

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity



Survey Report on
Impact of COVID-19 on Businesses

By: Lao National Chamber of Commerce and Industry

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Introduction and Purpose of the Survey

Lao PDR had enjoyed decent economic expansion in these past few years, particularly in the service sector that has witnessed consecutive growth, despite the negative shock on its industrial and agricultural industry sent from previous year's natural disasters and animal disease breakout which contributed to the deflation of those sectors' expansion and the overall shrinkage of Lao PDR's economy in 2019. From late 2019 onwards, COVID-19 pandemic has been adversely affecting the world economy and Lao PDR was no exception. The onset of coronavirus in Lao PDR has evidently been affecting businesses and employment across tourism, logistic, processing and construction sector – attributed to travel restrictions and disruption to the supply chain. The outbreak continues to create havoc thus far, affecting other sectors, both on the supply and demand side, in a similar manner. Based on World Bank's assessment in April 2020, Lao PDR's projected economic growth for 2020 was reduced from around 6% in the previous years to 3.6%.¹

As can be witnessed of the COVID-19 impact on the private sector, Lao National Chamber of Commerce and Industry (LNCCI), as the national focal point for businesses throughout the country, has conducted research to collect data on the impact of COVID-19 on businesses and proposed solutions to mitigate such negative effects accordingly – in order to report and propose them to National Taskforce Committee for COVID-19 Prevention, Control and Response, National Taskforce Committee for Impact Assessment on and Policy Response to Mitigate COVID-19 on Lao PDR's economy, and other public agencies as considered relevant by the Government.

In mid-March 2020, LNCCI conducted and shared preliminary impact survey report on tourism-related businesses, No. 0259/LNCCI, dated 12 March 2020. Such report focused on recommending solutions to alleviate the impact on tourism-related businesses for the Government's consideration, particularly proposing relief measures on tax payment, unemployment support, loan principal and interest payment, access to finance, liquidity of the financial sector and utilities payment, for instance.

Thereafter, LNCCI gathered additional data from its members and shared them with, as well as propose additional suggestions to, the National Taskforce Committees, for their review. Those reports include (1) LNCCI Report No. 0340/LNCCI, dated 17 April 2020, which emphasized on the impact and solutions to redress the issues on temporary closures of industrial factories along with issues on domestic and cross-border goods transportation, and (2) LNCCI Report No. 0355/LNCCI, dated 29 April 2020, which emphasized on the impediments of restrictive measures (to control further COVID-19 outbreak) on businesses and the recommendation to ease thereof. Furthermore, Clause 13 of Prime Minister's Order No. 06/PM, dated 29 March 2020, tasks the Ministry of Planning and Investment to liaise with the Ministry of Finance, the Ministry of Industry and Commerce, Bank of Lao PDR, Lao National Chamber of Commerce and Industry, business operators and other relevant sectors to assess the impact of COVID-19 on the private sector in order to acquire data for use of policy research aimed to assist the private sector.

¹ World Bank, East Asia and Pacific Economic Update, April 2020

Given the significance and necessity to collect data on the impact of COVID-19 in a wider and centralized scope, LNCCI – based on its authority as a data collection center and as the national focal point for businesses, in conjunction with Government’s delegation as specified above – thus conducted ‘COVID-19 Impact on Business Survey’ in April 2020. The purpose of the survey was to gather data on the impact of COVID-19 on businesses throughout the country to report them to LNCCI’s COVID-19 Research Taskforce Committee, National Taskforce Committees, public agencies and other agencies that are of a position to take advantage of such data to study the effects of COVID-19 more comprehensively, develop evidence-based policies and measures, as well as devise business, economic and social development plans – for the benefit of all – so as to abate the impact of COVID-19 on businesses and its workforce, safeguard employment, improve business environment, and ensure the recovery of Lao PDR’s economy.

This Survey Report will assess the impact of COVID-19 on businesses, limiting to the period of COVID-19 outbreak [during these past months] to shine light upon the impact of coronavirus outbreak itself and to prompt the recommendations of short-term mitigating solutions. Upon completion of this Survey Report, LNCCI envisages to conduct further surveys in the next phase with an aim to: (a) bring clarity on the effects of COVID-19 itself, (b) support the development of medium- and long-term solutions to abate such impact as short-term ones may become irrelevant when circumstances change, as well as (c) reevaluate the effectiveness of COVID-19 relief measures and policies. By consecutively conducting these surveys, it will aid LNCCI and other agencies that are able to exploit collected data to further evaluate the effects of coronavirus more comprehensively and continuously improve recovery policies and measures to appropriately reflect the situation from time to time.

Methodology and Limitations

The target population of the survey is business operators throughout the entire country, including both Lao and foreign business operators conducting their business in Lao PDR. Business operators who participated in the survey ranging from various industries are classified by sectors as per Lao Standard Industrial Classification of All Economic Activities (LSIC). Data was collected via online survey embedded on LNCCI’s website. LNCCI attracted survey respondents through its networks of provincial chambers of commerce and industry, business associations, in conjunction with deploying advertisements on Lao LNCCI’s website and Facebook page, newspapers and various online channels. The timeframe for data gathering was from April 6, 2020 to April 27, 2020, which attracted a total amount of respondents of 474.

Data collection was done in a wide and openly manner. Due to the relatively small number of respondents, compared to the total number of business operators throughout the entire country, and that some questions were not comprehensively answered by a number of respondents, data may include some errors. Should all business operators participated in the survey, results may differ.

The following section of this report consists of three main Parts. Part I will report on the impact assessment of COVID-19 on businesses, of which will be sub-divided into three

sections: (1) Respondents' Details, Sectors and Place of Business, (2) Impact of COVID-19 on Business Operations, and (3) Relief Policies and Measures Requested by Businesses from the Government. Part II will estimate the impact of COVID-19 on business revenues. Lastly, Part III will summarize the findings. This Survey Report is attached with Appendix I, which interprets the answers of respondents from 'Tourism', 'Agricultural, Forestry and Fishery', as well as 'Manufacturing' sector (the three main sectors which LNCCI has focused on assessing the effects of coronavirus), and Appendix II, which demonstrates the calculation method for the estimated impact of COVID-19 on businesses.

Part I: COVID-19 Impact on Business Survey's Results

Respondents' Details, Sector and Place of Business

From the total 474 respondents, 39% are women while the remaining 61% are men (see Figure 1); 60% own the building that they operate their business in (see Figure 2); and only 5% of the respondents' place of business is located in a special economic zone, specific economic zone or concession area (see Figure 3). Furthermore, the majority of respondents are those from 'Accommodation and Food Service' industry (24%) (see Figure 4), and that they operate their business in Vientiane Capital (56%) (see Figure 5).

