

Covid19 Impact on Performance of Micro and Small Businesses in Egypt

May 2020



Management and Consulting
Services Egypt S.A.E



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1. Report methodology

In light of the situation across the country, SMEs are up against exceptional challenges whose effects will be felt for a long time to come.

The following report outlines the impact of the crisis on Micro and Small businesses as well as their readiness to address the current crisis and its aftermath. Furthermore, this study will shed light on response measures adopted by businesses as well as identifying needs and expectations of SMEs moving forward.



Sample Recruited:

Participants were targeted from CHF's Database



Sample Profile:

SME owners



Date conducted:

Mid May (During covid-19 growing curve)



Sample size:

283



Area covered:

All across Egypt

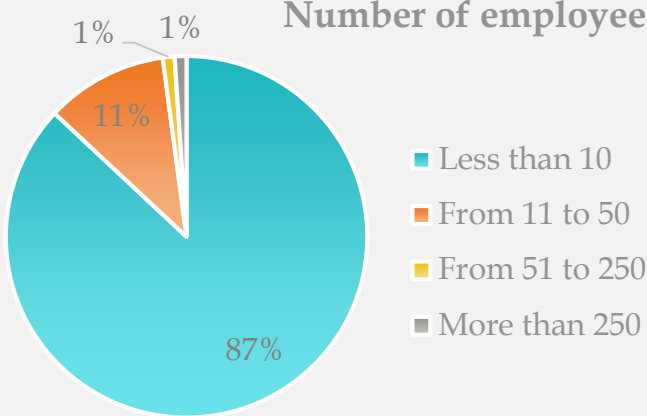


Methodology:

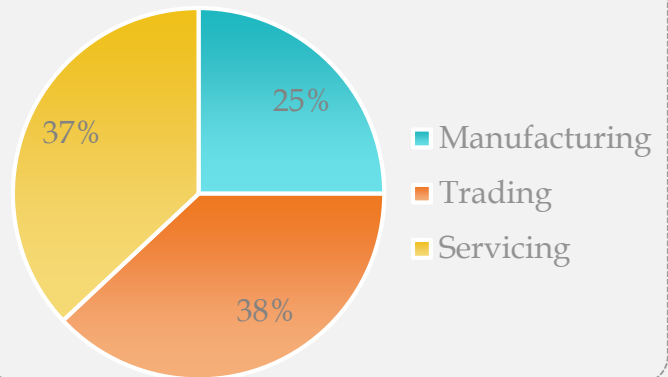
10 min Phone interviews

2. Data about participants

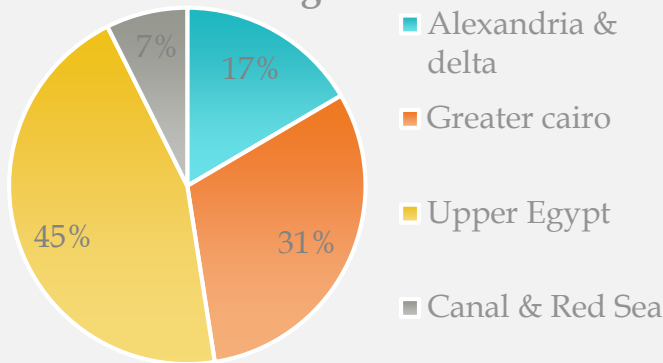
Number of employees



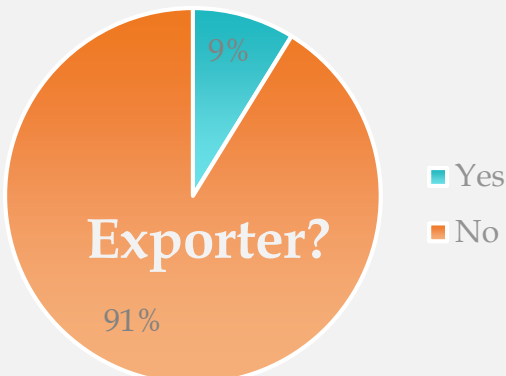
Economic Activity



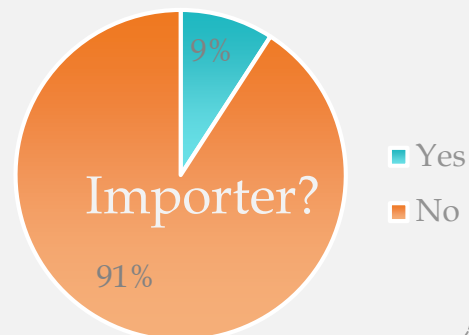
Region



Exporter?



