21 April 20202

Fast and Exceptional Enterprise Survey – COVID-19

Week from 13 to 17 April 2020

COVID-19: monitoring the impact of the pandemic on enterprises

The results of the 2nd reporting week (week from 13 to 17 April 2020) confirm the developments due to the pandemic identified in the previous week. The percentage of respondent enterprises reporting that the pandemic led to a decrease in turnover remained high (80%, same proportion as in the previous week). This reduction was more than 50% in a large proportion of the responding enterprises (39%). As factors with much impact on the reduction in turnover, the absence of orders/clients and the restrictions in the context of the state of emergency were most frequently mentioned by enterprises.

60% of the enterprises reported reductions in the persons employed effectively working and 25% reported a reduction of more than 50%. Compared to the previous week, there was a stabilisation in the percentage of enterprises that reported a reduction in the persons employed, but a higher proportion of enterprises using the simplified layoff (51% compared to 48% in the previous week).

Micro enterprises and enterprises in the *Accommodation and food services* sector reported more frequent reductions of more than 75% in both turnover and persons employed.

A new survey question reveals the extent to which enterprises have adapted their activity as a result of the pandemic, with almost 30% of responding enterprises referring to diversification or modification of production and 21% referring to changing or strengthening distribution channels.

In this information note, Statistics Portugal and the Bank of Portugal publish the main results of the Fast and Exceptional Enterprise Survey – COVID-19 (COVID-IREE), addressed to a wide range of micro, small, medium and large enterprises, representing the various sectors of economic activity (see technical note).

This survey aims to identify some of the main effects of the COVID-19 pandemic on business activity. It is based on a rapid response questionnaire on turnover, number of workers, use of public support instruments, availability of liquidity, use of credit and prices charged. The survey will remain active as long as justified and will hopefully have a weekly frequency.

This week a **new question** was included regarding the reaction of enterprises to the effects of the pandemic on their activity through product diversification and/or changing distribution channels.

It is important to note that the results of this survey refer **exclusively** to the responding enterprises in each reporting week which still constitute a significant mass of the business sector (about 5.8 thousand in this second week) [1]. These

[1]Number of valid responses until the end of 17th April, corresponding to a response rate of 65.7%, more 9.3 p.p. than in the previous week. The results of the previous week have been slightly revised by the inclusion of about 2 hundred responses that were submitted

enterprises basically correspond to a representative sample underlying the calculation and compilation of the monthly sectoral turnover indices published by Statistics Portugal. For further information, it is recommended to read the technical note.

Statistics Portugal and the Bank of Portugal are grateful for the co-operation of enterprises in this difficult situation that Portugal is now going through.

SUMMARY OF RESULTS

The results of the 2nd reporting week (week from 13 to 17 April 2020) indicate that:

- Around 82% of the responding enterprises were still in production or operation. By economic activity, this percentage is significantly lower in *Accommodation and food services* (38%).
- 80% of the responding enterprises reported that the pandemic led to a decrease in turnover (the same proportion as in the previous week), with a large proportion of enterprises (39%) reducing their turnover by more than 50%, mainly reflecting the absence of orders/clients and mobility restrictions in the context of the state of emergency.
- 60% of the enterprises reported reductions in persons employed effectively working and 25% reported a reduction of more than 50%. Compared to the previous week, there is a higher proportion of enterprises resorting to simplified layoff (51%, compared to 48%).
- A significant proportion of the responding enterprises reported having adapted their activity by diversifying or modifying production (29% of the enterprises) or changing or strengthening distribution channels (21%).
- A significant percentage of enterprises have already made use of the simplified layoff. For other recently implemented public support measures, only a very small percentage of enterprises have already benefited from these measures, but there is a higher percentage that plan to benefit. However, excluding the simplified layoff, a significant proportion of enterprises (between 46% and 58%, depending on the measure) still does not consider the use of support measures.
- 48% of the enterprises state that they do not have the liquidity to remain in activity for more than two months without additional liquidity support measures, with higher percentages in the group of micro and small enterprises and especially in the *Accommodation and food services* sector.
- Around 12% of the enterprises used additional credit in the previous week, this percentage being higher in micro-sized enterprises and lower in large ones (20% and 5%, respectively). Most of the new loans were taken out on similar terms as before.

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during the past Saturday and Sunday. Circumscribing the analysis to the enterprises that responded simultaneously in the two weeks (4,174 enterprises), there is no substantial difference from that presented in this information note.

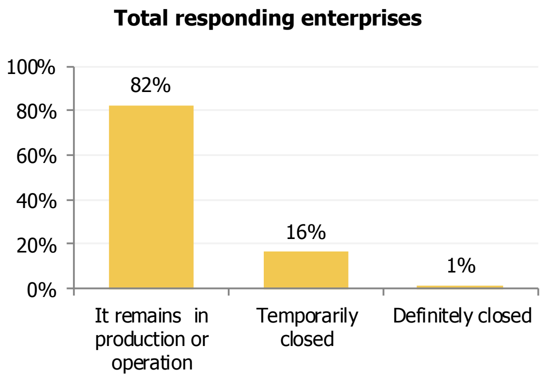
- The intention to maintain prices is mentioned by 90% of the enterprises, while 8% reported that they should decrease, a percentage that is more than doubled in the *Accommodation and food services* sector.

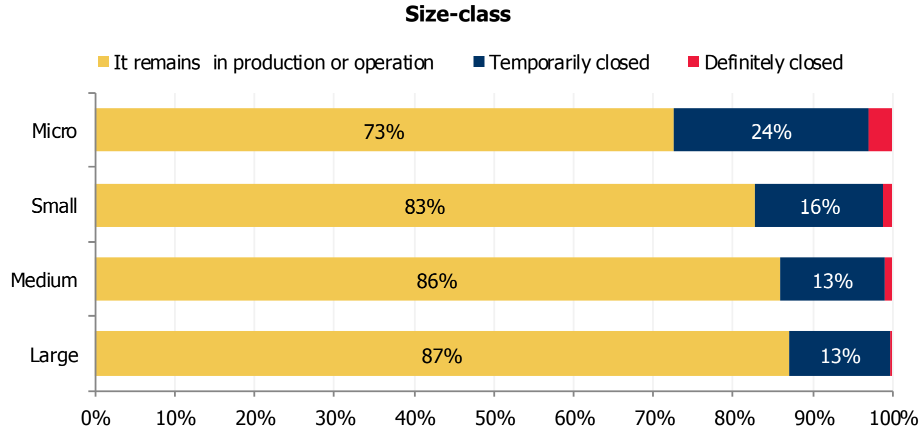
Situation of the enterprises in the week from 13 to 17 April 2020

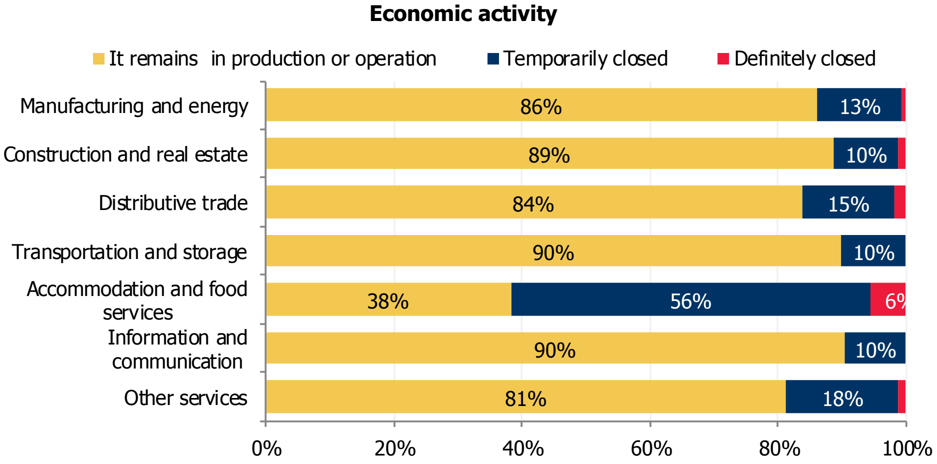
82% of the responding enterprises were still operating

- 82% of the enterprises remained in production or operation, even partially. Around 16% of the enterprises were temporarily closed, while 1% had been definitely closed.
- A higher proportion of closed enterprises (temporarily and definitely) is observed among smaller enterprises.
- By economic activity, the percentage of enterprises closed (temporarily and definitely) is higher in *Accommodation and food services*.
- Regarding the definitive closure, the restrictions in the context of the state of emergency and the absence of orders/clients remained as reasons of major impact by almost all enterprises

Figure 1 • Situation of the enterprises, as a % of the total number of enterprises





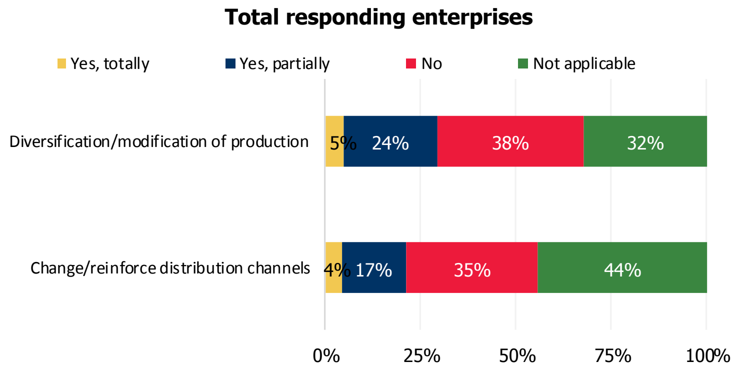


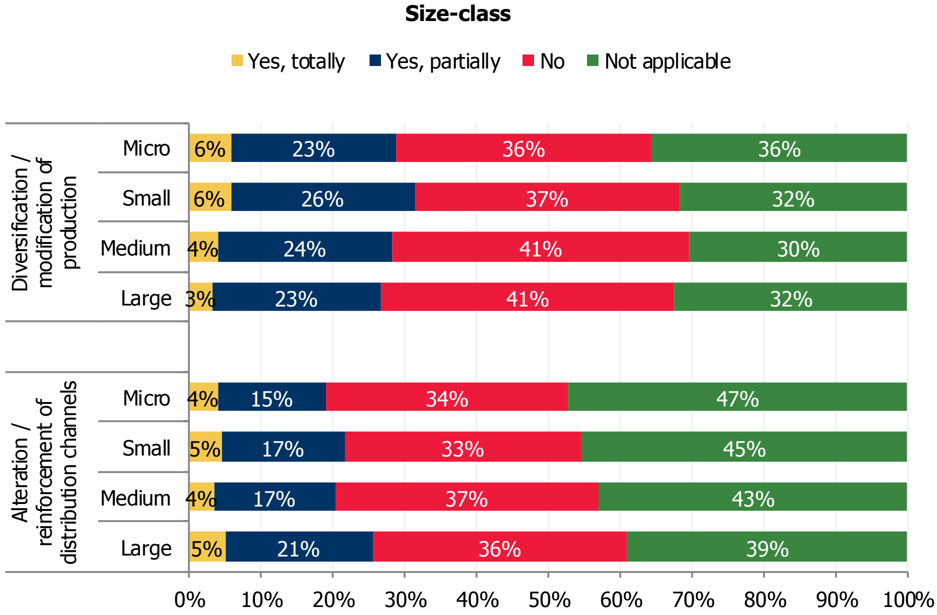
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