Figure 1: Men or Women

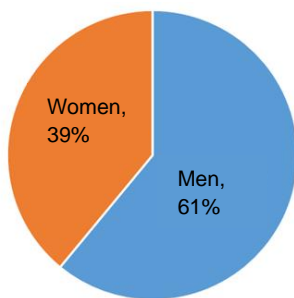


Figure 2: Own or Lease Building

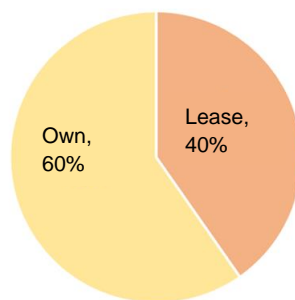


Figure 3: Situated in SEZ or not

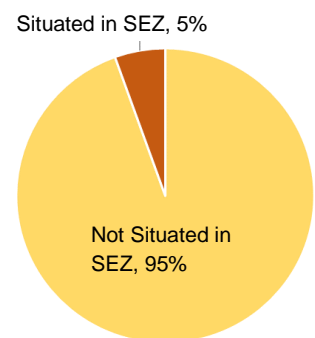
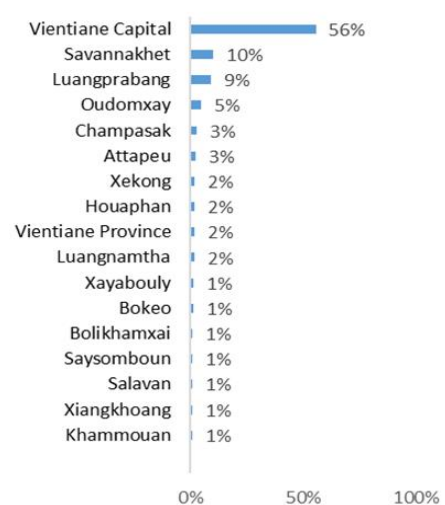


Figure 4: Business Sector



Figure 5: Place of Business



Remarks: In Figure 1-5, respondents were asked: 1. Is your business woman-owned? 2. Do you own or lease the building used for business? 3. Is your business located in a special economic zone, specific economic zone or concession area? 4. What type is your business? and 5. Which province is your business situated? Total respondents: 474 people.

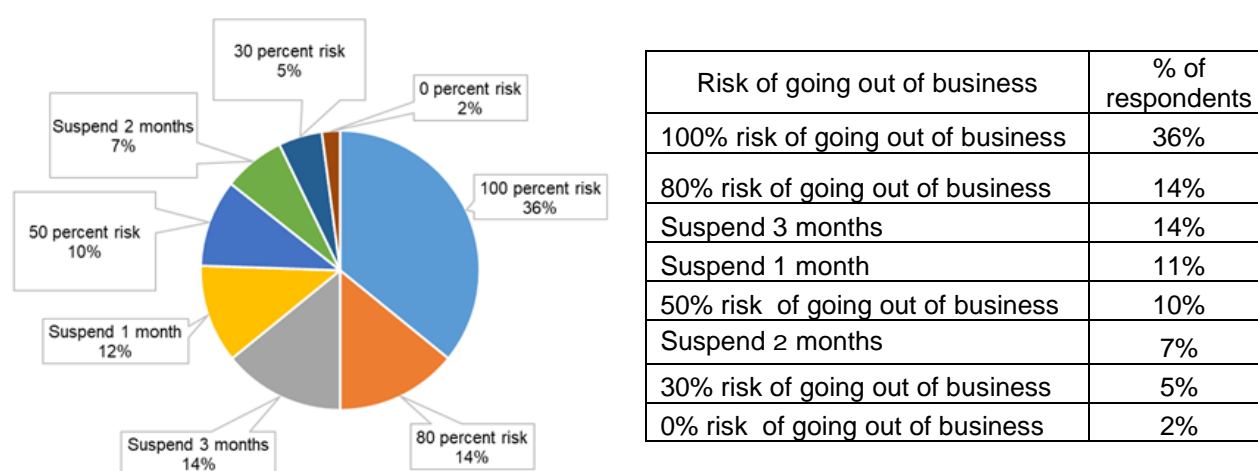
Source: COVID-19 Impact on Business Survey conducted by LNCCI

Impact of COVID-19 Outbreak on Businesses

1. Impact on Risks of Ceasing Business/Operation

Risks of ceasing business/operation means the level of perceived risks that the respondents assess and deem that their businesses are under in terms of ceasing business/operation. Given the COVID-19 outbreak, up to 36% of respondents believe that they are 100% at risk of ceasing their business/operation (see Figure 6). When comparing the risks between men and women, it can be seen that women are at higher risks than men to cease business/operation. Figure 7 demonstrates that 52% of women respondents assess that they are at 80% risk of shutting down their businesses, while 48% of men respondents perceived that they are at such risk.

Figure 6: Risks on Ceasing Business/Operation (% of respondents)

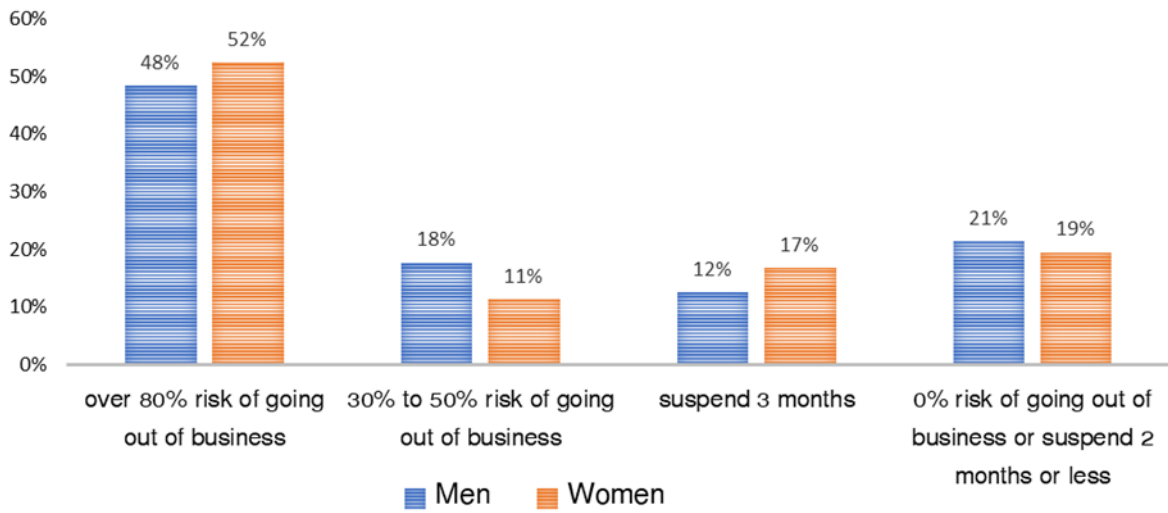


Remarks: In Figure 5, Respondents were asked: What is the risk of your business going out or being suspended due to the COVID-19 situation? Total respondents: 474 people.

