



# **Assessment Report on Impact of COVID-19 Pandemic on Chinese Enterprises**

United Nations Development Programme in China  
April 2020

# Executive Summary

The Novel Coronavirus Disease (COVID-19) has had an immense impact on people's health and economic development both in China and globally. On March 11th 2020, the World Health Organization (WHO) officially designated the COVID-19 crisis a pandemic.

After more than two months, China has achieved initial success in its containment efforts. The Chinese government adopted rigorous quarantine and prevention measures to control the outbreak's spread. Since the mid-February peak in new cases and, the number of confirmed cases of COVID-19 nationwide has steadily declined and the number of new cases was reduced to single digits by mid-March.

The outbreak has taken a toll on people's safety and global economic development. As the impact of the pandemic becomes evident worldwide, global growth forecasts are constantly being adjusted downwards. In early March, the OECD<sup>1</sup> projected annual global GDP growth to drop to 2.4% in 2020, with China's GDP slipping below 5% year-on-year, on the assumptions that the outbreak would peak in China in the first quarter of 2020 and outbreaks in other countries would prove milder and more contained. However, with the continuous spreading of COVID-19 worldwide in over 199 countries, areas and territories (as of March 26, 2020)<sup>2</sup>, the outbreak has greatly increased uncertainty and the risk of a global recession<sup>3</sup>, broadly defined by the International Monetary Fund (IMF) as growth slipping below 2.5% a year. Supply chains have been disrupted, market confidence damaged, consumer and investment demand is shrinking, while global economic activity is weakening significantly. All these pose even bigger challenges for the resilience, governance, and international cooperation effectiveness of impacted economies.

Zooming into China, the pandemic has had a huge impact on its economy in the short run, possibly expanding to the medium run as well, owing to the impact on net exports stemming from a likely marked global slowdown. According to data released by the National Bureau of Statistics of China, in January and February, the value-added of industry above designated size<sup>4</sup>, investment, and retail sales fell by 13.5%, 24.5%, and 20.5% respectively compared with the same period of the previous year, and the unemployment rate reached 6.2%. Chinese enterprises also faced tremendous challenges during the prevention and control stages of the outbreak, which restricted their production and operation activities and posed risks to operations in the short term.

This research was organized and conducted by the United Nations Development Programme (UNDP) in China, with professional support from GoldenBee (Beijing) Management Consulting Co., Ltd. (hereinafter referred to as GoldenBee). It assesses the impact of the COVID-19 pandemic on non-state-owned enterprises in China, such as large private-owned enterprises (POEs) as well as small and medium enterprises (SMEs), to better understand their needs. It proposes recommendations on relevant policies and provides baselines for international organizations to design cooperative projects.

A key value added of this Report—brought out in record time—is that it is based on nearly real-time evidence, gathered from a dozen in-depth theme interviews as well as a thorough review of reports and research literature published by ten organizations on the impact of the pandemic. The latter constitutes a meta-analysis of 10 online surveys covering over 78,000 SMEs and large POEs respondents in total, all conducted by mid-March 2020.

Key findings<sup>5</sup> in this report are as follows:

- The COVID-19 outbreak has created many challenges for enterprises, including tighter cash flows, a general decline in both market supply and demand, and disrupted supply chains. Most enterprises expect operating revenue to plunge in the first half of 2020.
- Enterprises have accordingly adopted countermeasures, including implementing flexible work arrangements, upgrading products and services and cutting costs, to cope with the pandemic. However, most SMEs tend to determine their business strategy adjustments more based on the short-term market situation with a limited understanding and consideration regarding the long-term market trend.
- Enterprises generally find supporting policies focused on operating costs reduction or exemption, work and production resumption promotion, as well as special supporting policies targeting the most severely affected industries such as tourism, quite effective.
- Chinese enterprises have relatively strong confidence in China's industrial and overall economic recovery, as well as longer-term prospects, while the global outlook faces greater uncertainties, due to the continuous spread of the virus.
- In the short term, the pandemic is likely to have a negative impact on the private sector's contribution to attaining the SDGs under the 2030 Agenda for Sustainable Development, to end poverty, reduce inequality and protect the planet. However, interviewed experts maintain that it is also likely to motivate enterprises to review their relationship with nature and society, and promote all stakeholders, including enterprises, the capital market, consumers and the government, attaching greater importance to inclusive, green development.
- Enterprises look forward to more policy support on financing from the government and banking system and to industry-specific supporting policies. They expect international organizations to build communication bridges to promote global consensus on and mutual trust in pandemic containment and economic support.
- Maintaining the confidence of enterprises and other sectors of society is vital to economic recovery, both in China and globally. Experts assert that the pandemic is expected to accelerate

China's reform and opening-up. This requires the government to create a more enabling business environment, pushing enterprises to speed up their pace of reform and innovation. This may obstruct globalization as countries tend to boost self-sufficiency, calling for stronger multilateral cooperation and coordination among countries to jointly advance outbreak prevention and control, and strengthen global value chain coordination.

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1. OECD Interim Economic Assessment Coronavirus: The world economy at risk. 2 March 2020.

2. WHO Novel Coronavirus (COVID-19) Situation Dashboard

3. <https://www.spglobal.com/ratings/en/research/articles/200317-economic-research-covid-19-macroeconomic-update-the-global-recession-is-here-and-now-11392265>

4. This refers to industrial companies with an annual revenue exceeding 20 million yuan (US\$2.86 million).

5. The conclusions of the report is based on the analysis of the situation and of the information received from surveys and interviews.

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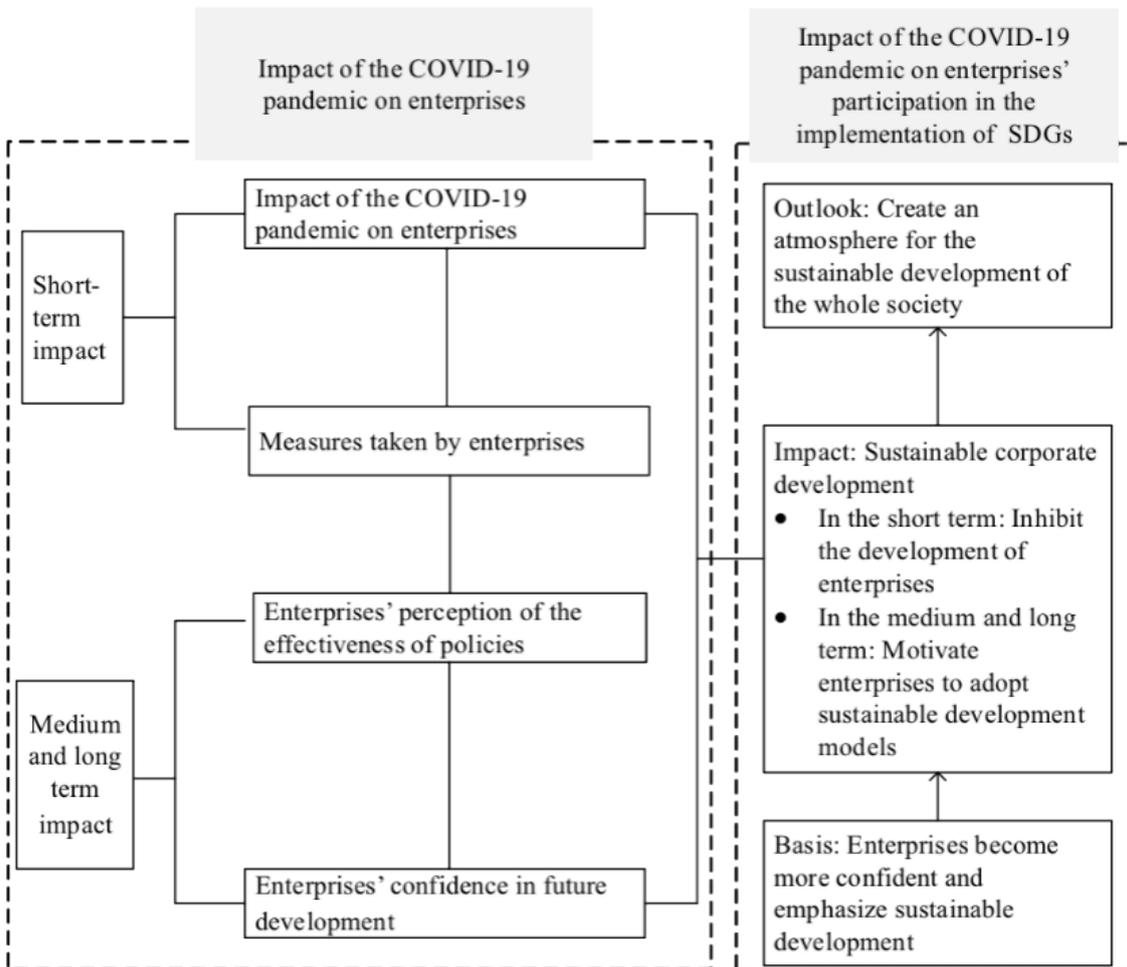
# Analysis of Impacts of the COVID-19 Pandemic

This chapter analyzes the impacts of the COVID-19 pandemic from the following four aspects:

- 1) impact on enterprises;
- 2) countermeasures adopted by enterprises;
- 3) effectiveness of current policies; and
- 4) businesses growth prospects.

