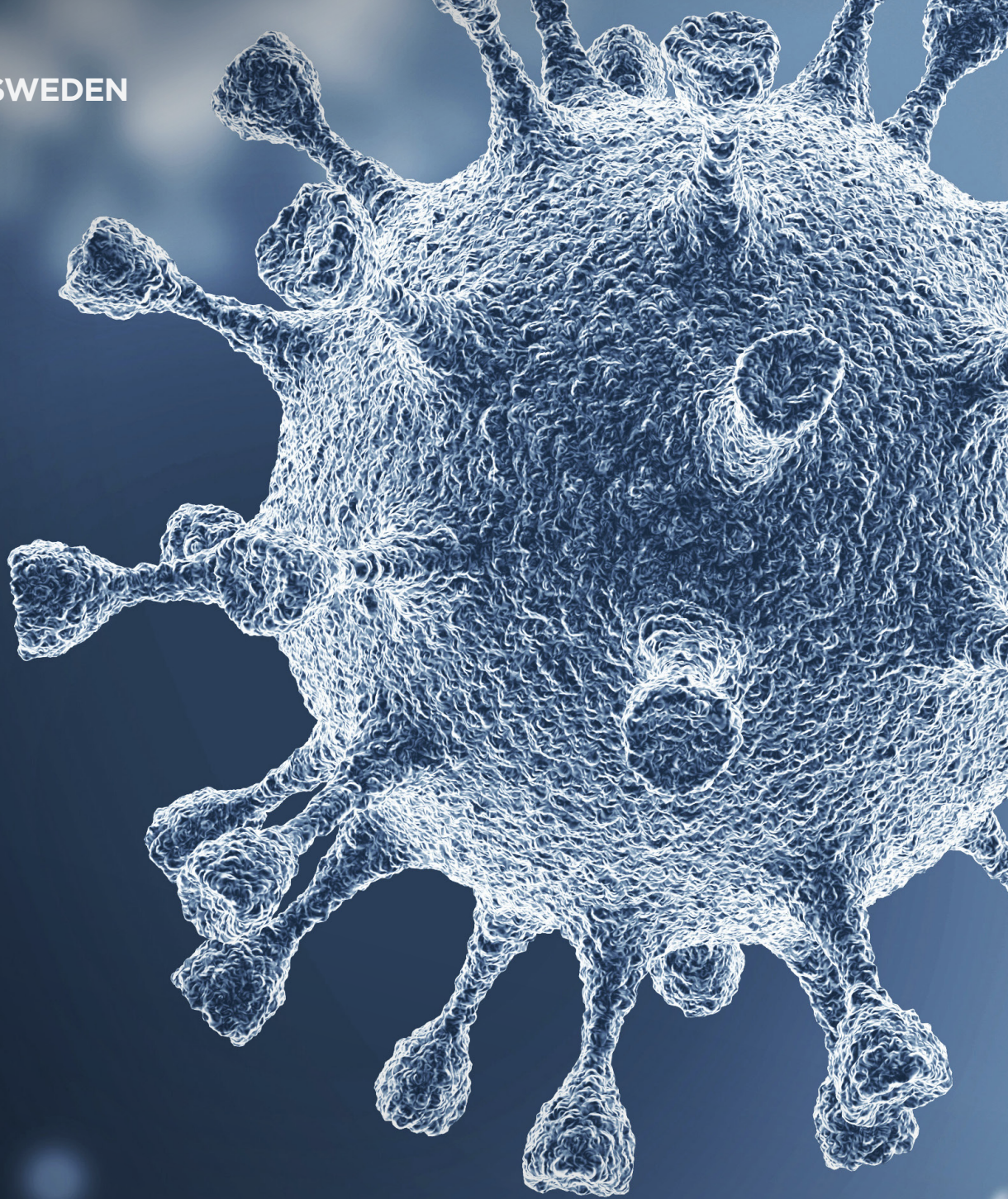


BUSINESS SWEDEN



# TOUGH ACTION IN THE TIME OF CORONA

HOW SWEDISH EXPORTERS ARE MOBILISING AGAINST  
THE CORONAVIRUS

23 MARCH 2020

# TOUGH ACTION IN THE TIME OF CORONA

HOW SWEDISH EXPORTERS ARE MOBILISING  
AGAINST THE CORONAVIRUS

# HOW SWEDISH EXPORTERS ARE AFFECTED BY THE CORONAVIRUS CRISIS

On March 11, the World Health Organization (WHO) declared the coronavirus outbreak a pandemic, which means uncontrolled spread affecting many populations around the world at the same time.

The crisis began with factory disruption in China, primarily in the disease-stricken Hubei province which is where the outbreak originated, impacting production and export of electronics, optical fibres, vehicles and automotive components. The disruptions rippled out into industry supply chains which affected production and deliveries in many countries.

As the virus continued to spread rapidly around the world, the response measures imposed by countries and the changed behaviour among the general public, to avoid being infected and contracting the Covid-19 disease, have resulted in a sharp drop in demand and an accelerating global economic crisis.

The crisis is severely affecting Sweden's export-oriented and internationalised business sector, with profound implications for Sweden's economy.

The results from Business Sweden's survey of Swedish export companies – presented in the below summary – demonstrate a significant negative impact on business operations as they stand today. The companies are forecasting a considerably worsening situation over the next four weeks, particularly in Europe.

