



# Survey: Impact of COVID-19 Outbreak on European Companies in Korea

April 3, 2020

# About the Survey

Impact of COVID-19 Outbreak on European Companies in Korea

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ECCK is tracking changing sentiment and priorities for European companies in Korea, as businesses respond to unprecedented disruptions to daily operations brought on by the COVID-19 outbreak. The results shown here are the findings from the second round of the survey. This survey reflects the views of 44 European companies, representing over 25,000 employees and a total turnover of EUR 26 billion (KRW 35 trillion). The survey was conducted from March 24 until 31.

## Key Findings

- 71% of European companies surveyed forecast decrease in revenues for the first half of 2020, and 61% are considering to lower the company's annual business performance target.
- 64% of respondents expect that their organization would be back to normal within three months if the coronavirus were to end immediately.
- 86% replied the government measures did not slow down or hinder business operations.

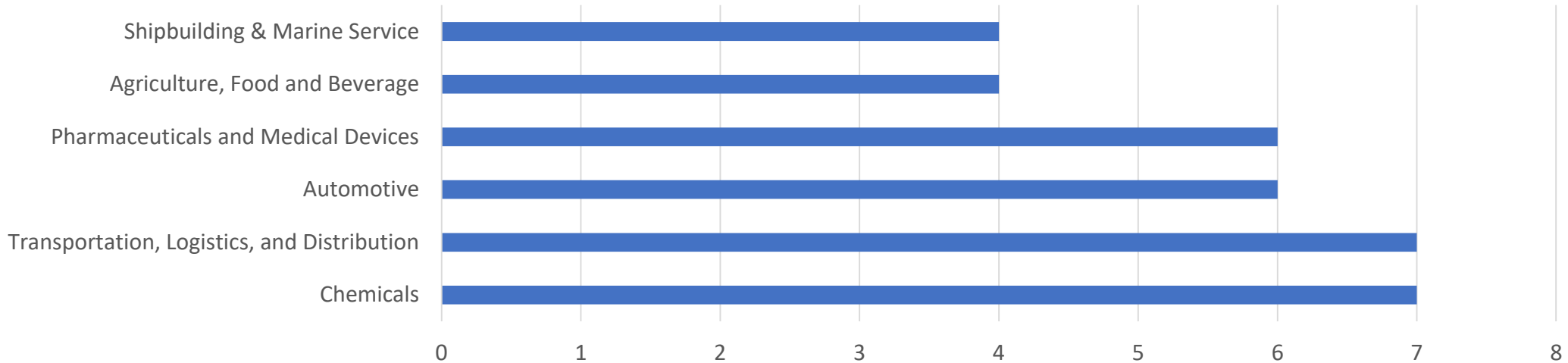
# Respondent Profile

# Respondent Profile

Impact of COVID-19 Outbreak on European Companies in Korea

## Participating Companies by Industry Sector

Total number of Respondents: 44



	Chemicals	Transportation, Logistics, and Distribution	Automotive	Pharmaceuticals and Medical Devices	Agriculture, Food and Beverage	Shipbuilding & Marine Service
■ 31-Mar-202	7	7	6	6	4	4

### Other segments of participating companies

2: Professional Services (Non-legal)

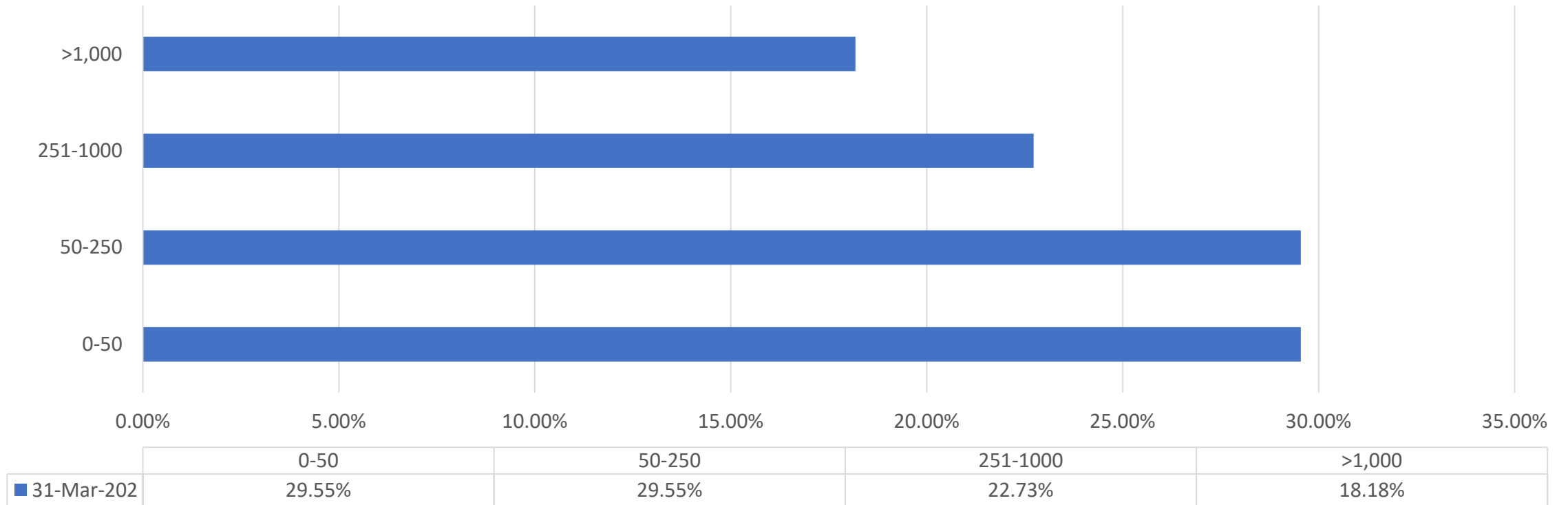
1: Advocacy, Aerospace and Defence, Consumer products (cookware and small domestic appliance), Fashion & Textile, Financial Services (incl. insurance), Machinery, Retail, Utilities, Primary Energy, and other Commodities.

