

05 May 2020

Fast and Exceptional Enterprise Survey – COVID-19
Week from 27 April to 1 May 2020

COVID-19: monitoring the impact of the pandemic on enterprises

In a week still characterised by the restrictions resulting from the state of emergency and according to a new question in the survey, it was found that around 58% of the responding enterprises had people in remote working and 20% had more than 50% of the persons employed in that situation.

The percentage of enterprises with remote working is increasing with the size-class of the enterprises, reaching 93% in large enterprises and not exceeding 30% in micro enterprises.

By economic activity, reflecting the nature of the economic activity developed, *Information and communication* stood out with 67% of enterprises registering more than 75% of persons employed in remote working. Conversely, the sector that has the least recourse to this form of work was the *Accommodation and food services*.

In this information note, Statistics Portugal and the Bank of Portugal publish the main results of the Fast and Exceptional Enterprise Survey – COVID-19 (COVID-IREE), addressed to a wide range of enterprises representing the various sectors of economic activity (see technical note).

This survey aims to identify some of the main effects of the COVID-19 pandemic on business activity. It is based on a rapid response questionnaire, in which this week there were questions about turnover, the number of persons employed, the percentage of people in remote working, the use of public support instruments and the use of credit. The survey will remain active as long as justified, being subject to adaptations, an example of which is the introduction in the edition that is now released of a question to assess the extent of the use of remote working. The next edition will have a two-weekly frequency and will seek to monitor the changes that will occur in the life of enterprises with the cessation of the state of emergency, but where there are still a number of limitations to economic activity to safeguard public health in the face of the pandemic.

It is important to note that the results of this survey refer **exclusively** to the responding enterprises (about 5.5 thousand in this fourth week)¹ in each edition of the survey. These enterprises basically correspond to a representative sample underlying the calculation and compilation of the monthly sectoral turnover indices published by Statistics Portugal. For further information, it is recommended to read the technical note.

Statistics Portugal and the Bank of Portugal are grateful for the co-operation of enterprises in this difficult situation that Portugal is now going through.

¹Number of valid responses until the end of May 1, corresponding to a response rate of 62%. The results of the previous week have been slightly revised by the inclusion of a hundred responses that were submitted during the past Saturday and Sunday.
Fast and Exceptional Enterprise Survey – COVID-19 – Week from 27 April to 1 May 2020

SUMMARY OF RESULTS

The results of the 4th reporting week (week from 27 April to 1 May 2020) indicate that:

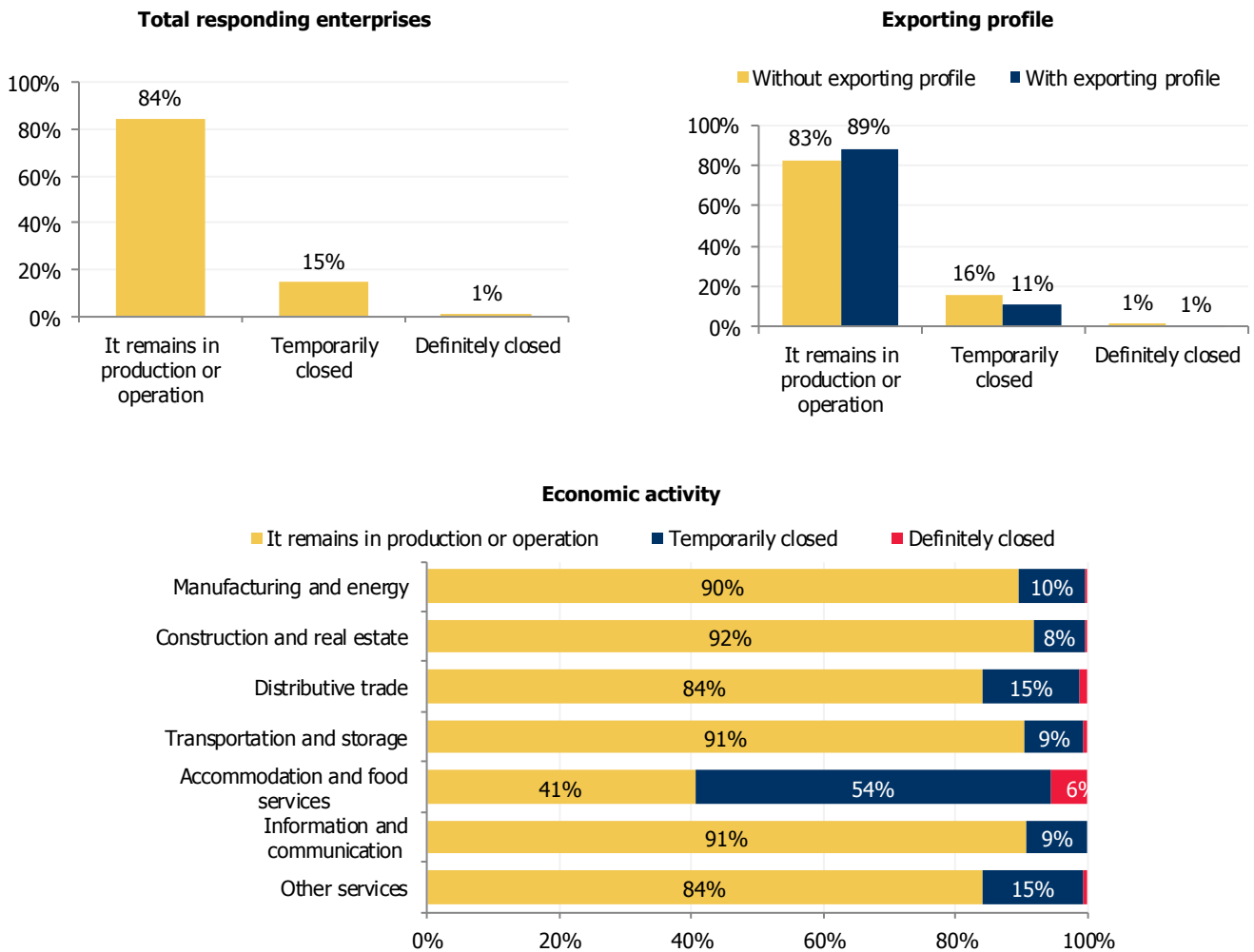
- Around **84%** of the responding enterprises were still in production or operation, even partially, and 16% of the enterprises closed temporarily or definitely. In enterprises with an exporting profile there were a higher proportion of enterprises in operation. By economic activity, the percentage of closed enterprises (temporarily and definitely) remains significantly higher in *Accommodation and food services* (59%).
- **79%** of the responding enterprises continued to report a decrease in turnover, with a large proportion (39%) reporting a reduction of more than 50%, mainly reflecting the absence of orders/clients and restrictions in the context of the state of emergency.
- **57%** of the enterprises continued to report reductions in persons employed effectively working, with 25% reporting a reduction of more than 50%. The simplified layoff was indicated by 59% of the enterprises as relevant or very relevant to the reduction of persons employed.
- **58%** of the responding enterprises had people in remote working, with 20% having more than 50% of the persons employed effectively working in remote working. The proportion of enterprises that reported persons employed in remote working was higher among exporters and larger ones. By economic activity, 67% of the *Information and Communication* enterprises had more than 75% of persons employed in remote working. Conversely, the sector that has the least recourse to this form of work was the *Accommodation and food services*.
- The percentage of enterprises (in operation or temporarily closed) that have already benefited from other measures announced by the government, in addition to the simplified layoff, increased slightly compared to the previous week, but remained small.