Source: COVID-19 Impact on Business Survey conducted by LNCCI

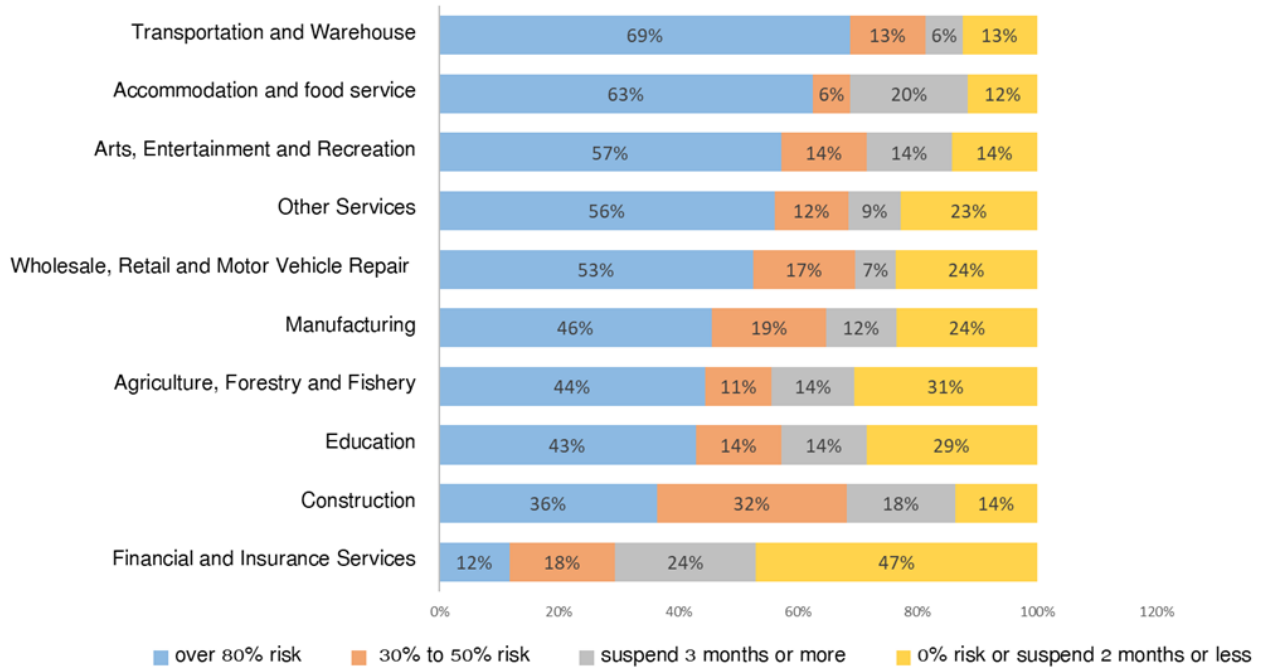
When compared the perceived risks of going out of business due to the obstacles created by COVID-19 between various sectors (see Figure 8), on the one hand, it is visible that business operators from 'Transportation and Warehouse' and 'Accommodation and Food Service' sector suppose that they are at over 80% risk of going under, 69% and 63% respectively. On the other hand, business operators from 'Financial and Insurance Services' sector feel that they are unlikely to go out of business when compared to other sectors. Almost half (47%) of the participants belonging to the 'Financial and Insurance Services' industry either responded that they do not think they would need to cease business operations or that they may only have to suspend their businesses for no less than 2 months, while 12% suspect that they may be 80% at risk of shutting their business down. Furthermore, when comparing between business operators from 'Tourism', 'Agriculture, Forestry and Fishery' and 'Manufacturing' sector, it appears that the majority of respondents from these sectors deem that their business are 100% likely to go under (see Table 3 in Appendix I).

Figure 7: Risks of Going Under - Comparison between Women and Men Business Operators



Remarks: Respondents were asked: (1) Is your business woman-owned? and (2) What is the risk of your business going out or being suspended due to the COVID-19 situation? Total respondents: 474 people.
Source: COVID-19 Impact on Business Survey conducted by LNCCI

Figure 8: Risks of Going Under - Comparing between Sectors (% of respondents)



Remarks:

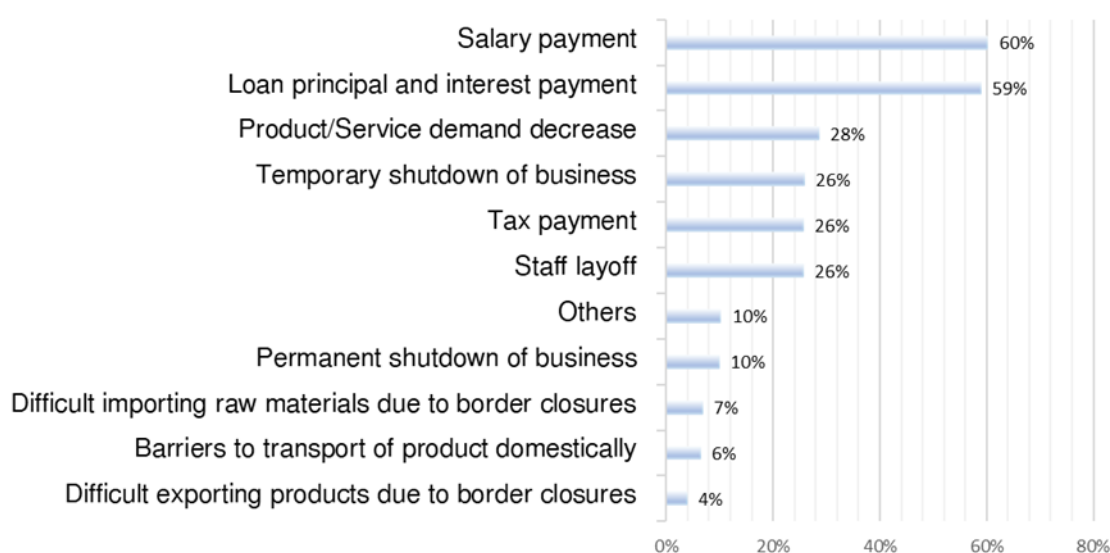
1. Respondents were asked: (1) What type is your business? and (2) What is the risk of your business going out or being suspended due to the COVID-19 situation?
2. Sectors shown are only those with above 10 Respondents

Source: COVID-19 Impact on Business Survey conducted by LNCCI

2. Obstacles to Resuming Business Operation

Obstacles to resuming business operation means the risks that business operators consider as impediments to their capability to resume their own business amid COVID-19 outbreak. In Figure 9, it can be demonstrated that the risks of 'salary payment', 'loan principal and interest payment' and 'product/service demand decrease' are the three main issues that business operators deem to be hindrances to resume operating their own business in the face of the outbreak. When explored further, business operators from 'Tourism', 'Agriculture, Forestry and Fishery' and 'Manufacturing' sector also noticeably consider two of those issues as their main obstacles, i.e. 'salary payment' and 'loan principal and interest payment' (see Table 6 in Appendix I).

