



# COVID-19: The impact on Czech firms in China

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Czech Chamber of Commerce in China  
[www.czechchamber.com.cn](http://www.czechchamber.com.cn)

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Generální konzulát České republiky  
v Šanghaji



## About the Survey

The survey was organized by CzechCham Shanghai, in cooperation with the Consulate General of the Czech Republic in Shanghai and CzechTrade. Between 6th and 13th March 2020, a total of 7 Czech companies in China participated in a flash survey on the impact of the novel coronavirus outbreak on Czech businesses in China.

## About the Czech Chamber of Commerce in Shanghai

Established in November 2019, CzechCham is a platform that brings Czech and Chinese business leaders together to learn, connect and open dialogue with government institutions in China and the Czech Republic.

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# EXECUTIVE SUMMARY

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# Executive Summary

The results of the survey show that the impact of the COVID-19 epidemic has affected every single survey respondent, suffering the consequences to varying degrees, Czech firms in China anticipate a definite drop in revenues for 2020. Even though the majority of companies do not lack the necessary staff to resume full operations, vast majority of Czech companies experience reduced demand for their products or services.

## Key Findings

- 86% of Czech companies had to temporarily suspend operations due to the coronavirus outbreak, but the majority of companies report that everyone is back to office/factory, or that some are back and some work from home at the time of publishing this survey.
  - While most firms are confident to go back to normal by the end of March, there is still a degree of uncertainty, as one quarter of respondents is still unsure.
  - Most Czech companies in China anticipate a drop in revenues by more than 6%, however 29% still think it is too early to accurately forecast the impact.
  - Vast majority of Czech companies experience reduced demand for their products or services. Staff shortages seem to affect only a third of all respondents. Other impacts not listed in the survey, but pointed out by the respondents include: moving part of manufacturing orders outside of China, difficulties with travelling inside China, or delays of customers' payments.
  - At present, more than a half of Czech companies do not benefit from Chinese government support, one of the reasons might be unawareness of such measures or inability to access them. Those who benefit from the state support, mostly mention receiving discount on social security benefits. Other benefits include: preferential loans, water supply discount, electricity supply discount, lower tax, faster writing off certain types of equipment, or discounts on health insurance.
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# RESPONDENT'S PROFILES

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# Respondents' Profiles



Respondents have operations spread mostly across Eastern China. Some respondents operate from multiple locations. The bulk of respondents are based in traditional business centers like Beijing or Shanghai, as well as in Jiangsu, Zhejiang, Fujian, Hunan or Guangdong provinces. More than a half of the respondents (58%) are accounted for within the Yangtze River Delta megaregion.

Respondents represent a wide range of industries in China: manufacture & QA; lights manufacture and design; textile & shoe industry; electrotechnical industry; supplies for jewelry, watch, and textile industry; automotive production or machine tool industry.