Situation of the enterprises in the week from 27 April to 1 May 2020

84% of the responding enterprises remained in operation, even partially

- 84% of the enterprises remained in production or operation, even partially. Around 15% of the enterprises were temporarily closed, while 1% had been definitely closed.
- The percentage of enterprises with an exporting profile that remained in operation was 89% (83% for non-exporting enterprises).
- The percentage of closed enterprises (temporarily and definitely) remains higher in the *Accommodation and food services* sector (59%), followed by the *Distributive trade* and *Other services* sectors (16% in both cases).
- The restrictions in the context of the state of emergency and the absence of orders/clients remained the reasons mentioned as having the most impact for the definitive closure of the enterprises.

Figure 1 • Situation of the enterprises, as a % of the total number of enterprises



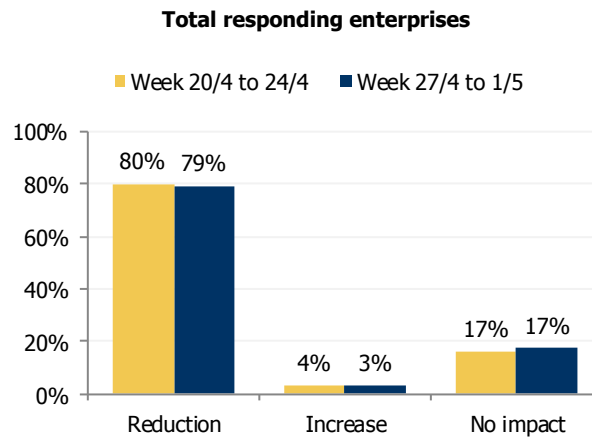
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Impact of the COVID-19 pandemic on turnover in the week from 27 April to 1 May 2020

79% of the enterprises continued to register a decrease in turnover due to the pandemic

- Regarding the expected situation without pandemic, 79% of the enterprises in operation or temporarily closed continue to report a negative impact on turnover and 3% a positive impact, a situation almost identical to that of the previous week.
- The percentage of enterprises with an exporting profile reporting a reduction in turnover was slightly higher than the other enterprises (80% and 79%, respectively).
- By enterprise size-class and economic activity, proportions similar to those of the previous week were recorded, with the *Accommodation and food services* sector continuing to show up, with 98% of enterprises in this sector reporting reductions in turnover (+2 p.p. that in the previous week).

Figure 2 • Impact of the COVID-19 pandemic on turnover, as a % of the total number of enterprises in operation or temporarily closed

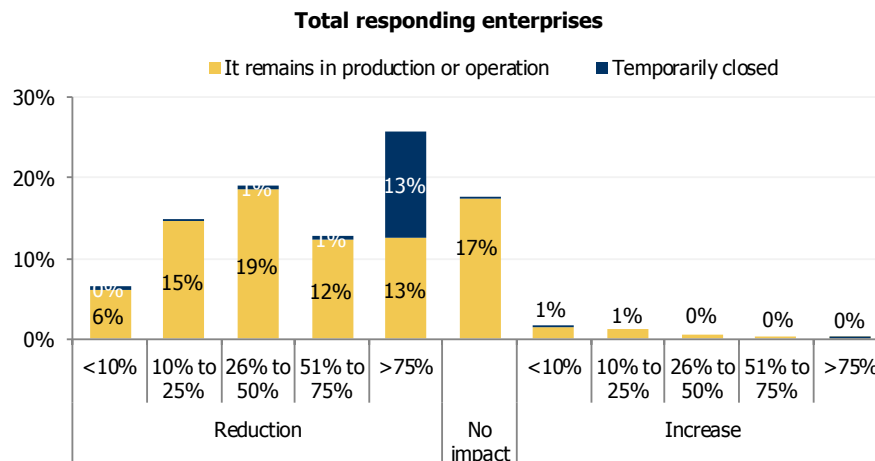


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

The proportion of enterprises reporting a reduction of more than 50% in turnover remains high

- 39% of the enterprises reported a reduction of more than 50% in turnover during the week from April 27 to May 1 (similar percentage to the previous week). 34% of the enterprises reported reductions in turnover of between 10% and 50%.
- Temporarily closed enterprises mostly report reductions of more than 75%.
- The percentage of enterprises that reported reductions of more than 75% in turnover continued to be higher among micro enterprises and, by economic activity, in *Accommodation and food services*, *Transportation and storage* and *Other services*. In enterprises with an exporting profile this percentage was slightly lower than the total.

Figure 3 • Quantification of the impact of the COVID-19 pandemic on turnover, as a % of total number of enterprises in operation or temporarily closed

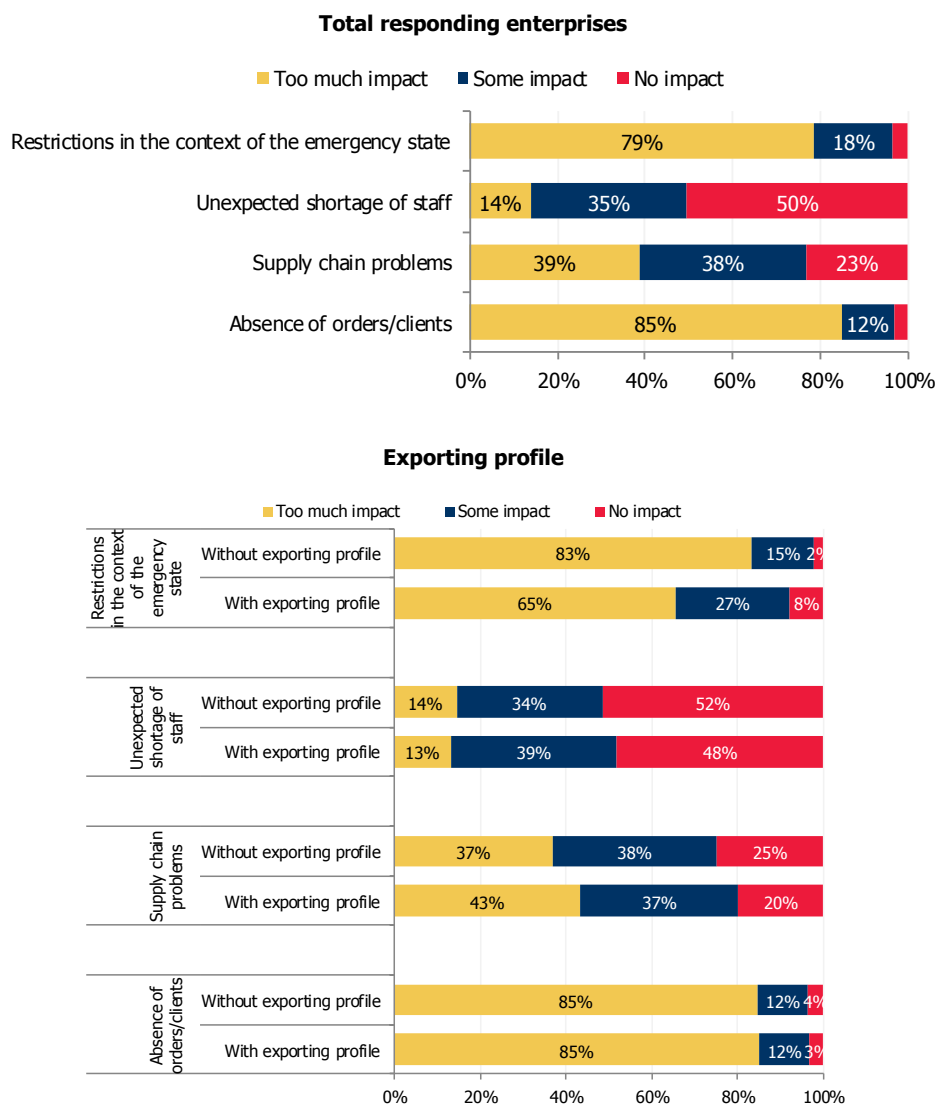


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

The absence of orders/clients remained the reason with the greatest impact for the reduction in turnover

- The absence of orders/clients and restrictions in the context of the state of emergency continued to be frequently referred to as factors having a major impact on reducing turnover. For most responding enterprises the unexpected shortage of staff did not have much impact.
- These factors continue to be referred to across the different enterprise sizes and sectors, with emphasis on the percentage of enterprises that reported the absence of orders/clients in the *Accommodation and food services* and *Transportation and storage* sectors, which continued to exceed 90%.
- Enterprises with an exporting profile continued to report, to a lesser extent, a large impact of restrictions in the context of the state of emergency (65%, compared to 83% for non-exporters) and a higher percentage of problems in the supply chain (43%, compared to 37%).