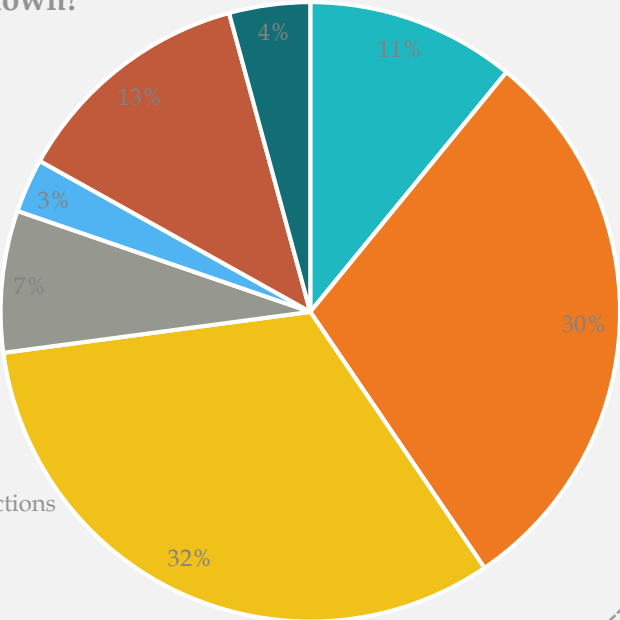
Importer?



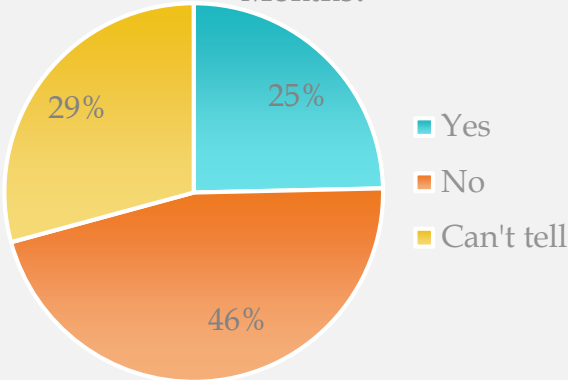
3. Reasons for business shutdown in light of current situation.

Business shutdown?

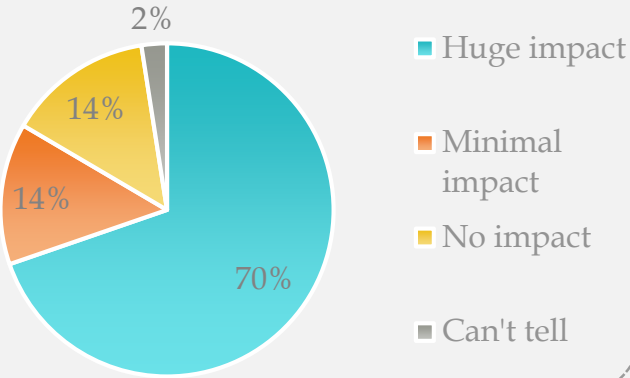
- Yes, Temporary shutdown, because of COVID 19 Cases
- Yes, Temporary shutdown, because of lack of demand
- No, Still Running
- Other
- Yes, Stopped permanently
- Yes, Temporary shutdown, because of authorities Instructions
- Yes, Previous shutdown, Now back to normal