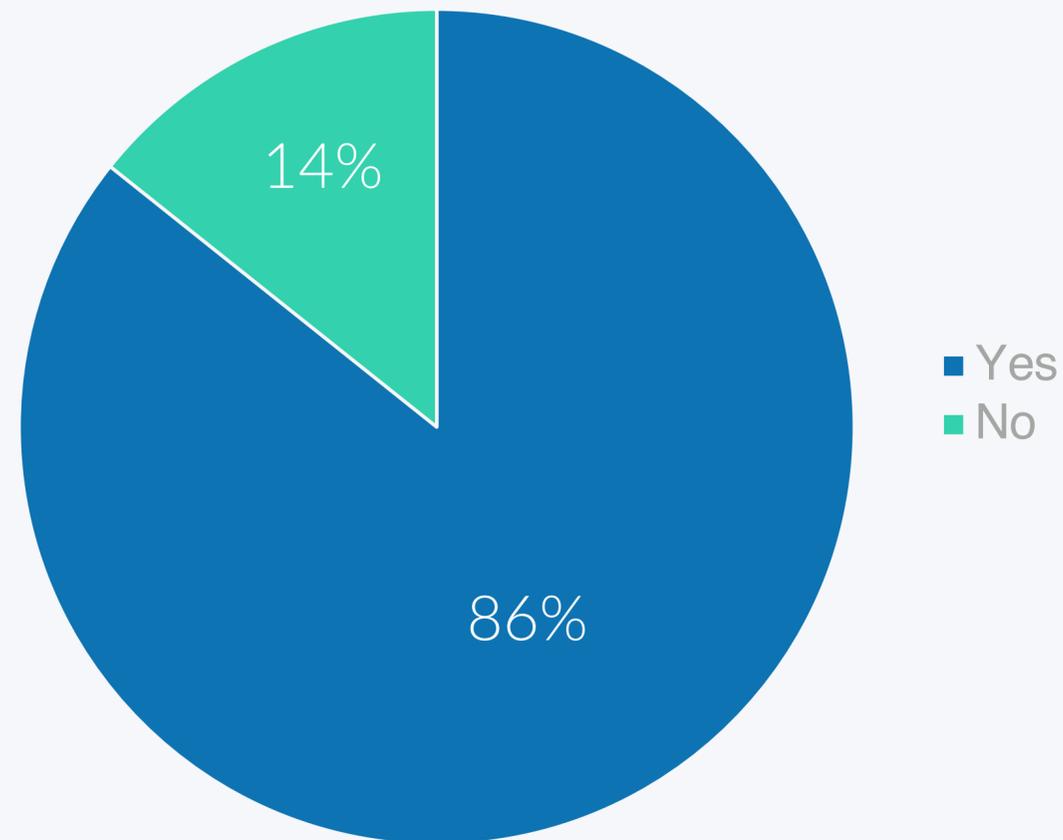
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# MAIN FINDINGS

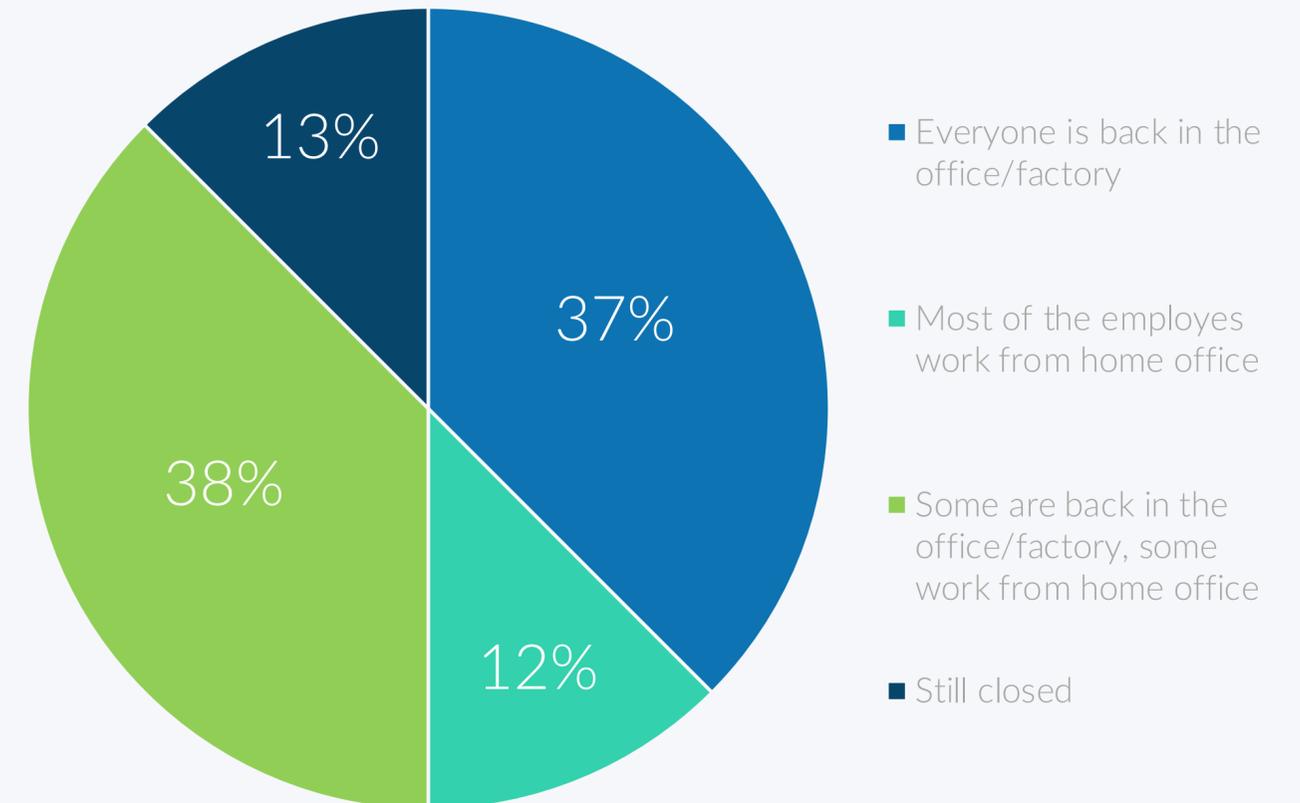
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# Suspension and Resumption of Operations