Figure 9: Issues Deemed as Obstacles to Resuming Business Operation (% of respondents)



Remarks:

1. Respondents were asked: *What issues of your business operation are you most concerned amid COVID-19 impact (select your top answers, up to 3 answers)?* A number of 474 people responded to this question with 1238 answers in total

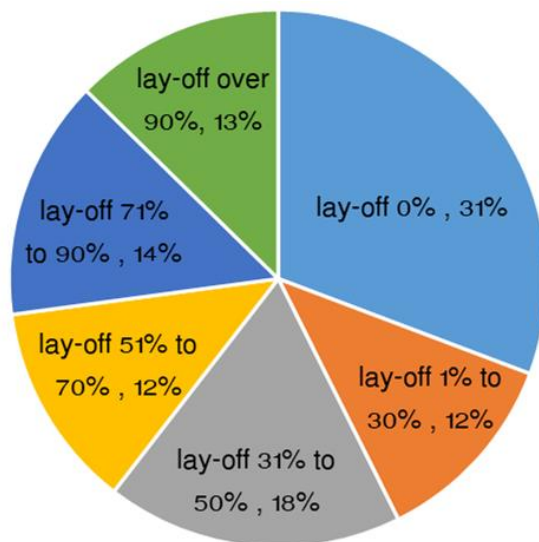
Source: COVID-19 Impact on Business Survey conducted by LNCCI

3. Impact on Workforce

Impact on workforce means the effects of COVID-19 outbreak that forces business operators to expect to lay off or reduce their employees. In Figure 10, it is in clear view that approximately 70% of the respondents believe that they may be forced to let go some of their employees - of which 40% of the respondents deem that they may require to lay off more than half of their entire staff, and 13% estimate they may need to make more than 90% of their total workforce redundant. When compared the average number of workforce across sectors that business operators anticipate to let go of (see Figure 11), it is noticeable that business operators within tourism-related industry, i.e. 'Accommodation and Food Services' and 'Arts, Entertainment and Recreation' sector, are more likely to contemplate in making their employees redundant than any other industries – where survey participants from tourism-related industry responded that they may lay off more than half of their staff.

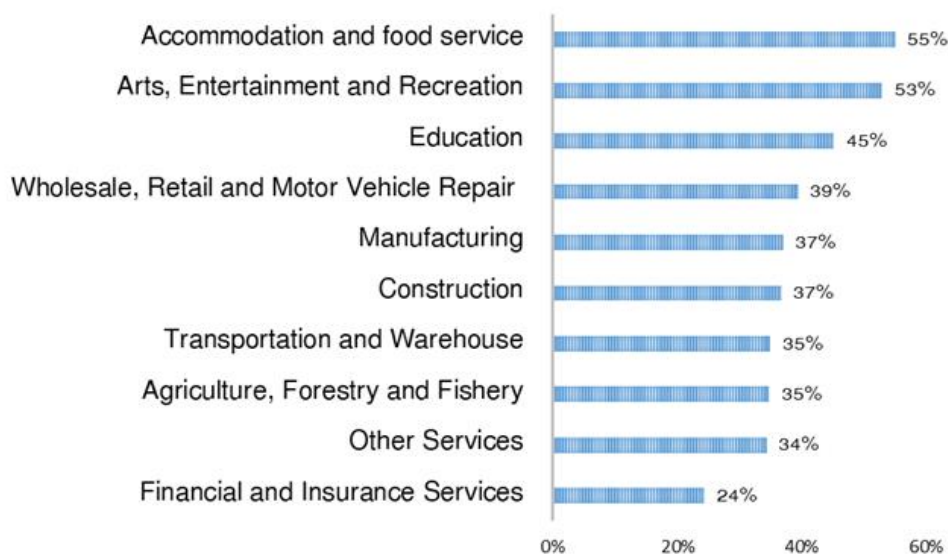
Moreover, when compared business operators expecting to lay off their staff between those located inside and outside of a special economic zone, specific economic zone or concession area, it can be seen that businesses outside of those zones/areas are in more likelihood to estimate that they may have to let go some of their staff than those businesses that are situated in a special economic zone, specific economic zone or concession area (see Figure 12).

Figure 10: Number of Business Operators Expected to Lay off Staff



Remarks: Respondents were asked: (1) What is your employee count before COVID-19 outbreak? and (2) How much staff do you think you need to make redundant due to COVID-19 outbreak? Total respondents: 387 people.
Source: COVID-19 Impact on Business Survey conducted by LNCCI

Figure 11: Comparison Average Number of Workforce Expected to be Laid-off between Sectors

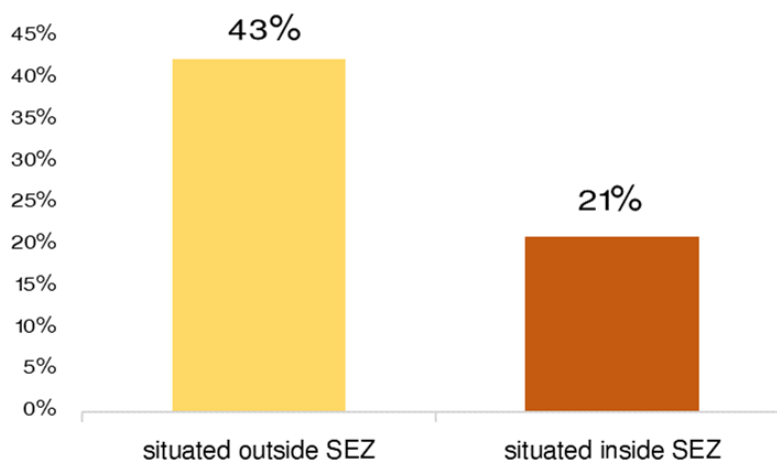


Remarks:

1. Respondents were asked: (1) What type is your business? (2) What is your employee count before COVID-19 outbreak? and (3) How much staff do you think you need to make redundant due to COVID-19 outbreak?
2. Sectors shown are only those with above 10 Respondents

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Figure 12: Comparison of Average Number of Workforce Expected to be Laid-off between those Situated Inside and Outside of a Special Economic Zone, Specific Economic Zone or Concession Area



Remarks:

1. Respondents were asked: (1) Is your place of business situated in a Special Economic Zone, Specific Economic Zone or a concession area? (2) What is your employee count before COVID-19 outbreak? and (3) How much staff do you think you need to make redundant due to COVID-19 outbreak?

