

JULY 2020

AUSTCHAM COVID-19 IMPACT REPORT



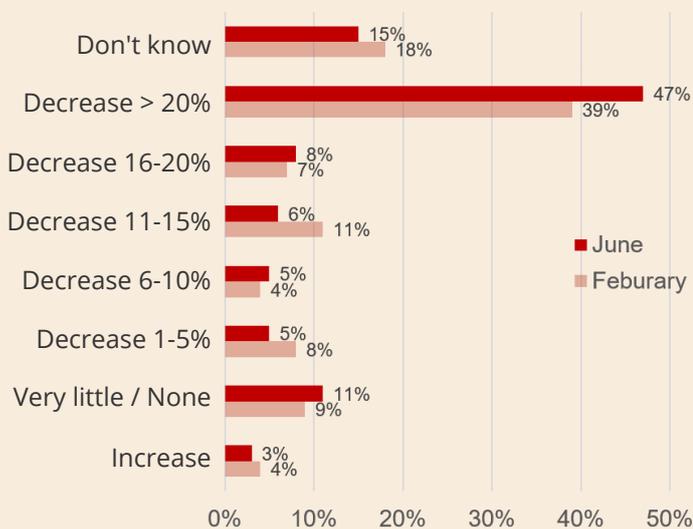
INTRODUCTION

AustCham surveyed members of the Australia-China business community as part of our ongoing Flash Survey Series to better understand the impact of the COVID-19 pandemic on Australian business, especially in China. Responses from 87 businesses were received over the 5-16 June period.

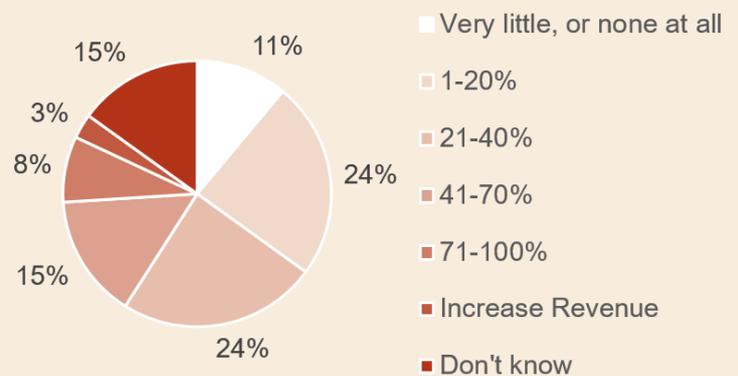
■ 1 IMPACT ON REVENUE

The outlook has not improved since February, with businesses surveyed further discounting their revenue expectations for 2020. Nearly half of respondents (47%) expect a greater than 20 percent decrease in revenue year on year, an increase of eight percentage points in respondents since February.