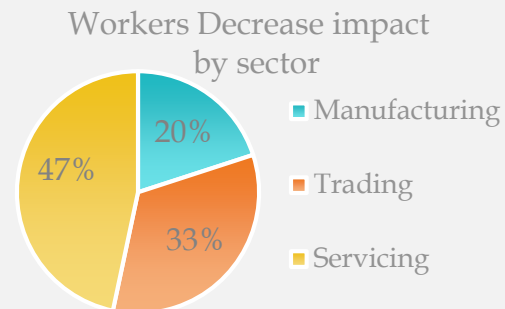
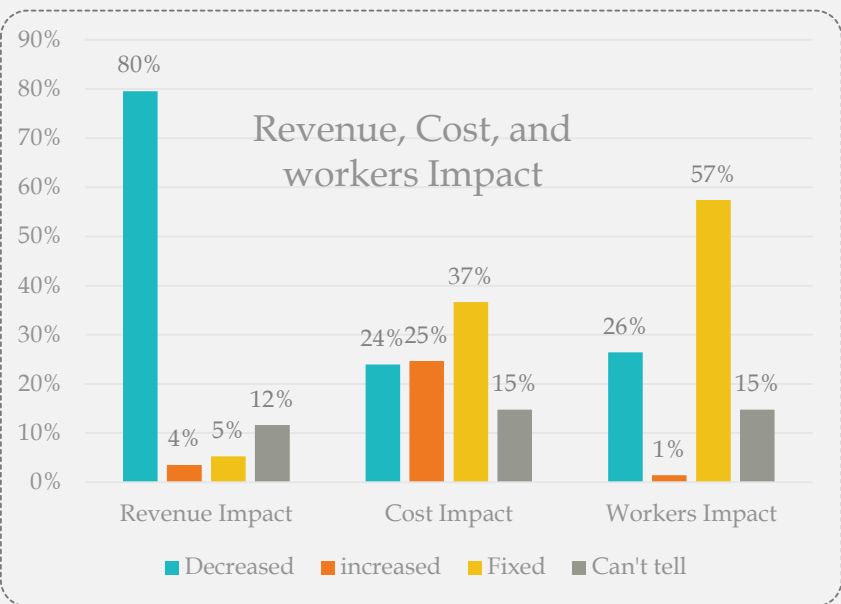
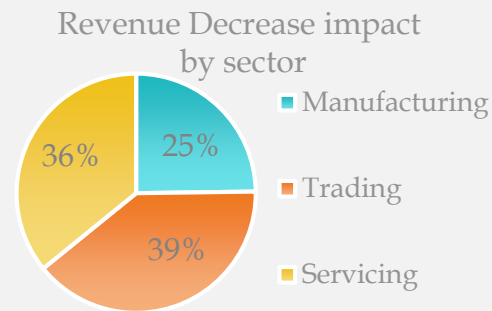
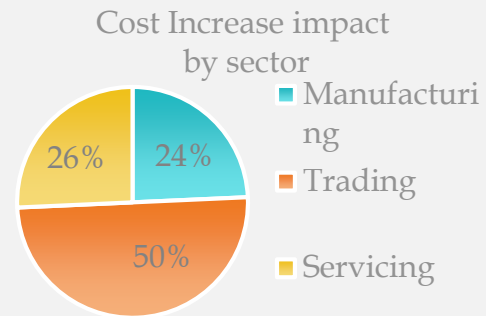
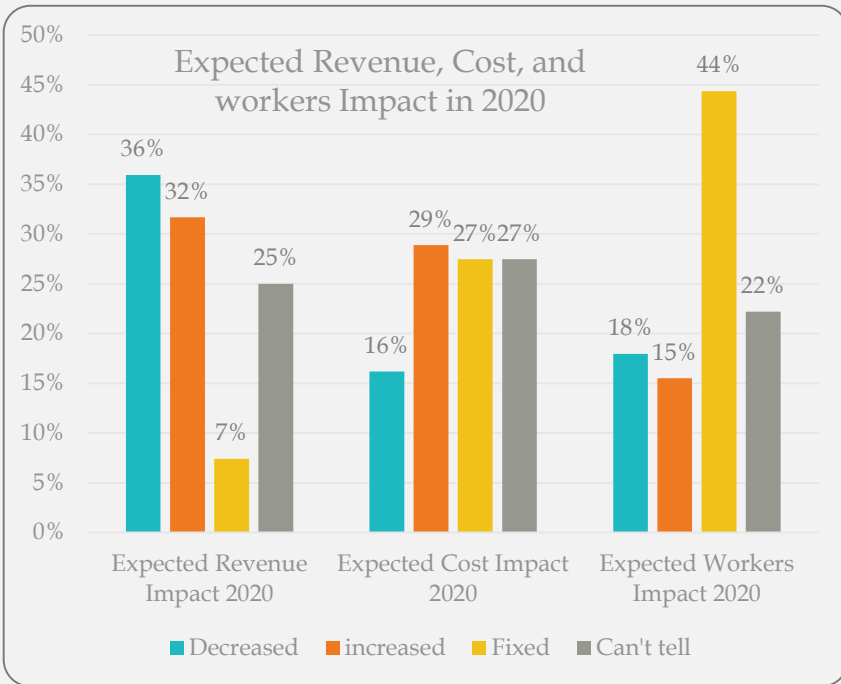
Will Revenues Cover Cost next 3 Months?



