vulcanizing shops, battery repair shops, auto repair shops) - Hardware stores -Bookstores and school and office supplies stores - Baby care supplies stores - Pet food and pet care supplies; IT, communications, and electronic equipment; flower, jewelry, novelty, antique, perfume shops	x	✓

ANNEX B – Assessment Tool, List of Questions

Assessment of the Socio-economic Effects of COVID-19 and Containment Measures on Philippine Enterprises

Dear Respondent,

The United Nations Industrial Development Organization (UNIDO) seeks your cooperation in filling out this questionnaire to reflect your situation and experiences in coping with the current COVID-19 pandemic and related containment measures. By understanding the specific concerns and challenges faced enterprises, development partners like UNIDO can better provide technical and financial assistance and policy advice to help address both immediate and long-term needs of enterprises.

UNIDO is the specialized agency of the United Nations mandated to promote inclusive and sustainable industrial development (ISID). In the Philippines, the UNIDO Country Programming Framework focuses on three components: (1) supporting inclusive, sustainable, innovation-led industrialization, (2) fostering green and resilient industrial communities, and (3) cultivating effective partnerships for ISID.

The information you provide will be kept confidential and aggregated data and conclusions will be used for planning purposes only.

We look forward to receiving your responses to the survey, latest by **09 May 2020**.

For any assistance on matters pertaining to this survey, you can reach us at office.philippines@unido.org with copy to J.Eufemio@unido.org.

Thank you and continue to stay safe.

Sincerely,

Tonilyn P. Lim
UNIDO Country Representative
Philippines



www.unido.org

[www.facebook.com/UNIDO Philippine Office](https://www.facebook.com/UNIDO-Philippine-Office)

twitter.com/UNIDO_Phils

Instructions:

1. Please choose the best answer for each question. Kindly note that some questions will allow for multiple responses up to a prescribed maximum.
2. If the choice “OTHERS” is selected, you will be requested to provide specifics.
3. There needs to be a response to every question. The “not applicable” option is provided in some questions to ensure a response.

*** required fields**

Business Profile	
	Questions
	Company name (OPTIONAL): _____
	<p>1. What is the age of the business owner?</p> <p><input type="checkbox"/> Below 25 years</p> <p><input type="checkbox"/> 25 to 35 years</p> <p><input type="checkbox"/> 35 to 50 years</p> <p><input type="checkbox"/> Above 50 years</p>
	<p>2. What is the owner’s highest educational attainment?</p> <p><input type="checkbox"/> Primary education</p> <p><input type="checkbox"/> Secondary education</p> <p><input type="checkbox"/> Tertiary education</p> <p><input type="checkbox"/> Post-graduate</p> <p><input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i></p>
	<p>3. What is the owner’s gender?</p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p> <p><input type="checkbox"/> LGBTQi+</p> <p><input type="checkbox"/> Prefer not to disclose</p>
	<p>4. How long has your business been operating?</p> <p><input type="checkbox"/> Less than 3 years</p> <p><input type="checkbox"/> 3 to 5 years</p> <p><input type="checkbox"/> 5 to 10 years</p> <p><input type="checkbox"/> more than 10 years</p>
	<p>5. What is the ownership structure of your business?</p> <p><input type="checkbox"/> 100% Filipino-owned</p> <p><input type="checkbox"/> Joint venture with foreign partners</p>