# Respondent Profile

Impact of COVID-19 Outbreak on European Companies in Korea

## Participating Companies by Number of Employees

Total number of employees: 24,525

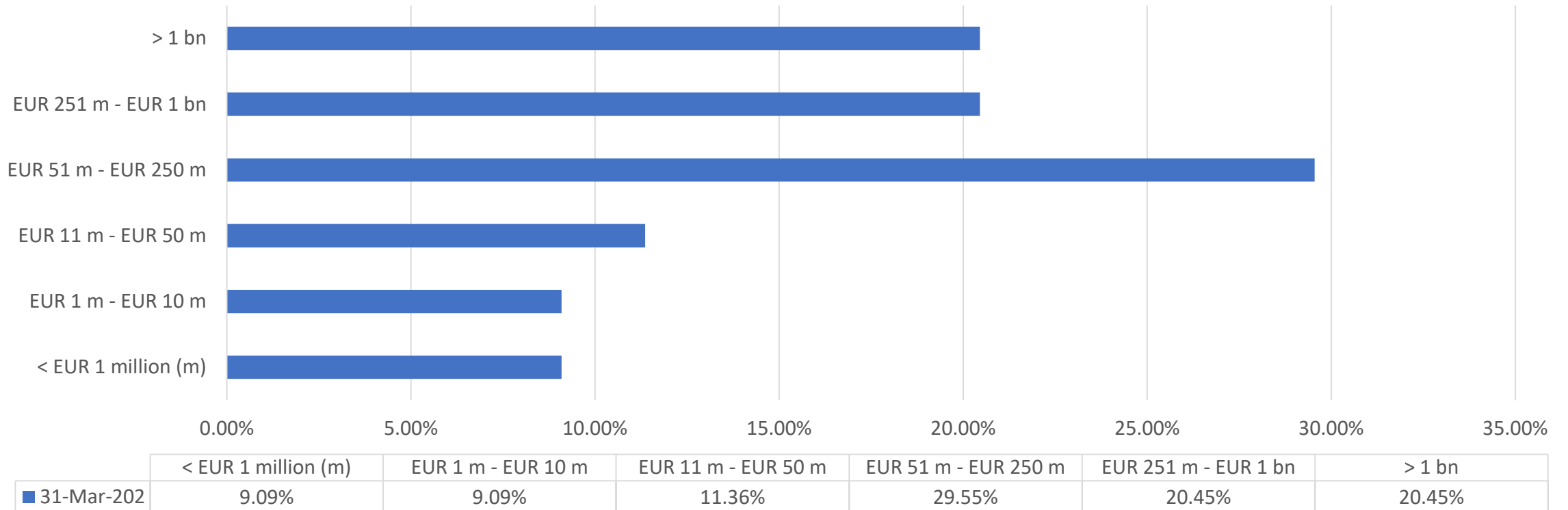


# Respondent Profile

Impact of COVID-19 Outbreak on European Companies in Korea

## Participating Companies by Revenue

Total revenue: EUR 26 billion (KRW 35 trillion)