Figure 4 • Reasons for reducing the turnover of the enterprises, as a % of total number of enterprises that reported a reduction



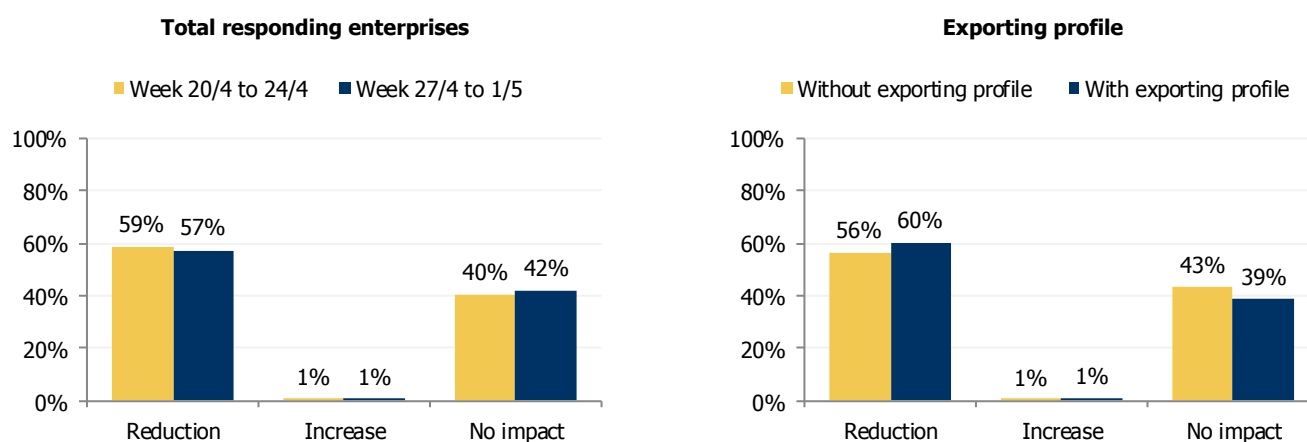
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Impact of the COVID-19 pandemic on persons employed during the week from 27 April to 1 May 2020

57% of the enterprises reported reductions in persons employed effectively working

- As a result of the pandemic, 57% of the enterprises reported a reduction in persons employed effectively working (-2 p.p vis-à-vis the previous week), while 42% continued to report no impact.
- The percentage of enterprises with an exporting profile that reported reductions in persons employed effectively working was 60% (56% in the case of non-exporting enterprises).
- The proportion of enterprises reporting a reduction increases with the size-class of the enterprise. By economic activity, the highest percentage of enterprises with reductions in persons employed continued to occur in *Accommodation and food services*.

Figure 5 • Impact of the COVID-19 pandemic on persons employed effectively working, as a % of the total number of enterprises in operation or temporarily closed

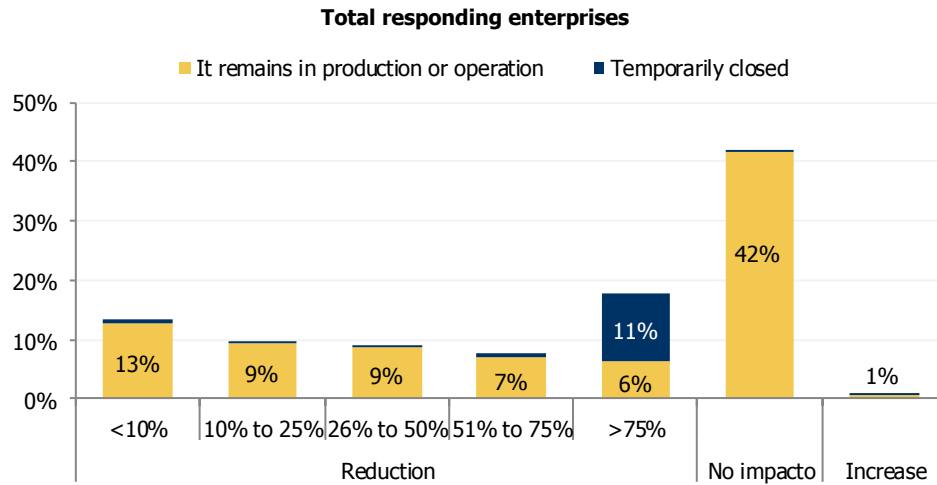


Source: Statistics Portugal and Bank of Portugal, COVID-IREE

25% of the enterprises reported a reduction of more than 50% in the number of persons employed effectively working

- Considering the expected situation without pandemic, 25% of the enterprises reported a reduction of more than 50% in the number of persons employed effectively working and 19% reported reductions of between 10% and 50%.
- Reductions of more than 75% in persons employed continued to be reported more frequently by micro enterprises and in the *Accommodation and food services* sector. 58% of the enterprises in the *Information and communication* sector did not register impacts of the pandemic on the persons employed effectively working.
- Enterprises with an exporting profile reported more frequently smaller reductions than those without such profile.

Figure 6 • Quantification of the impact of the COVID-19 pandemic on persons employed effectively working, as a % of total number of enterprises in operation or temporarily closed