	<p>6. Under which classification is your business identified?</p> <p><input type="checkbox"/> Microenterprise (below 10 employees; asset size up to PhP 3,000,000)</p> <p><input type="checkbox"/> Small Enterprise (10 to 99 employees; asset size PhP 3,000,001 to PhP 15,000,000)</p> <p><input type="checkbox"/> Medium Enterprise (100 to 199 employees; asset size from PhP 15,000,001 to PhP 100,000,000)</p> <p><input type="checkbox"/> Large Enterprise (200 employees and above; asset size above PhP 100,000,000)</p>
	<p>7. How many total employees did you have at the end of 2019? _____</p> <p>What % of them is women? _____</p>
	<p>8. How many full-time employees did you have at the end of 2019? _____</p> <p>What % of them is women? _____</p>
	<p>9. What type of business are you running?</p> <p><input type="checkbox"/> Manufacturing</p> <p><input type="checkbox"/> Services</p> <p><input type="checkbox"/> Trade (wholesale and retail)</p> <p><input type="checkbox"/> Agro-processing (agriculture, forestry, and fishing)</p>
	<p>10. What does your business predominantly produce/handle? (Select all applicable choices.)</p> <p><input type="checkbox"/> Finished goods for consumers</p> <p><input type="checkbox"/> Finished goods for industrial business</p> <p><input type="checkbox"/> Intermediate inputs for agriculture</p> <p><input type="checkbox"/> Intermediate inputs for manufacturing</p> <p><input type="checkbox"/> Intermediate inputs for services</p> <p><input type="checkbox"/> Services</p> <p><input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i></p>
	<p>11. Identify to which value-chain industry you best belong. (Select all applicable choices.)</p> <p><input type="checkbox"/> Food and beverage</p> <p><input type="checkbox"/> Tobacco products</p> <p><input type="checkbox"/> Textiles</p> <p><input type="checkbox"/> Wearing Apparel</p> <p><input type="checkbox"/> Leather and related products</p> <p><input type="checkbox"/> Wood, cork, rattan, bamboo, and the like</p> <p><input type="checkbox"/> Paper and paper products</p> <p><input type="checkbox"/> Printing and recorded media</p> <p><input type="checkbox"/> Coke and refined petroleum products</p> <p><input type="checkbox"/> Chemicals and chemical products</p> <p><input type="checkbox"/> Pharmaceutical products and preparations</p> <p><input type="checkbox"/> Rubber and plastic products</p> <p><input type="checkbox"/> Non-metallic mineral products</p> <p><input type="checkbox"/> Basic metals</p> <p><input type="checkbox"/> Fabricated metal products</p> <p><input type="checkbox"/> Computer, electronics, and optical products</p> <p><input type="checkbox"/> Electrical equipment</p> <p><input type="checkbox"/> Machinery and Equipment</p> <p><input type="checkbox"/> Motor vehicles, trailers, and semi-trailers</p> <p><input type="checkbox"/> Other transport equipment</p>

<input type="checkbox"/> Furniture <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>											
12. For purchases of raw materials and intermediate goods in 2019, each of these categories accounted for what percentages? (please insert value as percent of total cost for every option; total should sum up to 100%)											
percentage	0	10	20	30	40	50	60	70	80	90	100
Foreign suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multinational corporations/foreign-owned suppliers located in the county	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTAL	100%										
13. In which regions can your domestic suppliers be found? (Select all applicable choices.)											
<input type="checkbox"/> National Capital Region (NCR) <input type="checkbox"/> Region I – Ilocos Region <input type="checkbox"/> CAR – Cordillera Administrative Region <input type="checkbox"/> Region II – Cagayan Valley <input type="checkbox"/> Region III – Central Luzon <input type="checkbox"/> Region IVA – CALABARZON <input type="checkbox"/> Region IVB – MIMAROPA <input type="checkbox"/> Region V – Bicol Region <input type="checkbox"/> Region VI – Western Visayas <input type="checkbox"/> Region VII – Central Visayas <input type="checkbox"/> Region VIII – Eastern Visayas <input type="checkbox"/> Region IX – Zamboanga Peninsula <input type="checkbox"/> Region X – Northern Mindanao <input type="checkbox"/> Region XI – Davao Region <input type="checkbox"/> Region XII – SOCCSKSARGEN <input type="checkbox"/> Region XIII – Caraga Region <input type="checkbox"/> BARMM – Bangsamoro Autonomous Region of Muslim Mindanao											
14. For sales / turnover in 2019, each of these categories accounted for what percentages? (please insert value as percent of total sales for every option; total should sum up to 100%)											
percentage	0	10	20	30	40	50	60	70	80	90	100
Foreign customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multinational corporations/foreign-owned customers located in the county	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

TOTAL	100%
<p>15. In which regions can your domestic customers be found? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> National Capital Region (NCR) <input type="checkbox"/> Region I – Ilocos Region <input type="checkbox"/> CAR – Cordillera Administrative Region <input type="checkbox"/> Region II – Cagayan Valley <input type="checkbox"/> Region III – Central Luzon <input type="checkbox"/> Region IVA – CALABARZON <input type="checkbox"/> Region IVB – MIMAROPA <input type="checkbox"/> Region V – Bicol Region <input type="checkbox"/> Region VI – Western Visayas <input type="checkbox"/> Region VII – Central Visayas <input type="checkbox"/> Region VIII – Eastern Visayas <input type="checkbox"/> Region IX – Zamboanga Peninsula <input type="checkbox"/> Region X – Northern Mindanao <input type="checkbox"/> Region XI – Davao Region <input type="checkbox"/> Region XII – SOCCSKSARGEN <input type="checkbox"/> Region XIII – Caraga Region <input type="checkbox"/> BARMM – Bangsamoro Autonomous Region of Muslim Mindanao 	
<p>16. In which regions does your business have offices or production plants? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> National Capital Region (NCR) <input type="checkbox"/> Region I – Ilocos Region <input type="checkbox"/> CAR – Cordillera Administrative Region <input type="checkbox"/> Region II – Cagayan Valley <input type="checkbox"/> Region III – Central Luzon <input type="checkbox"/> Region IVA – CALABARZON <input type="checkbox"/> Region IVB – MIMAROPA <input type="checkbox"/> Region V – Bicol Region <input type="checkbox"/> Region VI – Western Visayas <input type="checkbox"/> Region VII – Central Visayas <input type="checkbox"/> Region VIII – Eastern Visayas <input type="checkbox"/> Region IX – Zamboanga Peninsula <input type="checkbox"/> Region X – Northern Mindanao <input type="checkbox"/> Region XI – Davao Region <input type="checkbox"/> Region XII – SOCCSKSARGEN <input type="checkbox"/> Region XIII – Caraga Region <input type="checkbox"/> BARMM – Bangsamoro Autonomous Region of Muslim Mindanao 	
<p>17. OPTIONAL: In case, you are interested to participate in programmes related to this survey, please provide us with contact details where we can reach you.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Name of contact person: _____ <input type="checkbox"/> Email address: _____ 	