The chart below is the assessment framework established for the research:

**Chart 1: Framework for impact assessment of the COVID-19 pandemic**

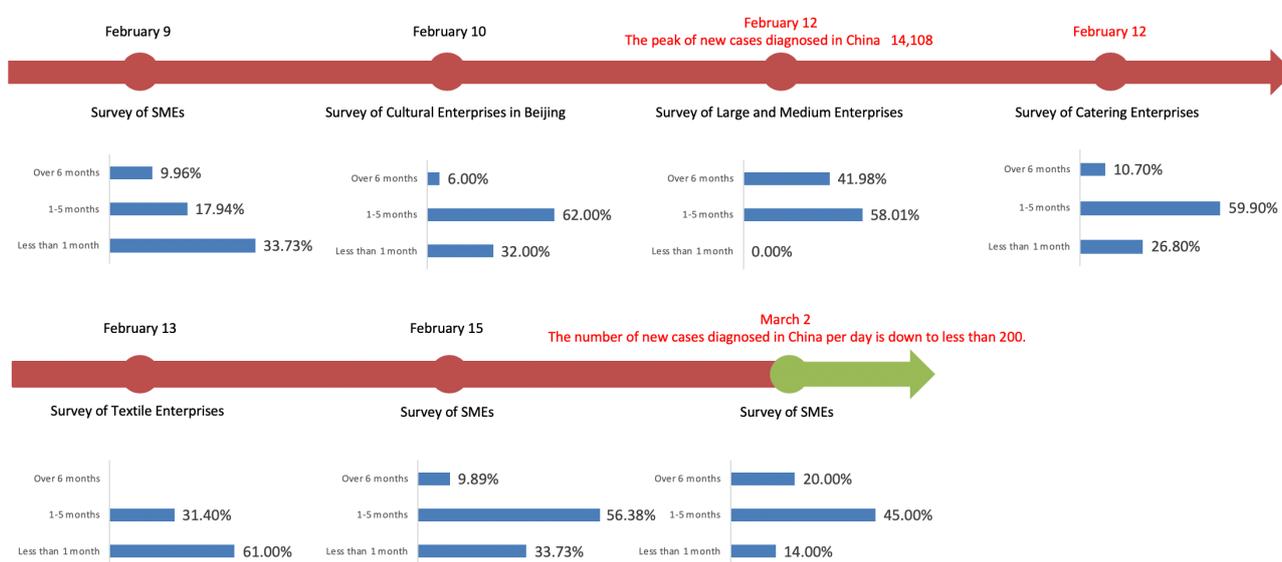


## 1. IMPACT ON ENTERPRISES:

The COVID-19 outbreak has posed many challenges for enterprises, including tighter cash flows, disrupted supply chains and a general decline in both market supply and demand. Most enterprises expect operating revenue to plunge in the first half of 2020.

A third of enterprises only have enough cash for less than one-month operation. Among seven relevant reports on the endurance of the cash flow of the surveyed enterprises, four show that over 30% of enterprises only have enough cash for less than one month of operation, and less than 10% of enterprises can maintain their cash flow for over six months (see Chart 2). The endurance of the cash flow of SMEs is expected to be lower than that of large enterprises. Due to discrepancies between the reports in terms of survey objects and dates, the survey results vary distinctly.

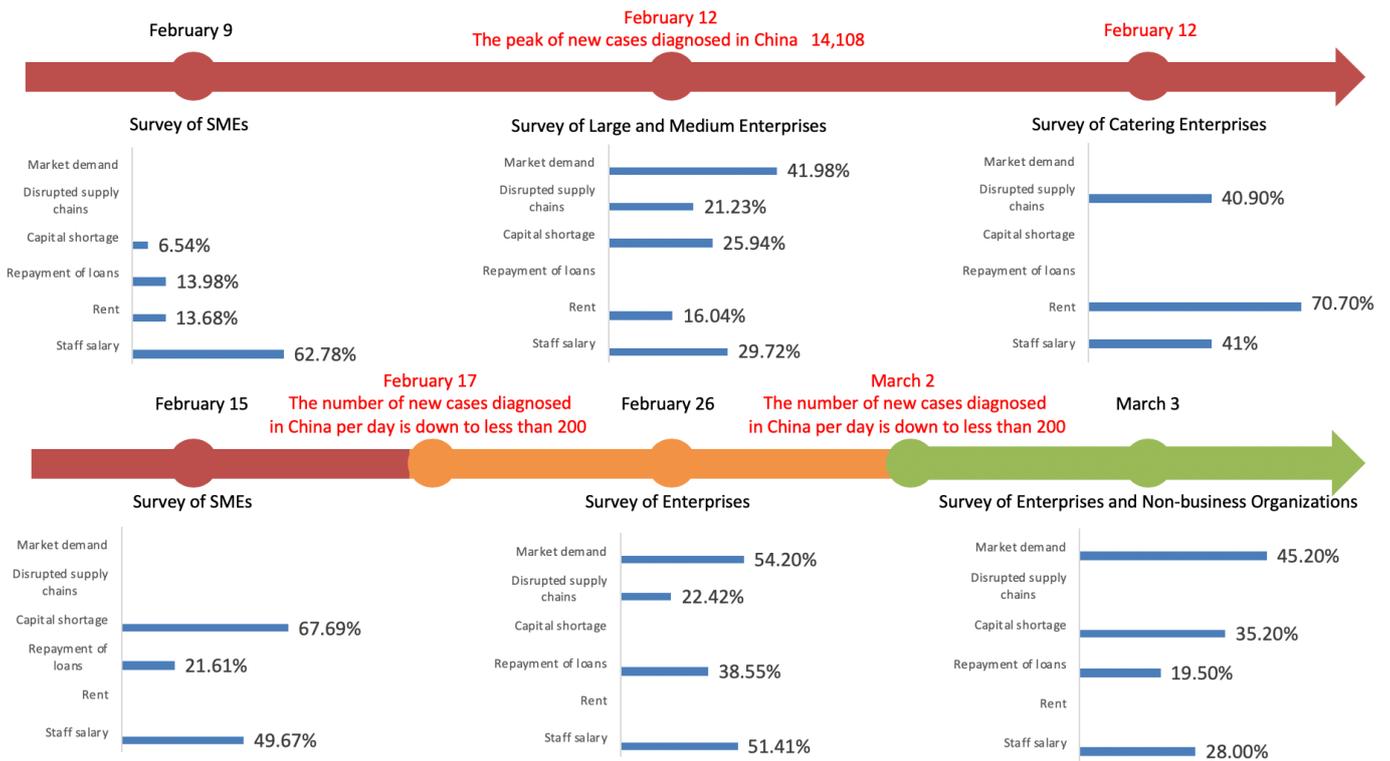
Chart 2: Survey results of enterprises' cash flow endurance <sup>6</sup>



During the outbreak, the top three operation costs of an affected enterprise<sup>7</sup> are staff salaries, loan repayments, and rent, among which salary payments are reported as the biggest cost concern, especially for SMEs. Six relevant survey reports show that 50% to 60% of SMEs have difficulties in paying staff salaries, 13% to 38% of enterprises are experiencing loan payment pressure, and 13% to 16% of enterprises suffer from rent payment. In comparison, large enterprises suffer relatively less from staff salary payment, as less than 30% of large enterprises regard staff salary as their major pressure (see Chart 3). The surveyed SMEs indicate that if the impact of COVID-19 continues, they will resort to measures such as layoffs and salary cuts to reduce costs. On the other hand, most large enterprises believe that the impacts of the outbreak are temporary and they do not plan to adopt layoffs or salary cuts.

In the near term, supply chain disruptions have exerted relatively low pressure on SMEs. Around 20% of SMEs and large enterprises regard supply chain disruptions as their major pressure (see Chart 3), while industries relying on highly globalized and subdivided supply chains, such as the automobile manufacturing industry and textile industry, are more affected by chain disruptions, resulting from China's pandemic control and traffic control in other countries. For example, China is an important source of inputs for the textile industry in Southeast Asia. The pandemic is having a great impact on their procurement. Foreign-invested companies in China are also significantly

Chart 3: Major operation pressures for enterprises



affected due to their highly globalized business models. For example, according to analysis by the American Chamber of Commerce in China (AmCham China)<sup>8</sup>, 47% of its 169 member enterprises are troubled by supply chain disruptions either in China (30%) or globally (17%). Among the surveyed enterprises, Changan Automobile points out that domestically, its sourcing activities have experienced a moderate level of disruption, as Hubei province is a major hub for producing automobile parts. Globally, they expect their sourcing activities to be severely affected if COVID-19 continues to spread overseas in the following three months. Xinjie Clothing, one of the surveyed SMEs in the textile industry, underlined that as domestic production of raw materials, as well as logistics, have been affected by the outbreak, it is difficult to source the necessary raw material to resume production. However, these types of disruption are expected to ease as work and production is gradually resumed in China.