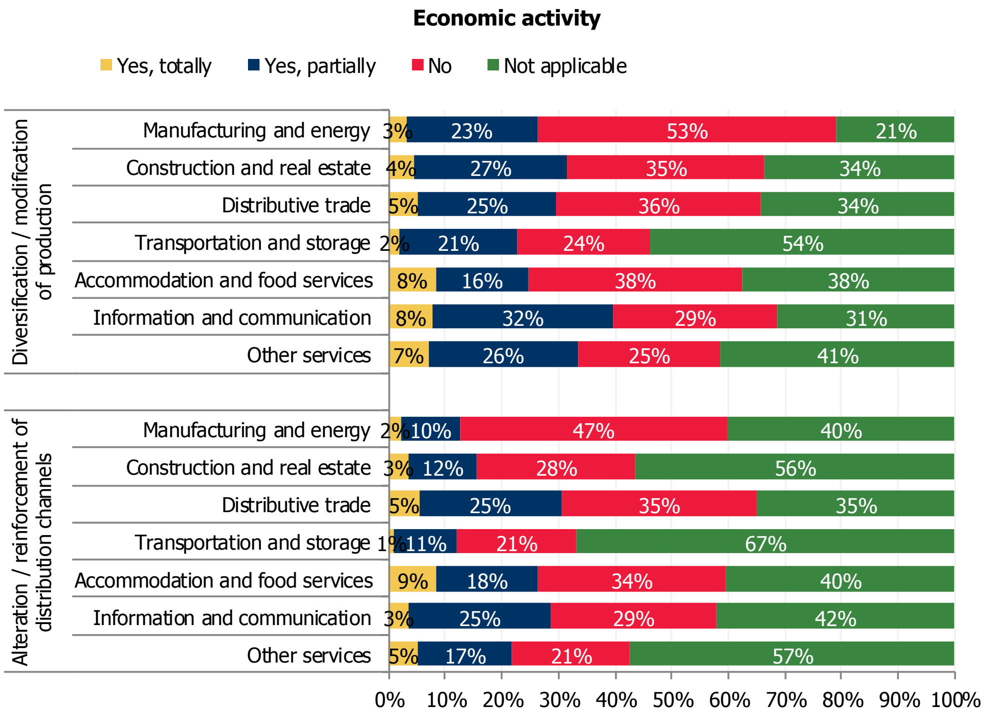
Adaptation of enterprise activity due to the pandemic in the week from 13 to 17 April 2020

- 29% of enterprises have diversified or modified their activity and 21% have changed or strengthened their distribution channels, either totally or partially, as a result of the pandemic.
- 24% of enterprises have diversified or partially modified their production and 5% have done so in total.
- Enterprises reported changing or strengthening distribution channels (e.g. online or takeaway), partially (17%) or totally (4%).
- There are no significant differences in the responses by enterprise size-class.
- By economic activity, should be highlighted the percentage of enterprises in the *Information and communication* sector that have diversified or modified their activity as well as the proportion of enterprises in the services sector, with the exception of the *Transportation and storage* sector, that have changed or strengthened the distribution channels.

Figure 2 • Adaptation of enterprise activity in the week due to the pandemic, as a % of the total number of enterprises in operation or temporarily closed




Size-class
Yes, totally
Yes, partially
No
Not applicable
Diversification / modification of production
Alteration / reinforcement of distribution channels
Micro
Small
Medium
Large
6% 23% 36% 36%
6% 26% 37% 32%
4% 24% 41% 30%
3% 23% 41% 32%
4% 15% 34% 47%
5% 17% 33% 45%
4% 17% 37% 43%
5% 21% 36% 39%
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

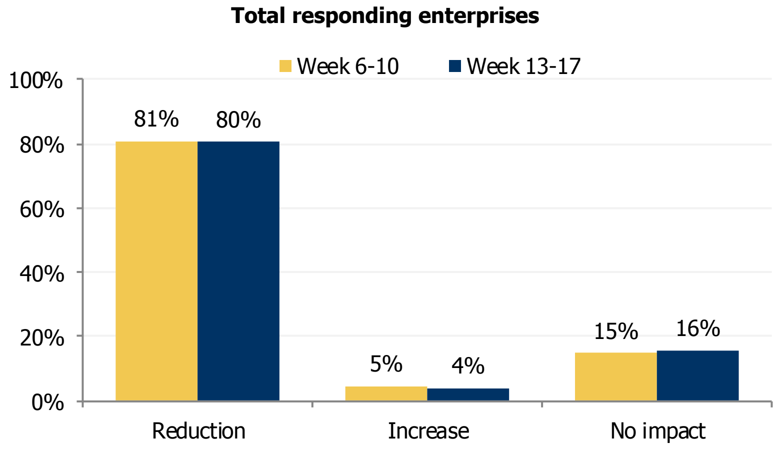

Economic activity
Yes, totally
Yes, partially
No
Not applicable
Diversification / modification of production
Alteration / reinforcement of distribution channels
Manufacturing and energy
Construction and real estate
Distributive trade
Transportation and storage
Accommodation and food services
Information and communication
Other services
3% 23% 53% 21%
4% 27% 35% 34%
5% 25% 36% 34%
2% 21% 24% 54%
8% 16% 38% 38%
8% 32% 29% 31%
7% 26% 25% 41%
2% 10% 47% 40%
3% 12% 28% 56%
5% 25% 35% 35%
1% 11% 21% 67%
9% 18% 34% 40%
3% 25% 29% 42%
5% 17% 21% 57%
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

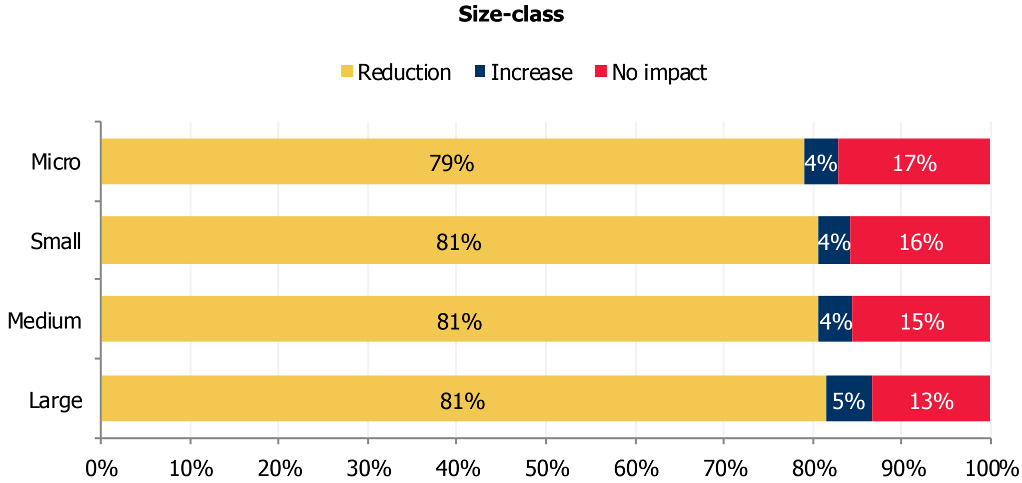
Impact of the COVID-19 pandemic on turnover in the week from 13 to 17 April 2020

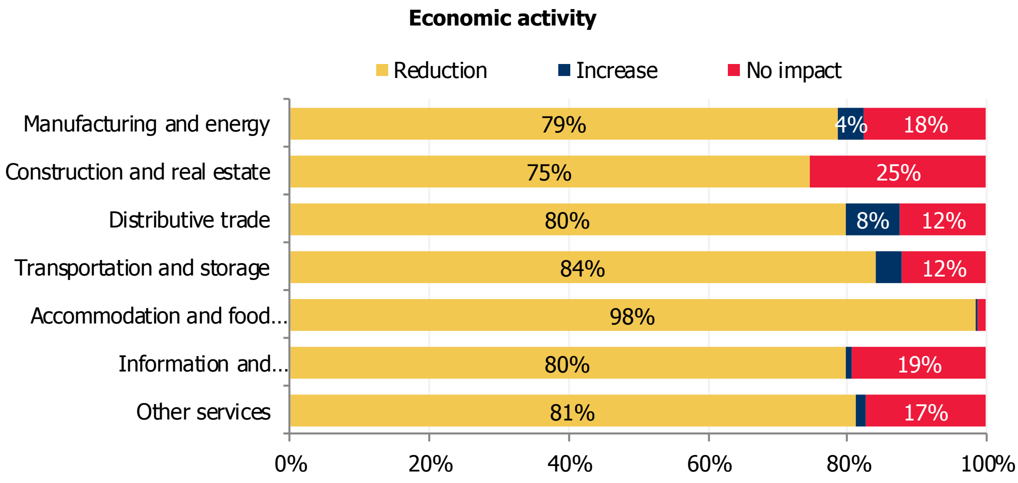
80% of the enterprises reported that the pandemic led to a decrease in turnover

- Regarding the expected situation without pandemic, 80% of enterprises in operation or temporarily closed reported a negative impact on turnover and 4% a positive impact.
- By economic activity, there is a higher percentage of enterprises with a reduction in turnover in *Accommodation and food services* and, to a lesser extent in *Transportation and storage*.