A. Immediate Impact	
	Questions
	<p>1. What is the status of your business due to the country's containment measures (e.g. quarantine, social distancing, etc.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business is open. <input type="checkbox"/> Business is partially open (skeletal force). <input type="checkbox"/> Business is closed.
	<p>2. What changes have you adopted in your operations? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Reduced working / operating hours. Please specify % reduction: _____ <i>* if chosen</i> <input type="checkbox"/> Work-from-home arrangement <input type="checkbox"/> Lay-off <input type="checkbox"/> Went into partial operation (some sections are closed) <input type="checkbox"/> No operation <input type="checkbox"/> Diversified the operations to new products/processes <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>3. What were the challenges encountered that led to the changes in your operations? (Select top 3 choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not allowed to operate (containment measures) <input type="checkbox"/> Lack of manpower <input type="checkbox"/> Lack of demand / recalled purchase orders <input type="checkbox"/> No available input materials / services <input type="checkbox"/> Distribution / shipping / logistics issues <input type="checkbox"/> Cash flow issues <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>4. If lack of manpower was a challenge, what was the nature of the issues? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not applicable <input type="checkbox"/> Lack of available transportation <input type="checkbox"/> Only skeletal force is allowed <input type="checkbox"/> Difficulty to maintain social distancing at the workplace <input type="checkbox"/> Insufficient personal protective equipment (PPEs) <input type="checkbox"/> Fear to come to work <input type="checkbox"/> Employees are unable to execute work-from-home arrangements <input type="checkbox"/> Critical employees are sick <input type="checkbox"/> Critical employees are attending to personal matters, caring for children / family members <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>5. If lack of manpower was a challenge, what are the main means you are considering to deal with the shortage of workers? (Select top 2 choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not applicable <input type="checkbox"/> Wage increases <input type="checkbox"/> Use of advanced equipment or software to reduce the amount of work <input type="checkbox"/> Outsourcing of orders <input type="checkbox"/> Delays in delivery

	<input type="checkbox"/> Additional measures on workplace safety to prevent infection. Please specify: _____ <i>* if chosen</i> <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>6. If sourcing input materials was a challenge, what are the main means you are currently considering to deal with the shortage of inputs such as intermediate goods and raw materials? (Select top 3 choices.)</p> <input type="checkbox"/> Not applicable <input type="checkbox"/> Seeking alternative sources <input type="checkbox"/> Reduction of production <input type="checkbox"/> Outsourcing orders <input type="checkbox"/> Increasing the procurement channels <input type="checkbox"/> Seeking new production channels <input type="checkbox"/> Delaying goods delivery <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>7. If distribution / shipping / logistics was a challenge, what was the nature of the issues regarding them? (Select all applicable choices.)</p> <input type="checkbox"/> Not applicable <input type="checkbox"/> Travel restrictions / checkpoints <input type="checkbox"/> Additional regulatory requirements <input type="checkbox"/> No uptake at market / distribution points (closed) <input type="checkbox"/> Insufficient service available from usual service-providers <input type="checkbox"/> Slow clearance at the Customs and the cargo yard <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>8. If distribution / shipping / logistics was a challenge, what are the main means you are currently considering to deal with these issues? (Select all applicable choices.)</p> <input type="checkbox"/> Not applicable <input type="checkbox"/> Alternative service providers <input type="checkbox"/> Alternative markets <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>9. What has been the impact of the COVID-19 pandemic on your company's sales revenue in March/April 2020 compared to February 2020? (Select the % change from the drop-down menu.)</p> <p>Drop down menu: from -100% to 0% to +100% (intervals of 10)</p> <p>Please provide any other additional information to explain your response: _____</p>
	<p>10. What has been the impact of the COVID-19 pandemic on your company's production in March/April 2020 compared to February 2020? (Select the % change from the drop-down menu.)</p> <p>Drop down menu: from -100% to 0% to +100% (intervals of 10)</p> <p>Please provide any other additional information to explain your response: _____</p>