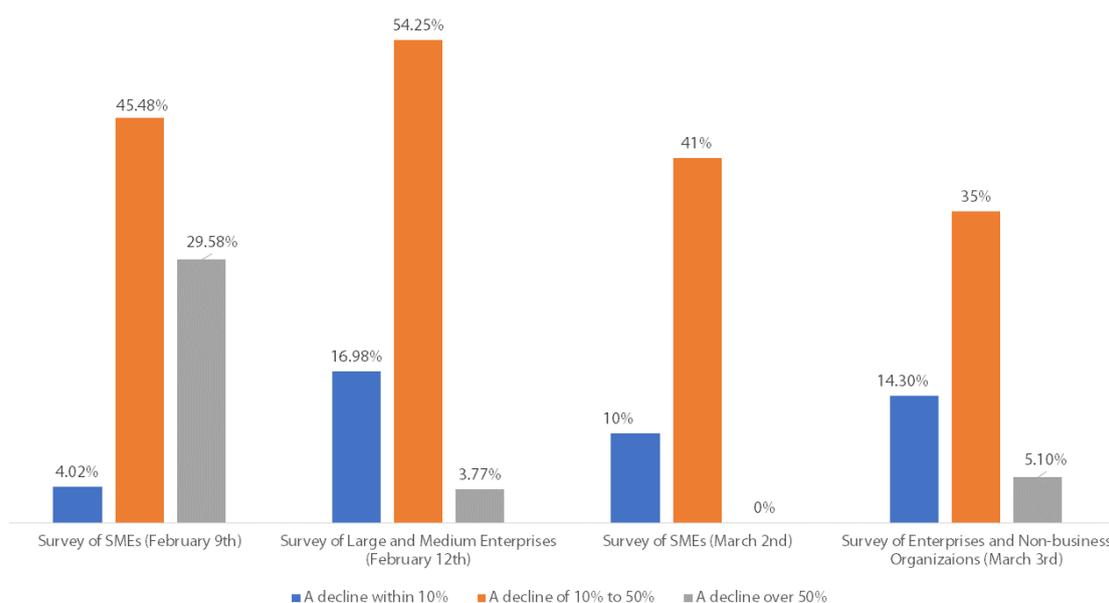
Enterprises' considerations about production methods, productivity, work efficiency, employees, supply chain, marketing and markets will influence their micro-level decisions. As a result of COVID-19, Chinese textile industry will be having a relatively difficult time in the first half of 2020, and it is likely to take around one year for the situation to improve.

--- Liang Xiaohui, Deputy Chief Economist,  
China Textile Information Center

**Declining market demand is a major pressure faced by enterprises.** According to National Bureau of Statistics data on March 16, in the first two months, the value-added of industry above designated size, investment, and consumption in China dropped by respectively 13.5%, 24.5% and 20.5% year on year. Three of the six relevant survey reports show that the largest percentage of enterprises (40% to 55%) choose declining demand as their major pressure (see Chart 3). Most of the surveyed SMEs are facing falling sales, delayed or canceled orders, and can hardly sign new orders. As work and production resume gradually in China, obstacles to production are expected to be resolved while weak demand is likely to become more prominent.

**Up to a third of enterprises are expecting halved revenues in the first half of 2020.** The production and business of SMEs are significantly hit by the pandemic. Four relevant survey reports show that up to 30% of enterprises are expected to suffer a revenue decline of over 50% year-on-year. According to the China Association of Small and Medium Enterprises (CASME), as of February 14th, 38.9% of surveyed enterprises are temporarily in production stagnation; 29.43% believe the pandemic will cause operating losses; and 18.13% say that they can barely sustain their businesses.

**Chart 4: The estimated decline of enterprises' revenue affected by the pandemic in the first half of 2020**



**The impact on the secondary sector can be reflected in electricity consumption and product sales, among others, and hinges on the speed of resumption of work and production.** According to statistics from the National Energy Administration of China, in the first two months of the year, industrial electricity consumption was 622.1 TWh, down 12% year-on-year<sup>9</sup>. The AI moonshot team of WeBank has monitored the activity of major Chinese ports with satellites and compiled a port vitality index<sup>10</sup> (see chart 5.2). It found that compared with Spring Festival last year, port capacity recovered more slowly this year, only reaching 80% in the third week after the holiday, much lower than the same period last year, which indicates the decrease in exports. Total retail sales of consumer goods in January and February dropped by 20.5% year-on-year (National Bureau of Statistics). Among durable consumer goods, sales of automobiles, furniture, building materials and home appliances dropped by 37%, 33.5%, 30.5% and 30% respectively, year-on-year<sup>11</sup>. Xinjie Clothing expressed during the interview that the biggest impact of COVID-19 was the reduction in orders, followed by labor costs. Its revenues dropped by more than 50% year-on-year.

Chart 5.1: Container/Cargo Throughput Analysis of Major Ports in China

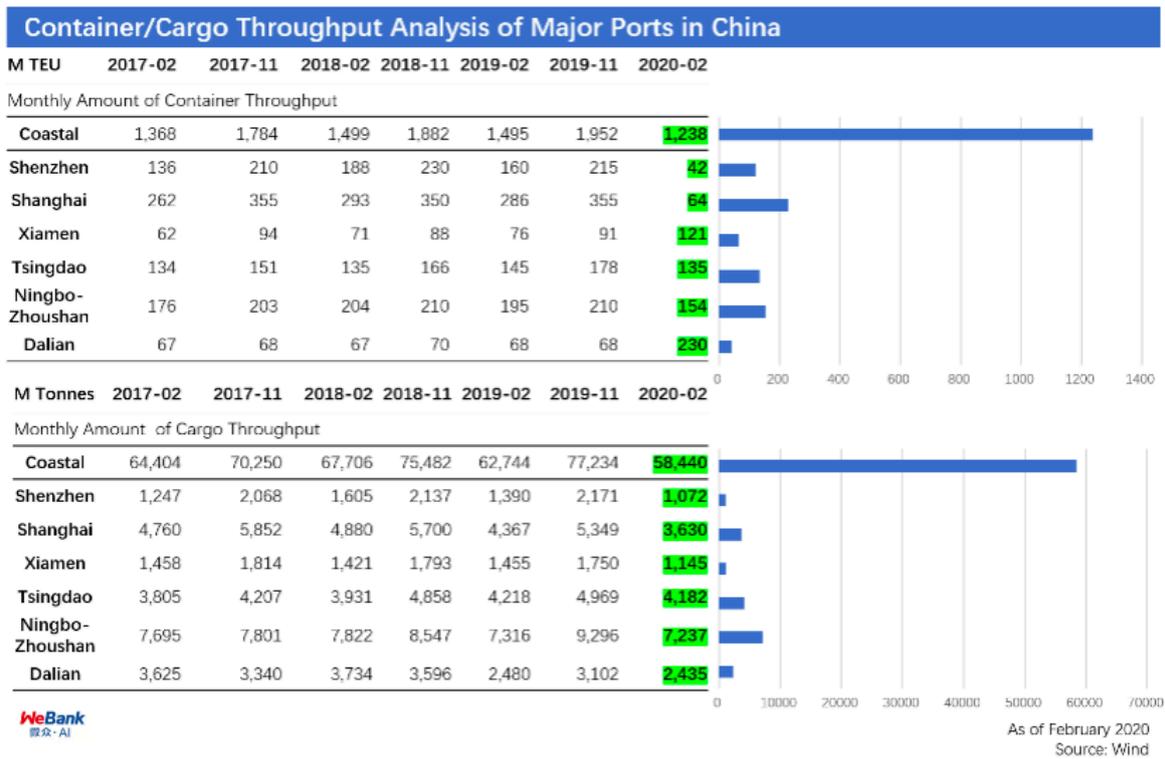
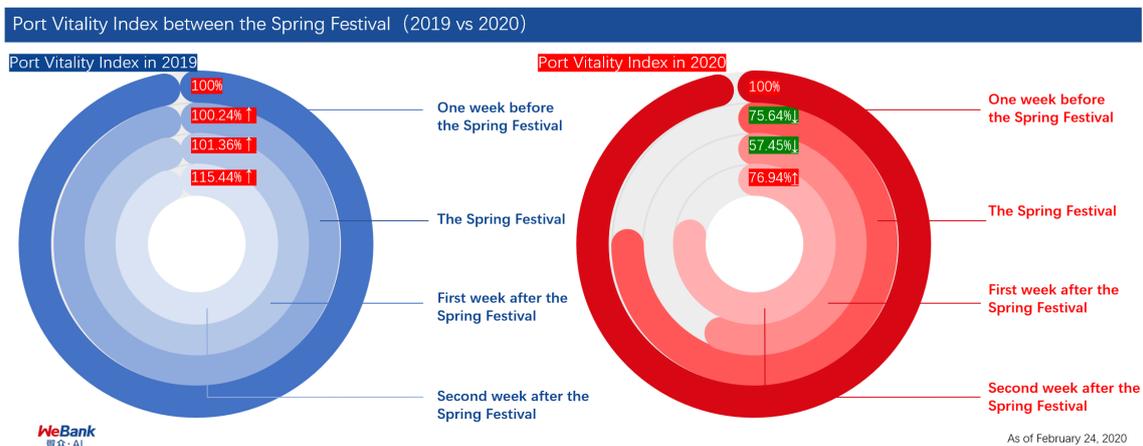