Has your company had to temporarily suspend operations due to the coronavirus?

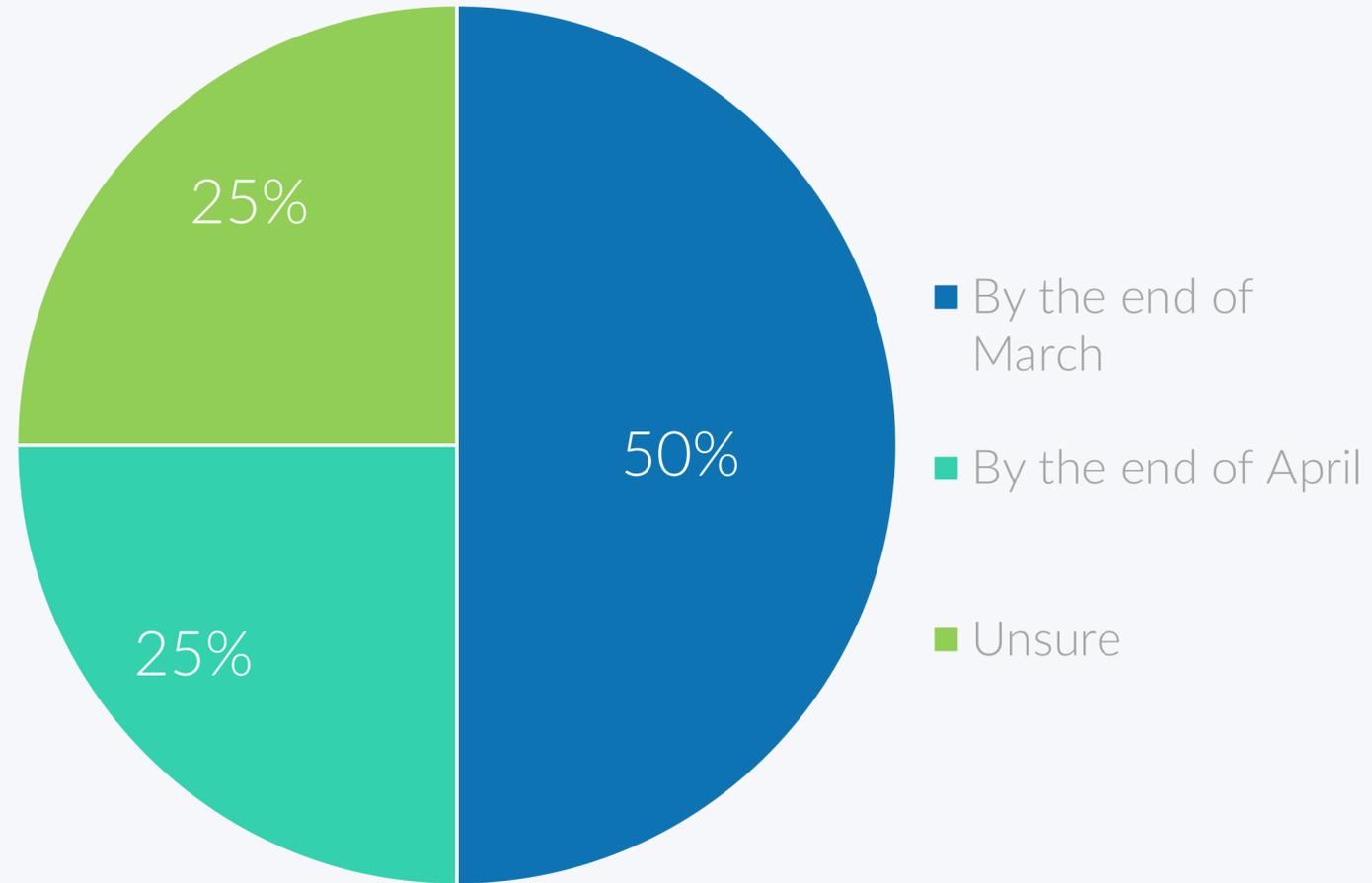


What was the state of resumption