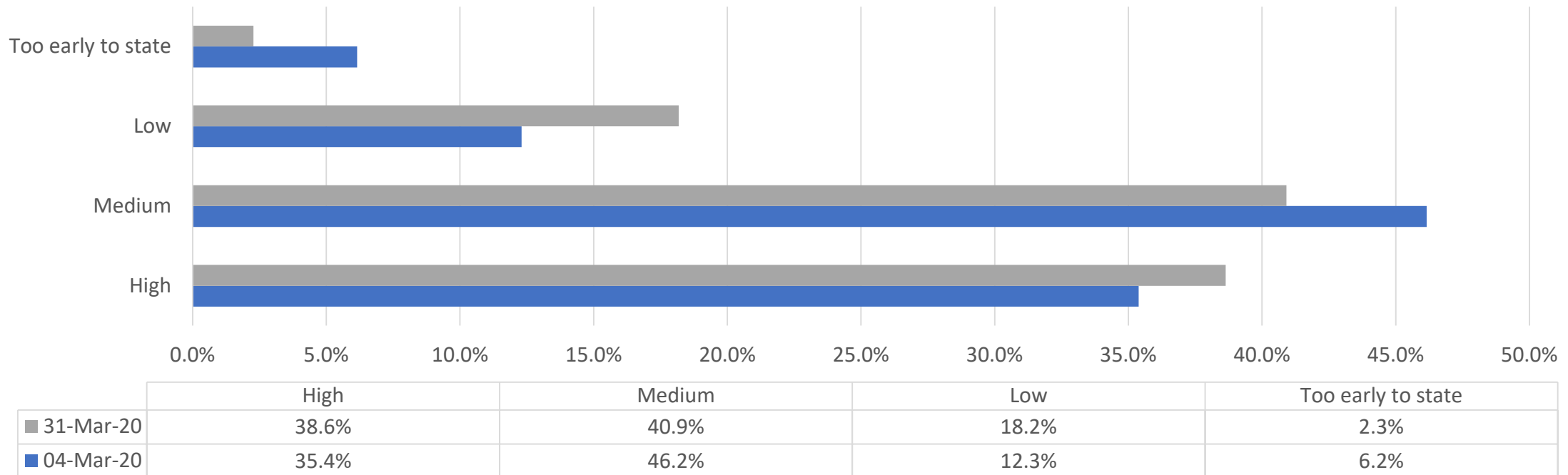
# Survey Findings

# Question 1:

Impact of COVID-19 Outbreak on European Companies in Korea

Is the novel coronavirus outbreak, and the resulting prevention-and-control measures, having any current impact on your business?

Number of Respondents: March 4: n=65, March 31: n=44



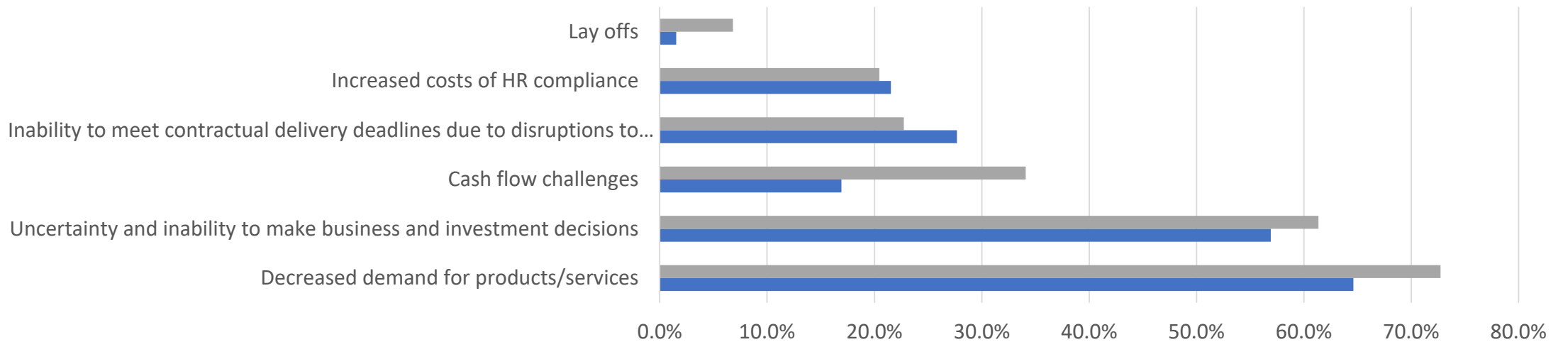


# Question 2:

Impact of COVID-19 Outbreak on European Companies in Korea

Please specify how your business in Korea has been affected by the novel coronavirus outbreak so far. (Select all that apply)