Chart 5.2: Port Vitality before and after the Spring Festival (2019 vs 2020)



Services relying on a high level of face-to-face interactions are experiencing massive challenges, while the online industry has significant growth potential, such as digital media, e-commerce and online education. Professor Liu Baocheng from the University of International Business and Economics argues that “the tertiary sector<sup>12</sup> is most affected and the primary sector<sup>13</sup> least affected by the pandemic. Major influence on the secondary sector<sup>14</sup> is regarding the resumption of work and production as the widespread panic and outbreak prevention measures have affected most labor-intensive production activities. Additionally, he underlines that it will take some time for the central government’s subsidy plan to reach affected enterprises at the local level. With the spread of the pandemic and weakened international shipping capacity, many export-oriented companies are suffering from a decrease and cancelation in overseas orders.”

Of the tertiary sector, tourism and catering services have been most affected. According to the China Tourism Academy, due to the impact of the COVID-19 pandemic, it is estimated that the number of domestic tourists will fall by 56% in the first quarter and by 15.5% in 2020, representing a year-on-year decrease of 932 million tourists. This year, domestic tourism revenues are expected to fall by 20.6% - RMB 1.18 trillion (US\$ 167 billion) – from the previous year. Restrained mobility will impact other countries too, as Chinese outbound tourism is expected to decrease by 42.6% in the first quarter and by 17.6% in 2020, a year-on-year decline of 27.63 million tourists<sup>15</sup>. According to the survey released by Meituan on the catering industry, 72.5% of restaurant chains were suffering great losses and 90% of the restaurants faced a shortage of funds.

**In contrast, the development of China's digital economy has accelerated during the pandemic.** The WeBank AI Moonshot Team<sup>16</sup> has developed a public opinion index about online applications and industries based on the data of mainstream mobile internet platforms, which can reflect their development and trend. They found that public opinion has significantly grown more positively towards online working, online education, and online gaming by 537%, 169%, and 124% respectively.



Our company has cancelled all offline teaching classes, and the offline teaching revenue is estimated to be halved in 2020. At the same time, online education business is booming and expanding online education business can offset some losses in offline education.

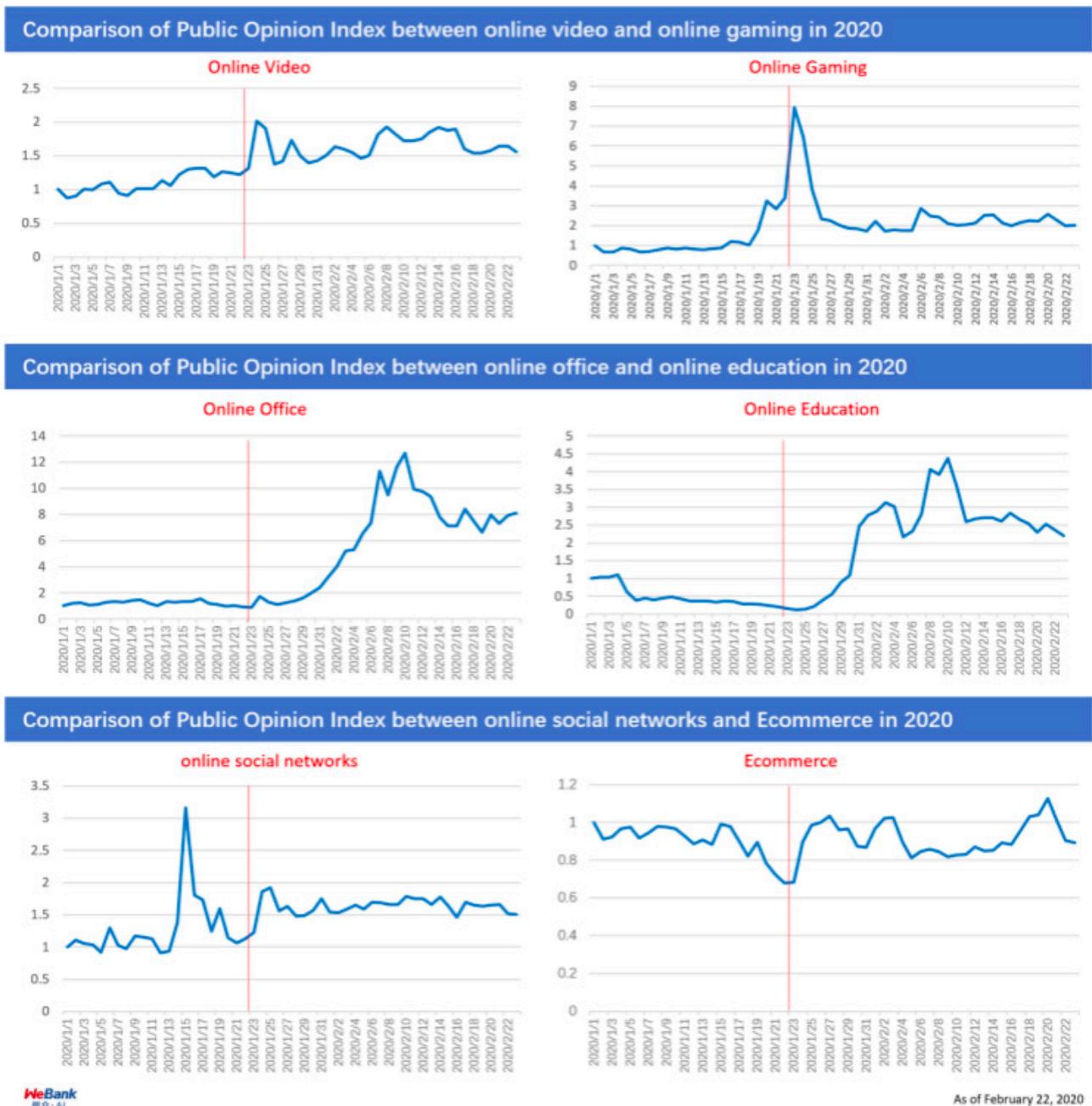
--- Cao Shiyong,  
Board Chairman and  
General Manager of SRT Education



The impact of COVID-19 on our business is mainly positive, including the increase in flow, promoting further expansion of the online education market, creating more opportunities to provide services to schools, etc. In the future, increased competition in the education industry in future will lead to companies who are more able to adapt having greater success.

--- Yan Tiantong,  
Executive Assistant to CEO and Head of Strategy,  
Onion Academy

Chart 6: Comparison<sup>17</sup> of Online Public Opinion Index by Industry in 2020