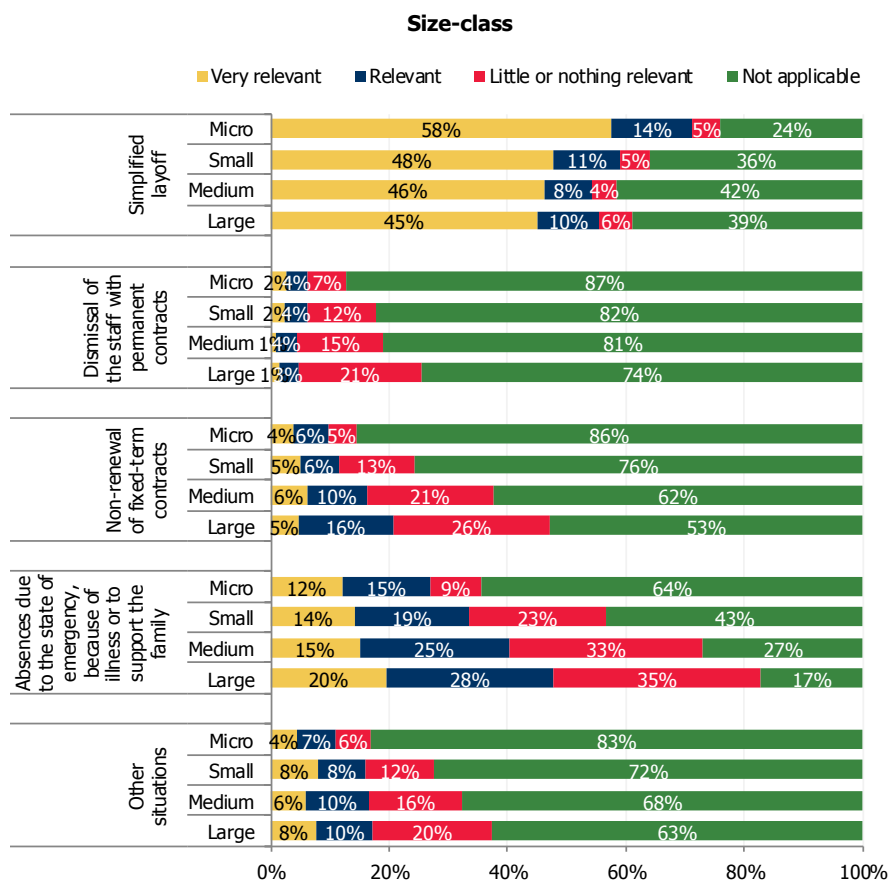
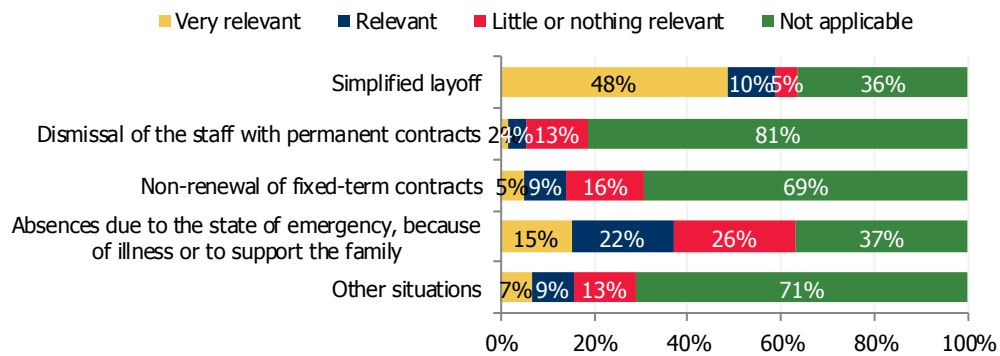
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Simplified layoff remained the most relevant situation for the reduction of the persons employed effectively working

- 58% of the enterprises referred to the simplified layoff as very relevant or relevant to the reduction of persons employed effectively working. In contrast, for the majority of the enterprises the dismissal of the staff with permanent contracts and the non-renewal of fixed-term contracts were defined as not applicable or little or nothing relevant.
- By size-class, the percentage of micro enterprises that reported the simplified layoff as relevant or very relevant was above average.
- The percentage of enterprises with an exporting profile that made use of the simplified layoff is slightly lower than that of other enterprises.
- By economic activity, the percentage of enterprises that reported the simplified layoff as very relevant or relevant to the reduction of persons employed was much higher than the average in *Accommodation and food services*, being below average in *Construction and real estate* and *Manufacturing and energy*.

Figure 7 • Most relevant situation for the reduction of persons employed effectively working, as a % of the total number of enterprises reporting a reduction in the persons employed effectively working

Total responding enterprises



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

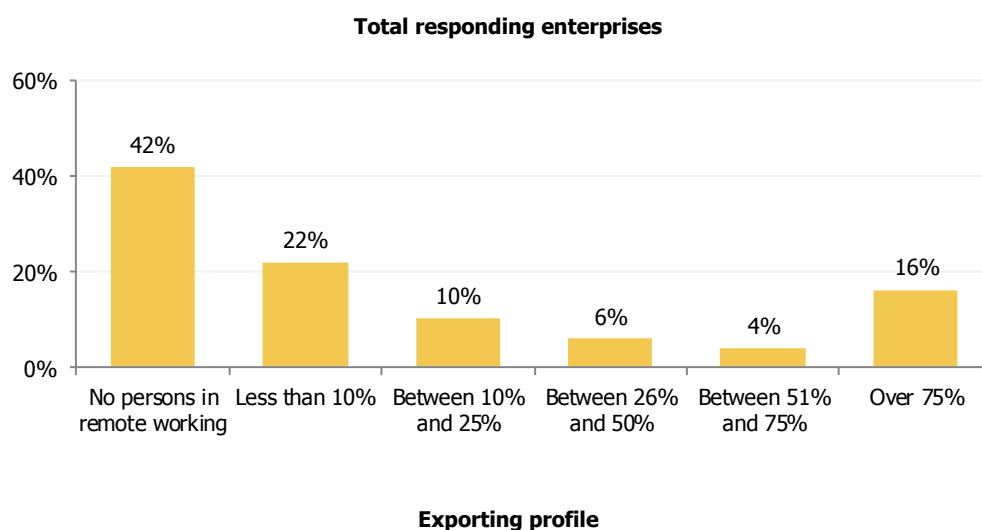
Remote working in the week from 27 April to 1 May 2020

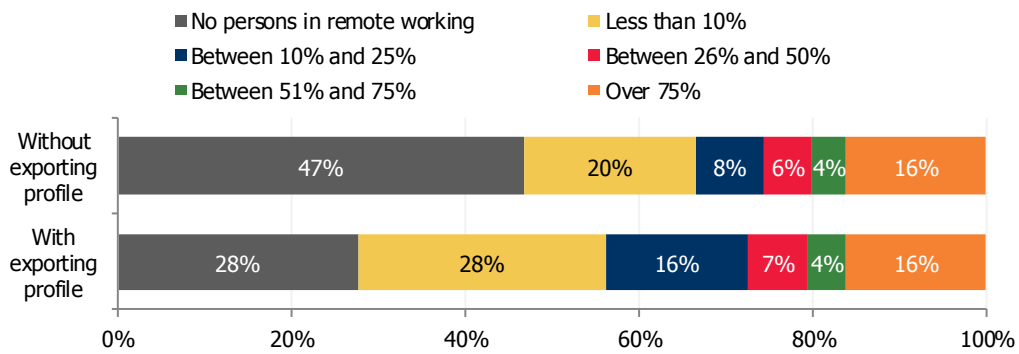
58% of the enterprises had people in remote working²

² It should be recalled that this survey does not cover enterprises in the financial sector or public administration organisations.