Number of Respondents: March 4: n=65, March 31: n=44



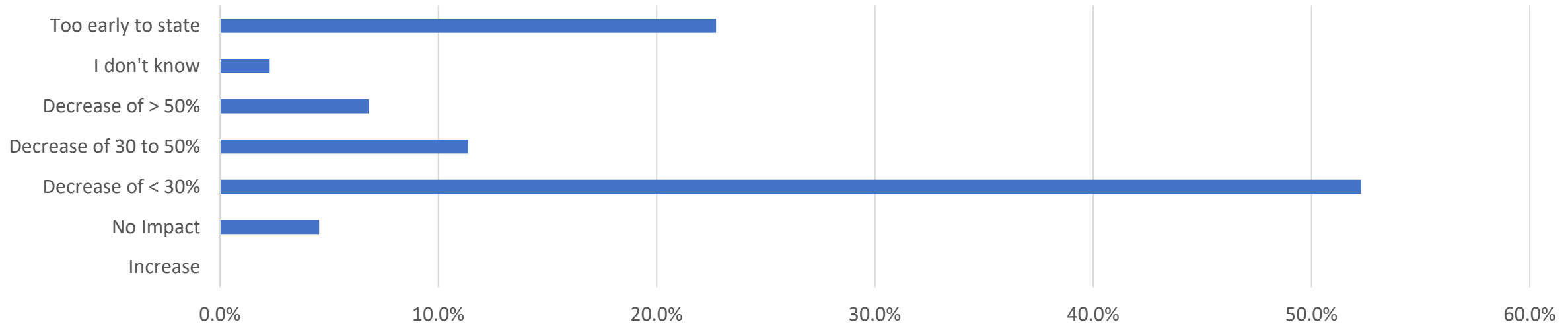
	Decreased demand for products/services	Uncertainty and inability to make business and investment decisions	Cash flow challenges	Inability to meet contractual delivery deadlines due to disruptions to logistics	Increased costs of HR compliance	Lay offs
■ 31-Mar-20	72.7%	61.4%	34.1%	22.7%	20.5%	6.8%
■ 04-Mar-20	64.6%	56.9%	16.9%	27.7%	21.5%	1.5%

# Question 3:

Impact of COVID-19 Outbreak on European Companies in Korea

To what extent will the novel coronavirus outbreak and the resulting prevention-and-control measures impact your company's revenue in the first half of 2020?

Number of Respondents: March 4: n=65, March 31: n=44



	Increase	No Impact	Decrease of < 30%	Decrease of 30 to 50%	Decrease of > 50%	I don't know	Too early to state
31-Mar-20	0.0%	4.5%	52.3%	11.4%	6.8%	2.3%	22.7%

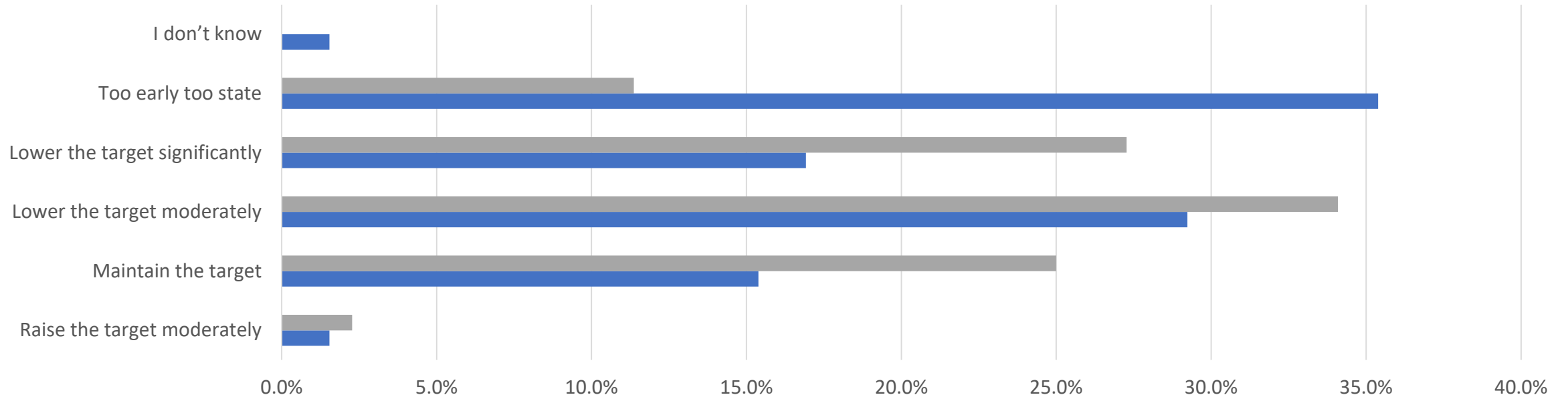
04-Mar-20	Increase	No Impact	Decrease of < 5%	Decrease of 5 to 10 %	Decrease of 10 to 20 %	Decrease of > 20 %	Too early to state	I don't know
	0.0%	4.6%	7.7%	12.3%	15.4%	20.0%	6.2%	33.8%