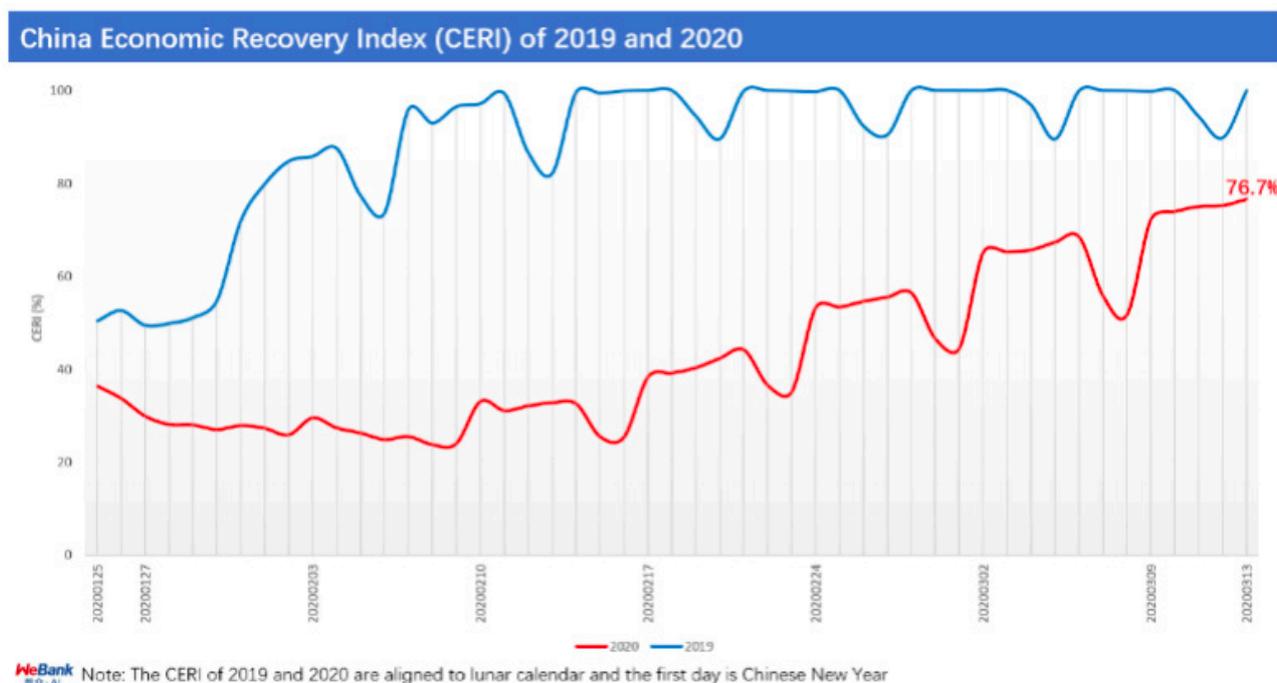
## 2. COUNTERMEASURES ADOPTED BY ENTERPRISES:

Enterprises have accordingly adopted countermeasures, including implementing flexible work arrangements, upgrading products and services, and reducing spending, to cope with the pandemic. However, most SMEs tend to base their business strategies on the short-term market situation, with a limited understanding and consideration regarding the long-term market trend.

Enterprises speed up the resumption of work and production through telecommuting and work resumption in different ways. According to the information released by the Joint Prevention and Control Mechanism of the State Council on March 13, the average production resumption rate of medium to large enterprises exceeds 95% in regions outside Hubei Province, with the average work resumption rate of around 80%; the production resumption

rate of SMEs instead reaches 60% or so. The China Economic Recovery Index (CERI)<sup>18</sup> compiled by the WeBank AI Moonshot Team shows that recovery reached nearly 77% by March 13, while some provinces, such as Zhejiang, Shandong, Sichuan and Guangdong, have a recovery index of over 80%<sup>19</sup>.

**Chart 7: China Economic Recovery Index (CERI) by WeBank**



According to the survey released on February 26, 59.5% of enterprises realize work and production resumption through flexible work arrangements, such as remote work and automated production, while 19.59% of enterprises switch to online modalities of production (e.g. providing information and services online). Some enterprises in the service sector significantly hit by the outbreak have developed new ways of flexible allocation of the workforce. For example, Hema Fresh initiated a model of staff sharing with more than 40 chain stores of restaurants, hotels and cinemas. Its peer enterprises such as Elema, Meituan and JD.com have all followed suit.

**Enterprises upgrade products and services through, among others, developing online sales channels, rapidly shifting manufacturing focus, and improving technology and management.** Most enterprises have taken various measures to ease the negative effects of the outbreak on the offline market. These include: rapidly changing the marketing strategy, promoting online transformation, expanding sales channels; using new technologies such as artificial intelligence to improve production; upgrading products and services; rapidly shifting to the manufacture of personal protection equipment (PPE) supplies to meet increasing market demand amid the outbreak and; promoting online services to leverage development potential. Experts express that the outbreak, despite significant challenges, forces enterprises to accelerate to a certain extent their transformation and upgrades, pushing some enterprises to realize mergers and acquisitions, eliminate outdated production methods and optimize the business structure, etc.

For example, some enterprises in the textile industry shifted to manufacturing PPE supplies such as respirators and protective clothing. This not only supports the nation's outbreak prevention and control but develops new markets—particularly promising as a result of the massive increase in demand as the pandemic spreads globally. SRT Education is developing the online education business to offset the loss from offline operations. SINA

Weibo, meanwhile, is drawing on its advantageous position in the industry to establish an online micro-charity platform and a pandemic information disclosure platform. These platforms improve information transparency while generating new online sales channels for related enterprises, contributing to their growth against the general trend.

**However, limited resources, capabilities and, at times a lack of strategic vision are hindering the transformation of SMEs.** According to our interviews with managers of different size enterprises, in order to get through this difficult time, many SMEs are adjusting their business strategies based on the short-term market situation and environmental constraints, with a limited understanding of long-term trends. Additionally, compared to large companies, SMEs have much less power to impact upstream and downstream decision-making processes, which further puts them in an unfavorable position to achieve transformation. For instance, though SAGACITY PR, a Beijing-based SME mainly specializing in planning and implementing offline activities for large enterprises, has the capability to undertake online activities, its existing clients have relatively fixed suppliers, making it hard to shift online. Xinjie Clothing, in response to market needs during the outbreak, has started investing in the medical industry by producing medical respirators and protective clothing, yet is still worried about unclear market prospects and a saturated market.

**On the other hand, large enterprises tend to respond faster and develop overall transformation, upgrading strategies covering development models, management and marketing.** For instance, since the beginning of the outbreak ANTA Group has launched an all-staff retail strategy. All employees are called on to promote targeted online marketing on various platforms, generating a positive market response. With a newly initiated online office system, the company is also accelerating its move towards an online business model, to partially offset the negative impacts of the outbreak. So to a certain extent, the outbreak has facilitated its transformation.



The pandemic gives huge impetus to enterprises to accelerate their transformation and upgrade. We need to reshape our marketing models, and in particular, we should consider how to survive amid emergencies.

--- Li Ling,  
Vice President of ANTA Group



The pandemic will boost the research and development of healthy automobiles, promote the transformation to online marketing, and inspire automobile companies to innovate in development models.

--- Tan Benhong,  
Vice President of Changan Automobile



Users' demands during the outbreak have promoted new patterns of consumption such as cloud office, cloud education, cloud entertainment, and cloud fitness, with steadily growing trends in the future. The job market will have a greater demand for employees in these industries, to whom enterprises will provide targeted training.

--- Lisa Wang,  
Deputy General Manager of SINA Weibo International



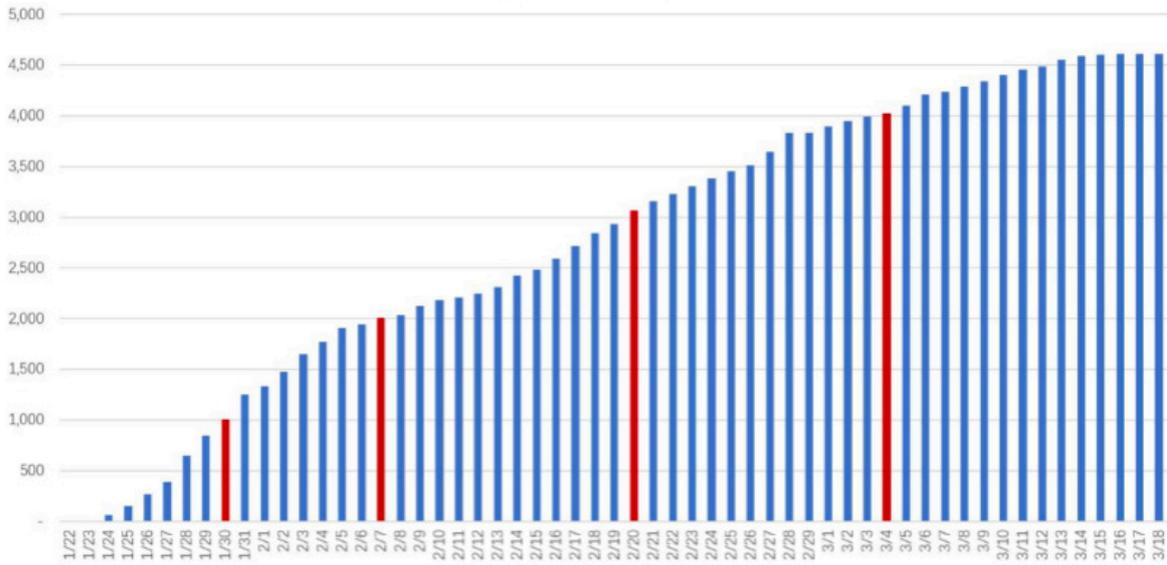
The new infrastructure<sup>20</sup> focuses more on digitization and intelligence, and will promote new development opportunities of Public-Private Partnership (PPP) projects in China's infrastructure sector and drive our company's infrastructure investment and financing digitization businesses.

