



# Survey on Impact of COVID-19 on Enterprises in Turkey

Report on Results of Third Survey (1-18 September 2020)

**TURKONFED**

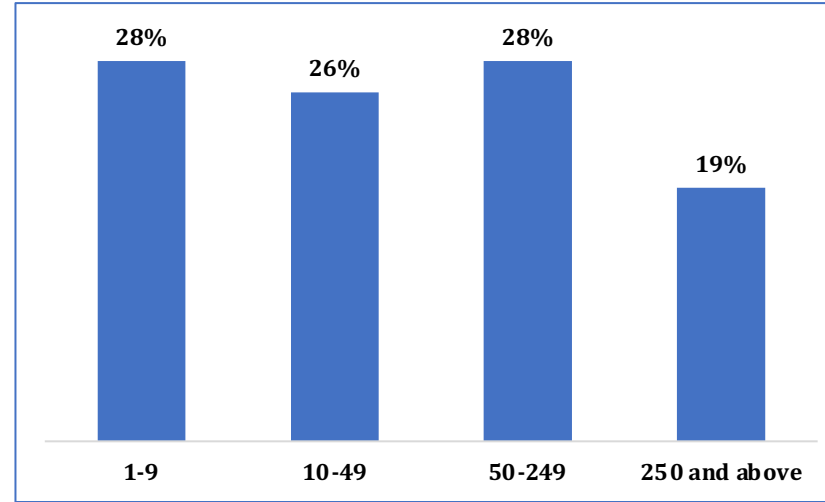


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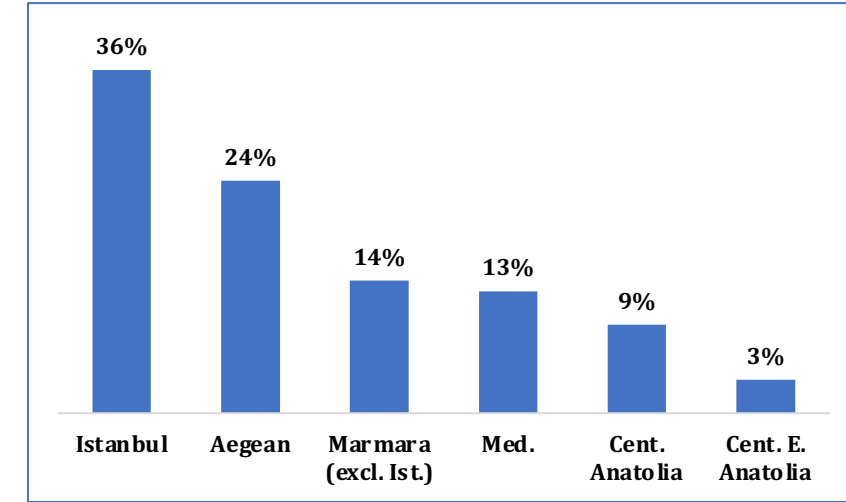
# Descriptive characteristics of enterprises participating in the pulse survey

- Two separate Covid-19 Business Pulse Surveys were conducted fortnightly by the Business for Goals Platform between September 1-18, 2020. In Pulse Surveys, enterprises operating in various sectors in 19 different provinces evaluated the effects emanating from the Covid-19 outbreak.
- In this report, the results of different companies participating in two separate pulse surveys are evaluated collectively and some data-based determinations are made about how the private sector went through the September.
- A total of 86 companies participated in Pulse Surveys. 54% of the companies were micro and small-scaled and 19% were large-scaled.
- 36% of the companies participated from Istanbul, followed by Aegean region with a ratio of 24%, and no companies from the Black Sea, Eastern Anatolia and Southeastern Anatolia regions participated.
- When analyzed by the main groups; production/manufacturing and service groups are almost at an equal ratio, and the proportion of companies in the trade group is around 10%.
- In sectoral distribution, it is observed that the majority of companies are in the manufacturing sector, followed by other services with a ratio of 26%.