Figure 3 • Impact of the COVID-19 pandemic on turnover, as a % of the total number of enterprises in operation or temporarily closed





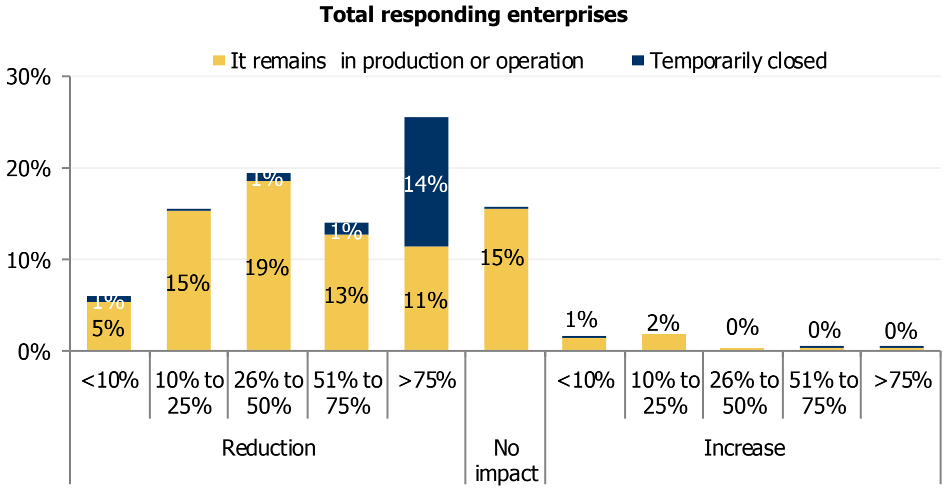


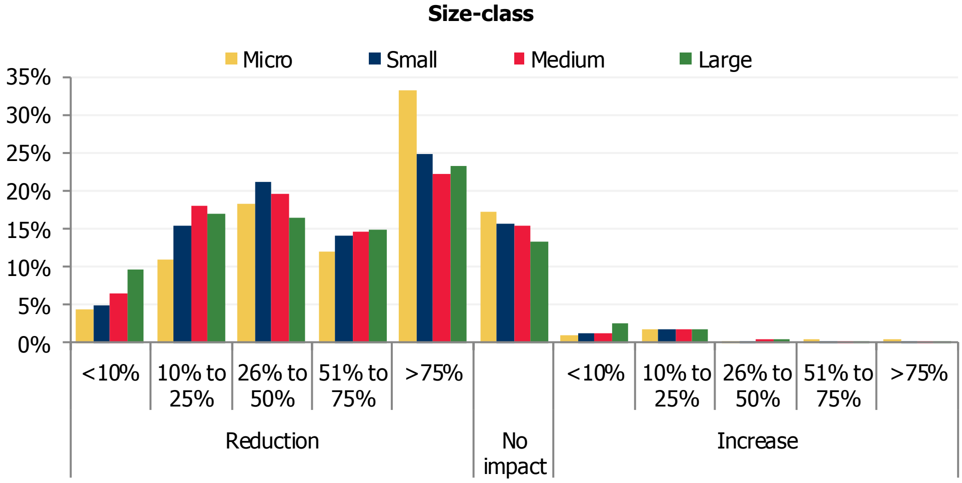
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

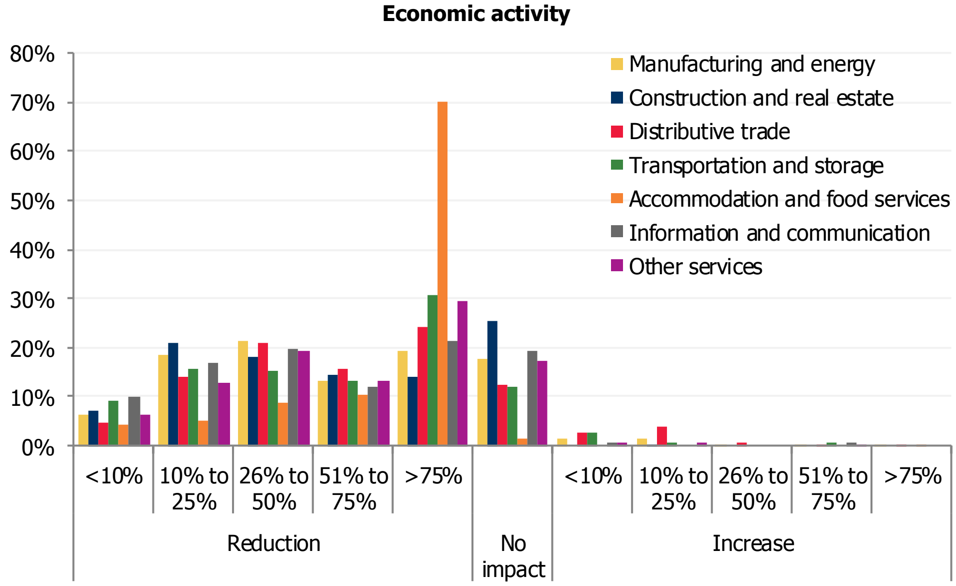
39% of the enterprises reported a reduction of more than 50% in turnover

- 39% of the enterprises reported a reduction of more than 50% in turnover during the week from 13 to 17 April. 35% of enterprises reported reductions in turnover of between 10% and 50%.
- Temporarily closed enterprises mostly report reductions of more than 75%.
- Reductions of more than 75% in turnover were reported most frequently by micro enterprises and in the *Accommodation and food services* sector.

Figure 4 • Quantification of the impact of the COVID-19 pandemic on turnover, as a % of total number of enterprises in operation or temporarily closed





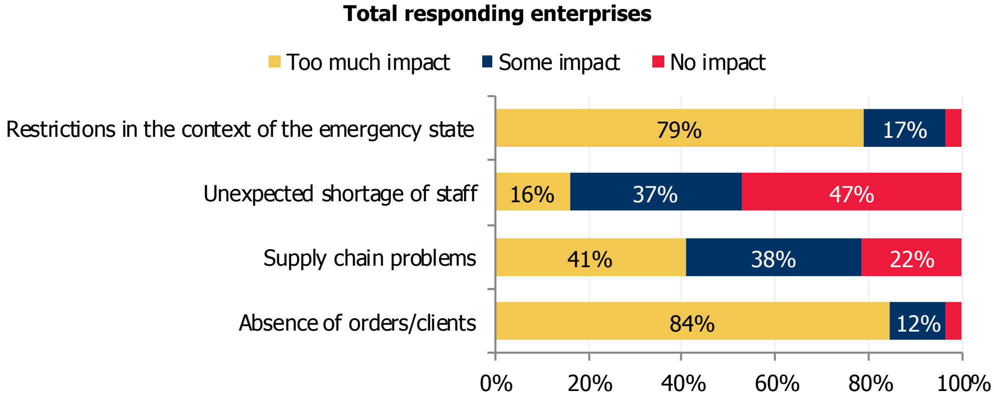


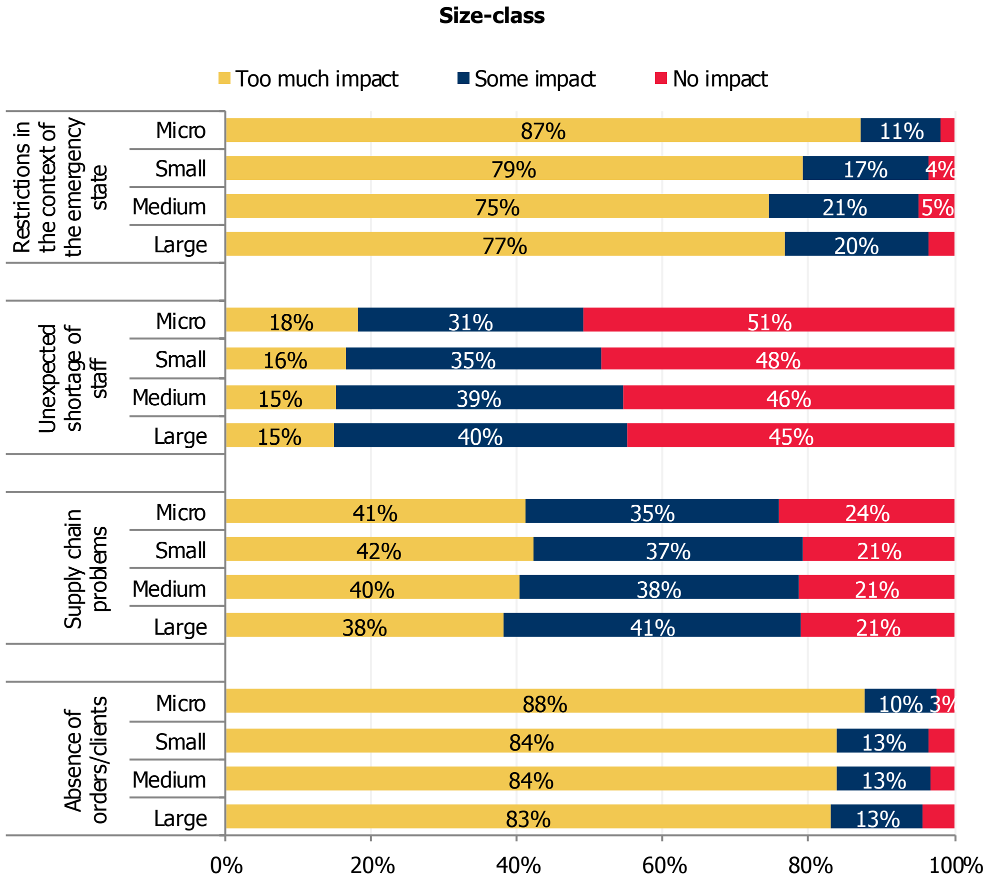
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