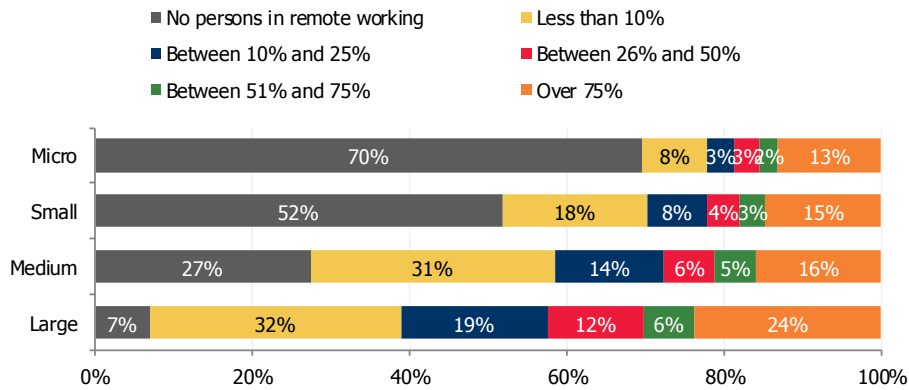
- 58% of the responding enterprises had persons in remote working, with 16% having more than 75% of the persons employed effectively working in remote working.
- The percentage of enterprises with an exporting profile reporting persons employed in remote working was higher than that of other enterprises (72% compared to 53%, respectively).
- The proportion of enterprises that reported persons employed in remote working increases with the size-class of the enterprise, ranging from 30% in micro enterprises to 93% in large ones.
- 84% of the enterprises in the *Information and communication* sector reported persons in remote working, with 67% having more than 75% of persons employed in this situation. In this sector, 58% of the enterprises reported the absence of impacts of the pandemic on the persons employed effectively working.
- In the *Accommodations and food services* and *Distributive trade* sectors more than half of the enterprises reported not having persons in remote working. These were also the sectors that reported the most frequent reductions of more than 75% in the number of persons employed effectively working.
- The remote working was an alternative to reducing persons employed effectively working in enterprises, where this was possible and applicable. 51% of the enterprises that reported not having persons in remote working also reported a reduction of persons employed effectively working. In 67% of the enterprises with less than 10% of persons in remote working there were negative impacts on the persons employed effectively working. 64% of the enterprises with more than 75% persons in remote working reported no impact from the pandemic on the persons employed effectively working.

Figure 8 • Quantification of persons employed effectively working in remote working, as a % of total number of enterprises in operation or temporarily closed

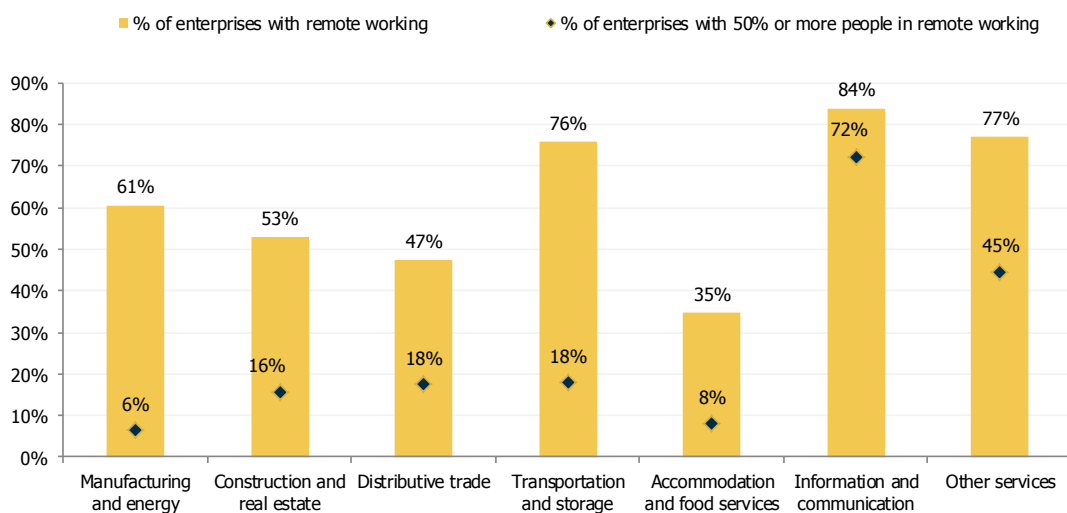




Size-class



Economic activity



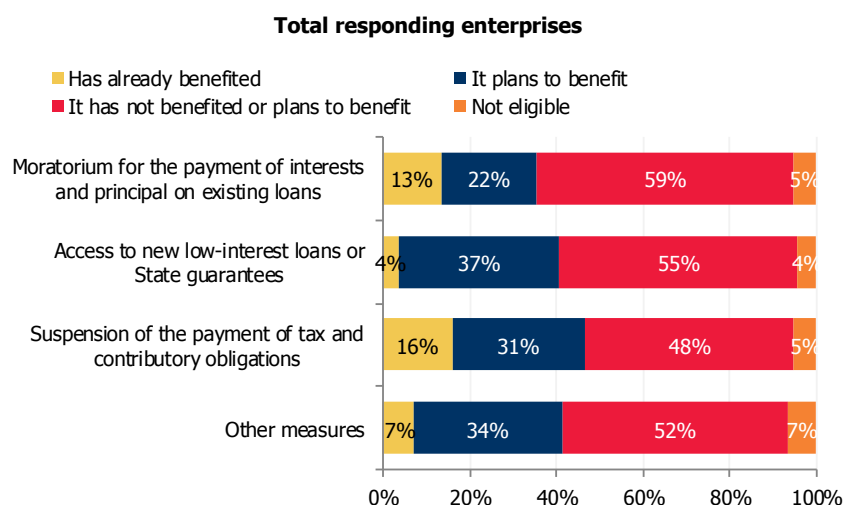
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Enterprises that have benefited or intend to benefit from the measures presented by the Government due to the COVID-19 pandemic in the week from 27 April to 1 May 2020

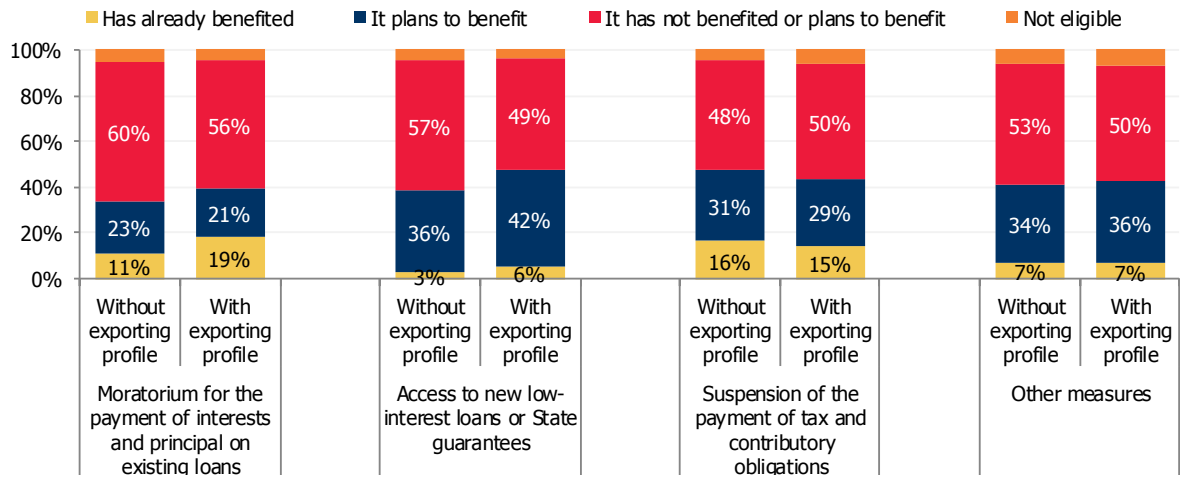
16% of the responding enterprises have already benefited from the suspension of tax and contributory obligations, proportion which rises to 27% in the *Accommodation and food services* sector

- The percentage of enterprises in operation or temporarily closed that already benefited from the measures announced by the Government due to the pandemic increased slightly compared to the previous week, but remained small. The percentage of enterprises planning to benefit has decreased in the last week.
- Among the measures considered in this question, 16% of the enterprises have already benefited from the suspension of tax and contributory obligations, 13% of the moratorium for the payment of interests and principal on existing credits and 4% of the access to new low-interest loans or State guarantees.
- Excluding the simplified layoff, the proportion of enterprises that continued to not pretend to benefit from support measures increased, reaching proportions between 48% and 59%.
- The *Accommodation and food services* sector continued to register higher proportions of enterprises that have already benefited or intend to benefit from the support measures, with 27% of the enterprises in this sector already benefiting from the suspension of tax and contributory obligations (21% in the previous week).
- Enterprises with an exporting profile refer in a greater proportion to the use (carried out or prospective) of the moratorium for the payment of interests and principal on existing credits (40%) and access to new low-interest loans or State guarantees (47%), as in the previous week.