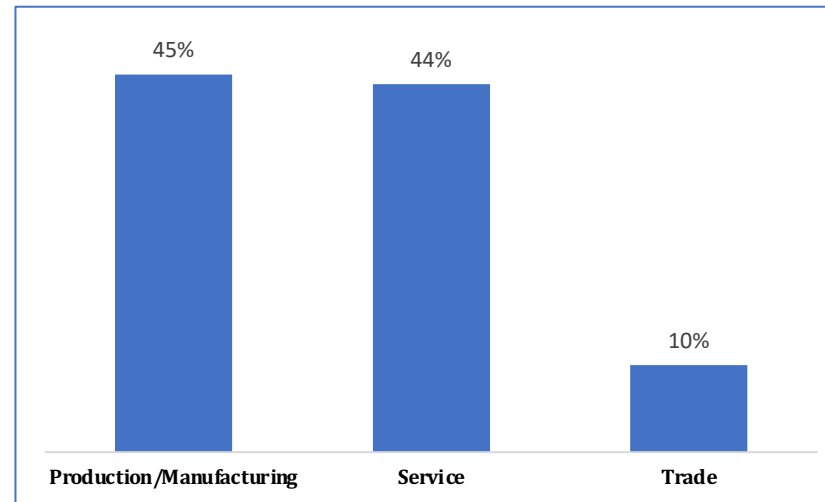
Distribution of companies by scale



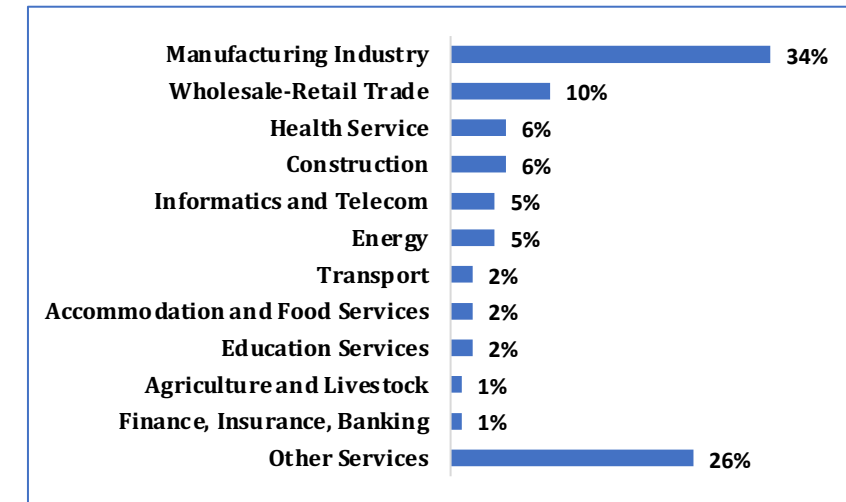
Distribution of companies by regions



Distribution of companies according to their main groups



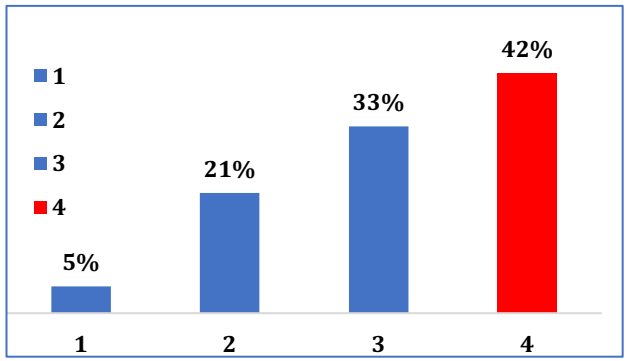
Distribution of companies by sectors



**42% of companies state they are highly affected by the Covid-19 crisis.**

- It was asked to what extent companies were affected by the Covid-19 crisis. In question addressed on a scale from 1 to 4, 4 corresponds to a high level of effect. The companies that said it had a big impact make up the largest group with a ratio of 42%.

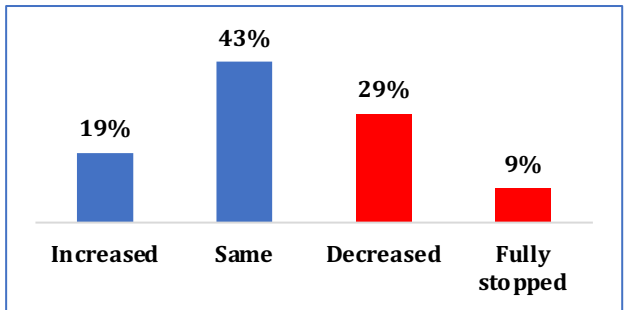
**To what extent did the Covid-19 crisis affect your company?  
1 Not at all, 4 Very much.**



**62% of the companies state that their sales remained the same or increased compared to 15 days ago.**

- Although it has been taken into account that the general economic situation and seasonal effects also had reflections on the answers, the answer “fully stopped” with a ratio of 9% is remarkable.

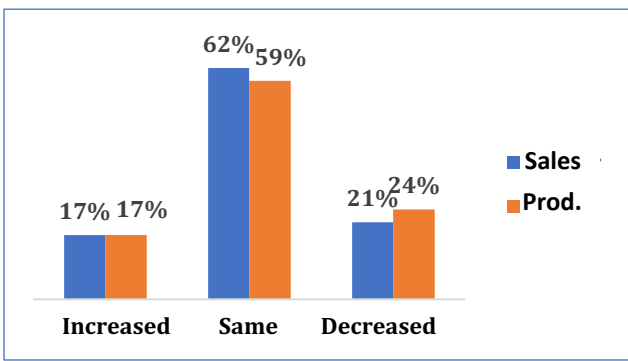
**To what extent, compared to 15 days ago, has your sales level changed?**



**The sales of the companies in the manufacturing industry progress in line with their production levels.**

- While, compared to 15 days ago, the production of 24% of the companies in the manufacturing industry decreased, the sales of 21% decreased.