--- Xiao Guangrui,  
CEO of Beijing Bridata Technology Co.,Ltd

**Most enterprises tend to temporarily cut costs to offset negative impacts of the outbreak, such as supply chain disruptions and declining demand.** Some SMEs resort to loans, layoffs and salary cuts to cope with financing difficulties. According to Liang Xiaohui, Deputy Chief Economist of China Textile Information Center, most enterprises tend to cut their production capability within three to six months. For instance, Xinjie Clothing was running at full load with seven to eight subcontracted processing factories before the outbreak. At present, it has canceled subcontracted processing and shifted to production by its own factories. However, the company still faces tighter supplies of raw materials and lower final demand.

**Enterprises are actively making cash and in-kind donations to support the outbreak prevention and control.** According to information released by Yishan's COVID-19 Donations Data Platform, as of March 27, 38,828 enterprises have made donations worth RMB 33.7 billion (US\$ 4.77 billion), supporting the fight against COVID-19. They mainly did so by providing: capital support (e.g., making cash donations and establishing special funds for assistance); in-kind donations (e.g., donating urgent medical supplies such as respirators and protective clothing, along with common supplies such as food and daily consumables) and providing free professional support for the outbreak prevention and control (e.g., free logistics and transportation, free computing access). This helped all stakeholders, including employees and clients, to reduce their risks.

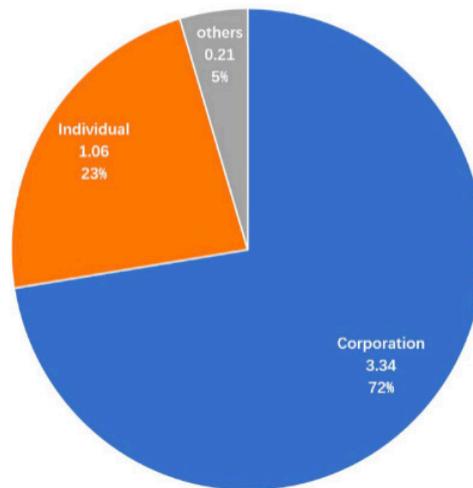
**Chart 8.1: Donation to Public Charities in China for COVID-19**  
 (Data Source: YISHAN China Philanthropy Data Center<sup>21</sup>, 2020-3-18)  
 (Unit: Million USD)



**Chart 8.2: Donation to Public Charities in China for COVID-19**  
 (Data Source: YISHAN China Philanthropy Data Center<sup>21</sup>, 2020-3-27)



**Chart 8.3: Donor Profile of COVID-19 to China (Unit: Billion USD)**  
 (Data Source: YISHAN China Philanthropy Data Center<sup>21</sup>, 2020-3-18)



### 3. EFFECTIVENESS OF CURRENT POLICIES:

Enterprises generally find supporting policies focused on operating costs reduction or exemption, work and production resumption promotion, as well as special supporting policies targeting the most severely affected industries such as tourism, to be quite effective.

Following the COVID-19 outbreak, the Chinese government rapidly issued a set of supportive policies and measures to help enterprises resume production. They are mainly classified into five categories.<sup>22</sup>

**Table 1: Policies and measures issued to support enterprises to resume production amid the outbreak**

Policy Category	Main Content	Key Points
1. Financial Support	Encourage relevant entities to provide preferential loans, approve loan extension, and lower loan interest rates for SMEs	Measures (e.g. adjusting repayment methods, moderately lowering interest rates, offering loan extension and renewals) to help SMEs who face temporary difficulties but still have solid development prospects; measures to increase the first loan ratio <sup>23</sup> and proportion of credit for SMEs.
2 Preferential Taxes	Reduce or exempt SMEs from VAT and other taxes	<p><b>1</b> From March 1 to May 31, 2020, small-scale taxpayers in Hubei Province, should be exempted from VAT on taxable sales revenue if their tax rate is at 3%. For projects applicable for a 3% prepaid VAT rate, the prepaid VAT should be suspended. Small-scale taxpayers in the rest of the country will pay a lower VAT rate (pre-paid VAT rate) of 1% for taxable sales revenue (or pre-paid VAT projects) if their rate is set at 3%.</p> <p><b>2</b> Production and donations that support the outbreak prevention and control shall be exempted from VAT.</p> <p><b>3</b> The longest carry-forward period for losses of enterprises in the transportation, catering, accommodation, and tourism sectors is extended from five to eight years.</p>
3 Preferential Social Insurance Policies to Support Work and Production Resumption	Support employees with flexible work arrangements, exempt or reduce social insurances contributions	<p><b>1</b> From February to June, SMEs can be exempted from endowment, unemployment and work-related injury insurance premiums in all provinces, except Hubei. Large enterprises can pay half of the premiums from February to April. All participating enterprises in Hubei Province are exempted from insurance premiums from February to June.</p> <p><b>2</b> As of February, under the premise of ensuring the medium and long-term balance of funds, a 50% reduction of the employee medical insurance paid by employers will be implemented for no more than five months.</p>
4 Service Optimization	Organize free skill training, simplify procedures and postpone the deadline for tax declaration and payment	<p><b>1</b> Organize Micro-Lecture Online Training for Enterprises, encourage SMEs to attend the online training and provide them with support in terms of policies, technology and management.</p> <p><b>2</b> For taxpayers and withholding agents that declare and pay taxes monthly, the legal deadline for February tax declaration and payment was postponed to February 24, 2020. In Hubei and other regions hit hard by the outbreak, the deadline may be further postponed in accordance with local conditions. Taxpayers and withholding agents may apply for further postponing the deadline.</p>
5 Reduction of Costs	Reduce the electricity and natural gas rates, temporarily return part of tourism service quality deposit to travel agencies	<p><b>1</b> From February 1, 2020 to June 30, 2020, power grid enterprises will charge electricity users (including common industry and commerce electricity users, large industry, and those engaged in market deals, excluding high-consumption electricity users) 95% of the original electricity rate.</p> <p><b>2</b> Gas stations for non-residents will implement the pricing for off-season. Chemical fertilizer and other sectors related to spring ploughing shall be provided with more preferential pricing policies.</p> <p><b>3</b> The tourism service quality deposit is be temporarily returned to tourism agencies.</p>

**Enterprises generally believe that the supporting policies targeted to reduce enterprises' operating costs, such as policies to reduce or exempt social security contributions, are most effective.** The surveyed enterprises express that the policies on social security, housing provident fund<sup>24</sup>, electricity rates and rent reduction contribute the most to their production resumption. According to China's Ministry of Human Resources and Social Security and National Health Security Administration<sup>25</sup>, policies on reducing endowment, unemployment, work injury and medical insurance premiums can reduce enterprises' financial burden by RMB 65 million (US\$ 9 million) or more.

**Policies on work and production resumption, as well as improved supporting services by local governments, have also provided strong support for enterprises during the outbreak.** Since the strict outbreak prevention policies were implemented nationwide, including the 14-day quarantine order, manufacturing enterprises have had difficulties in resuming work and production due to displaced workers, as most railway and flight services were suspended. In response to these bottlenecks, provincial and municipal governments issued supportive policies and measures by, for instance, coordinating chartered vehicles for staff returning to work, providing transportation subsidies and simplifying work resumption procedures for employees. For instance, the municipal government of Yiwu City (Zhejiang province) helps local enterprises with recruitment, provides a full subsidy to arrange chartered vehicles for returning staff and offers subsidies to employees returning to work on their own. As of March 7, Yiwu's chartered vehicles for returning staff have transported over 110,000 employees. Henan and Zhejiang province have signed a cooperation agreement on mutual recognition of "Health QR code" to simplify procedures of returning to work for cross-provincial workers. Local government support also took the form of tax advice, amid the changing landscape: Xinjie Clothing mentions that the local government dispatched personnel for one-to-one guidance on the new preferential tax policies in place.

**Despite relevant supporting policies, some SMEs are still experiencing financing difficulties.** According to current financial policies, the government encourages relevant institutions to aid SMEs, via, among others, deferring repayment of the principle and interest on loans, or access to preferential loans<sup>26</sup>. However, implementation has been less effective. Commercial banks tend to issue preferential loans to enterprises with good economic returns, out of concerns over risk controls. As such, it is tough for SMEs facing capital flow difficulties as a result of the outbreak, to get a loan. Implementation issues are also reported around tax policy changes. Some of the surveyed enterprises appear unclear about the availability of preferential tax policies despite the central government's announcements, indicating a potential delay in policy communication and implementation on the ground.

**Special supporting policies for sectors greatly affected by the outbreak are proving to be quite effective.** For instance, heavily influenced by the outbreak, the tourism industry is currently in stagnation and refunds to customers have caused massive cash flow pressure for enterprises. The supportive policies for the tourism sector mainly include temporarily returning 80% of the tourism service quality security deposit to travel agencies and extending the carryover period for covering losses. **The refundable part of the tourism service quality security deposit reaches up to RMB 8 billion (US\$ 1.1 billion), equal to refunding around RMB 200,000 (US\$ 28,000) to each travel agent<sup>27</sup>. This has effectively eased cash-flow pressure on travel agencies<sup>28</sup>.**



Our government has rapidly issued supportive policies during the outbreak. Some key supportive policies are issued for the tourism industry, which will effectively help Chinese tourism industry recover.