Figure 9 • Use of the measures presented by the Government due to the COVID-19 pandemic, as a % of total number of enterprises in operation or temporarily closed



Exporting profile









Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Main results in the week from 27 April to 1 May 2020



Figure 10 • Main results in the week from 27 April to 1 May 2020

Total reporting enterprises and Economic activity

 Situation of the enterprises	 Impact on turnover	 Impact on persons employed	 Simplified layoff
<p>84% of enterprises in operation</p> <p>being that:</p> <ul style="list-style-type: none"> ● 41% in Accommodation and food services ● 92% in Construction and real estate 	<p>79% of enterprises reported a reduction</p> <p>being that:</p> <ul style="list-style-type: none"> ● 98% in Accommodation and food services ● 71% in Construction and real estate 	<p>57% of enterprises registered a reduction</p> <p>being that:</p> <ul style="list-style-type: none"> ● 85% in Accommodation and food services ● 41% in Information and communication 	<p>59% of enterprises mentioned as relevant or very relevant for the reduction of people in service</p> <p>being that:</p> <ul style="list-style-type: none"> ● 94% in Accommodation and food services ● 43% in Construction and real estate

 Telework	 Recurso às medidas apresentadas pelo Governo		
<p>58% of enterprises had recourse telework</p> <p>being that:</p> <ul style="list-style-type: none"> ● 84% in Information and communication ● 35% in Accommodation and food services 	<p>36% of enterprises already benefited or plans to benefit from the moratorium for the payment of interests and principal on existing loans</p> <p>being that:</p> <ul style="list-style-type: none"> ● 51% in Accommodation and food services ● 23% in Information and communication 	<p>41% of enterprises already benefited or plans to benefit from the access to new low-interest loans or State guarantees</p> <p>being that:</p> <ul style="list-style-type: none"> ● 59% in Accommodation and food services ● 32% in Information and communication 	<p>47% das empresas of enterprises already benefited or plans to benefit from the suspension of the payment of tax and contributory obligations</p> <p>being that:</p> <ul style="list-style-type: none"> ● 69% in Accommodation and food services ● 42% in Manufacturing and energy

Exporting profile

 With exporting profile	 Without exporting profile	
<ul style="list-style-type: none"> ● 89% of enterprises in operation ● 80% of enterprises reported a reduction in turnover ● 60% of enterprises reported a reduction in persons employed effectively working ● 53% of enterprises referred to the simplified layoff as relevant or very relevant situation for the reduction in persons employed effectively working ● 72% of enterprises had recourse telework 	<ul style="list-style-type: none"> ● 40% of enterprises already benefited or plans to benefit from the moratorium for the payment of interests and principal on existing loans ● 47% of enterprises already benefited or plans to benefit from the access to new low-interest loans or State guarantees ● 44% of enterprises already benefited or plans to benefit from the suspension of the payment of tax and contributory obligations 	<ul style="list-style-type: none"> ● 83% of enterprises in operation ● 79% of enterprises reported a reduction in turnover ● 56% of enterprises reported a reduction in persons employed effectively working ● 61% of enterprises referred to the simplified layoff as relevant or very relevant situation for the reduction in persons employed effectively working ● 53% of enterprises had recourse telework ● 34% of enterprises already benefited or plans to benefit from the moratorium for the payment of interests and principal on existing loans ● 38% of enterprises already benefited or plans to benefit from the access to new low-interest loans or State guarantees ● 48% of enterprises already benefited or plans to benefit from the suspension of the payment of tax and contributory obligations

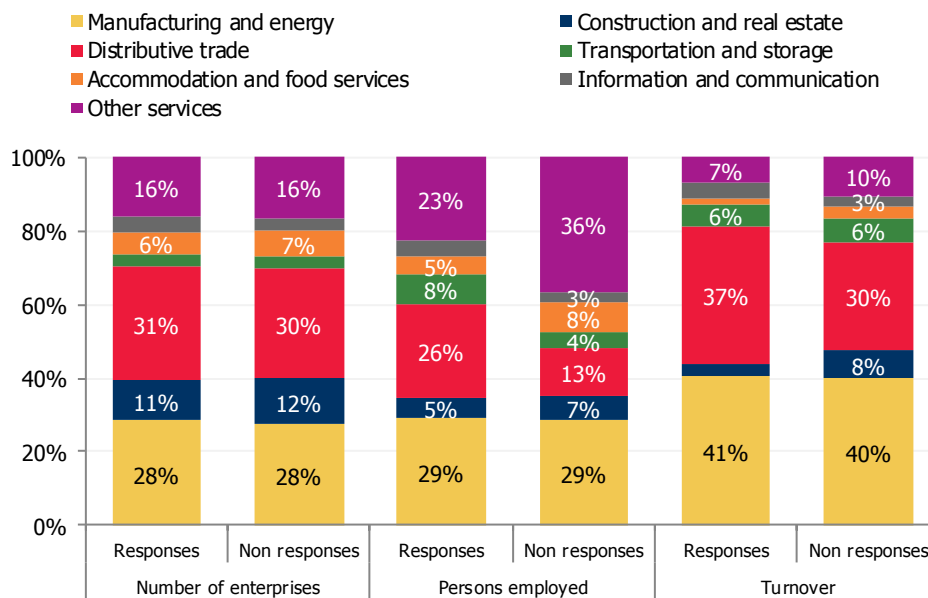
Source: Statistics Portugal and Bank of Portugal, COVID-IREE

Technical note

The statistical data disclosed in this information note correspond to those collected by the Fast and Exceptional Enterprise Survey – COVID-19 (COVID-IREE), in the week from 27 April to 1 May 2020. The survey was addressed to a broad range of micro, small, medium and large enterprises representative of the various sectors of economic activity, the sample being 8,883 enterprises. A total of 5,504 valid responses were obtained, representing an overall response rate of 62%. The respondent enterprises represent 64% of the persons employed and 77.4% of the turnover of the sample.

The following graph shows the distribution between responding and non-responding enterprises, in terms of the number of enterprises, persons employed and turnover, as a % of total enterprises in the sample, by economic activity:

Figure 11 • Structure of the number of enterprises, persons employed and turnover, as a % of total number of responding and non-responding enterprises by economic activity