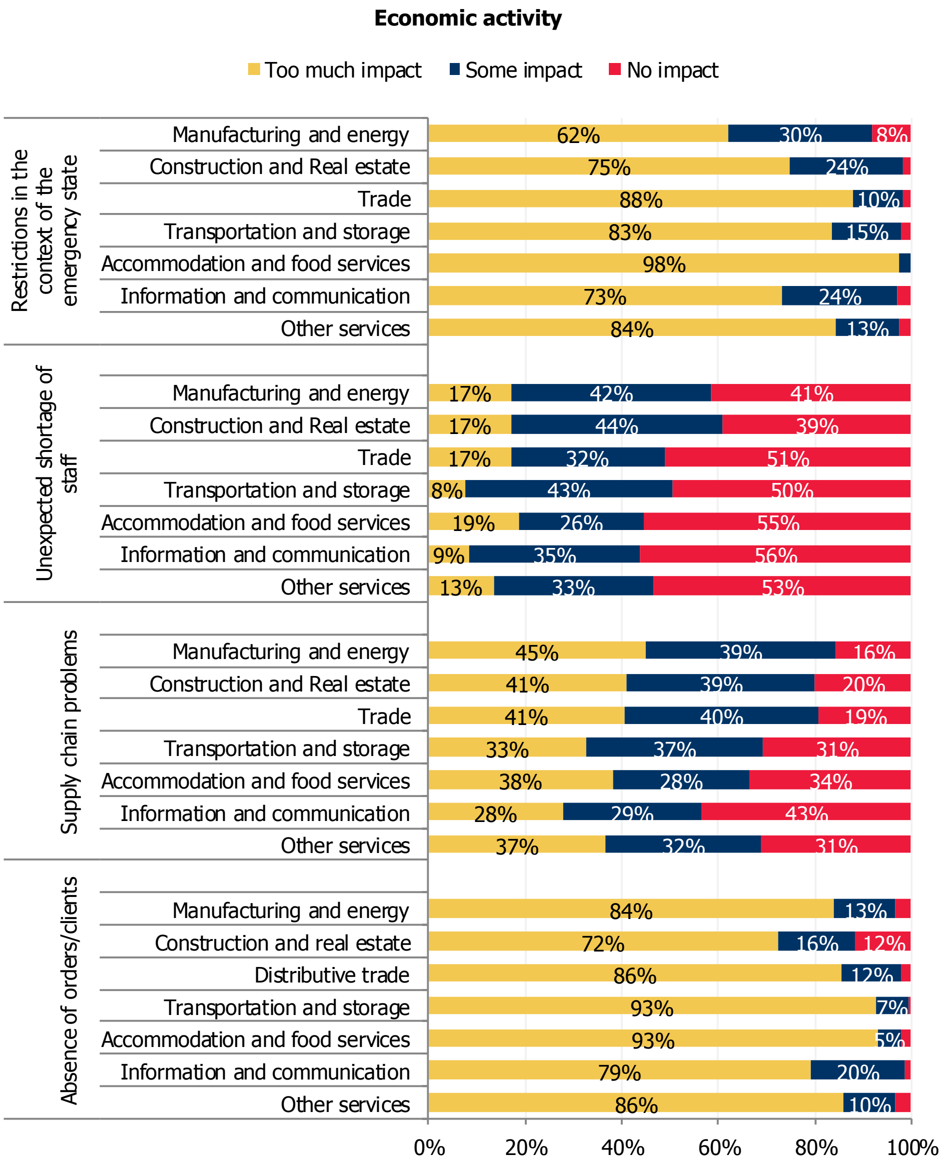
The absence of orders/clients was the main reason for the reduction in turnover

- As factors with much impact on the reduction in turnover, the absence of orders/clients and the restrictions in the context of the state of emergency were most frequently mentioned by enterprises.
- The percentage of micro enterprises that reported a greater impact of these two factors is slightly higher.
- By sector, it should be noted that the percentage of enterprises that reported the absence of orders/clients exceeds 90% in the case of *Accommodation and food services* and in *Transportation and storage*.

Figure 5 • Reasons for reducing the turnover of the enterprises, as a % of total number of enterprises that reported a reduction







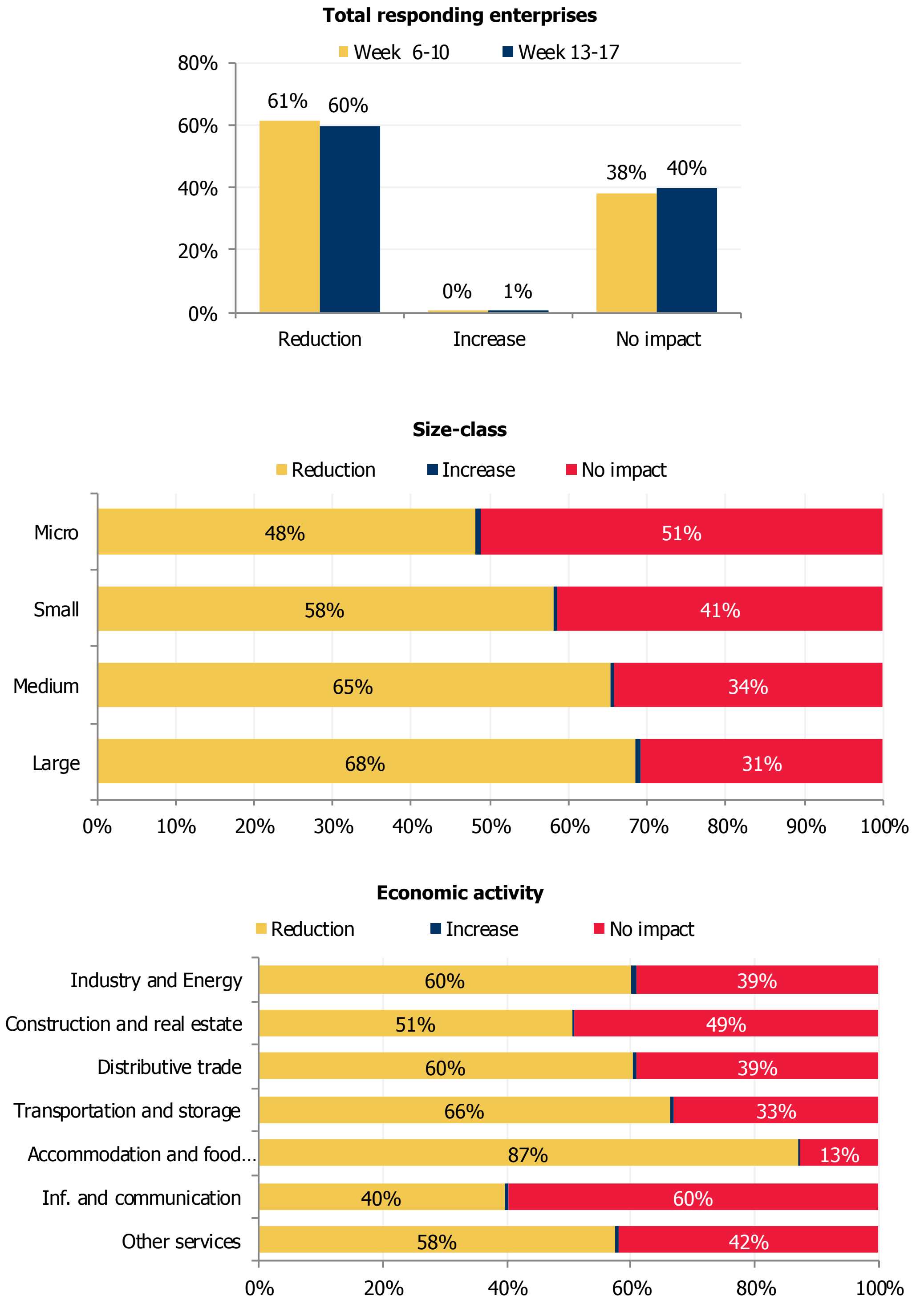
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Impact of the COVID-19 pandemic on persons employed during the week from 13 to 17 April 2020

60% of the enterprises reported reductions in persons employed effectively working

- As a result of the pandemic, 60% of the enterprises reported a reduction in persons employed effectively working, while 40% reported no impact.
- The proportion of enterprises reporting a reduction increases with the size-class of the enterprise.
- By economic activity, the highest percentages of enterprises with reductions in persons employed can be observed in *Accommodation and food services* while the lowest was observed in *Information and communication*.

Figure 6 • Impact of the COVID-19 pandemic on persons employed effectively working, as a % of the total number of enterprises in operation or temporarily closed

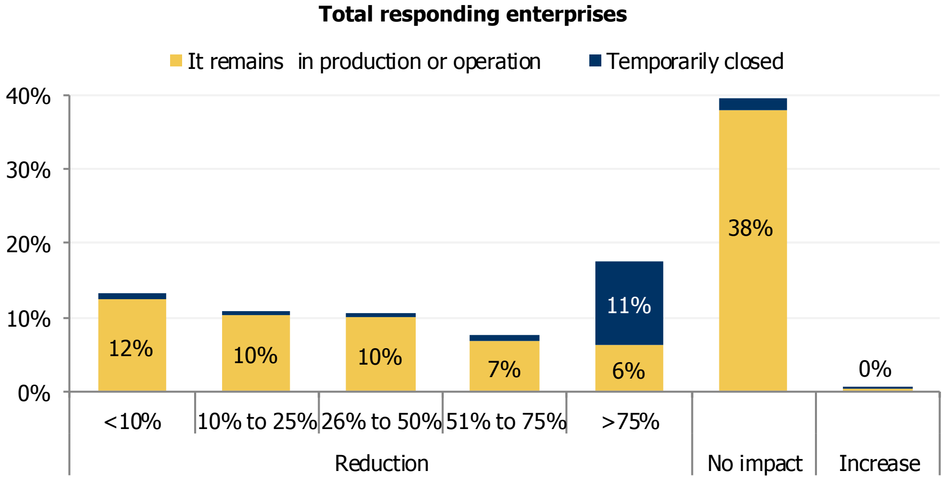


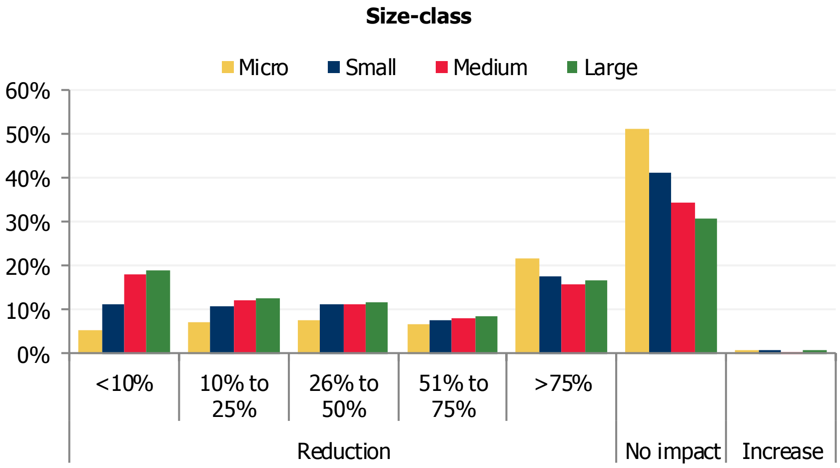
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