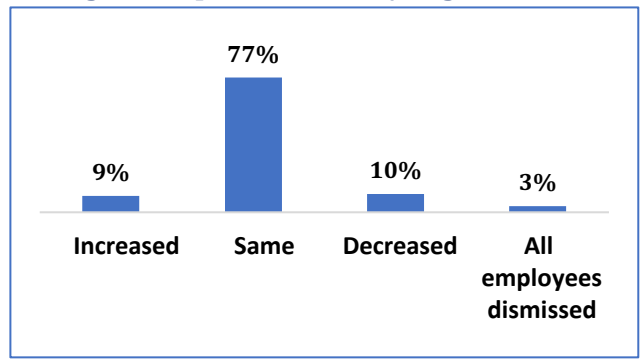
**To what extent, compared to 15 days ago, has your production level changed?**



**While 10% of the companies stated that the number of employees decreased, 3% stated that all employees were dismissed.**

- While the number of employees is not equally affected by the changes in sales that scrutinize the recent past, it gives signals of the fact that the number of employees may decrease more if there becomes a decrease in sales.

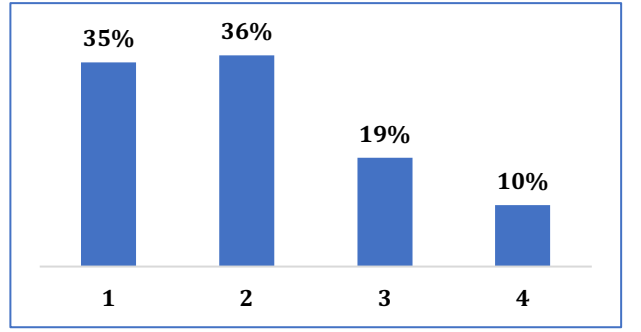
**To what extent has your number of employees changed compared to 15 days ago?**



**Companies generally do not have difficulties in procuring the inputs required for products and services.**

- 71% of the companies stated that they either had no difficulty or a little difficulty.
- Although the sample is different, this ratio, which was 52% in the survey in May, indicates that there might have been an improvement in supply chains in the third quarter.

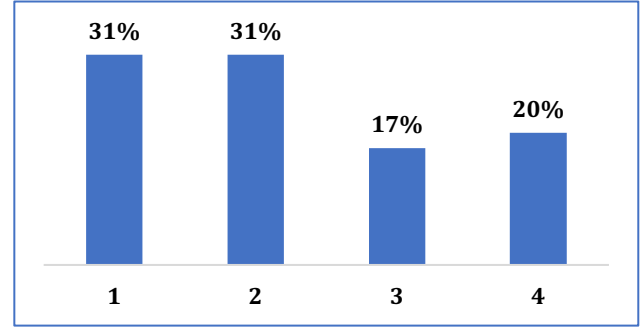
**Have you had difficulties in providing the necessary inputs for your products and services in the last 15 days? 1 Not at all, 4 Very much.**



**The companies that state that they do not have much difficulties regarding compulsory payments are at the level of 62%.**

- However, there is a parallelism between the decrease in sales and the companies with high levels of difficulties. While the ratio of companies that stated that their sales decreased or stopped was 38%, the ratio of companies indicating that they had difficulties in compulsory payments was at the level of 37%.

**Have you had any difficulties in making your compulsory payments such as salary, tax, rent invoice in the last 15 days? 1 Not at all, 4 Very much.**



**Having considered the risk factors for the last quarter of the year, companies have a high-risk perception of insufficient domestic and foreign demand and investors' reducing their investments.**

- Risk levels are generally low for issues such as failure to pay debt, disruptions in supply chain and loss in skilled workforce.
- A balanced distribution has been observed in terms of not being able to borrow/float a loan.

**The concerns of the companies regarding the effect of pandemics for the upcoming period are high.**

- 82% of the firms responded as "concerned or very concerned". Only 5% of the companies stated that they were not concerned about the impact of the Covid-19 crisis on their companies.
- 61% of the companies stated that if the current economic conditions continued, their working capital would be sufficient for a maximum of 6 months. On the other hand, 24% stated that their capital was either insufficient or it would be sufficient for a maximum of one month.
- Although the sample is different, the ratio of those who stated that their capital would be sufficient for more than 6 months in the May survey was 25%, while this rate is 38% in the September survey.
- More than half of the expectations (57%) about when the adverse effects of the crisis on their companies will end points to a period of 1 year or more.