Source: Statistics Portugal and Bank of Portugal, COVID-IREE

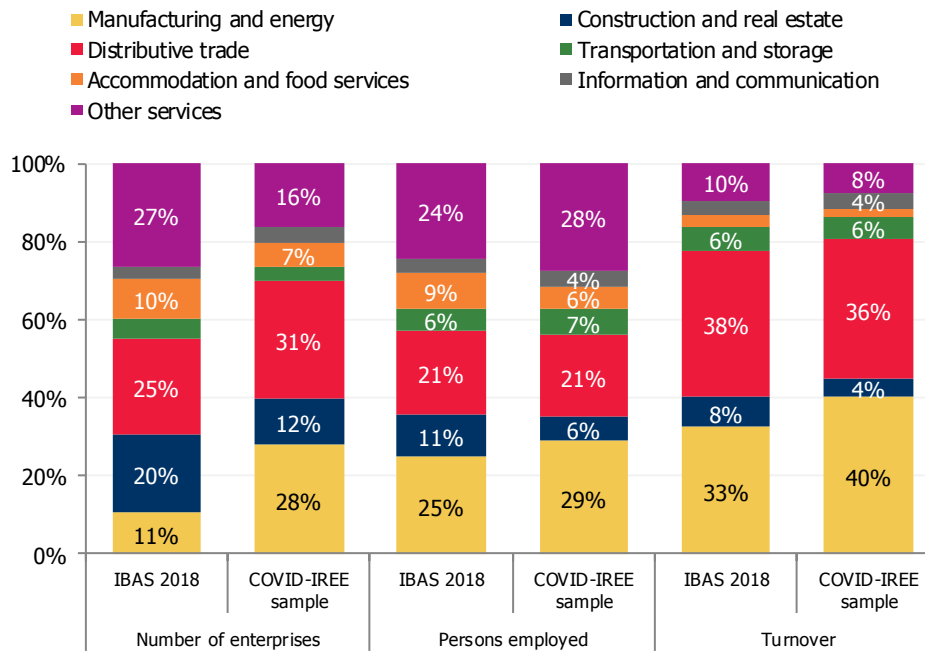
Applying a simple *Probit* model to assess the probability of response to the survey, a lower probability of response of micro and small enterprises was observed, and the possible bias resulting from this should be considered in the analysis. However, there was no evidence of bias associated with the sector of economic activity of the enterprise.

The results of this survey are always indicated as referring to the responding enterprises in each week of survey and no extrapolation of the results to the universe of firms is made (see methodological documentation associated with the new Fast and Exceptional Enterprise Survey (COVID-IREE) available at:

<http://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1593>

The sample of this survey basically corresponds to the integration of the samples underlying the monthly industry, construction, distributive trade and services turnover surveys, plus about three hundred enterprises, aiming at completing the sectors of activity represented. The context information of this sample has as reference the Integrated Business Accounts System (IBAS 2018). The following figure presents, by economic activity, the structures of the number of enterprises, persons employed and turnover in the COVID-IREE sample and in the universe of firms - IBAS 2018.

Figure 12 • Structure of the number of enterprises, persons employed and turnover, of the universe of enterprises (IBAS 2018) and the sample of the Fast and Exceptional Enterprise Survey



Source: Statistics Portugal, IBAS 2018 and Statistics Portugal and Bank of Portugal, COVID-IREE

This survey began with a weekly frequency in order to obtain urgent information on the consequences of the current pandemic (COVID-19) on business activity, but will now have a two-weekly frequency, so the next week of collection will begin on 11 May 2020 and will seek to monitor the changes that will occur in enterprises activity with the cessation of the state of emergency but where there are still a number of limitations to economic activity in order to safeguard public health in the face of the pandemic.

The collection of information starts on Monday and finishes at the end of Friday. The data for each week of enquiry may be revised in the following week by incorporating any replies received during the weekend.

In this information note were considered:

- A) 4 enterprise size-classes: Micro enterprise (number of persons employed < 10 and turnover ≤ EUR 2 million); Small enterprise (number of persons employed < 50, turnover ≤ EUR 10 million and not classified as micro enterprise); Medium enterprise (number of persons employed < 250, turnover ≤ EUR 50 million and not classified as micro or small enterprise); and Large enterprise (number of persons employed ≥ 250 or turnover > EUR 50 million)
- B) 7 groups of economic activities: Manufacturing and energy (sections B to E from CAE Rev.3), Construction and real estate (sections F and L from CAE Rev.3), Distributive trade (sections G from CAE Rev.3), Transportation and storage (sections H from CAE Rev.3), Accommodation and food services (section I from CAE Rev.3), Information and communication (section J from CAE Rev.3), and Other services (section M to S from CAE Rev.3, except section O). This classification is based on the A10 nomenclature of the European System of Accounts (ESA2010).

Also in this information note were considered as enterprises with an exporting profile, those that export goods and services and that meet the following criteria: (i) enterprises where at least 50% of the turnover comes from exports of goods and services, or; (ii) enterprises where at least 10% of the turnover comes from exports of goods and services and the value of exports of goods and services exceeds 150 thousand euros. Enterprises that did not meet these criteria were classified as not having an exporting profile.

Expected date for the next dissemination:

19 May 2020

Acronyms:

%	Percentage
CAE-Rev.3	Portuguese Classification of Economic Activities, Revision 3
COVID-19	New coronavirus
COVID-IREE	Fast and Exceptional Enterprise Survey – COVID-19
IBAS	Integrated Business Accounts System

Information to users:

For issues related to the rounding of values, the totals, in value or percentage, may not correspond exactly to the sum of their parts.

Return of information to respondents:

Taking into account the results of COVID-IREE, customized Return of Information to Respondents (RIR) reports were prepared and sent to each of the responding enterprises, containing the enterprise's response to the survey and its framework regarding the economic activity in which the enterprise is classified and the total of the responding enterprises (as an example attached, referring to the return of the 3rd week, from 20 to 24 April 2020 – only in Portuguese).



COVID-19: acompanhamento do impacto da pandemia nas empresas - Semana de 20 a 24 de abril

Os resultados da 3ª semana de inquirição confirmam os desenvolvimentos identificados nas duas semanas anteriores.

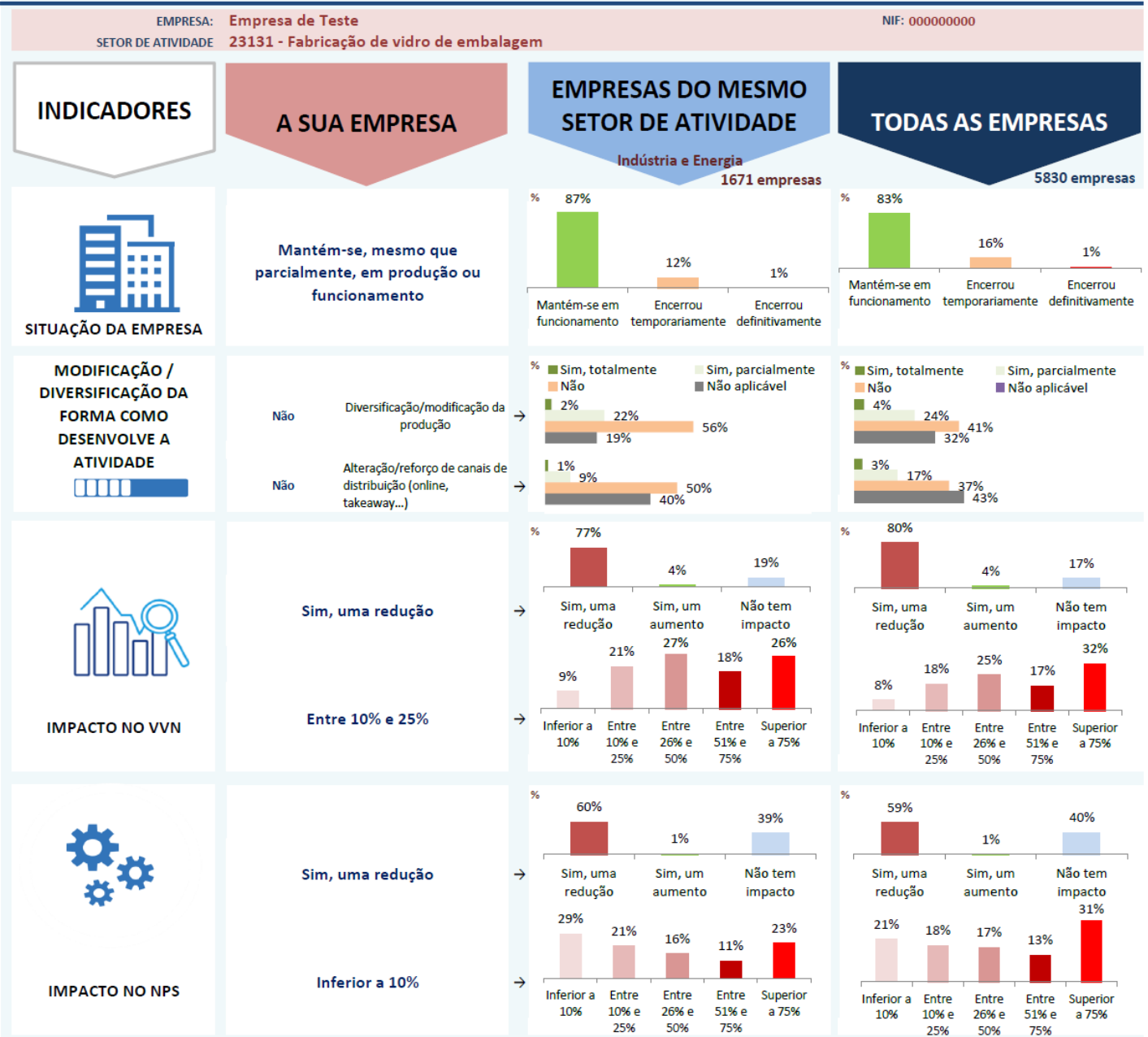
A percentagem de empresas respondentes que assinalaram diminuições do volume de negócios e do pessoal ao serviço efetivamente a trabalhar manteve-se elevada (80% e 59%, respetivamente). 39% das empresas registaram uma redução superior a 50% do volume de negócios e 26% referiram uma redução superior a 50% no número de pessoas ao serviço efetivamente a trabalhar.