## THE CURRENT IMPACT

For a third of the companies in the survey, sales are currently affected moderately while 12 per cent of respondents report a severely negative impact on sales. One quarter of the companies confirm a moderate negative impact on production. Eight per cent state that production has suffered a severe negative impact. A smaller portion of the companies report a positive impact on sales and production. Half of the companies report that sales are not affected at all by the coronavirus, while 60 per cent confirm a non-existent impact on production.

Training schemes and upskilling initiatives have been negatively affected for more than half of the companies. Virtually all of the companies report a severe negative impact on travel and mobility for staff.

For 70 per cent of the companies the impact on business operations is moderately or severely negative in Europe and Asia. More than 60 per cent of the companies are negatively affected in North America.

Two thirds of the companies confirm they have developed an action plan in response to the coronavirus, while a quarter of the companies have an action

plan not yet finalised. Just 5 per cent of the companies report that they have no action plan at all.

## PROJECTED IMPACT IN FOUR WEEKS' TIME

The participating companies are forecasting that the situation will have significantly worsened in four weeks' time.

Approximately 80 per cent of the companies project that sales will suffer a moderate to severely negative impact. Two thirds of the companies expect that production will be negatively impacted.

Around 70 per cent of the companies believe that their training and upskilling initiatives will be negatively impacted. Virtually all of the companies project a negative impact on staff travel and mobility.

Two thirds of the companies expect a moderate to severe negative impact on exports from Sweden and delivery of inputs from suppliers. Nine out of ten companies expect that their business operations in Europe will be negatively affected. Half of the companies expect that their deliveries to customers will be negatively affected.

Asia and North America diverge with a slightly better outlook for Asia than North America. Around 80 per cent of respondents believe that their operations in North America will see a moderate to severe negative impact.

Possible measures that the companies are considering taking over the next four weeks, given that the situation worsens, include reducing production (54 per cent), staff redundancies (29 per cent), support for suppliers (43 per cent) and delayed investments (62 per cent). Additional measures were confirmed including working from home, reduced working hours and staff taking holiday, as well as overall cost reductions.

## ABOUT THE SURVEY

Business Sweden gave the market research company Origo Group the assignment to map how and to which extent large Swedish export companies are affected by the pandemic caused by the coronavirus.

The target group in the survey was Swedish companies with a goods export value larger than SEK 150 million (2018). The list was commissioned from Statistics Sweden and, after review, consisted of a net selection of 776 companies.

The survey was carried out through telephone interviews with CEOs, Sales Managers or Marketing Managers between March 11-20, 2020. The respondents answered a list of 6 multiple-choice questions. A total of 266 companies took part in the survey resulting in a response rate of 34 per cent.

# HOW SWEDISH EXPORTERS ARE AFFECTED BY THE CORONAVIRUS CRISIS

How companies assess the business impact of the coronavirus in terms of:

SALES	Current situation	In four weeks
Very negative	12%	33%
Moderately negative	33%	48%
No impact	49%	13%
Moderately positive	5%	5%
Very positive	2%	1%

PRODUCTION	Current situation	In four weeks
Very negative	8%	23%
Moderately negative	25%	42%
No impact	63%	30%
Moderately positive	2%	3%
Very positive	2%	1%

TRAINING AND UPSKILLING	Current situation	In four weeks
Very negative	25%	33%
Moderately negative	28%	36%
No impact	45%	28%
Moderately positive	2%	3%
Very positive	0%	1%

STAFF TRAVEL AND MOBILITY	Current situation	In four weeks
Very negative	74%	76%
Moderately negative	23%	17%
No impact	3%	6%
Moderately positive	0%	1%
Very positive	0%	0%

How companies assess the business impact of the coronavirus in the following regions:

EUROPE	Current situation	In four weeks
Very negative	35%	42%
Moderately negative	35%	45%
No impact	27%	11%
Moderately positive	1%	1%
Very positive	1%	2%

ASIA	Current situation	In four weeks
Very negative	37%	25%
Moderately negative	34%	46%
No impact	23%	23%
Moderately positive	4%	5%
Very positive	1%	1%

NORTH AMERICA	Current situation	In four weeks
Very negative	24%	41%
Moderately negative	38%	41%
No impact	37%	16%
Moderately positive	1%	1%
Very positive	1%	1%

How companies expect the coronavirus will impact business in four weeks' time in terms of:

	EXPORTS FROM SWEDEN	INTERMEDIATE GOODS FROM SUPPLIERS	DELIVERY TO CUSTOMERS
Very negative	22%	22%	19%
Moderately negative	42%	44%	35%
No impact	30%	32%	44%
Moderately positive	5%	1%	2%
Very positive	1%	0%	1%

Measures that companies may consider taking if the coronavirus pandemic has an increasingly negative impact on business in four weeks' time:

	REDUCE PRODUCTION	STAFF REDUNDANCIES	SUPPORT SUPPLIERS	DELAY INVESTMENTS	OTHER MEASURES
Yes	54%	29%	43%	62%	48%
No	35%	60%	41%	26%	34%
Decline to answer	11%	11%	17%	12%	17%

NB: As a result of rounding, not all tables add up to exactly 100 percent.





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