2. Total respondents: 387 people.

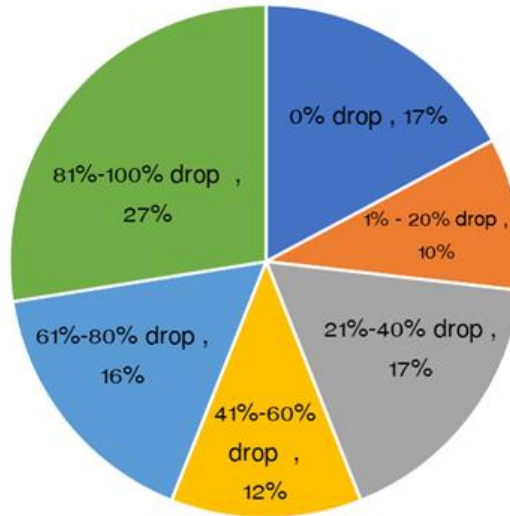
Source: COVID-19 Impact on Business Survey conducted by LNCCI

4. Impact on Revenue

Impact on revenue means the effects of coronavirus outbreak on business operators' revenue for Q1 2020 compared to what they received in Q1 2019. From Figure 13, it can be seen that over a quarter (27%) of the respondents experienced more than 80% drop in revenue for Q1 2020 when compared to Q1 2019. When comparisons are made between businesses situated inside and outside of special economic zone, specific economic zone or concession area, those situated outside of those zones/areas are affected more than those situated inside (see Figure 15). Furthermore, when compared across different sectors (see Figure 14), it can be seen that businesses in 'Arts, Entertainment and Recreation' and 'Accommodation and Food Services' sector are more troubled than businesses in other sectors in terms of revenue drop, whereby businesses in these two sectors assess that their overall business revenue for Q1 2020 has dropped well above half when compared to Q1 2019, at 58% and 53% fall respectively. Nonetheless, businesses within the 'Manufacturing' and 'Wholesale, Retail and Motor Repair' sector are similarly affected – where they estimate that their Q1 revenue will dip more than 50% when compared to what they generated in the previous year.

Figure 13: Comparison between Impact on Business Revenue for Q1 2020 and 2019

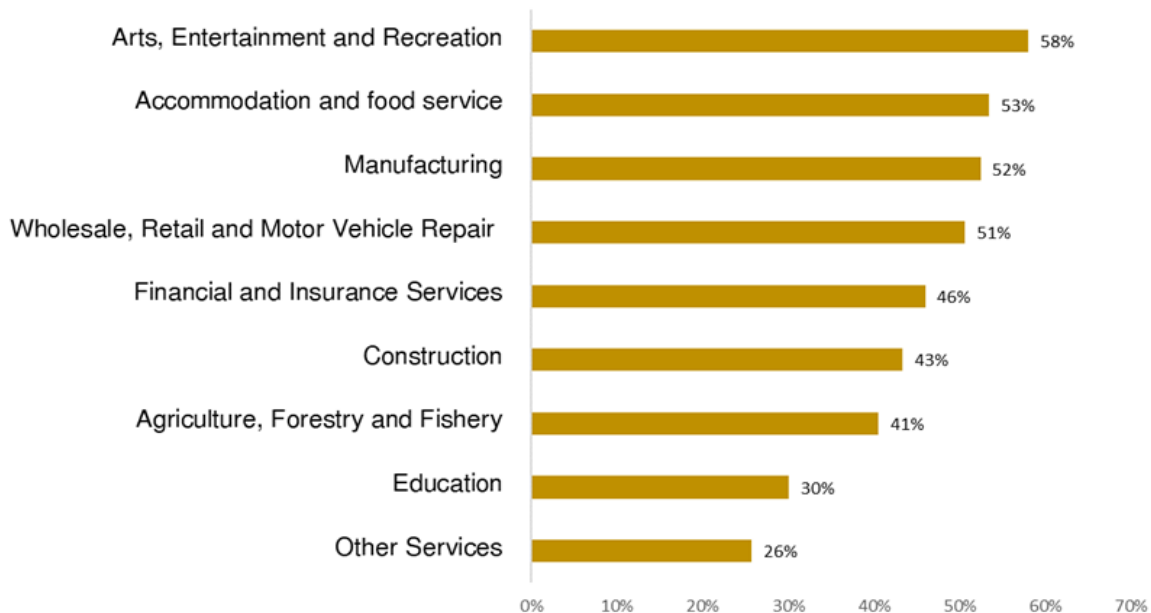
Revenue of Q1 2020 compared with revenue of Q1 2019 (drop of revenue)
(% of respondents)



Remarks: Respondents were asked: (1) What is your business revenue during COVID-19 outbreak (i.e. for Q1 2020)? and (2) What is your business revenue for Q1 2020? Total respondents: 291 people.

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Figure 14: Comparison of Business Revenue between Sectors



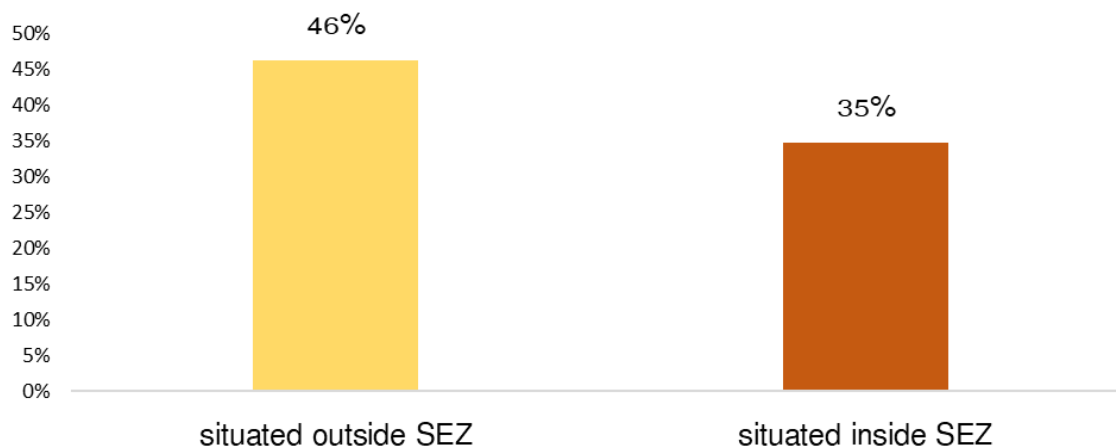
Remarks:

1. Respondents were asked: (1) What type is your business? (2) What is your business revenue during COVID-19 outbreak (i.e. for Q1 2020)? and (3) What is your business revenue for Q1 2019?