	<p>11. If containment measures are prolonged for another month, how do you expect your company's sales revenues to change in May 2020 compared to February 2020? (Select the % change from the drop-down menu.)</p> <p>Drop down menu: from -100% to 0% to +100% (intervals of 10)</p>
	<p>Please provide any other additional information to explain your response: _____</p>
	<p>12. What has been the impact of the COVID-19 pandemic on your company's total employment in March/April 2020 compared to February 2020? ? (Select the % change from the drop-down menu.)</p> <p>Drop down menu: from -100% to 0% to +100% (intervals of 10)</p>
	<p>Please provide any other additional information to explain your response: _____</p>
	<p>13. What percentage of those laid-off were women?</p> <ul style="list-style-type: none"> <input type="checkbox"/> up to 10% <input type="checkbox"/> 11% to 25% <input type="checkbox"/> 26% to 50% <input type="checkbox"/> more than 50% <input type="checkbox"/> not applicable
	<p>14. Are you considering re-hiring the laid-off staff when your business operations fully restart?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
	<p>15. What factors will affect your decision to re-hire laid-off workers when operations resume? (Select top 3 choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not applicable <input type="checkbox"/> Uncertainty in market conditions (demand) <input type="checkbox"/> Uncertainty in supply chain (inputs) <input type="checkbox"/> Working capital constraints <input type="checkbox"/> Uncertainty about the status of the pandemic <input type="checkbox"/> Product and process innovations/automation, therefore unsure of skills requirement <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>16. If containment measures are prolonged, how do you expect your company's employment to change in May 2020 compared to February 2020?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Increase in number. Please specify: _____% vs February 2020 <input type="checkbox"/> Decrease in number. Please specify: _____% vs February 2020 <input type="checkbox"/> No change <p>Please provide any other additional information to explain your response: _____ <i>* if chosen</i></p>

B. Recovery	
	Questions
	<p>17. What changes are you expecting to see in the business environment when the ongoing crisis/pandemic ends? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Things will go back to as it was before the crisis. <input type="checkbox"/> There will be changes in product lines and services. <input type="checkbox"/> There will be changes in raw material and energy inputs. <input type="checkbox"/> There will be changes in operations and processes (inventory, distribution, etc.). <input type="checkbox"/> There will be changes in manufacturing processes (digitalization, new technologies, etc.). <input type="checkbox"/> There will be changes in marketing activities (e-commerce). <input type="checkbox"/> There will be new business regulations. <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>18. What will be your biggest challenges in maintaining / re-starting business operations? (Select top 5 choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Decline in domestic demand / customers <input type="checkbox"/> Decline in foreign demand / customers <input type="checkbox"/> Disruption in production, supply chains, and networks <input type="checkbox"/> Cash flow (e.g. working capital, salaries, loan payments, tax obligations, etc.) <input type="checkbox"/> Higher production cost <input type="checkbox"/> Intensified market competition <input type="checkbox"/> Health and safety of workers <input type="checkbox"/> Lack of manpower <input type="checkbox"/> Other remaining restrictions under the modified community quarantine <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>19. If cash flow is expected to be an issue, what are the expected challenges in your cash flow? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Working capital <input type="checkbox"/> Fixed cost. Please specify: _____ <i>* if chosen</i> <input type="checkbox"/> Loan payments (bank) <input type="checkbox"/> Loan payments (non-bank) <input type="checkbox"/> Salaries <input type="checkbox"/> Tax obligations <input type="checkbox"/> SSS and other contributions <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i> <input type="checkbox"/> Not applicable
	<p>20. If cash flow is expected to be an issue, what means will you consider pursuing to address cash flow shortage? (Select all applicable choices.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Loans from government financial institutions <input type="checkbox"/> Loans from private development banks <input type="checkbox"/> Loans from commercial banks / rural banks <input type="checkbox"/> Loans by internet finance