# Question 4:

Impact of COVID-19 Outbreak on European Companies in Korea

## Do you plan to adjust your company's 2020 business performance target?

Number of Respondents: March 4: n=65, March 31: n=44



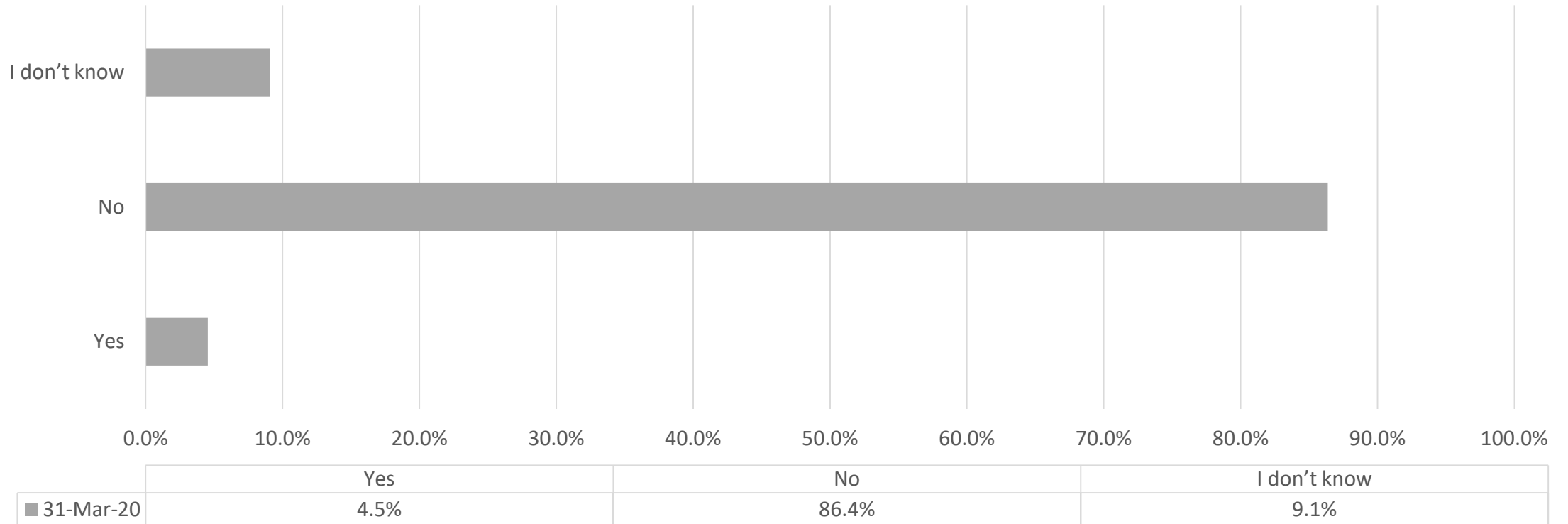
	Raise the target moderately	Maintain the target	Lower the target moderately	Lower the target significantly	Too early too state	I don't know
■ 31-Mar-20	2.3%	25.0%	34.1%	27.3%	11.4%	0.0%
■ 04-Mar-20	1.5%	15.4%	29.2%	16.9%	35.4%	1.5%

# Question 5:

Impact of COVID-19 Outbreak on European Companies in Korea

## Did your company face measures by local authorities that slow down or hinder business operation?

Number of Respondents: 44

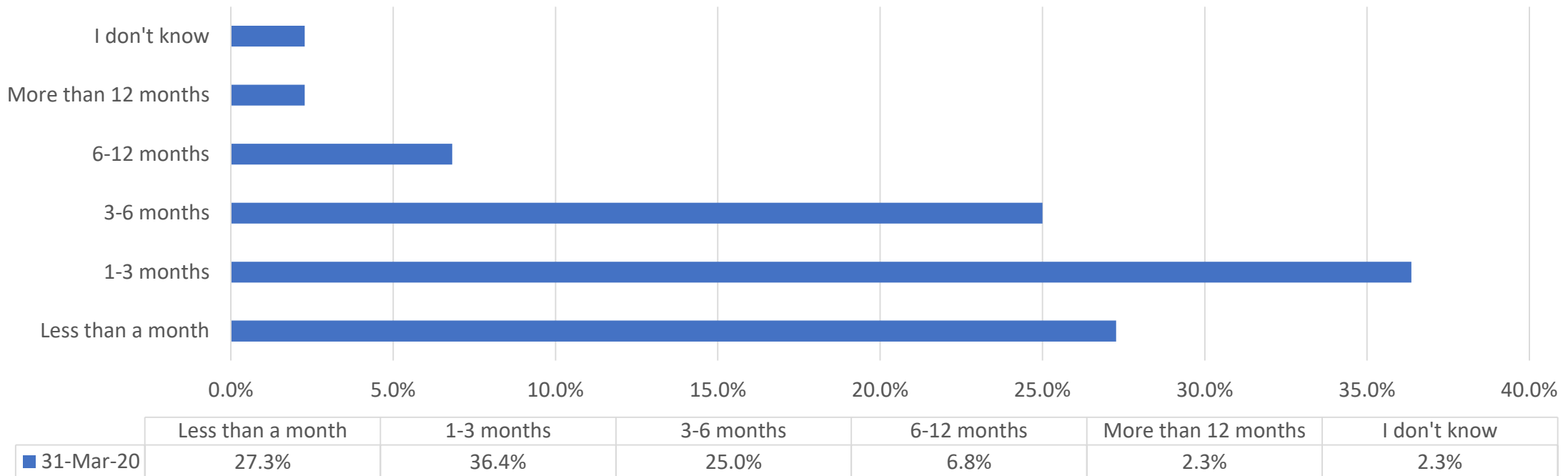


# Question 6:

Impact of COVID-19 Outbreak on European Companies in Korea

If COVID-19 were to end today, for how long do you expect it will take for your organization to recover from the outbreak?