2. Sectors shown are only those with above 10 Respondents

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Figure 15: Comparison of Business Revenue Impact between businesses situated inside and outside of a Special Economic Zone, Specific Economic Zone or concession area



Remarks:

1. Respondents were asked: (1) Is your place of business situated in a Special Economic Zone, Specific Economic Zone or a concession area? (2) What is your business revenue during COVID-19 outbreak (i.e. for Q1 2020)? and (3) What is your business revenue for Q1 2019?

2. Total respondents: 291 people

Source: COVID-19 Impact on Business Survey conducted by LNCCI

5. Relief Policy and Measure Required from the Government

Relief policy and measure required from the Government means the policies and measures that business operators deemed necessary for the Government to lay out in order to mitigate the impact of COVID-19 on their business operations. Table 1 shows that the majority of business operators regard the following five policies as the most vital policies that requires Government’s consideration to tackle the effects of coronavirus on their businesses during this outbreak period. Those five include: (1) policy on taxation (such as tax cuts or deferral of tax payment, (2) policy on utility payment (such as reduction in electricity, water, internet and telephone bills), (3) policy on loan program (such as deferral of loan principal and interest payment, extension of low-interest credit and/or guarantee), (4) policy on cash payouts for businesses and citizens to keep themselves afloat amid COVID-19, and (5) policy on employment and social security. What the ‘Tourism’, ‘Agriculture, Forestry and Fishery’ and ‘Manufacturing’ sector deem as the most important policies are also those relating to taxation, utility fees, and loan program (see Table 5 in Appendix I).

Table 1: Relief Support Required from Government

	Policies, Measures and others	% of Respondents
1	Policy on tax payments (e.g. tax waiver or tax break)	55%
2	Utility fee reduction (e.g. electricity, water, internet, telephone)	48%
3	Policy on Loan program (deferral of principle and interest payment, low interest loans or credit guarantees)	44%
4	Cash payouts for Business / Individual to help cope with COVID-19 situation	26%
5	Policy on employment and social security	19%
6	Policy on customs payments (e.g exemption of customs on priority goods)	8%
7	Resumption of business activities	8%
8	Facilitation on import, export and transport of products	6%
9	Policy on other contractual obligations (e.g. rent)	6%
10	Provision of PPEs to all	5%
11	Sector specific promotion	5%
12	Others	5%
13	Streamline of procedures for starting and operating business	5%
14	Price restrictions on essential goods	5%
15	Information dissemination	2%

Remarks: Respondents were asked: What do you think Government could have done to reduce COVID-19 business impact (select your top answers, up to 3 answers)? A number of 474 people responded to this question with 1180 answers in total

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Part II: Estimated Impact on Business Revenue

Based on the results derived from COVID-19 Impact on Business Survey conducted by LNCCI, as interpreted in Part I, Figure 14 compares the impact on business revenue across different sectors which in turn enable the estimation of the impact on each sector's business revenue for Q1 2020. Table 2 demonstrates the estimated impact on business revenue for Q1 2020 which amounts to USD1.17 billion (excluding impact on revenue of 'Electricity, Gas etc. Supply' and 'Mining and Quarrying' sector) or 5.6% of Lao PDR's GDP for 2020². From

² Lao PDR's estimated GDP for 2020 from International Monetary Fund's World Economic Outlook Database, October 2019 equate to approximately 21.21 billion US dollars

Table 2, it can be seen that the sector that is most affected is ‘Agricultural, Forestry and Fishery’ sector, amounting to the loss of approximately USD292 million to business revenue for Q1 2020.

Be reminded that these approximations are merely preliminary estimates based on previous years’ statistics and a few assumptions (please see calculation assumptions and method as detailed in Appendix II), hence they do not necessary reflect the exact numeric impact values in the economy. The purpose of these estimates on COVID-19 impact on business revenue is so to provide an overview of the losses that are shouldered by Lao businesses to relevant government agencies and other entities, so as to evaluate and develop appropriate evidence-based policies or measures to assist in the COVID-19 recovery for businesses in the short-run. These estimated numbers may vary in the future should the outbreak extends further, both domestically and globally.

Table 2: Estimated Impact on Business Revenue for Q1 2020

Sector	Revenue/Estimated Revenue for 2019 (in millions of USD)	Estimated Revenue for one Quarter in 2019 (in millions of USD)	Estimated Impact on Q1 2020 (estimated % decrease compared with Q1 2019)	Impact on Revenue for Q1 2020 (in millions of USD)
Agriculture, Forestry and Fishery	2,856.21	714.05	41%	292.76
Wholesale, Retail and Motor Repair	2,232.32	558.08	51%	284.62
Manufacturing	1,421.40	355.35	52%	184.78
Construction	1,534.06	383.52	43%	164.91
Tourism	934.71	233.67	56%	129.69
Financial and Insurance Services	603.44	150.86	46%	69.40
Education	432.56	108.14	30%	32.44
Other Services	307.53	76.88	26%	19.99
Total Estimated Impact on Business Revenue for Q1 2020				1,178.59*

Remark: Details for Table 2’s calculation method, assumption and source of data are described in Appendix II

Part III: Conclusion

The outbreak of COVID-19 in Lao PDR during these past several months has been adversely affecting business operators and their workforce, covering different sectors throughout the entire country. Based on the COVID-19 Impact on Businesses Survey conducted by LNCCI in April 2020, of which 474 respondents participated, it can be concluded that amid coronavirus outbreak, over a third (36%) of the respondents deem that they are at 100% risk to cease their business operations. When compared between women

and men's perceived risks, it is demonstrated that women business operators consider themselves to be more at risk to cease their business operations than their male counterparts. Moreover, when perceived likelihood to cease business operations among different sectors are analyzed, respondents from 'Transportation and Storage Services' and 'Accommodation and Food' sector believe that they are most likely to cease their business operations than any other sectors.