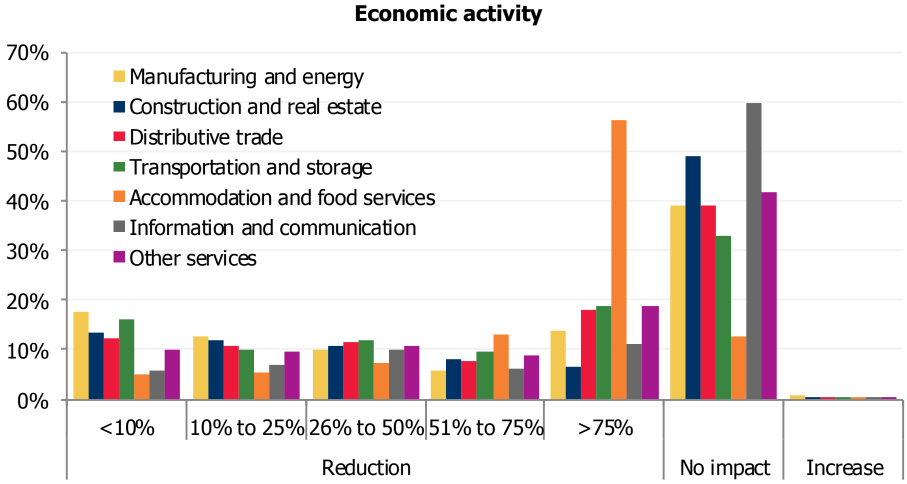
25% of the enterprises reported a reduction of more than 50% in the number of persons employed effectively working

- A quarter of the enterprises reported a reduction of more than 50% in the number of persons employed effectively working and 21% reported reductions of between 10 and 50%. The temporarily closed enterprises mostly reported reductions in persons employed effectively working above 75%.
- Micro enterprises recorded a higher proportion of reductions of more than 75%. By economic activity, 56% of the enterprises in the *Accommodation and food services* reported decreases of more than 75%.

Figure 7 • Quantification of the impact of the COVID-19 pandemic on persons employed effectively working, as a % of total number of enterprises in operation or temporarily closed





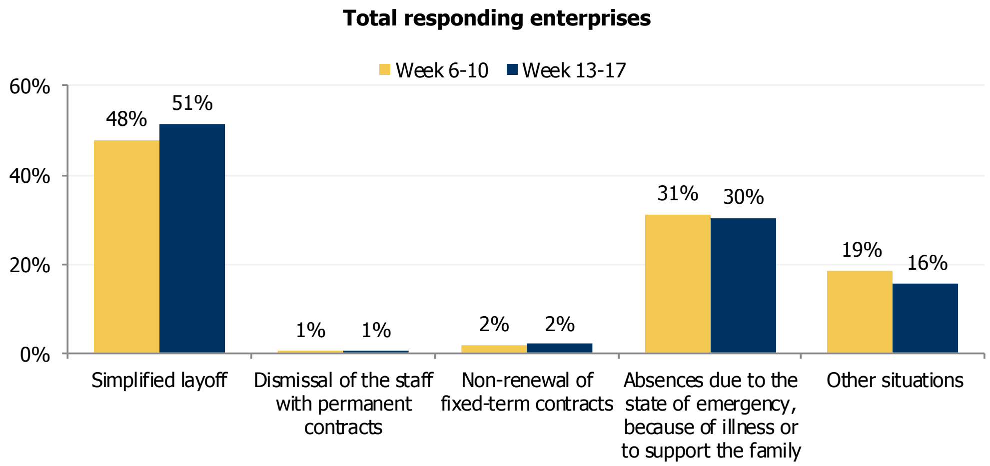


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

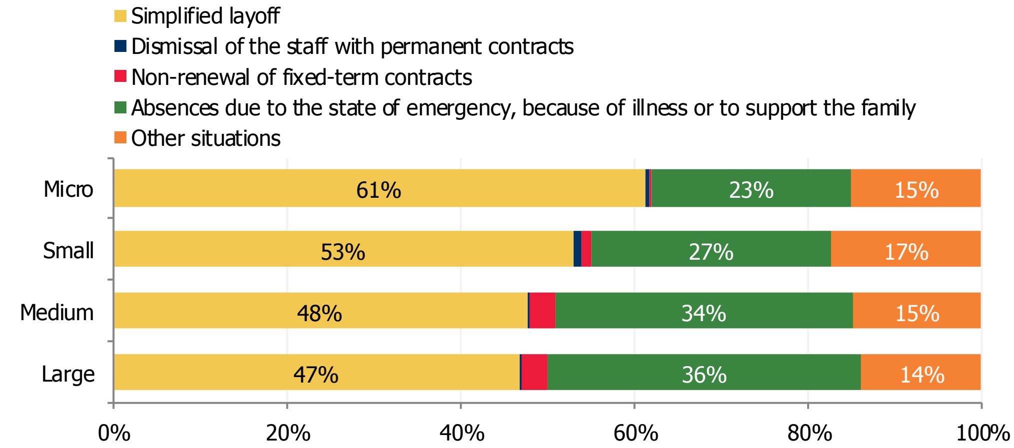
Simplified layoff was the most relevant situation for the reduction of the persons employed effectively working

- The most relevant situation for the reduction of persons employed effectively working was the simplified layoff, noted by 51% of enterprises (48% in the previous week). Absences under the state of emergency, due to illness or family support, were reported by 30% of enterprises.
- The highest proportion of simplified layoff was observed among micro enterprises. The use of the simplified layoff is more referred to in services - where the *Accommodation and food services* stand out - than in *Manufacturing and energy* and in *Construction and real estate*.

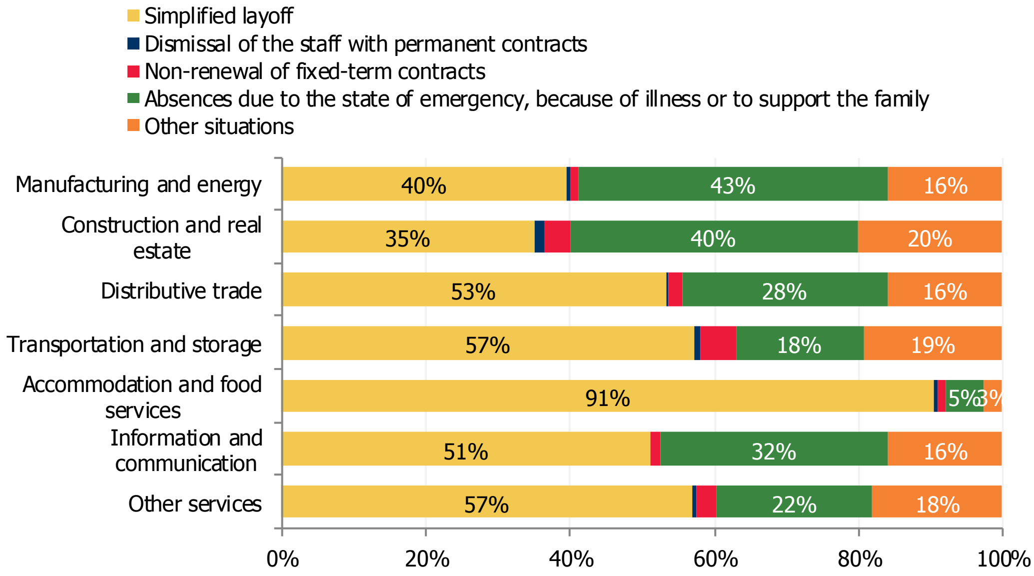
Figure 8 • Most relevant situation for the reduction of persons employed effectively working, as a % of the total number of enterprises reporting a reduction in the persons employed effectively working



Size-class



Economic activity



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

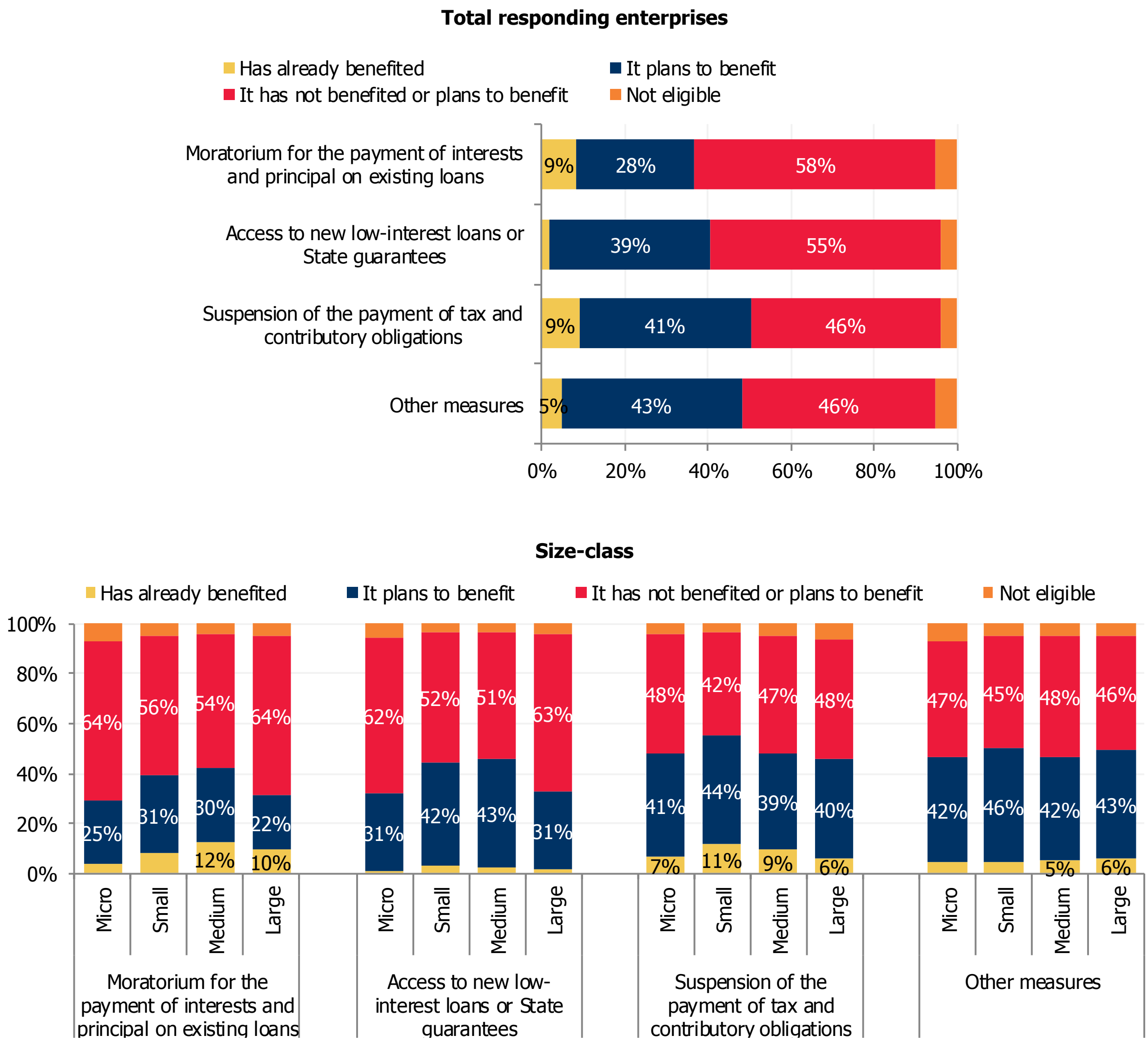
Enterprises that have benefited or intend to benefit from the measures presented by the Government due to the COVID-19 pandemic in the week from 13 to 17 April 2020