of operations of your company as of March 6th 2020?



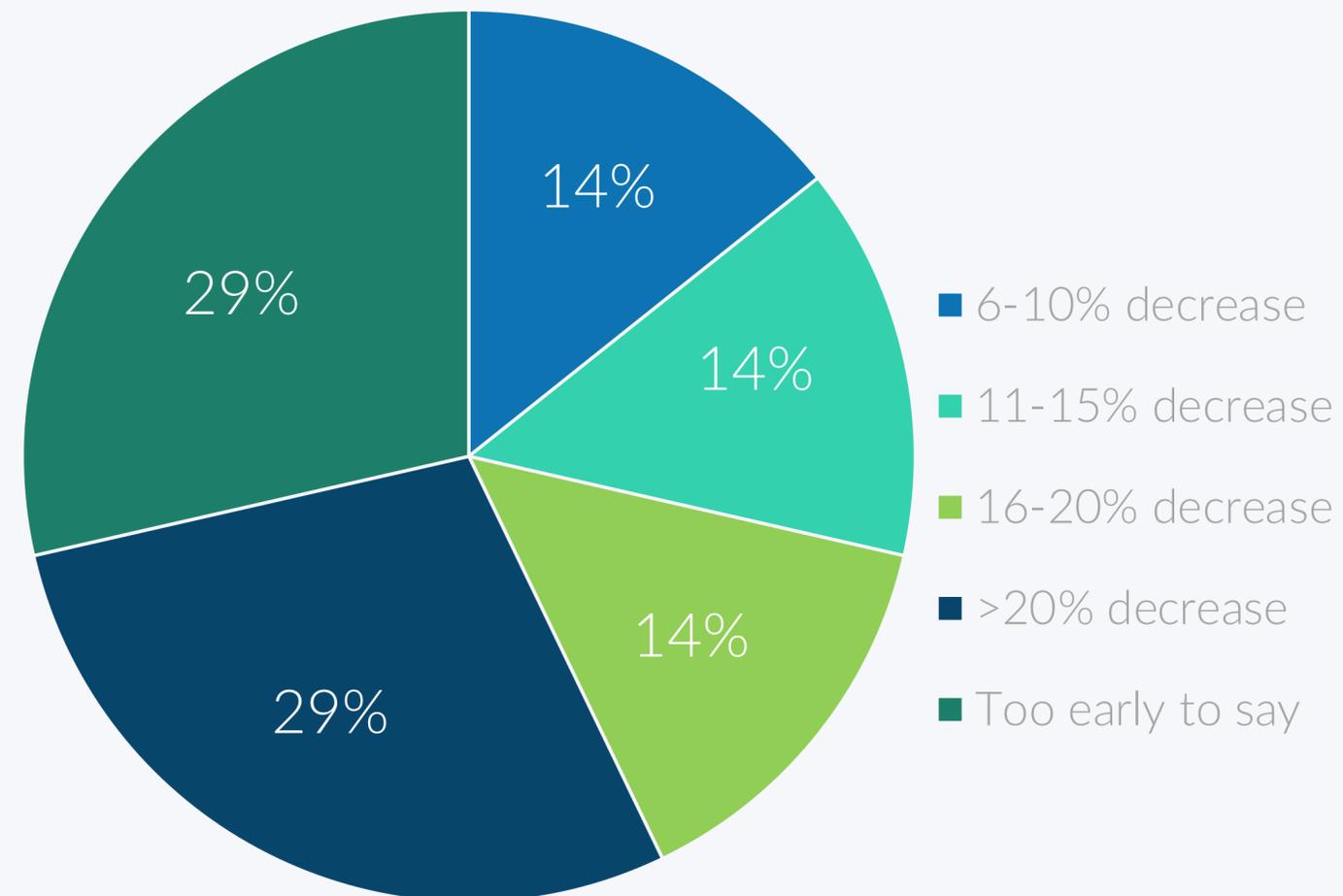
# When Do You Expect 100% Resumption of Operations?