In terms of the impact on the workforce, almost 40% of the respondents predict that they would have to make more than half of their staff redundant. It is in clear view that tourism-related businesses, i.e. 'Accommodation and Food' sector and 'Arts, Entertainment and Recreation' sector, expect that they may be forced to lay off their employees more than any other sectors. Respondents from these sectors predict that over 50% of their workforce will be laid off amid COVID-19.

In regards to the effects on business revenue, respondents were asked to examine the difference between what their revenue for Q1 2019 and Q1 2020. It is visible that over a quarter (i.e. 27%) of the survey participants assess that their revenue for Q1 2020 has dropped above 80% when compared to Q1 2019. When compared it with the average estimated impact on each sector's revenue, similar to impact on employment, tourism-related businesses, i.e. 'Arts, Entertainment and Recreation' sector and 'Accommodation and Food' sector, estimate on their revenue for Q1 2020 will be adversely affected more than any other industries. Businesses in 'Arts, Entertainment and Recreation' sector estimated that their revenue will dip at 58%, while those in 'Accommodation and Food' sector predicted a fall of revenue at 53%. Besides these two sectors, businesses from 'Manufacturing' sector and 'Wholesale, Retail and Motor Repair' sector also anticipate that their business revenue will drop above 50% when compared to what they generated in 2019.

Businesses situated outside of Special Economic Zone, Specific Economic Zone or Concession Area are more likely to experience greater magnitude of impact on business revenue and its workforce than those situated inside Special Economic Zone, Specific Economic Zone or Concession Area.

Relating to relief policies and measures, the majority of business operators deem that the following five policies as the most essential policies that necessitates Government's consideration to mitigate the impact of COVID-19 on their businesses during this period. Those five include: (1) policy on taxation (such as exemption or deferral of tax payment), (2) policy on utility payment (such as reduction in electricity, water, internet and telephone bills), (3) policy on loan program (such as deferral of loan principal and interest payment, extension of low-interest credit and/or guarantee), (4) policy on monetary grants for businesses and citizens to keep themselves afloat in the face of the outbreak, and (5) policy on employment and social security.

Based on the results of COVID-19 Impact on Businesses Survey conducted by LNCCI, as interpreted in Part I, it can be estimated that the effects on business revenue for Q1 2020 amounts to around USD1.17 billion (excluding impact on 'Electricity, Gas etc. Supply' sector and 'Mining and Quarrying' sector) or 5.6% of Lao PDR's GDP for 2020. It is demonstrated

that the sector that is most affected is 'Agricultural, Forestry and Fishery', with an estimated loss of approximately USD292 million to their businesses' revenue for Q1 2020, compared with Q1 2019. Such estimation of the impact on business revenue is based on previous years' statistics and some calculation assumptions, hence, they may not necessarily reflect real numeric values of the impact. The purpose of these estimations of COVID-19 effects on business revenue is to provide clarity of such impact to relevant government agencies in order to provide them with valuable information to evaluate and develop appropriate evidence-based policies or measures in abating these problems in the short-run. These estimated numbers may vary in the medium-term should the COVID-19 outbreak extends further, both domestically and globally.

The survey merely intends to (a) explore the impact of COVID-19 on businesses amid the outbreak [period that Lao PDR has experienced thus far], (b) offer an overview picture of such impact so as to be used as a basis to develop solutions to redress those impact, as well as (c) provide an estimated impact in the short-run. LNCCI thus aims to conduct a second phase survey to assess the impact of COVID-19 in order to gather more comprehensive data that could be taken advantage of to better develop evidenced-based solutions for the recovery period, given that the issues that arise in medium- and long-term may alter from those identified in the short-term or during this outbreak. Furthermore, the survey from second phase may allow data users to explore new innovative means in running businesses during the recovery period from COVID-19 impact, estimate necessary cashflow for businesses to stay afloat during the outbreak, reevaluate the effectiveness of relief policies and measures that have been laid out during these past months, and explore other policies. By conducting consecutive surveys, it will enhance the abilities of LNCCI and other data users to properly assess the impact of COVID-19 from time to time.

Appendix I – Comparison between Tourism, Agriculture and Processing Sector

Table 3: Comparison on Risks to Cease Business Operation (% of respondents)

Risk per Sector	Tourism	Agriculture, Forestry and Fishery	Manufacturing
100% risk to go out of business	47%	36%	31%
80% risk to go out of business	15%	8%	15%
50% risk to go out of business	6%	11%	9%
30% risk to go out of business	1%	0%	10%
Suspend 3 months	19%	14%	12%
Suspend 2 months	6%	8%	3%
Suspend 1 month	6%	19%	18%
Zero risk to go out of business	0%	3%	3%
Total Respondents	126	36	68

Remarks:

1. Respondents were asked: (1) What type is your business? (2) What is the risk of your business going out or being suspended due to the COVID-19 situation?

2. Here, Tourism sector consists of 'Accommodation and Food Services', 'Arts, Entertainment and Recreation'

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Table 4: Comparison in Risks of Staff Layoff between Sectors (% of Respondents)

Layoff per Sector	Tourism	Agriculture, Forestry and Fishery	Manufacturing
No layoff	13%	41%	41%
Layoff 1 - 30%	13%	7%	10%
Layoff 31-50%	22%	11%	11%
Layoff 51-70%	17%	22%	7%
Layoff 71-90%	17%	11%	18%
Layoff above 90%	19%	7%	13%
Total Respondents	118	27	61

Remarks:

1. Respondents were asked: (1) What type is your business? (2) What is your employee count before COVID-19 outbreak? and (3) How much staff do you think you need to make redundant due to COVID-19 outbreak?