Curfew impact

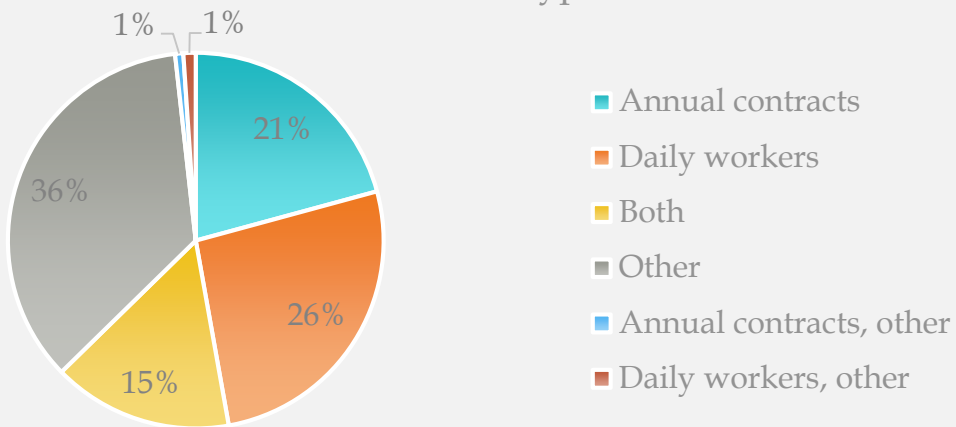


4. Current and future impact on companies and affected activities

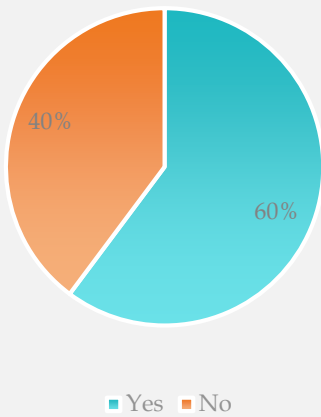


5. Types of workers and reasons for workers shortage

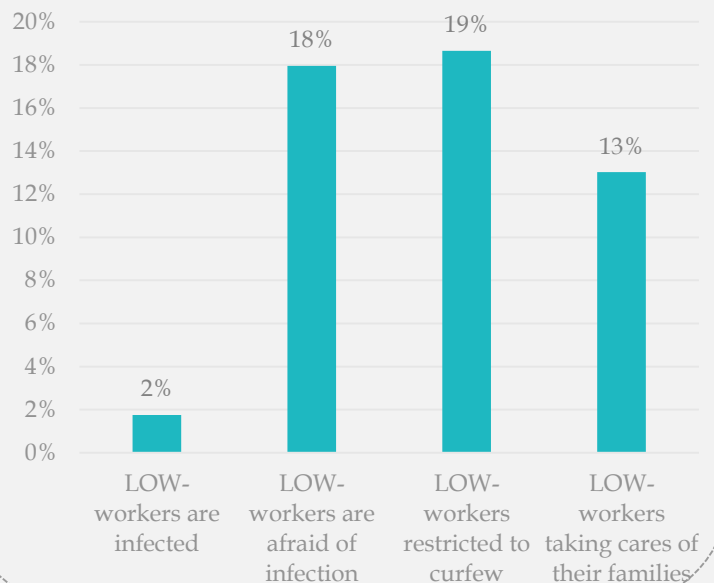
Workers types



Idle workers



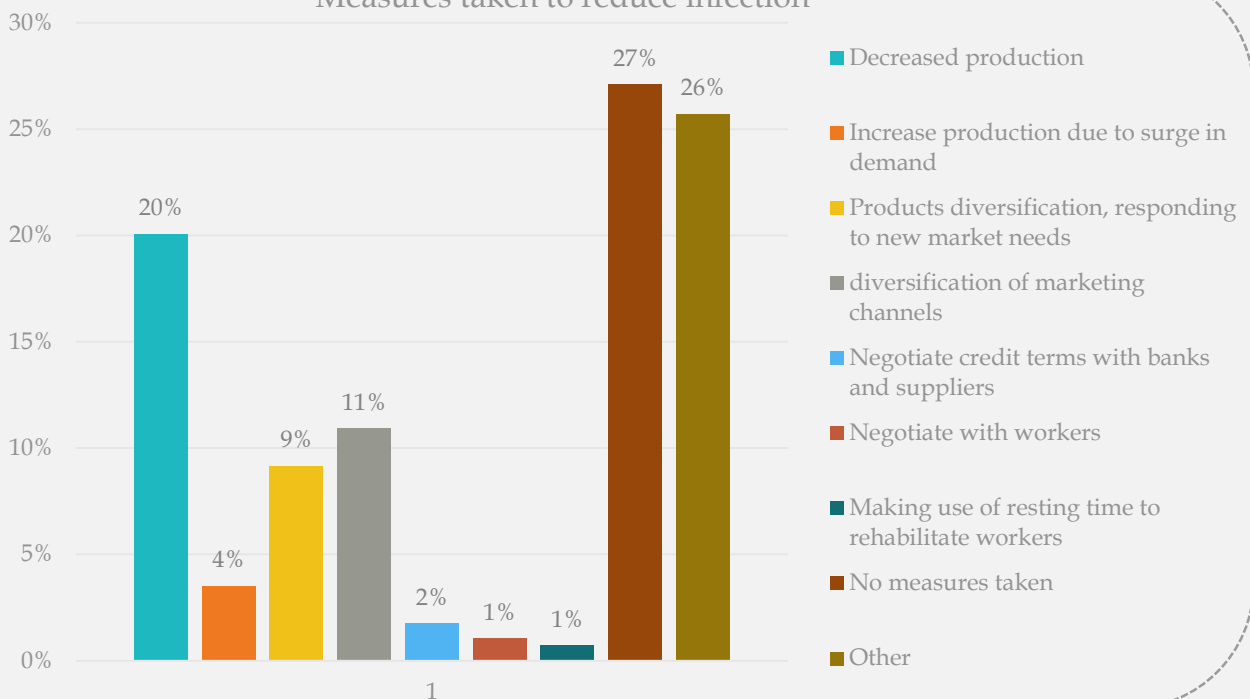
Workers shortage reasons



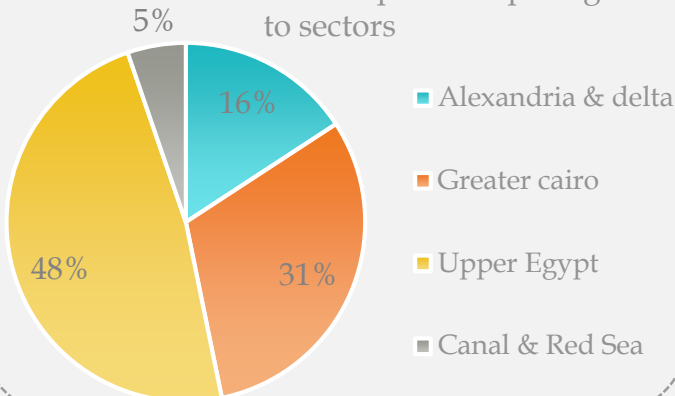
* LOW: Lack of Workers

6. Operations Management and infection reduction measures

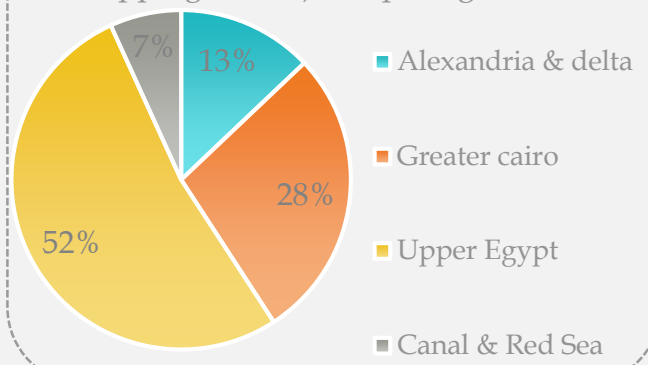