A very small percentage of enterprises have already benefited from public support measures, in addition to the simplified layoff

- A small percentage of enterprises in operation or temporarily closed have already benefited from the measures announced by the Government due to the pandemic, but there is a higher percentage that plan to benefit.

- Among the measures considered in this question, enterprises have already benefited or plan to benefit from the suspension of tax and contributory obligations (50%), access to new low-interest loans or State guarantees (41%) and the moratorium for the payment of interests and principal on existing credits (37%).
- Excluding the simplified layoff, a significant proportion of enterprises (between 46% and 58%, depending on the measure) still do not pretend the use of support measures.
- In the *Accommodation and food services* sector, the proportion of enterprises that have already benefited or intend to benefit from support measures is higher.

Figure 9 • Use of the measures presented by the Government due to the COVID-19 pandemic, as a % of total number of enterprises in operation or temporarily closed



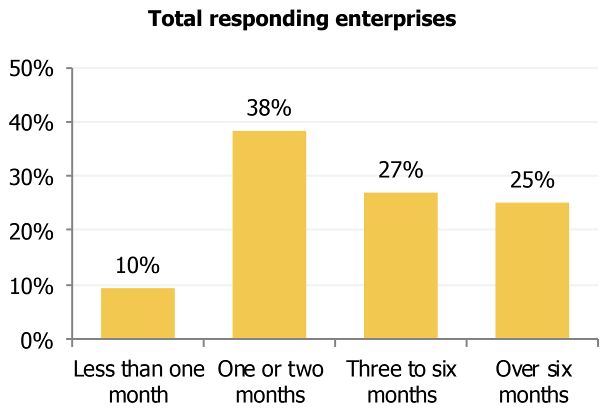
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

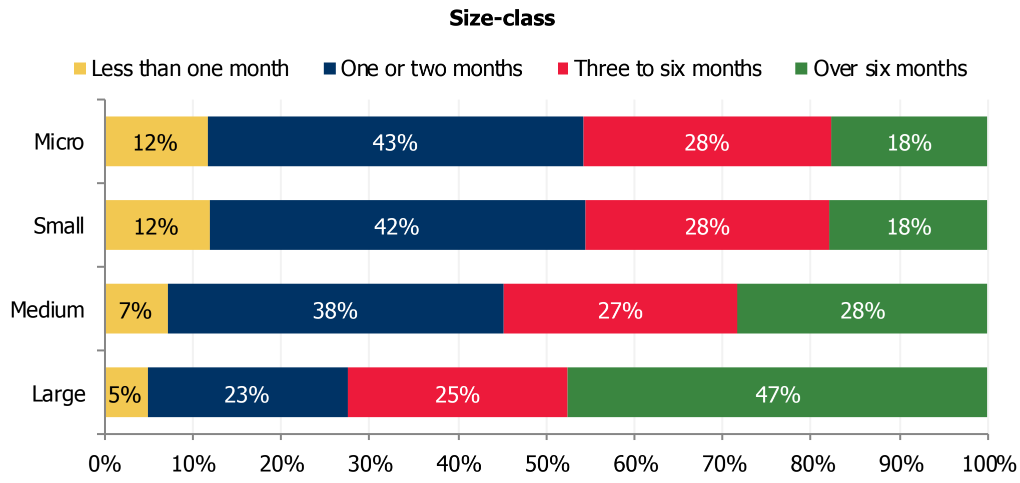
Time that enterprises plan to remain in activity without additional liquidity support measures in the week from 13 to 17 April 2020

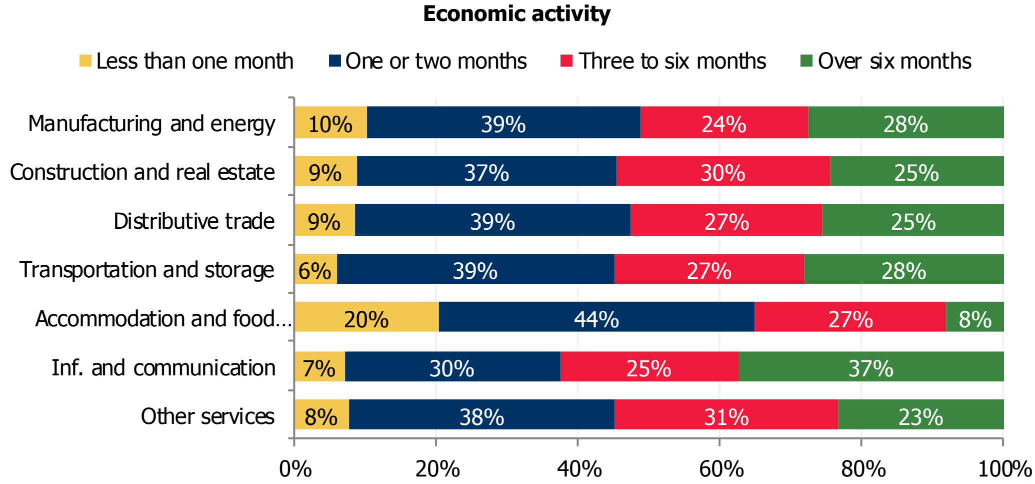
Almost half of the enterprises are unable to stay in activity for more than two months without additional liquidity support measures

- 48% of the enterprises reported being able to stay in activity for only 2 months without additional liquidity support measures, with 10% reporting that they are not able to stay in activity for more than one month.
- These percentages are more significant in the group of micro and small enterprises. By economic activity, highlight again for the *Accommodation and food services* sector.

Figure 10 • Remaining in activity without additional liquidity support measures, as a % of total number of enterprises in operation or temporarily closed







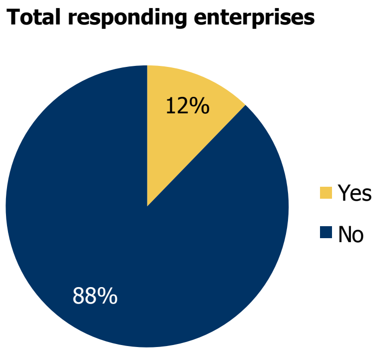
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

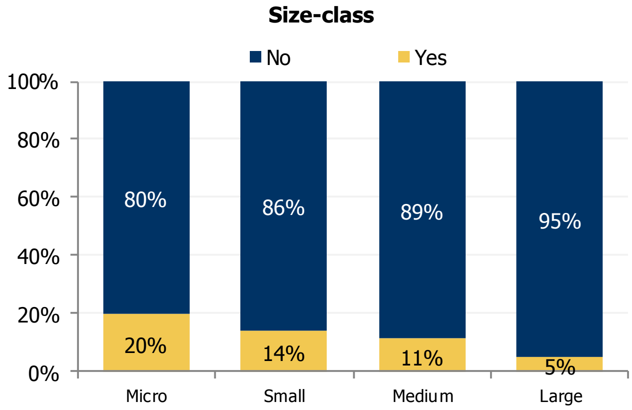
Access to credit for enterprises in the week from 13 to 17 April 2020

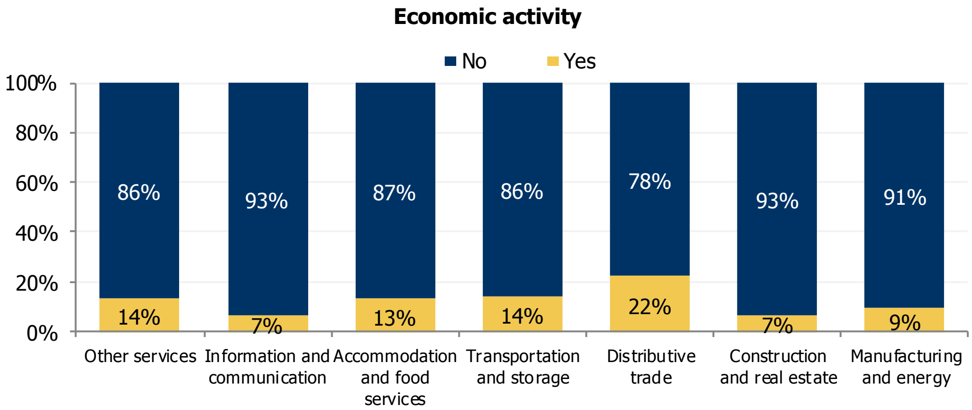
Around 12% of the enterprises in operation or temporarily closed increased their use of credit in the previous week

- Around 12% of the enterprises resorted to additional credit in the previous week.
- The percentage of enterprises using additional credit is lower the larger the size-class of the enterprise.
- In the services sectors, except for the *Information and communication* sector, there are higher percentages of enterprises that have used additional credit.