Number of Respondents: 44



# Question 7:

Impact of COVID-19 Outbreak on European Companies in Korea

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Regarding the novel coronavirus outbreak, what kind of support measures would you like to see introduced by the Korean Government for your specific business?

## **Tax & Finance**

- Financial support to companies to ensure liquidity (grants, loans, solidarity fund)
- Delay of tax payments, tax exemption and reduction
- Delay / reduction of social contribution payments
- Temporarily suspend, delay tax and other audits

## **Regulation & Work**

- Delay / temporarily suspension of new regulations
- Elimination / temporarily suspension of policies restricting business recovery
- Flexibility in labour management: Lay-offs, 52-hour-work week
- Salary compensation or any support to maintain workforce, e.g. short-time working scheme [Kurzarbeit]
- Influence labour unions for being reasonable in salary increase demands, flexibilization of working time

# Question 7:

Impact of COVID-19 Outbreak on European Companies in Korea

Regarding the novel coronavirus outbreak, what kind of support measures would you like to see introduced by the Korean Government for your specific business?

## Procedures & Investment

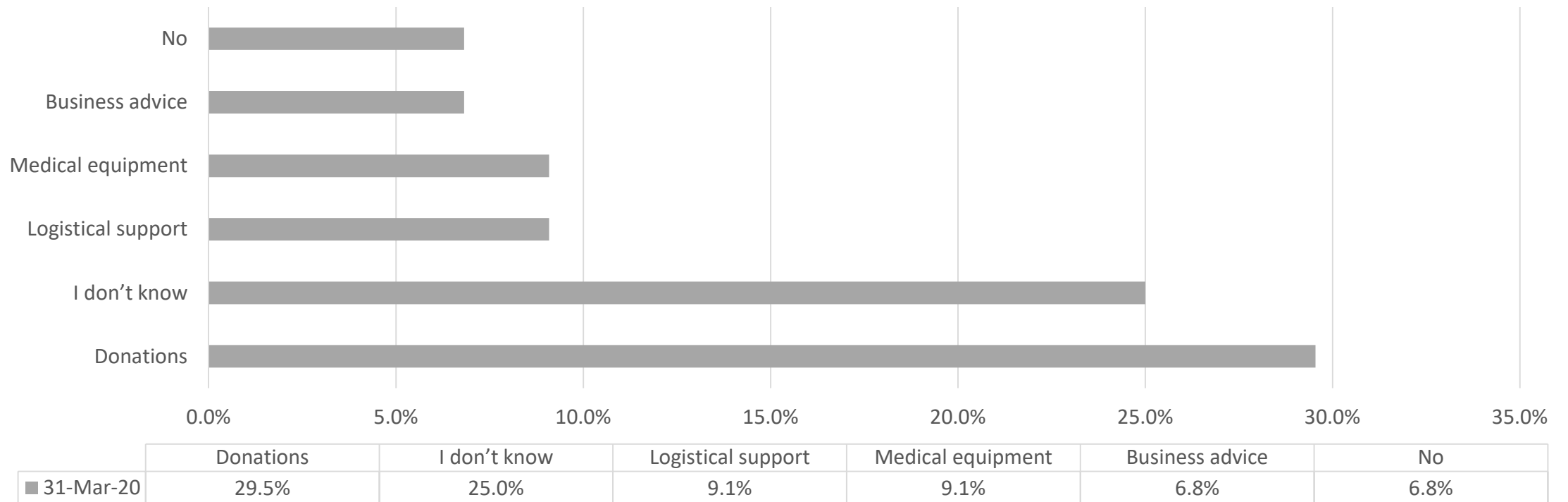
- Covid-19 is disrupting the global supply chain (manufacturing and logistics). This will have an impact on Korea supply. A few things can be done locally to offset the pressure. In Pharma, key actions from the authorities could be: reduce the duration of national inspection to accelerate products release, grace period on repacking to implement label changes in order to expedite products release, accelerate desktop review in lieu of GMP site inspections to expedite regulatory process. These actions will not completely prevent supply chain disruption at global level but will partially offset the impact in Korea.
- Invest more to stimulate macro economy
- Support measures to entertainment and other venues having dramatically suffered during the outbreak
- Free circulation of goods and employees in case of lockdown

# Question 8:

Impact of COVID-19 Outbreak on European Companies in Korea

Is your organisation providing any of the following to support the Korean Government's efforts to contain the novel coronavirus outbreak?