REVENUE EXPECTATIONS



EXPECTED REVENUE LOSS



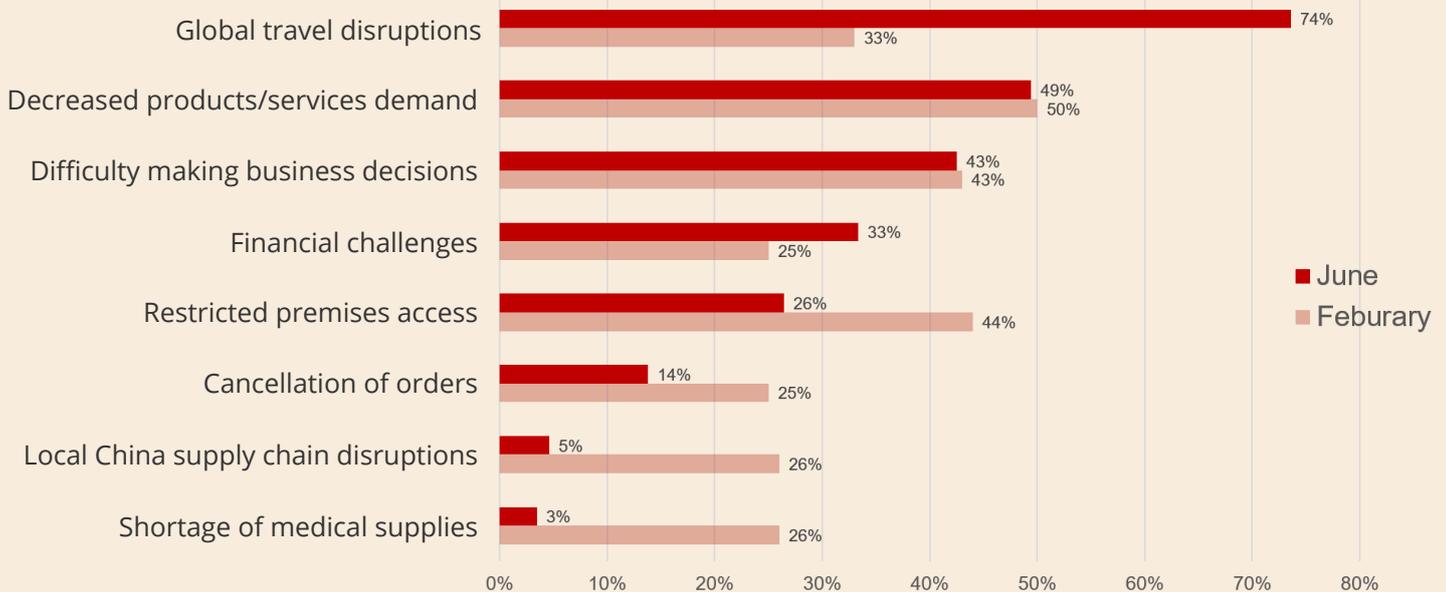


■ 2 IMPACT ON OPERATIONS

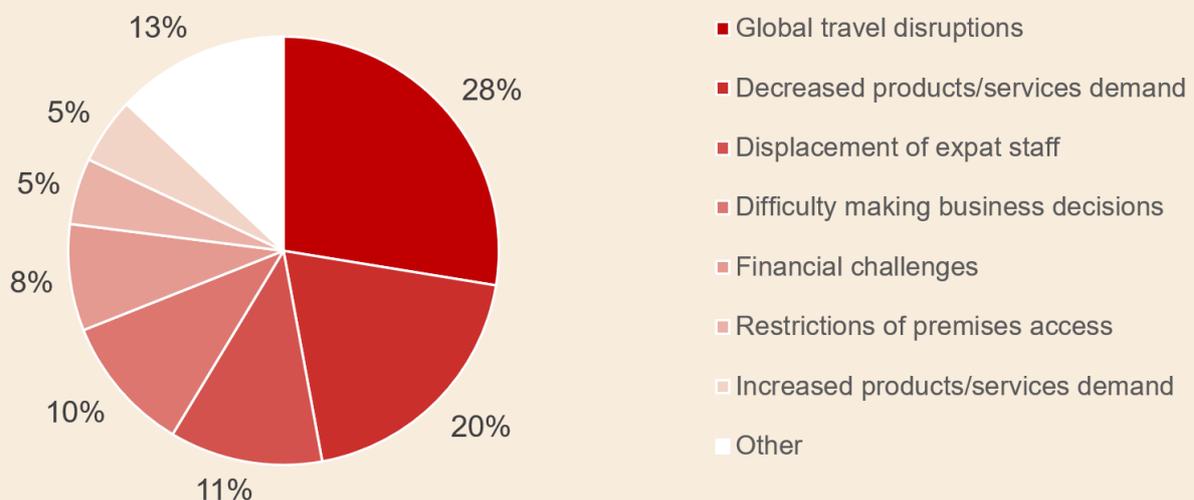
“Global travel disruption” is now the most prevalent impact of COVID-19 on businesses, affecting 74 percent of respondents. “Decreased demand for products/services” (49%) remains a key concern, as does “uncertainty and inability to make business and investment decisions” (43%). One of these three issues were identified by 58 percent of respondents as being their top-priority concern.

BUSINESS CHALLENGES

NOTE: MULTIPLE ANSWERS POSSIBLE



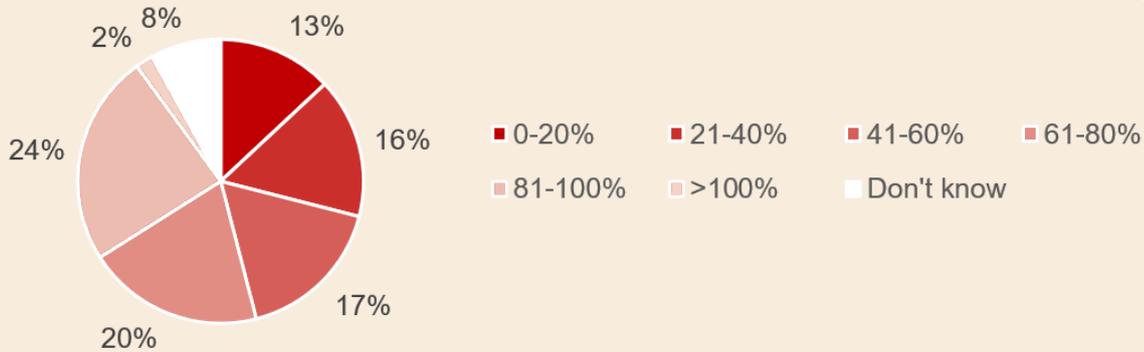
TOP-PRIORITY CONCERN



Business operations are still yet to return to normal, with 66 percent of respondents stating their business is operating below 80 percent of pre-COVID-19 capacity.