Figure 11 • Recourse to additional credit in the previous week, as a % of total number of enterprises in operation or temporarily closed





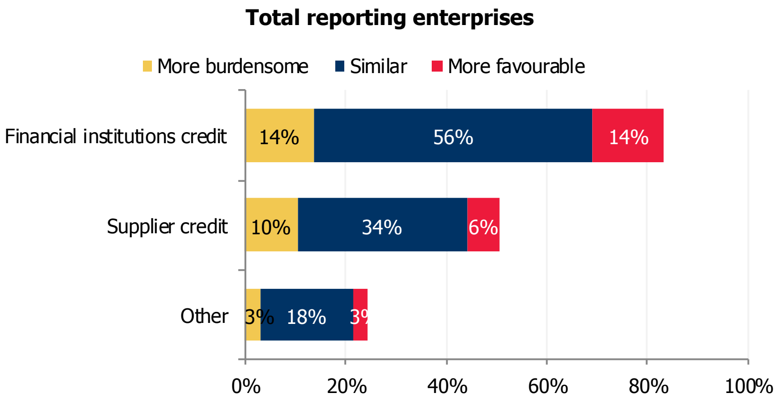


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Most of the new credits were on similar terms to those previously applied

- Among the enterprises that increased their use of credit, 83% reported an increase in financing from financial institutions and 51% reported an increase in supplier credit.
- In most cases, the new credits were subject to conditions similar to those previously applied.

Figure 12 • Additional credit conditions in the previous week by credit type, as a % of the total number of enterprises using additional credit

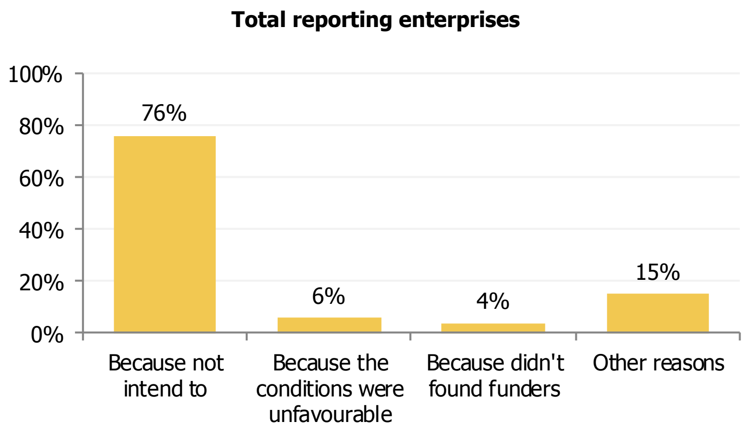


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Among the group of enterprises that did not increase the use of credit, 76% reported that they did not use additional credit because they did not intend to

- The reasons for not using additional credit are similar in terms of enterprise size-class and economic activity.

Figure 13 • Reasons for not using additional credit in the previous week, as a % of the total number of enterprises using additional credit



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

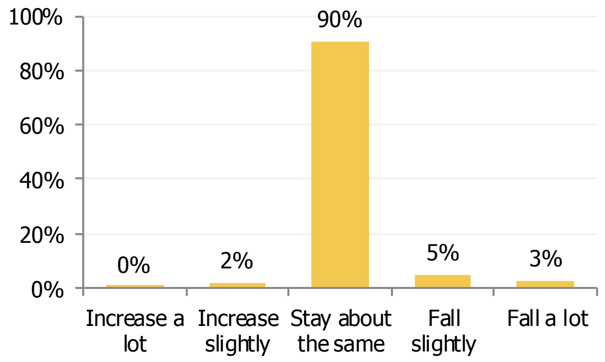
Impact on prices due to the COVID-19 pandemic in the week from 13 to 17 April 2020

Most of the enterprises reported price maintenance

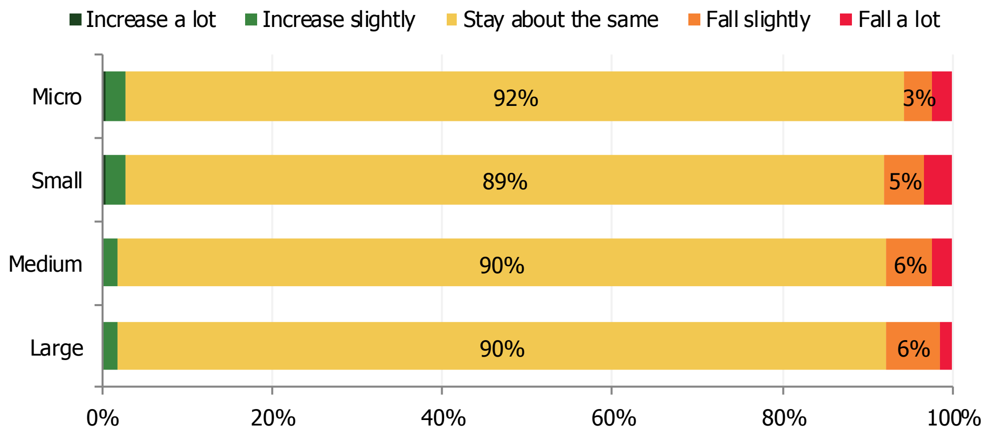
- 90% of the enterprises reported that their prices should remain unchanged and 8% reported that they should decrease. These intentions are relatively uniform across size-classes.
- The proportion of enterprises that intend to reduce sales prices is slightly more significant (20%) in the *Accommodation and food services*.

Figure 14 • Expected price change by enterprises this week, as a % of total number of enterprises in operation or temporarily closed

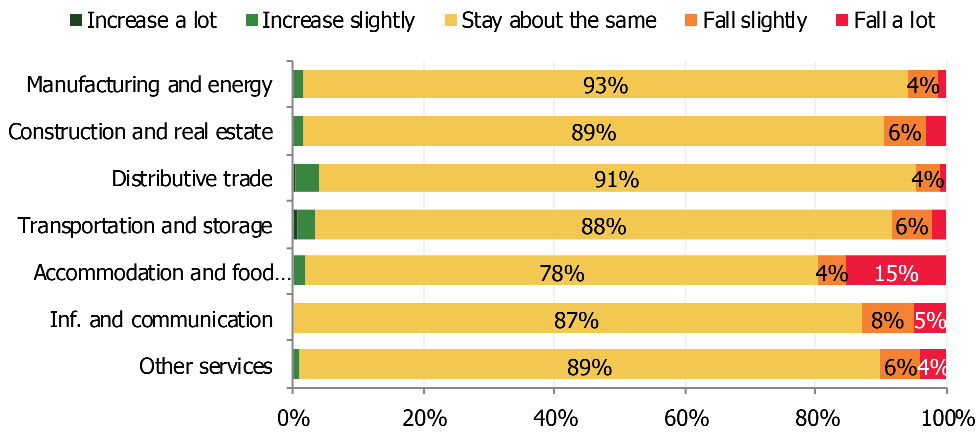
Total reporting enterprises



Size-class



Economic activity



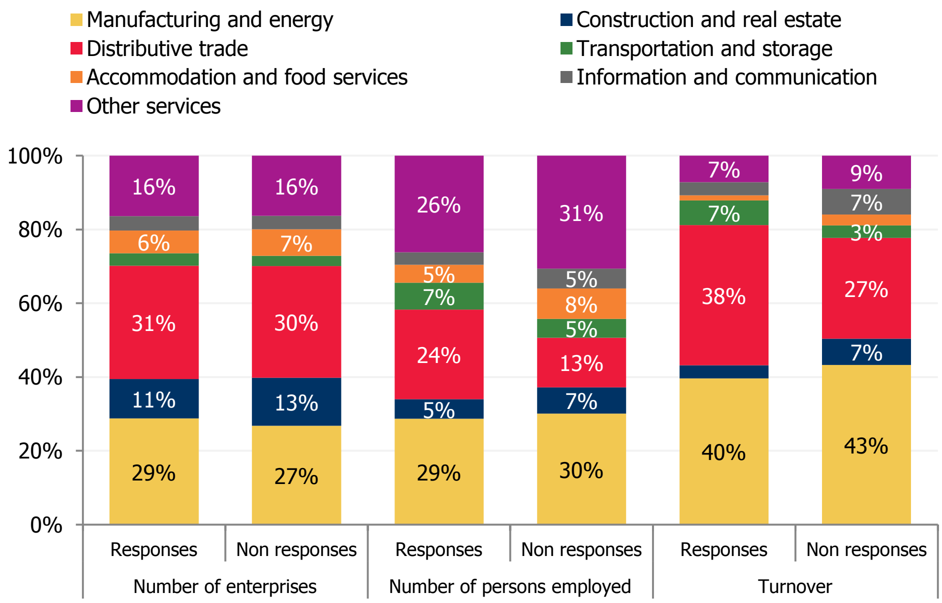
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Technical note

The statistical data disclosed in this information note correspond to those collected by the Fast and Exceptional Enterprise Survey – COVID-19 (COVID-IREE), in the week from 13 to 17 April 2020. The survey was addressed to a broad range of micro, small, medium and large enterprises representative of the various sectors of economic activity, the sample being 8,883 enterprises. A total of 5,837 valid replies were obtained, representing an overall response rate of 65.7%. The respondent enterprises represent 69.3% of the persons employed and 77.4% of the turnover of the sample.

The following graph shows the distribution between responding and non-responding enterprises, in terms of the number of enterprises, persons employed and turnover, as a % of total enterprises in the sample, by economic activity:

Figure 15 • Structure of the number of enterprises, persons employed and turnover, as a % of total number of responding and non-responding enterprises by economic activity



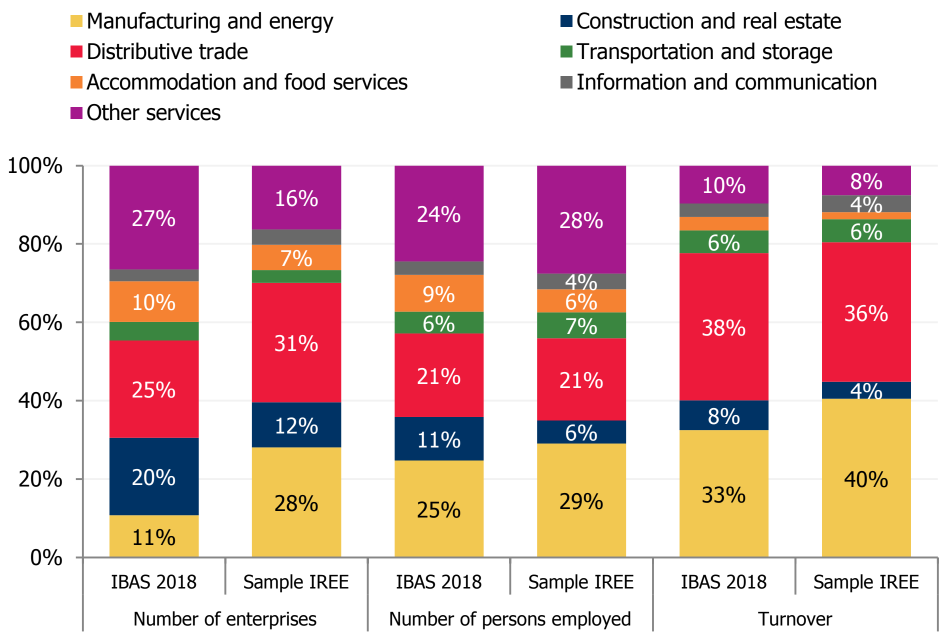
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Applying a simple *Probit* model to assess the probability of response to the survey, a lower probability of response of micro and small enterprises was observed, and the possible bias resulting from this should be considered in the analysis. However, there was no evidence of bias associated with the sector of economic activity of the enterprise.