While most firms are confident to go back to normal by the end of March, there is still a degree of uncertainty, as a quarter of respondents are unsure.



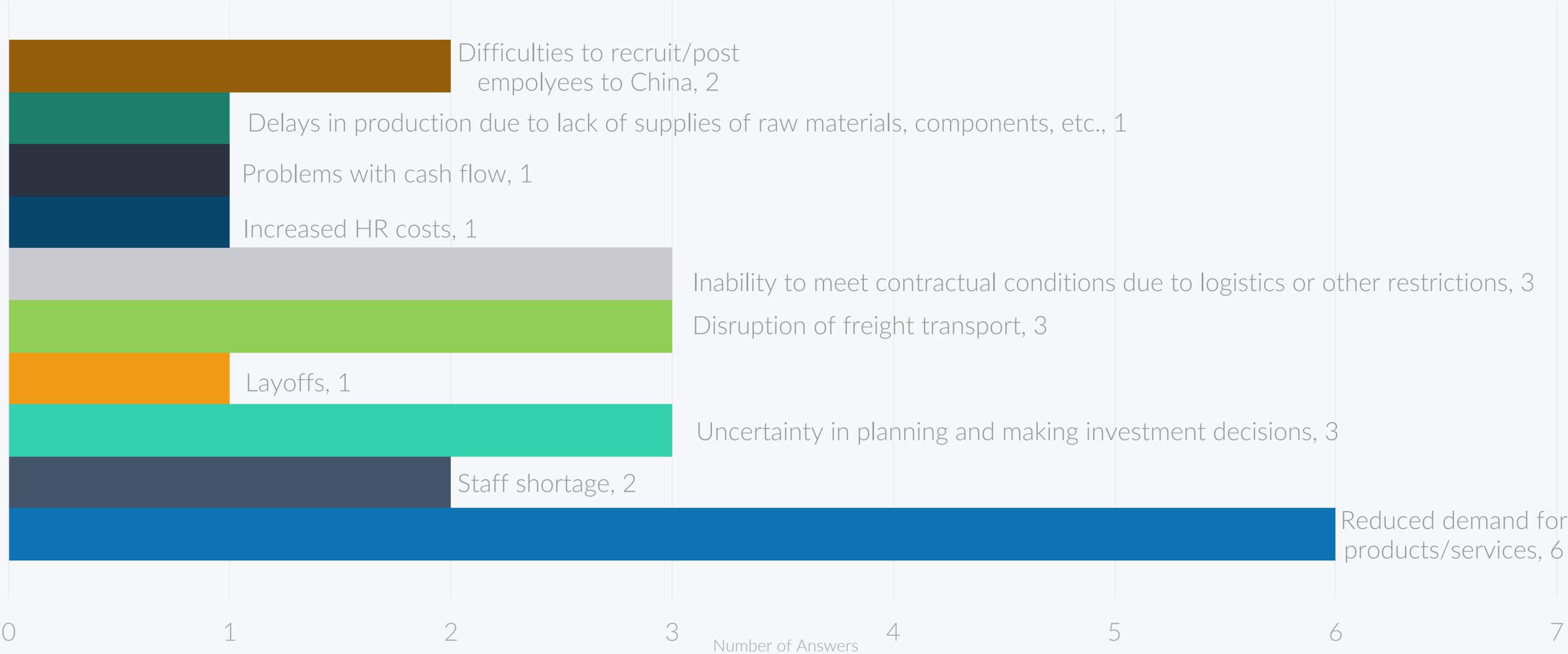
# What is the Expected Impact on Your Company's Revenues In 2020 Due to the Coronavirus Epidemic?