CURRENT OPERATIONAL CAPACITY

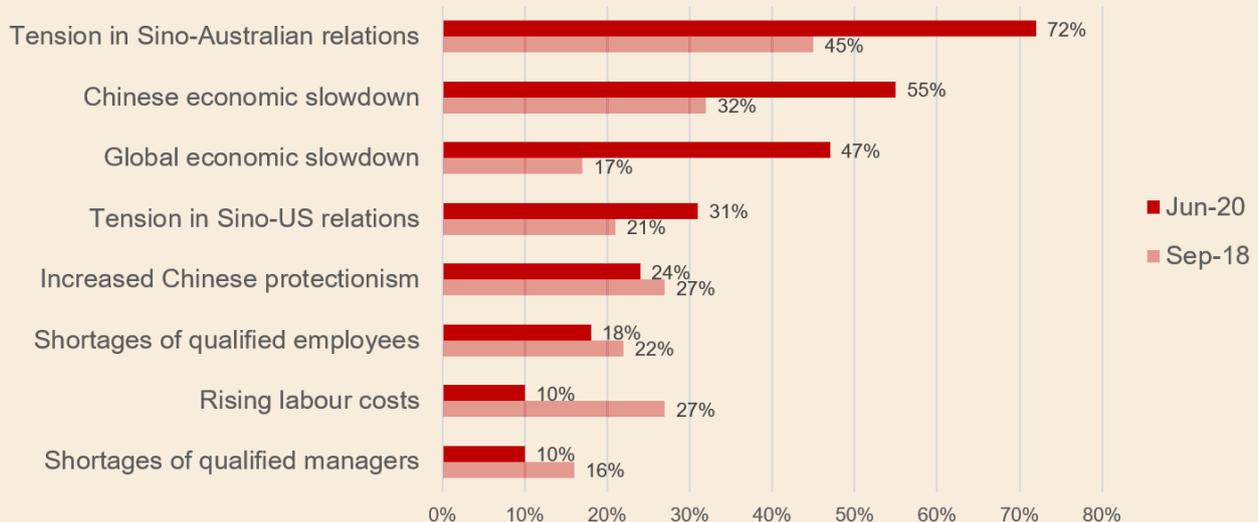


3 BUSINESS RISKS

Looking back to the November 2018 AustCham Doing Business in China report, “tension in Sino-Australia relations” was the top risk facing Australia-China businesses, identified by 45 percent of respondents. This figure has now grown to 72 percent - uncertainty surrounding COVID-19 stressing the bilateral relationship. “Chinese economic slowdown” is still a key concern of respondents, with “global economic slowdown” growing relative to other risks.

TOP BUSINESS RISKS IN CHINA

NOTE: MULTIPLE ANSWERS POSSIBLE



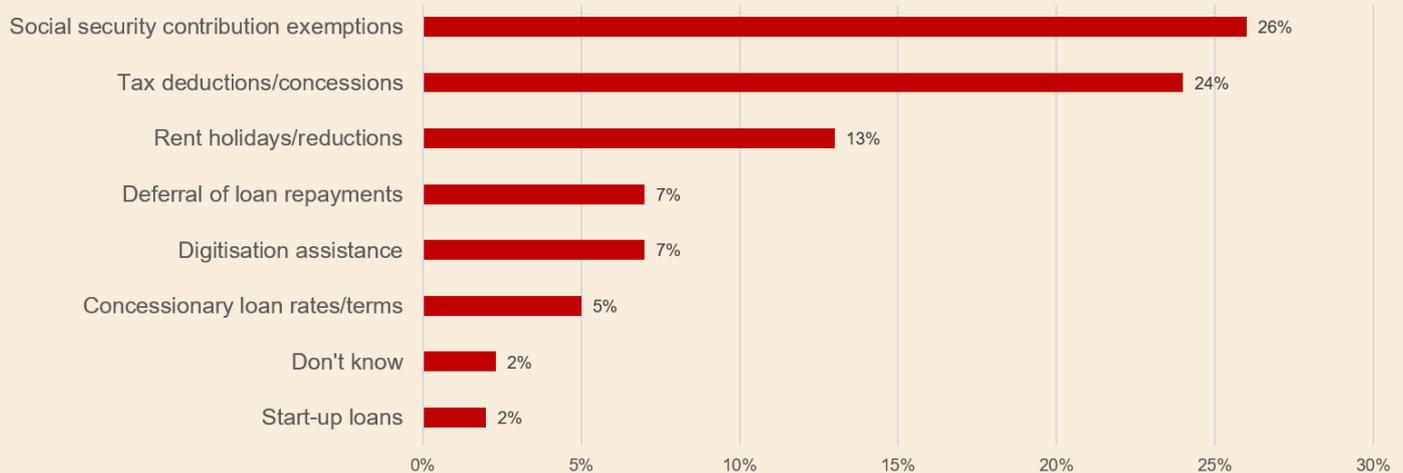
■ 4 CHINESE GOVERNMENT SUPPORT

More than half of respondents have benefited from some form of government assistance (52%), with “social security contribution exemptions” (26%) and “tax deductions/concessions” (24%) being the most common forms.



CHINESE GOVERNMENT BENEFITS

NOTE: MULTIPLE ANSWERS POSSIBLE



CONCLUSION

There is no doubt that businesses around the world are battling through unprecedented times of uncertainty. AustCham will continue to support the Australian business community in China through regular webinars and updates across our social media channels (WeChat/Weibo/email newsletter/LinkedIn). We encourage you to reach out if there is any way we can help you and your business adjust to the ‘new normal’ more smoothly.

For data/survey related inquiries, please contact Daniel Waters at daniel.waters@austcham.org.
For all other inquiries please contact Kristian Ricardo at kristian.ricardo@austcham.org.