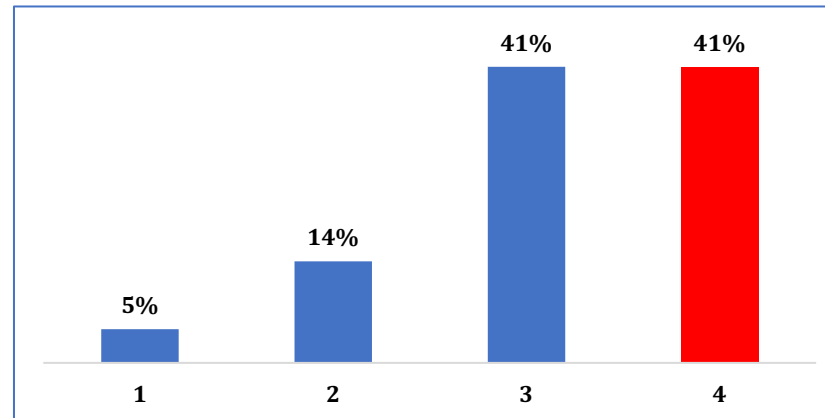
**Covid-19 has become a part of business life not only with the risk factors it creates, but also directly with the presence of the disease.**

- 21% of companies state that Covid-19 cases have been encountered in their company in the last 15 days.

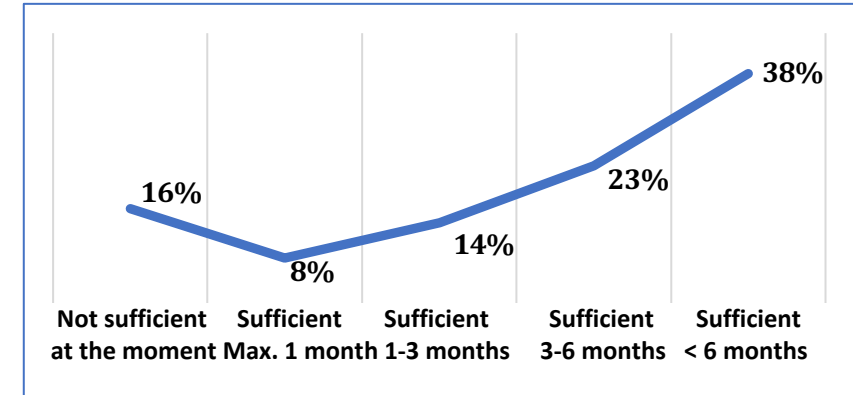
**Evaluate the level of risks you anticipate for your company in the next 3 months.**

	Low Risk (1)	(2)	(3)	High Risk (4)
Insolvency	37%	28%	17%	17%
Lack of domestic demand	12%	23%	30%	35%
Lack of foreign demand	26%	22%	23%	29%
Supply chain disruptions	19%	38%	28%	15%
Investors' reducing their investments	20%	26%	27%	28%
Inability to borrow/float a loan	27%	23%	28%	22%
Skilled workforce loss	29%	36%	16%	19%

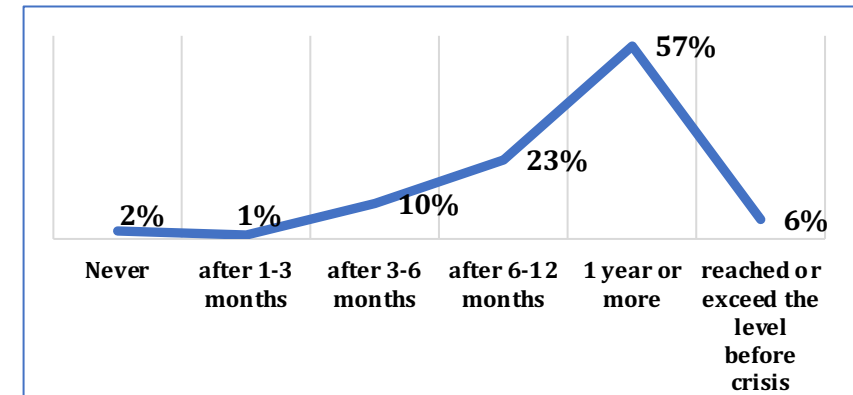
**Are you concerned about the impact of Covid-19 on your company in the coming period, if so, to what extent?**  
1 Not at all, 4 Very much



**How long will your company's working capital be sufficient if the current economic conditions continue?**



**When do you foresee the adverse effects of the Covid-19 crisis on your company to disappear completely?**



**Was there any Covid-19 case in your company in the last 15 days?**