	<input type="checkbox"/> Loans from micro-finance companies (microfinance Institutions, credit cooperatives, private finance companies and pawn shops) <input type="checkbox"/> Loans from non-bank sources (individuals) <input type="checkbox"/> Negotiating with lenders to avoid withdrawing loans <input type="checkbox"/> Equity financing (adding new shareholders or capital increase of former shareholders) <input type="checkbox"/> Loan restructuring / loan refinancing <input type="checkbox"/> Use of credit cards to defer payment <input type="checkbox"/> Reduction of operating costs (e.g. lay-offs and salary reductions) <input type="checkbox"/> Paying by goods/products (barter trade) <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i> <input type="checkbox"/> Not applicable
	<p>21. How much do you think you will require to fully restart your business operations?</p> <input type="checkbox"/> Less than PhP 2 million <input type="checkbox"/> PhP 2 million to PhP 5 million <input type="checkbox"/> PhP 5 million to PhP 10 million <input type="checkbox"/> PhP 10 million to PhP 20 million <input type="checkbox"/> above PhP 20 million
	<p>22. Has the business applied for a loan in the past 2 years?</p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prefer not to disclose
	<p>23. Do you have an existing Business Continuity Plan that is responsive to pandemics/health crises?</p> <input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>24. If reply in question # 23 is “Yes”, what were the challenges in implementing the business continuity plan? (Select all applicable choices.)</p> <input type="checkbox"/> Not applicable <input type="checkbox"/> It did not respond well to the current emergency. <input type="checkbox"/> It was inadequate and lacking. <input type="checkbox"/> Not updated since it was prepared <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>25. If reply in question # 23 is “No”, what were the challenges in developing a business continuity plan? (Select all applicable choices.)</p> <input type="checkbox"/> Not applicable <input type="checkbox"/> Not aware what a business continuity plan is <input type="checkbox"/> It was deemed unnecessary by top management. <input type="checkbox"/> It was not a priority. <input type="checkbox"/> There was no capacity to develop one. <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>26. What kind of support do you think your business will need to ensure a successful recovery to full operation? (Select all applicable choices.)</p> <p><u>Market and Business Environment</u></p>

- Support within the supply / value chain (enhanced big brother-small brother agreements)
- Safe and efficient mobility for manpower and goods
- Access to new markets
- Price control
- Relaxation of deadlines and regulations (permits, standards, etc.)
- Optimization of exporting tax rebate services
- Provide fast-track "force majeure" certification to avoid contract breaches
- Subsidies for digitalization and automation
- Others. Please specify: _____ ** if chosen*

Human Resources and Compensation

- Easy access to the COVID-19 tests for the employees
- Trainings and capacity development. Please specify: _____ ** if chosen*
- Compensation for businesses if closed due to employees becoming a covid-19 patient
- Reduced rental fees
- Lower costs for utilities (e.g. electricity, gas, etc.)
- Reduction of social insurance premiums
- Incentives to enterprises that do not lay off staff
- Direct subsidies based on past tax payments
- Flexible work arrangements and labor policies
- Others. Please specify: _____ ** if chosen*

Financial Aspects

- Access to financial assistance / loans
- Reduction of tax rates / deferral of taxes
- Extension of loan maturities
- Flexible credit provisions / reduction of financing costs
- Others. Please specify: _____ ** if chosen*

27. What types of standards and technology solutions will you be most interested in, to build your resilience to address the impacts of future shocks and emergencies? (Select top 5 choices.)

- Advanced digital and disruptive technologies in aid of production, commerce, safety, and supply chain management
- Energy efficiency and renewable energy
- Cold storage and other tools for inventory management
- Process improvements / re-engineering
- E-mobility
- Quality and safety standards for products, production, and services
- Occupational safety and employee health & welfare programs
- Resource efficiency and cleaner production
- Pollution control technologies
- Waste management
- E-commerce
- Online delivery of HR functions for alternative arrangements
- Others. Please specify: _____ ** if chosen*

28. Will you be interested to explore diversification of operations, new products and services, and other business models?

	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>29. If the response to question # 30 is ‘Yes’, which of the following options will you be pursuing? (Select all applicable choices.)</p> <input type="checkbox"/> Not applicable <input type="checkbox"/> Adjust business model <input type="checkbox"/> Re-purpose part of the existing facility to produce other products <input type="checkbox"/> Adding new product/service lines beyond the existing capacity <input type="checkbox"/> Switching to new businesses to survive <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>
	<p>30. How are you starting to prepare for restarting your business operations? (Select all applicable choices.)</p> <input type="checkbox"/> Talking with banks <input type="checkbox"/> Inquiring about government support programs <input type="checkbox"/> Coordinating with suppliers <input type="checkbox"/> Discussions with customers <input type="checkbox"/> Planning to permanently close shop <input type="checkbox"/> Others. Please specify: _____ <i>* if chosen</i>



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