2. Here, Tourism sector consists of 'Accommodation and Food Services', 'Arts, Entertainment and Recreation'

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Table 5: Comparison between Q1 2020 revenue and Q1 2019 revenue (% Respondents)

Drop in Revenue per Sector	Tourism	Agriculture, Forestry and Fishery	Manufacturing
0%	15%	25%	16%
1 - 20%	9%	10%	13%
21-40%	12%	15%	13%
41-60%	8%	15%	10%
61-80%	19%	15%	13%
81-100%	37%	20%	35%
Total Respondents	89	20	31

Remarks:

1. Respondents were asked: (1) What type is your business? (2) What is your business revenue during COVID-19 outbreak (i.e. for Q1 2020)? and (3) How much staff do you think you need to make redundant due to COVID-19 outbreak?
2. Here, Tourism sector consists of 'Accommodation and Food Services', 'Arts, Entertainment and Recreation'

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Table 6: Comparison between obstacles to resuming business operation (% of Respondents)

Obstacles to resuming businesses	Tourism	Agriculture, Forestry and Fishery	Manufacturing
Salary payment	70%	45%	55%
Loan principal and interest payment	69%	61%	40%
Staff layoff	43%	12%	34%
Temporary shutdown of business	31%	30%	25%
Tax payment	27%	12%	20%
Permanent shutdown of business	13%	3%	15%
Product/Service demand decrease	13%	39%	46%
Barriers to transport of product domestically	-	33%	9%
Difficult exporting products due to border closures	-	15%	14%
Difficult importing production inputs due to border closures	-	15%	18%
Others	13%	3%	8%
Total	120	33	65

Remarks:

1. Respondents were asked: (1) What type is your business? (2) What areas of your business operation are you most concerned will be -or are being- impacted by COVID-19? (c)?
2. Here, Tourism sector consists of 'Accommodation and Food Services', 'Arts, Entertainment and Recreation'

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Table 7: Comparison between Relief Support Required from Government (% respondents)

Relief Support Required from Government	Tourism	Agriculture, Forestry and Fishery	Manufacturing
Policy on tax payments (e.g. tax waiver or tax break)	67%	52%	42%
Utility fee reduction (e.g. electricity, water, internet, telephone)	59%	45%	34%
Policy on Loan program (deferral of principle and interest payment, low interest loans or credit guarantees)	47%	41%	29%
Cash payouts for Business / Individual to help cope with COVID-19 situation	28%	34%	24%
Policy on employment and social security	15%	10%	27%
Specific sector promotion	12%	14%	2%
Policy on other contractual obligations (such as rent)	9%	-	2%
Lift restrictions, Resumption of business activities	7%	14%	15%
Policy on customs payments (e.g. exemption of customs on priority goods)	6%	24%	6%
Streamline of procedures for starting and operating business	6%	7%	11%
Others	4%	-	6%
Price restrictions and management on essential goods	4%	10%	2%
Facilitation on transport and import-export of products	3%	24%	10%
Information dissemination	3%	-	-
Provision of PPEs to everyone	2%	7%	5%
Total	116	29	62

Remarks:

1. Respondents were asked: (1) What do you think the Government could have done to reduce the impact of COVID-19 on businesses (select your top answers, up to 3 answers)?

2. Here, Tourism sector consists of 'Accommodation and Food Services' and 'Arts, Entertainment and Recreation' sector

Source: COVID-19 Impact on Business Survey conducted by LNCCI

Appendix II – Estimated Impact on Business Revenue for Q1 2020

Table 8: Calculated Estimation of Impact on Business Revenue for Q1 2020

Sector	Revenue for 2018 (% of GDP)	Estimated Revenue for 2018 (in millions of USD)	Sector Growth for 2018 (%)	Revenue/Estimated Revenue for 2019 (in millions of USD)	Estimated Revenue for one Quarter in 2019 (in millions of USD)	Estimated Impact on Q1 2020 (estimated decrease in % compared with Q1 2019)	Impact on Q1 2020 (in millions of USD)
	A	B	C	D	E	F	G
Agriculture, Forestry and Fishery		2,820.39	1.27%	2,856.21	714.05	41%	292.76
Wholesale, Retail and Motor Repair	12.25%	2,199.33	1.50%	2,232.32	558.08	51%	284.62
Manufacturing		1,338.04	6.23%	1,421.40	355.35	52%	184.78
Tourism				934.71	233.67	56%	129.69
Construction	6.97%	1,251.37	22.59%	1,534.06	383.52	43%	164.91
Financial and Insurance Services	3.06%	549.38	9.84%	603.44	150.86	46%	69.40
Education	2.37%	425.50	1.66%	432.56	108.14	30%	32.44
Other Services	1.67%	299.82	2.57%	307.53	76.88	26%	19.99
Total Estimated Impact on Business Revenue for Q1 2020							1,178.59

Details for Table 7's calculation method, assumption and source of data are in the following page.

Estimated Revenue for 2018 (B):

- Revenue data for 2018 on 'Agriculture, Forestry, Fishery' Sector and 'Industrial Procession' Sector is from the World Bank's³;
- Estimated revenue for 2019 on 'Construction' Sector, 'Wholesale, Retail and Motor Repair' Sector, 'Financial and Insurance Services' Sector, 'Education' Sector, and 'Other Services' Sector, is calculated by multiplying Sector Revenue for 2018 (% of GDP)⁴ (Column A) with GDP for 2018 in the amount of USD 17.95 billion⁵.

Estimated Revenue for 2019 (D):

- Data on 'Tourism Sector for 2019' (Column D) is from Ministry of Information, Culture and Tourism's statistic;
- Based on an assumption that each respective sector growth equates as they experience in 2018, estimated revenue for 2019 for 'Agriculture, Forestry, Fishery' sector, 'Manufacturing' sector, 'Construction' sector, 'Wholesale, Retail and Motor Repair' sector, 'Financial and Insurance Services' sector, 'Education' sector and 'Other Services' sector can be calculated by multiplying its sectoral growth in 2018 (%)⁶ by their estimated revenue for 2018, i.e. $D = B * C$.

Each Sector's Estimated Quarterly Revenue for 2019 (E):

- It is calculated based on an assumption that each sector's revenue is not affected by seasonality, of which each sector's estimated revenue for 2019 (Column E) can be estimated by multiplying each sector's Estimated Revenue for 2019 (Column D) with 0.25, i.e. $E = D / 4$.

Impact on Revenue for Q1 2020 (average % drop by comparing with revenue for Q1 2019) (F):

- Data was derived from 'COVID-19 Impact Survey on Businesses' conducted by LNCC.

Impact on Revenue for Q1 2020(G)

- Numbers were calculated by multiplying Each Sector's Estimated Quarterly Revenue for 2019 with Impact on Revenue for Q1 2020 (average % drop by comparing with revenue for Q1 2019), i.e. $G = E * F$.

³ World Bank - World Development Indicator - <https://databank.worldbank.org>

⁴ Statistics on each sector's revenue for 2018 (% of GDP) (in current price), by Lao Statistics Bureau, <https://laosis.lsb.gov.la/tblInfo/TblInfoList.do>

⁵ Lao PDR's GDP for 2018 (in current USD), by the World Bank- World Development Indicator- <https://databank.worldbank.org>

⁶ Statistics on sector's growth for 2018 (%) (at constant price 2012), by Lao Statistics Bureau, <https://laosis.lsb.gov.la/tblInfo/TblInfoList.do>