--- Li Baochun,  
Executive Vice General Secretary  
of World Tourism Cities Federation (WTCF)

#### 4. BUSINESS GROWTH PROSPECTS:

**Chinese enterprises have relatively strong confidence in China's industrial and overall economic recovery, while the outlook for the global economy faces greater uncertainties due to continuous spread of the virus.**

**The recovery of the manufacturing industry is accelerating**, with experts and enterprises generally confident. The secondary sector is resuming production and work rapidly, and corresponding supply chains are expected to recover to pre-outbreak efficiency in due course. For example, some experts in the automotive industry believe that, though the outbreak has adversely affected the industry in the short term, it will not change its medium to long-term trend<sup>29</sup>. As of mid-March, Changan Automobile has restored 90% of production capacity for vital and fast-selling models. It also anticipates that the outbreak will accelerate weaker players going out of business and strengthen leading enterprises' competitive advantages, enhancing growth prospects for the latter. Ms. Li Ling, Vice President of ANTA Group, also sees growing opportunities, although the outbreak has hit the company's market hard in the short-term. She believes that people will likely pay more attention to their health conditions and outdoor sports, creating new development opportunities for the company.

**Recovery in the tertiary sector, instead, is expected to be slower.** Although movement of people is resuming, concerns about indoor activities with a high crowd density mean that catering, tourism, accommodation, exhibition and other service industries still need time to pick up. Some, however, as SAGACITY PR, believe that although offline activities have all been suspended, face-to-face communication is still irreplaceable, and the market will recover soon after the outbreak. On the other hand, the outbreak has ushered in enormous opportunities for tertiary companies in telecommuting, online education, online health care, fresh food logistics and other related industries.

**Overall, China's underlying growth trend remains unchanged, amid growing risks of a global recession.** As most surveys and interviews were conducted by the beginning of March and before COVID-19 was declared a pandemic, experts generally believed that its impact on China's economy would likely be temporary, as the outbreak is an exogenous shock, instead of an internal problem within the economic system itself. At that time, they believed China's GDP growth faced great challenges in the first quarter of 2020, but would likely recover in the following quarters. Downside risks were acknowledged, including how the spread of the pandemic to other countries and key partners could also impact China's economy, through shrinking global demand and further disruptions in global value chains as production slows overseas. They also cited the risk of multinationals moving operations out of China (not necessarily only on the back of the COVID-19 outbreak). Joyce Chau, the director of amfori (previously as the Foreign Trade Association) in the Asia Pacific believes that, as many multinational companies seek to diversify their supply chains due to the pandemic, China's export trade will be influenced to some degree. In the future Chinese

enterprises shall deepen the close cooperation with the upstream and downstream firms both domestically and abroad in order to tackle the challenges flexibly. However, some experts also expressed that considering China has generally complete domestic value chains in different industries; the time needed to transfer certain operations outside the country; and growing domestic demand, the negative impact from the global outbreak on China is expected to be smaller than what experienced in the last two months.

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6. The development of the COVID-19 outbreak in China can be divided into three stages in terms of the number of new confirmed cases. The 1st stage: the beginning of the outbreak - from early January to February 17; the 2nd stage: decline - from February 17 to March 2; the 3rd stage: approaching termination - from March 2 to present. No significant correlations have been found between the survey conclusions and the development of the COVID-19 outbreak.

7. This refers to enterprises who have either completely ceased operations or continue producing at a lower rate. Depending on the business type and operational level of the enterprises during the outbreak, other relevant operation costs also include taxes, utilities, inventory carrying costs, input costs, costs of maintenance and others.

8. AmCham China Flash Survey Report on the Impact of COVID-19, Feb 27, 2020 <https://www.amchamchina.org/uploads/media/default/0001/12/2d4eedc6090762958f083af0865a94d68422f189.pdf>

9. [http://www.nea.gov.cn/2020-03/20/c\\_138898634.htm](http://www.nea.gov.cn/2020-03/20/c_138898634.htm)

10. Port Vitality Index: Based on WeBank MoonShot Team's AI algorithms, the index is compiled to identify the changes and category of ships in multi-phase satellite imagery of major ports in China, and directly reflects the operation changes and recovery of ports.

11. [http://www.gov.cn/xinwen/2020-03/19/content\\_5492935.htm](http://www.gov.cn/xinwen/2020-03/19/content_5492935.htm)

12. The tertiary sector of the economy involves the provision of services to other businesses as well as final consumers.

13. The primary sector of the economy includes any industry involved in the extraction and production of raw materials, such as farming, forestry, and fishing.

14. The secondary sector of the economy includes industries that produce a finished, usable product or are involved in construction.

15. <http://www.jgsdaily.com/2020/0309/127388.shtml>

16. The WeBank AI moonshot team has developed a public opinion index about online applications and industries based on the data of mainstream mobile internet platforms. Online applications are classified to six industries including online working, online education, online gaming, online video, social network, and e-commerce. The index is calculated based on public sentiments for the representative enterprises in each industry.

17. The chat compares the public opinion index in each industry before and after January 23rd, 2020, which is the time point when first-level response to major public events started to be initiated nationwide in China.

18. The compilation method for China Economic Recovery Index (CERI) (2020) include:

- Selecting travel data of sample cities on New Year's Day and workdays to represent the normal travel data before the Spring Festival.
- Selecting the lowest value of the travel data during the seven days of the Spring Festival to represent the basic requirement for the functioning of a city, which is believed to be relatively stable and will not change greatly with time and incidents.
- The CERI after the Spring Festival is calculated as follows: (the travel data after the first day of Chinese New Year-the lowest value during the holiday) / (normal travel data- the lowest value during the holiday)

19. <https://m.21jingji.com/article/20200318/6ce123a4fc238486829e95b653cf160d.html?layer=4&from=timeline>

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20. New infrastructure refers to new types of infrastructure represented by 5G, artificial intelligence, industrial internet, and the Internet of Things, which is essentially an infrastructure for digitizing information.
21. <http://www.linkedin.com/company/yishan>
22. Please refer to the list of policies in Attachment I for more details.
23. "First loan" refers to the first loan obtained by an enterprise with no loan record in the credit report of the People's Bank of China. These include loans to private enterprises, loans to small and micro enterprises with a single household credit of less than 10 million yuan, and operating loans to small and micro business owners and individual industrial and commercial households. The goal of the "first loan ratio" is to allow companies that have not received loans from banks to obtain financing from banks.
24. The Housing Provident Fund was established in 1999 for the purpose of helping Chinese employees save money in terms of buying their own properties. As other social welfare programs, the Fund is legislated by the government at a national level, but all the local governments have the authority to set up the contribution rates by their own.
25. <http://www.gov.cn/xinwen/gwylflkjz22/index.htm>
26. Please refer to Annex I 2.8 for more details.
27. According to the Travel Agency Regulations 2017, each travel agency should pay a minimum of RMB 200,000 at the initial stage of establishment as the travel service quality guarantee. Travel agencies that have not been punished for harming the interests of tourists within three years lower the amount of the guarantee to 50% of the total after the announcement is released. Under such a policy, each travel agency can receive at least RMB 80,000 of refunds.
28. According to Liu Kezhi, director of the Department of Market Management of the Ministry of Culture and Tourism, there are 39,000 travel agencies in China according to related statistics. As of February 25, a total of 35,200 travel agencies had submitted applications for temporary refunds of guarantees, accounting for 90% of the total. The total refundable guarantees amount to RMB 8 billion, about RMB 200,000 for each travel agency. Judging from the feedback of travel agencies, the policy has effectively eased the pressure caused by the lack of cash flow.
29. <http://opinion.caixin.com/2020-02-24/101519389.html>

# Impact of the COVID-19 Pandemic on Enterprises' Participation in Implementing the SDGs

Since the SDGs were officially released in September 2015, the United Nations Development Programme (UNDP) has been actively promoting their implementation in over 170 countries and territories. At present, UNDP is especially concerned about the impact of the COVID-19 pandemic on enterprises' contributions to attaining the SDGs. At issue is the impact on a decade-long horizon for realising sustainable development. Steps taken not only by governments, but also by the private sector and society at large, will be critical in shaping this impact. A key issue is whether the world returns to the old normal, which places us on a path not compatible with attaining several SDGs, or a "new normal" more closely aligned with sustainable development, encompassing not only the economic, but also social and environmental pillars of sustainability.

The pandemic allows enterprises to reexamine their past development mode and its possible inadequacy, while presenting alternative sustainable paths, creating new opportunities to support the SDGs. Some companies are quickly adjusting their business strategies, operations, products and services, opening up new possibilities for meeting the SDGs. Finally, the pandemic is also having unexpected positive environmental consequences for air quality and greenhouse gas emissions, for instance.