O recurso ao layoff simplificado aumentou, correspondendo ao principal fator para a redução do pessoal ao serviço efetivamente a trabalhar, tendo sido assinalado por 54% das empresas (52% na semana anterior).

Excluindo o layoff simplificado, a proporção de empresas que não prevê o recurso a medidas de apoio aumentou na última semana, atingindo proporções entre 48% e 59%, consoante a medida.

Visite no portal do INE a página **Especial INE COVID-19**, com os dados estatísticos oficiais mais recentes em Portugal para acompanhamento do impacto social e económico da Pandemia.

Para saber mais, consulte o nosso Portal, [AQUI](#)



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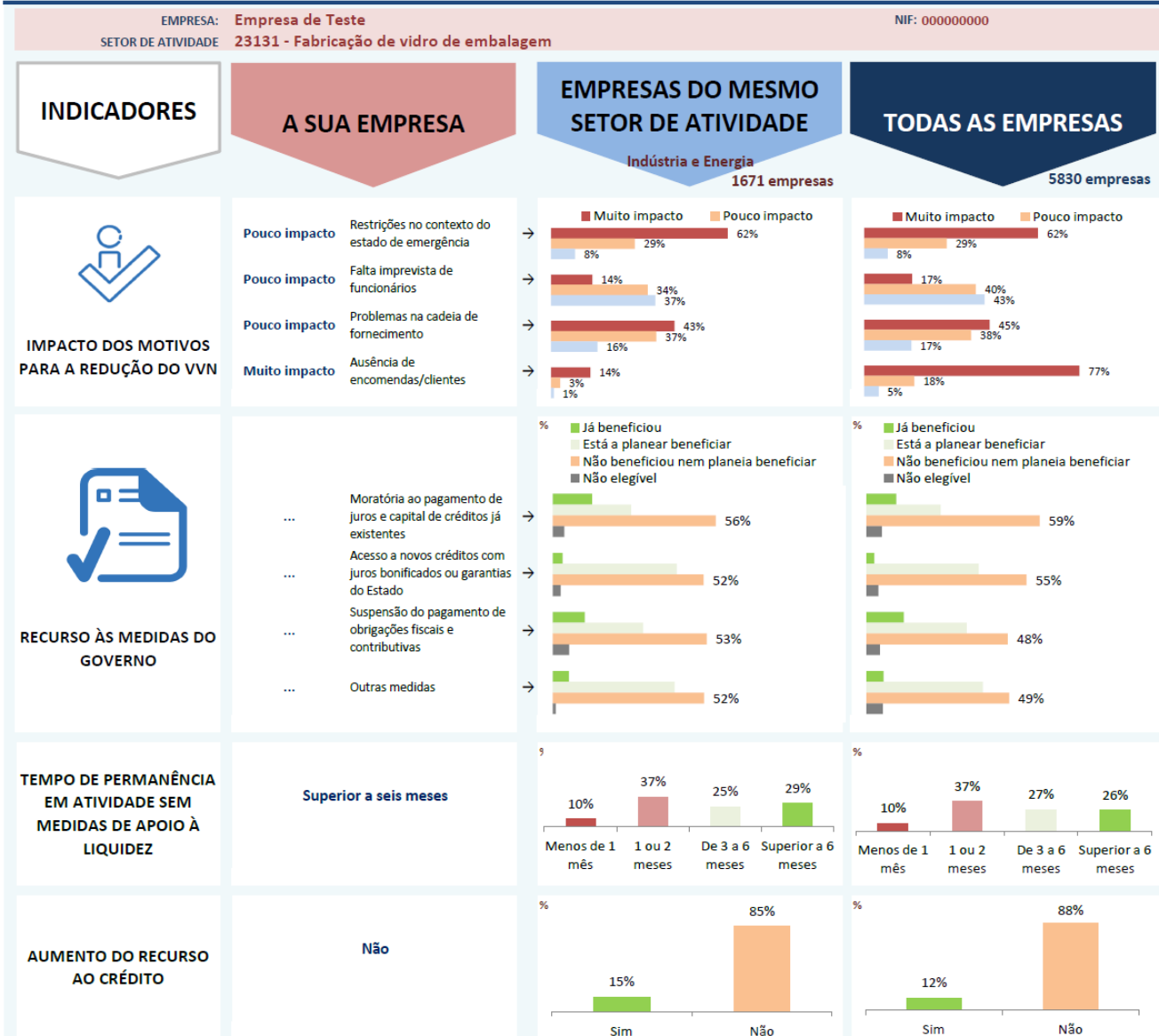
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NOTA METODOLÓGICA

Inquérito Rápido e Excepcional às Empresas – COVID-19 (COVID-IREE).

O Instituto Nacional de Estatística e o Banco de Portugal lançaram o Inquérito Rápido e Excepcional às Empresas – COVID-19 (COVID-IREE), com frequência semanal, tendo como objetivo identificar os efeitos da pandemia na atividade das empresas. Esta informação é necessária para que se possam reconhecer tendências e perspetivar linhas a seguir para minorar impactos económicos, nomeadamente sobre as pequenas empresas. A informação constante nesta ficha refere-se aos dados compilados a partir das respostas ao COVID-IREE.

SIGLAS E SINAIS CONVENCIONAIS:

COVID-IREE - Inquérito Rápido e Excepcional às Empresas – COVID-19

VVN - Valor do Volume de Negócios

NPS - Número de Pessoas ao Serviço

Informação adicional encontra-se disponível no Portal de Estatísticas Oficiais em: www.ine.pt

Esta informação foi produzida unicamente para a sua empresa, estando garantidos todos os direitos de confidencialidade.

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