



SURVEY SUMMARY – IMPACT OF COVID-19 ON LOCAL BUSINESSES

Belfast Chamber, Causeway Chamber, Londonderry Chamber and Newry Chamber have come together to survey members in each of their areas about the impact that the COVID-19 is having upon the local economy. With 250 businesses from a wide range of sectors taking part, the following is a summary of the responses received:

1. ONLY 12% OF BUSINESSES REMAIN PHYSICALLY OPEN

- 43% of businesses are closed and not trading at all
- Slightly over 1/3 of businesses have their staff working from home

2. NEARLY HALF OF BUSINESSES ARE NOT ELIGIBLE FOR THE EXECUTIVE'S £10,000 OR £25,000 GRANTS

- Of those entitled to the £10,000 small business grant, less than half (47%) have, to date, received their payment

3. FEWER THAN 1 IN 5 BUSINESSES HAVE APPLIED FOR A GOVERNMENT BACKED CORONAVIRUS BUSINESS INTERRUPTION LOAN.

Of those who have, the feedback from businesses is a "mixed bag":

- Some positive – ***"very positive experience, application was straightforward, and grant processed exceptionally quickly"***
- Many businesses critical of the application process
 - ***"Dragging out"***
 - ***"Very slow and still waiting to hear"***
 - ***"Slow and difficult"***
- Negative perceptions of the process putting businesses off applying at all. Many businesses do not wish to take on more debt of any kind and disappointment expressed at the interest rates offered by banks.

4. 80% OF BUSINESSES SURVEYED INTEND TO USE THE GOVERNMENT'S CORONAVIRUS JOB RETENTION SCHEME TO FURLOUGH WORKERS

- Of those firms intending to use the scheme, 58% of employees are being furloughed

- The sectors furloughing most staff are Retail, Charities/Social Enterprises, Hospitality and Business Administration & Support who plan to furlough 93%, 89%, 89% and 88% of employees respectively

5. CASHFLOW, SLOWNESS AND GAPS IN GOVERNMENT SUPPORT AND THE WELLBEING OF STAFF AMONGST BIGGEST CHALLENGES FACING BUSINESSES

- The challenge of no or very low cashflow is now absolutely critical for many businesses with fears growing of the future viability of many companies as a result. There are huge worries about the effect that a build up of debts like VAT, continued overheads and the loss of markets and customers could have on the long-term prospects for many businesses.
- There are growing concerns about the length of the 'lockdown' and the possibility that this could send the economy into a lengthy recession.
- Many members are critical of the slowness in receiving Government backed support whether that be grants, loans or details of interventions like the Job Retention Scheme, including concerns about what might happen once it ends with firms concerned about paying staff if trade is still slow. Gaps in the support schemes whereby many businesses are not eligible for help even though they are closed down because of Government decisions is a source of huge frustration.
- The closure or diminution in the delivery of many public sector services which are crucial to the economy is having a significant impact
- Business owners are concerned about the wellbeing of their staff who are being furloughed or having to work from home

6. BUSINESSES ASK GOVERNMENT FOR MORE SHORT-TERM SUPPORT AND LONG-TERM STIMULUS PLAN

- Respondents to the survey repeatedly stressed the need for Government to provide more support for struggling businesses now by extending interventions like the rates holiday for a longer period, expanding the grants schemes to include more businesses who have been severely impacted by the actions taken to stop the spread of COVID-19 and support for limited company directors, as well as providing better information, more clarity and speedier delivery of existing schemes.
- Businesses want the Government to develop a stimulus plan to attempt to prevent a likely recession from spiralling into a depression with the Executive locally working closely with Councils, Invest NI, Enterprise Agencies and InterTradeIreland.
- Several respondents to the survey called for the Government to begin to set out a clear strategy to lift the lockdown and restart the economy.