Measures taken to reduce infection



Encountered lack of inputs comparing to sectors

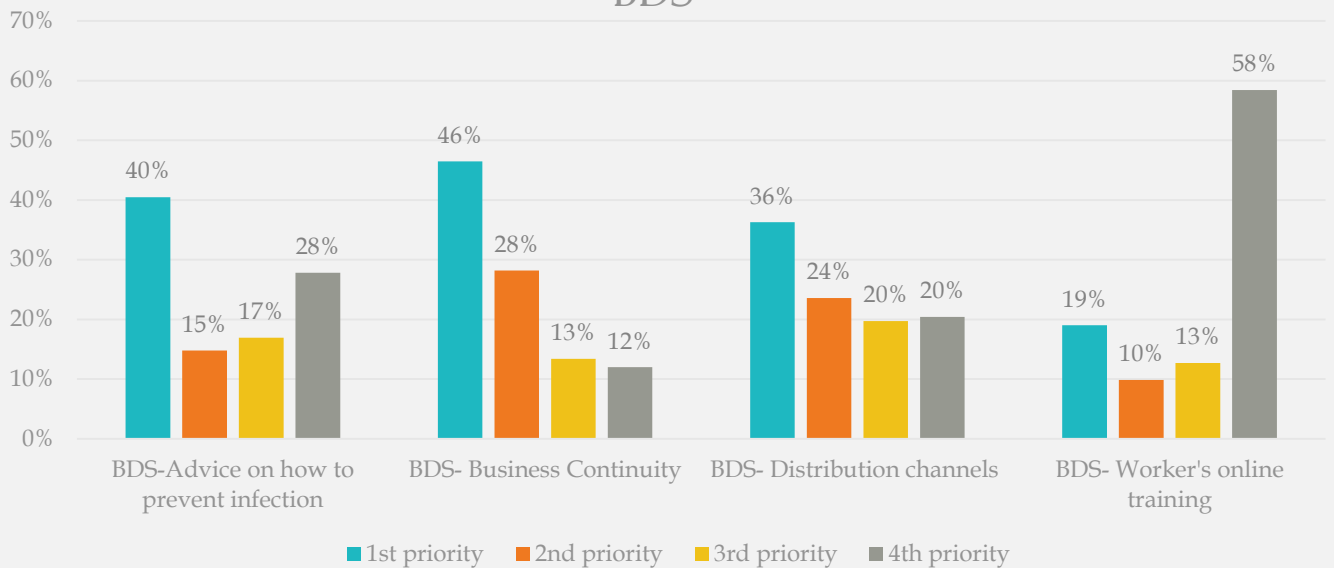


Encountered challenges in (Marketing, shipping or sale) comparing to sectors

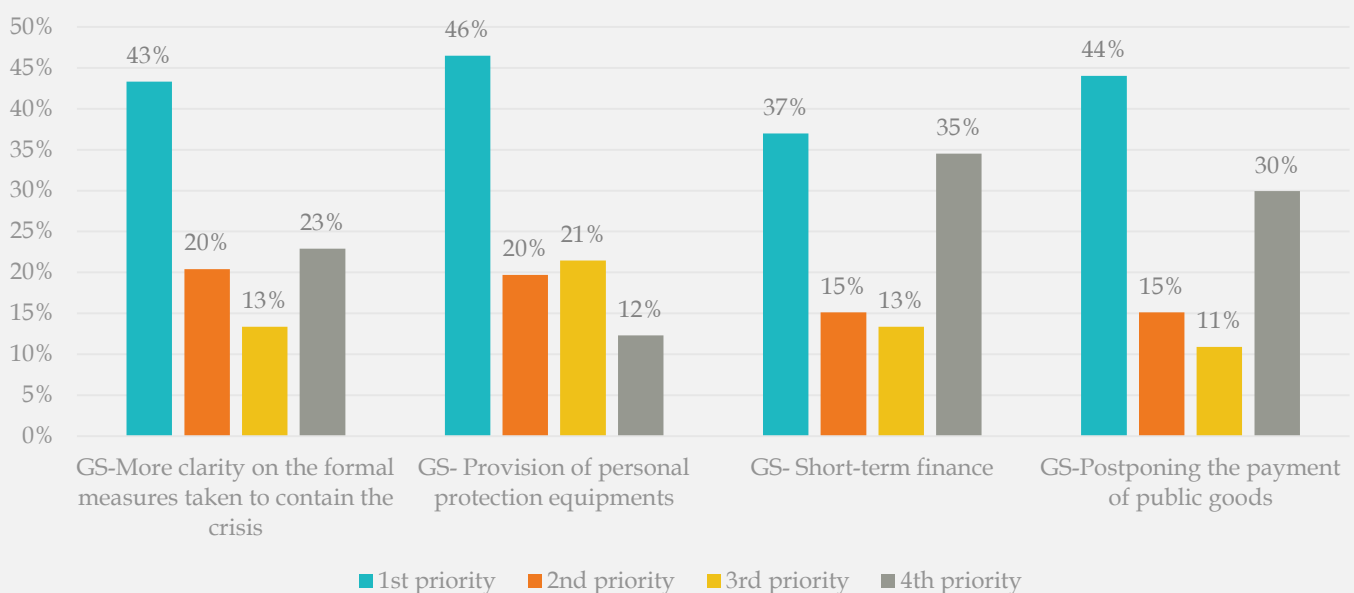


7. Required Business Development Services (BDS) and Government Support (GS)

BDS

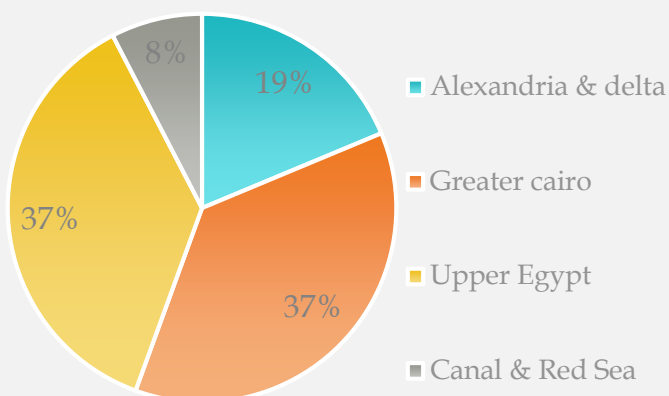


Government support

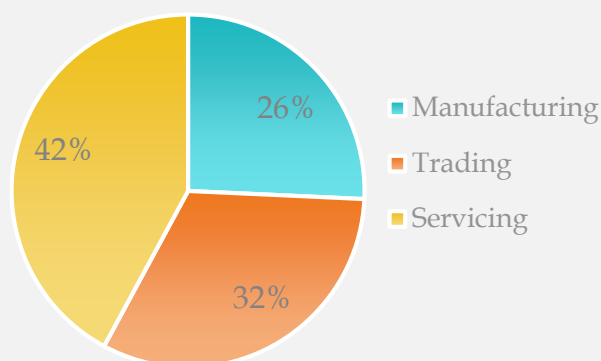


8. Unemployment and year 2020 revenue expectations

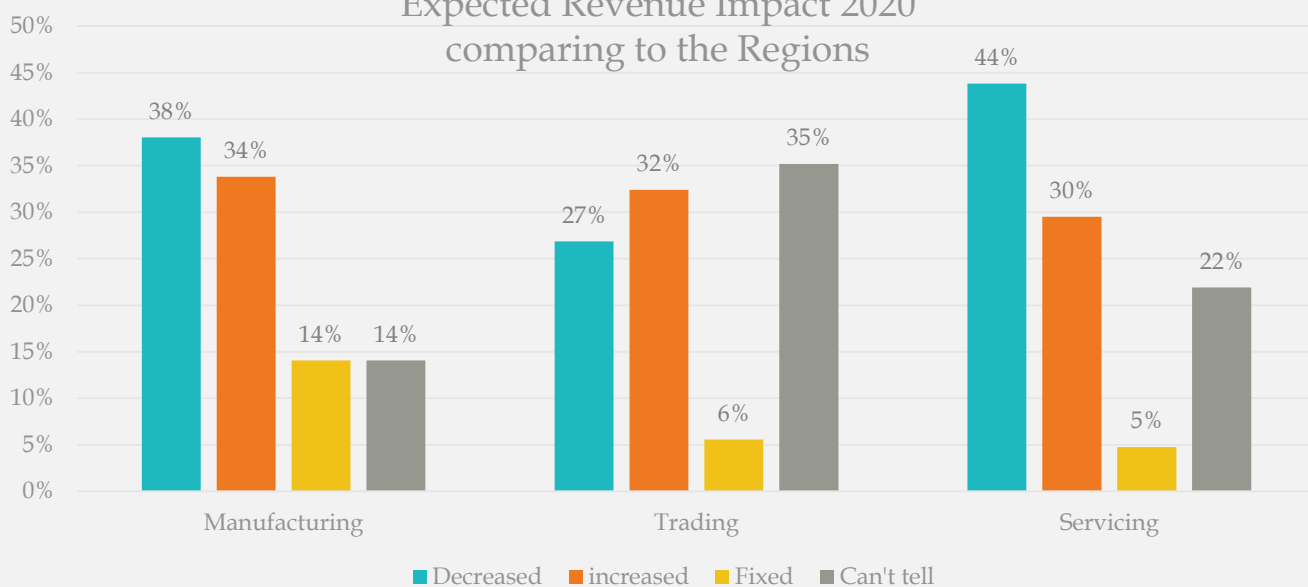
The percentage of stopping work due to the current crisis in relation to region



The percentage of stopping work due to the current crisis in relation to the economic activity



Expected Revenue Impact 2020 comparing to the Regions



9. Executive summary

All the activities of small and micro enterprises were affected by the crisis the world is going through, especially Egypt. The severity of these effects varied according to economic activity and geographical location.

The report pointed out that more than 70% of the projects had caused the crisis to close, whether complete or temporary closure, and this effect was concentrated in Greater Cairo and Upper Egypt governorates, while service activity was the most affected among all activities.

The service activity was the most affected by the high cost, low revenues and skilled workers.

On the other hand, the skilled work force was affected the most by the crisis. Where the report indicated that 60% of the participating companies faced a shortage of workers due to fear of infection in addition to adherence to the quarantine and curfews that affected 70% of the participants.

In this context, most of the participants expected that revenues will not be covered by expenses during the next three months, so the participants demanded the necessity of providing advice on business continuity as a priority for business development services expected to be obtained.

Participants noted the need to provide government support, foremost of which is the provision of personal protection equipment for workers in small and micro companies.