The results of this survey are always indicated as referring to the responding enterprises in each week of survey and no extrapolation of the results to the universe of enterprises is made (see methodological documentation associated with the new Fast and Exceptional Enterprise Survey (COVID-IREE) available at http://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1593.

The sample of this survey basically corresponds to the integration of the samples underlying the monthly industry, construction, distributive trade and services turnover surveys, plus about three hundred enterprises, aiming at completing the sectors of activity represented. The context information of this sample has as reference the Integrated Business Accounts System (IBAS 2018). The following figure presents, by economic activity, the structures of the number of enterprises, persons employed and turnover in the COVID-IREE sample and in the universe of enterprises - IBAS 2018.

Figure 16 • Structure of the number of enterprises, persons employed and turnover, of the universe of enterprises (IBAS 2018) and the sample of the Fast and Exceptional Enterprise Survey



Source: Statistics Portugal, IBAS 2018 and Statistics Portugal and Bank of Portugal, COVID-IREE

This survey is conducted weekly in order to obtain urgent information on the consequences of the current pandemic (COVID-19) on business activity.

The collection of information starts on Monday and finishes at the end of Friday. The data for each survey week may be revised in the following week, by incorporating any responses received during the weekend.

The frequency of the survey and the starting and finishing dates of data collection are indicative and may be revised if circumstances can justify it.

In this information note were considered:

A) 4 enterprise size-classes: Micro enterprise (number of persons employed < 10 and turnover ≤ EUR 2 million); Small enterprise (number of persons employed < 50, turnover ≤ EUR 10 million and not classified as micro enterprise); Medium enterprise (number of persons employed < 250, turnover ≤ EUR 50 million and not classified as micro or small enterprise); and Large enterprise (number of persons employed ≥ 250 or turnover > EUR 50 million)

B) 7 groups of economic activities: Manufacturing and energy (sections B to E from CAE Rev.3), Construction and real estate (sections F and L from CAE Rev.3), Distributive trade (sections G from CAE Rev.3), Transportation and storage (sections H from CAE Rev.3), Accommodation and food services (section I from CAE Rev.3), Information and communication (section J from CAE Rev.3), and Other services (section M to S from CAE Rev.3, except section O). This classification is based on the A10 nomenclature of the European System of Accounts (ESA2010).

Expected date for the next dissemination:

28 April 2020

Acronyms:

%	Percentage
CAE-Rev.3	Portuguese Classification of Economic Activities, Revision 3
COVID-19	New coronavirus
COVID-IREE	Fast and Exceptional Enterprise Survey – COVID-19
IBAS	Integrated Business Accounts System

Information to users:

For issues related to the rounding of values, the totals, in value or percentage, may not correspond exactly to the sum of their parts.

Return of information to respondents:

Taking into account the results of COVID-IREE for the 1st week of reporting, customized Return of Information to Respondents (RIR) reports were prepared and sent to each of the responding enterprises, containing the enterprise's response to the survey and its framework regarding the economic activity in which the enterprise is classified and the total of the responding enterprises (as the attached example – only in Portuguese).

RETORNO DE INFORMAÇÃO AO RESPONDENTE

COVID - IREE - Inquérito Rápido e Excecional às Empresas - COVID-19

webinq

COVID-19: acompanhamento do impacto da pandemia nas empresas

Os resultados da 1ª semana de inquirição (semana de 6 a 10 de abril de 2020), indicam que 82% das empresas se mantinham em produção ou em funcionamento, mesmo que parcialmente, 16% encontravam-se temporariamente encerradas, enquanto 2% assinalaram que tinham encerrado definitivamente. 37% das empresas em funcionamento ou temporariamente encerradas reportaram uma redução superior a 50% do volume de negócios e 26% reportaram uma redução superior a 50% do número de pessoas ao serviço efetivamente a trabalhar. Em termos setoriais, o Alojamento e restauração é o setor que apresenta um maior impacto decorrente da pandemia.

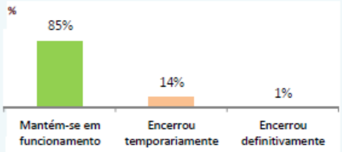
Para saber mais, consulte o nosso Portal, **AQUI**

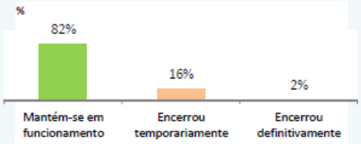
EMPRESA: SUA EMPRESA — **NIF:** 000000000
SETOR DE ATIVIDADE: 24420 - Obtenção e primeira transformação de alumínio

INDICADORES | **A SUA EMPRESA** | **EMPRESAS DO MESMO SETOR DE ATIVIDADE** (Indústria e Energia) | **TODAS AS EMPRESAS**

SITUAÇÃO DA EMPRESA

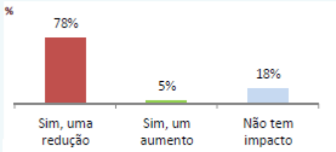
A sua empresa: **Mantém-se, mesmo que parcialmente, em produção ou funcionamento**

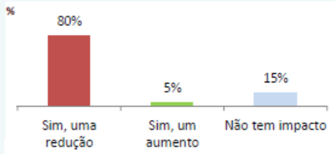




IMPACTO NO VVN

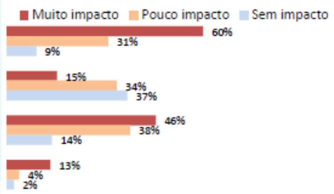
A sua empresa: **Sim, uma redução**

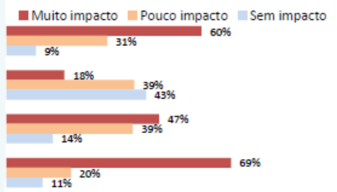




IMPACTO DOS MOTIVOS PARA A REDUÇÃO DO VVN

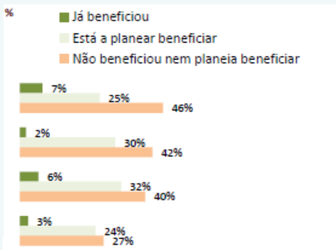
Muito impacto	Restrições no contexto do estado de emergência
Pouco impacto	Falta imprevista de funcionários
Muito impacto	Problemas na cadeia de fornecimento
Muito impacto	Ausência de encomendas/clientes

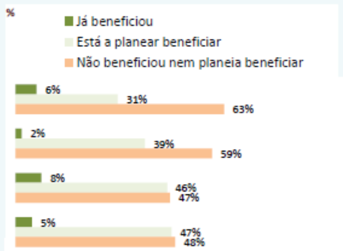




RECURSO ÀS MEDIDAS DO GOVERNO

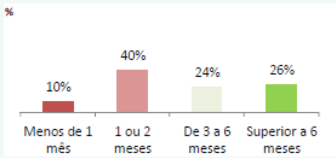
Já beneficiou	Moratória ao pagamento de juros e capital de créditos já
Não beneficiou nem planeia beneficiar	Acesso a novos créditos com juros bonificados ou garantias do
Está a planear beneficiar	Suspensão do pagamento de obrigações fiscais e contributivas
Não sabe/não responde	Outras medidas

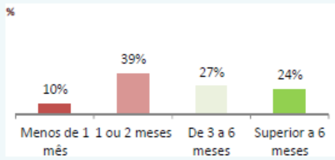




TEMPO DE PERMANÊNCIA EM ATIVIDADE SEM MEDIDAS DE APOIO À LIQUIDEZ

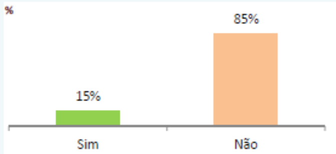
A sua empresa: **1 ou 2 meses**

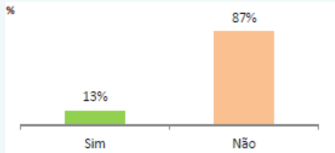




AUMENTO AO RECURSO AO CRÉDITO

A sua empresa: **Não**





NOTA METODOLÓGICA

Inquérito Rápido e Excecional às Empresas – COVID-19 (COVID-IREE),
O Instituto Nacional de Estatística e o Banco de Portugal lançaram o Inquérito Rápido e Excecional às Empresas – COVID-19 (COVID-IREE), com frequência semanal, tendo como objetivo identificar os efeitos da pandemia na atividade das empresas. Esta informação é necessária para que se possam reconhecer tendências e perspetivar linhas a seguir para minorar impactos económicos, nomeadamente sobre as próprias empresas. A informação constante nesta ficha refere-se aos dados compilados a partir das respostas ao COVID-IREE.

SIGLAS E SINAIS CONVENCIONAIS:
COVID-IREE - Inquérito Rápido e Excecional às Empresas – COVID-19
VVN - Valor do Volume de Negócios
Informação adicional encontra-se disponível no Portal de Estatísticas Oficiais em: www.ine.pt
Esta informação foi produzida unicamente para a sua empresa, estando garantidos todos os direitos de confidencialidade.
Se esta informação não corresponder totalmente às suas expetativas, por favor não hesite em contactar-nos. O seu contacto irá permitir ao INE analisar o conteúdo da informação e contribuirá para o acréscimo da qualidade dos dados.