Number of Respondents: 44



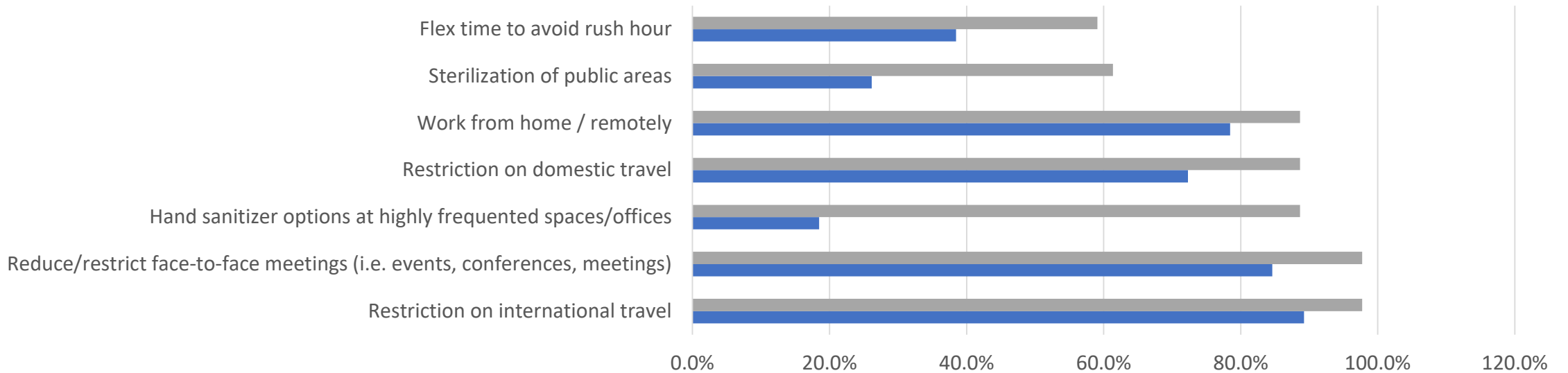


# Question 9:

Impact of COVID-19 Outbreak on European Companies in Korea

## How is your company operating amid the ongoing coronavirus outbreak? (Select all that apply)

Number of Respondents: March 4: n=65, March 31: n=44



	Restriction on international travel	Reduce/restrict face-to-face meetings (i.e. events, conferences, meetings)	Hand sanitizer options at highly frequented spaces/offices	Restriction on domestic travel	Work from home / remotely	Sterilization of public areas	Flex time to avoid rush hour
■ 31-Mar-20	97.7%	97.7%	88.6%	88.6%	88.6%	61.4%	59.1%
■ 04-Mar-20	89.2%	84.6%	18.5%	72.3%	78.5%	26.2%	38.5%

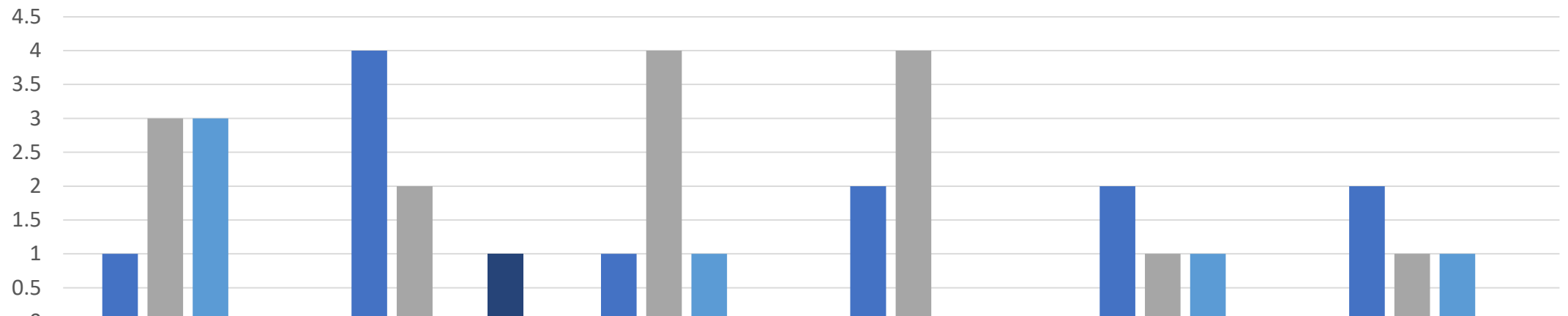
By Industry Segment

# By Industry Segment

Impact of COVID-19 Outbreak on European Companies in Korea

Is the novel coronavirus outbreak, and the resulting prevention-and-control measures, having any current impact on your business?