Most Czech companies in China anticipate a drop of 6 to >20%, however 29% still think it is too early to accurately forecast the impact.



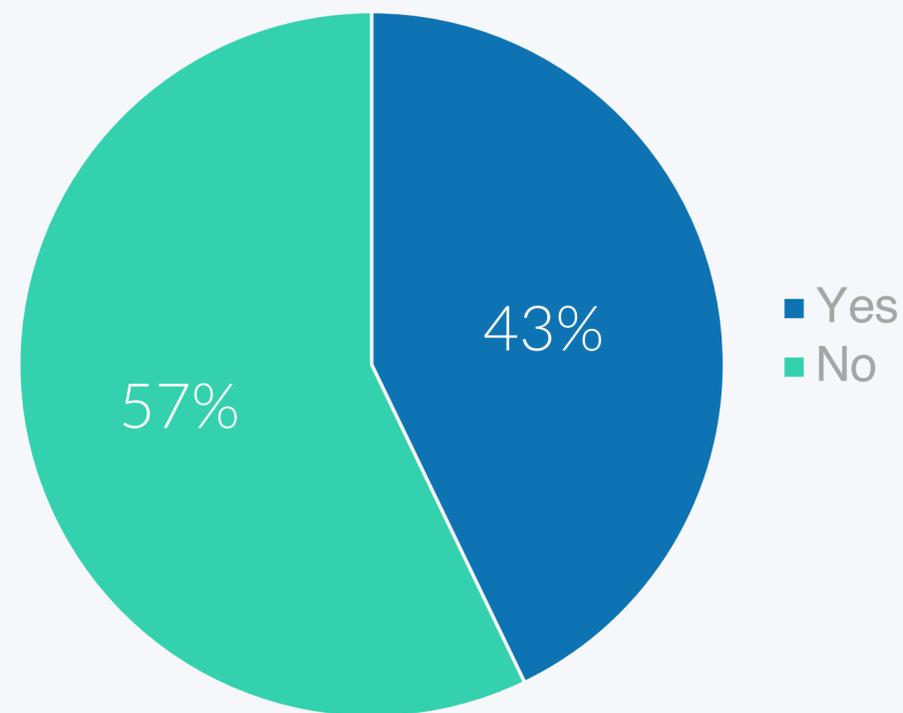
# How Has the Coronavirus Epidemic Affected Your Company?

Vast majority of Czech companies experience reduced demand for their products or services. Staff shortages seem to affect only a third of all respondents. Other impacts not listed in the survey, but pointed out by the respondents include: moving part of manufacturing orders outside of China, difficulties with travelling inside China, or delays of customers' payments.



# Do You Benefit From Chinese Government Support Measures to Offset the Negative Effects of the Coronavirus on the Economy?

At present, most Czech companies do not benefit from Chinese government support, one of the reasons might be unawareness of such measures or inability to access them. Those who benefit from the state support, mostly mention receiving discount on social security benefits. Other benefits include: preferential loans, 10% water supply discount, 10% electricity supply discount, lower tax, faster writing off certain types of equipment, or discounts on health insurance.



- ✓ Discount on social security
- ✓ Discounts on health insurance
- ✓ Preferential loans
- ✓ Water & electricity supply discount
- ✓ Lower tax

# What other impacts of the coronavirus epidemic does your company expect in the next 6 months?

- Difficulties in manufacturing and QA
  - Lower demands for products in our industry
  - Impact on development and construction of a new factory
  - The economic downturn in general
  - Problems to post employees abroad
  - Increase in production costs due to infection control measures
  - Problems with material supplies and other inputs
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## Keep in touch with us

Do you want to schedule a meeting or a call?

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