Survey: March 31; Numbers of company displayed: 34 (out of 44)



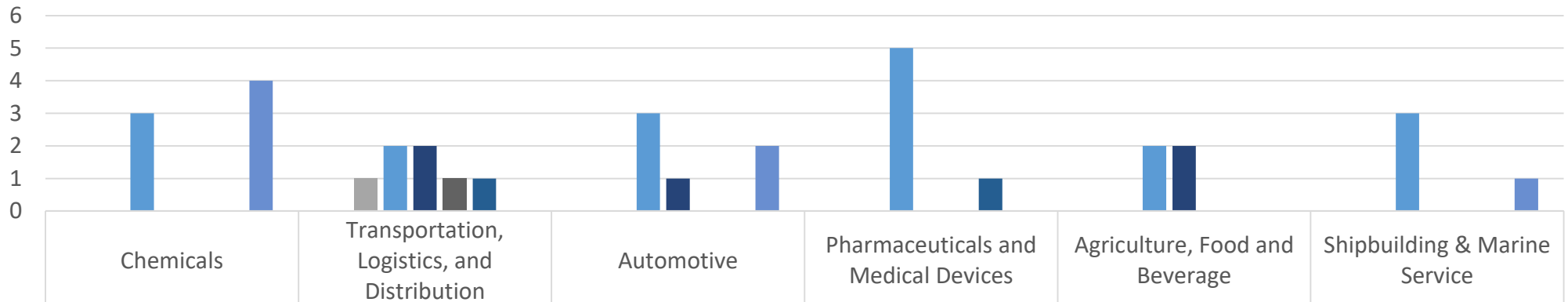
	Chemicals	Transportation, Logistics, and Distribution	Automotive	Pharmaceuticals and Medical Devices	Agriculture, Food and Beverage	Shipbuilding & Marine Service
■ High	1	4	1	2	2	2
■ Medium	3	2	4	4	1	1
■ Low	3	0	1	0	1	1
■ Too early to state	0	1	0	0	0	0

# By Industry Segment

Impact of COVID-19 Outbreak on European Companies in Korea

To what extent will the novel coronavirus outbreak and the resulting prevention-and-control measures impact your company's revenue in the first half of 2020?

Survey: March 31; Numbers of company displayed: 34 (out of 44)



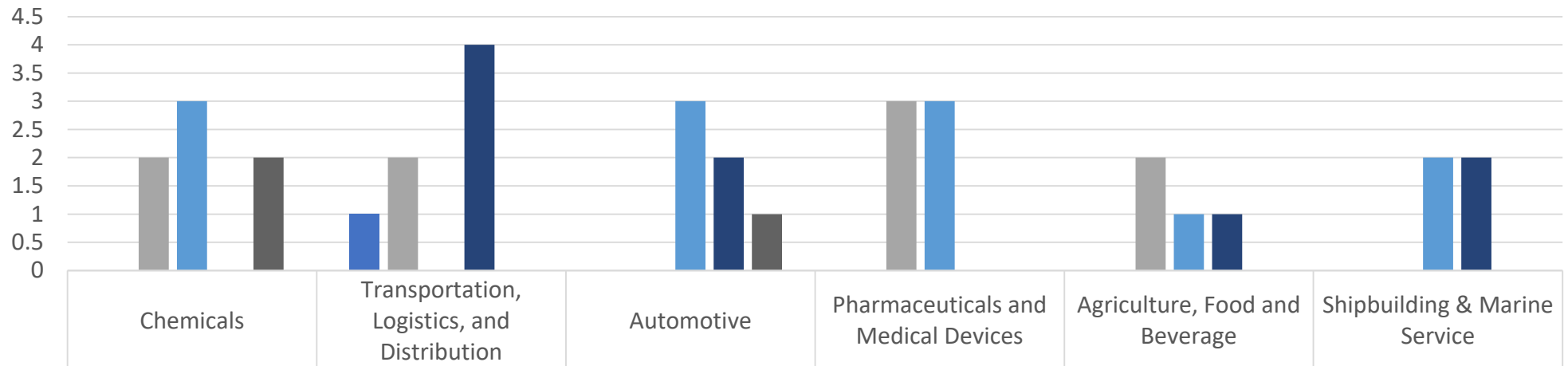
	Chemicals	Transportation, Logistics, and Distribution	Automotive	Pharmaceuticals and Medical Devices	Agriculture, Food and Beverage	Shipbuilding & Marine Service
■ Increase	0	0	0	0	0	0
■ No Impact	0	1	0	0	0	0
■ Decrease of < 30%	3	2	3	5	2	3
■ Decrease of 30 to 50%	0	2	1	0	2	0
■ Decrease of > 50%	0	1	0	0	0	0
■ I don't know	0	1	0	1	0	0
■ Too early to state	4	0	2	0	0	1

# By Industry Segment

Impact of COVID-19 Outbreak on European Companies in Korea

## Do you plan to adjust your company's 2020 business performance target?

Survey: March 31; Numbers of company displayed: 34 (out of 44)



	Chemicals	Transportation, Logistics, and Distribution	Automotive	Pharmaceuticals and Medical Devices	Agriculture, Food and Beverage	Shipbuilding & Marine Service
■ Raise the target moderately	0	1	0	0	0	0
■ Maintain the target	2	2	0	3	2	0
■ Lower the target moderately	3	0	3	3	1	2
■ Lower the target significantly	0	4	2	0	1	2
■ Too early too state	2	0	1	0	0	0



## Contact

If you would like to know further details about how our services can benefit you and your company, please visit our website at [www.ecck.eu](http://www.ecck.eu).