## **1. The pandemic may dampen enterprises' enthusiasm and resources to contribute to the SDGs in the short-term**

Affected by the pandemic, enterprises are likely to focus on economic recovery, development, and business growth in the short term and may neglect to deal with environmental and social issues, hindering enterprises' contributions to realizing the SDGs, and generating potential new risks. For instance, excessive overtime to fully resume production would affect employees' rights and interests.

Some enterprises—especially those for which human resource costs are a large share of total costs— may choose to cut those costs first to ease the pressure. One business manager interviewed said that "if the outbreak keeps spreading until May and the situation gets severe, we shall consider downsizing". Liang Xiaohui, Deputy Chief Economist of China Textile Information Center, also mentioned the urgent need of enterprises to reduce HR costs, through layoffs, increased workload and pay cuts. If not reversed in the medium run, such measures will pose risks for attaining Goal 1 – No Poverty, Goal 8 - Decent Work and Economic Growth, as well as Goal 10 – Reduced Inequality.

Enterprises may choose to purchase cheap inputs that are not eco-friendly or sustainably produced in order to cut costs, lowering procurement standards. Weaker demand for sustainable goods and inputs will also

have an adverse impact on prices and production incentives that — if not reversed rapidly—will impede Goal 12 – Responsible Consumption and Production, Goal 14 – Life Below Water and Goal 15 – Life on Land.

## **2.The pandemic may force enterprises to reexamine their relationship with nature and society, to shift to a sustainable development model, and to accelerate their contributions to the SDGs**

Due to the shock generated by COVID-19, enterprises are beginning to reflect on the roots and ramifications of such public crisis; risk control methods; the need for a positive relationship between enterprises, society and their environment; as well as the real meaning of sustainable development. They have also observed the results of the gigantic, unintended experiment the economy had to endure to control the outbreak. Far less greenhouse gas (GHG) emissions and air pollution, more working from home, a significant reduction in travel and commuting, a considerable shift of activities to online forms, and a reduction in the use of cash to near zero were all proven possible. Thus, a return to 'normal' need not mean returning to exactly the same ways of producing and consuming as before. The possibility of a return to a "new normal" holds considerable promise for SDG attainment. In our opinion, after the pandemic, a considerable number of enterprises are likely to better understand the significance of sustainable development and more actively implement the SDGs.

First of all, the issue of wildlife protection received extensive attention and discussion during the outbreak. In future, people are likely to pay more attention to bio-security and ecological protection in production and consumption. Professor Liu Baocheng of the University of International Business and Economics believes that "this pandemic has rung the alarm bell loudly. With profound lessons, the public would be reminded to respect nature and return to caring for and coexisting with animals. This would also promote government efforts to introduce more comprehensive and effective new regulations on wildlife protection." This will promote the achievement of goals related to sustainable environment (Goal 13 Climate Change, Goal 14 Life below Water, and Goal 15 Life on Land) and Goal 12 Responsible Consumption and Production.

Secondly, the global spread of the pandemic has raised the awareness of partnerships. Since the outbreak, many enterprises have been actively establishing partnerships to confront its impact. For example, there are cases of upstream and downstream value chain partners cooperating to cope with the impact of the pandemic, as well as Chinese and foreign-invested companies donating money and PPE supplies to support each other. Solid and effective partnerships for sustainable development is at the heart of Goal 17 "Partnerships for the Goals".

Thirdly, the pandemic has stimulated the development and application of new technologies, such as artificial intelligence, big data, 5G, etc. It has also generated new business models, such as staff sharing. In the future, new technologies are likely to integrate with these industries and more sustainable business models are expected to emerge, encouraging technology and business for social goods, and helping to attain SDGs.

Lastly, the pandemic has been directing the capital market's attention to sustainable investment. According to Bai Hong, Secretary General of China Alliance of Social Value Investment (CASVI), sustainable investment may be somewhat affected by the pandemic in the short-term, but it is expected to grow in the long run, as all parties are becoming more aware. In December 2019, CASVI and Bosera Funds jointly launched the Bosera CSI Sustainable Development 100 Exchange-Traded Fund (ETF)<sup>30</sup>. During the pandemic, many large financial institutions showed a strong willingness to subscribe. Investors' attention to sustainable investment can strongly influence listed companies, in turn making companies more willing to support the SDGs through their operations.

**Table 2: Potential short-term impact of COVID-19  
on enterprises' implementation of the SDGs<sup>31</sup>**

<b>Sustainable Development Goals (SDGs)</b>	<b>Short-term Negative Impacts</b>	<b>Short-term Positive Impacts</b>
Goal 1: No Poverty	-Reduced income and lowered living standards due to layoffs and pay cuts.	-New business models create new job opportunities.
Goal 2: Zero Hunger	-Reduced income and lowered living standards due to layoffs and pay cuts.	-New business models create new job opportunities. -Society pays more attention to public health and provides more solutions.
Goal 3: Good Health and Well-Being	-People suffer from the novel coronavirus. -Patients with other diseases cannot receive timely treatment due to the pandemic control measures and allocation of medical resources.	-Public health awareness and health habits will be improved. -Society and enterprises attach more importance to medical and health services access and increase medical resources and facilities.
Goal 4: Quality Education	-Schools are closed, hindering the development of offline education.	-New modes such as online education have been promoted, which can reduce learning costs and promote education equality.
Goal 5: Gender Equality	- Unequal allocation of family responsibilities, resulting in a rising share of unpaid care work.	- More attention and recognition of female workers, as well as more understanding and tolerance towards gender-based needs differences, ]contributing towards eliminating gender discrimination (e.g. physiological needs of front-line female medical workers received recognition and support during the outbreak.)
Goal 6: Clean Water And Sanitation	-Hazards from potential improper treatment of outbreak-related medical sewage and urban sewage.	-Awareness of public health and hygiene is raised. -Environmental health policies and measures will be improved.
Goal 7: Affordable and Clean Energy	-Enterprises reduce the usage of clean energy to save production cost.	-Attention paid to the adoption of renewable energy, and society's openness to it is increasing.
Goal 8: Decent Work and Economic Growth	-Layoffs and salary cuts caused by the pandemic	-New business models create job opportunities.
Goal 9: Industry, Innovation, and Infrastructure	-Infrastructure construction are suspended in the short term.	- The development and application of new technologies has been promoted. - Infrastructures related to public health will be accelerated. - Infrastructure investment will be increased to stimulate the economy.
Goal 10: Reduced Inequalities	-Discrimination and prejudice against affected people. -Prejudice and lockdown among the international community.	- Awareness and importance of equality is raised. - Financial and social security policies have been issued and implemented to support the most affected.

<b>Sustainable Development Goals (SDGs)</b>	<b>Short-term Negative Impacts</b>	<b>Short-term Positive Impacts</b>
Goal 11: Sustainable Cities and Communities	<ul style="list-style-type: none"> <li>-Construction is suspended in the short-term.</li> <li>-Housing and basic services have been partially affected.</li> <li>-Public transport has been partially affected.</li> </ul>	<ul style="list-style-type: none"> <li>-Community development receives greater attention.</li> <li>-The construction of safe, inclusive, convenient and green public spaces is promoted.</li> </ul>
Goal 12: Responsible Consumption and Production	<ul style="list-style-type: none"> <li>-Enterprises lower procurement and production standards to ease the operating costs.</li> <li>-Enterprises are unable to fulfill their contracts.</li> <li>-Resources for innovation, research and development are affected.</li> <li>-Sustainable tourism is hit hard.</li> </ul>	<ul style="list-style-type: none"> <li>-New business models raise awareness of responsible consumption.</li> <li>-Awareness of sustainable management and utilization of natural resources is raised.</li> <li>-People's lifestyles improve to pursue greater harmony with nature.</li> </ul>
Goal 13: Climate Action	<ul style="list-style-type: none"> <li>-Enterprises lower procurement and production standards to reduce operating costs, which may result in more greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>-Production and traffic emissions are largely reduced, due to pandemic control.</li> </ul>
Goal 14: Life Below Water	<ul style="list-style-type: none"> <li>-Livelihoods of self-employed fishermen with small-scale businesses is affected.</li> </ul>	<ul style="list-style-type: none"> <li>-The awareness of environmental protection is raised.</li> </ul>
Goal 15: Life on Land	<ul style="list-style-type: none"> <li>-Abandoned due to misunderstanding of how the virus spreads, and patients' pets are being left behind during hospitalization.</li> </ul>	<ul style="list-style-type: none"> <li>-Less human interference on animal activities during the outbreak.</li> <li>-Awareness of environmental protection is raised.</li> <li>-Society pays more attention to the biosafety and biodiversity .</li> <li>-The government has issued protection and regulation policies.</li> </ul>
Goal 16: Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> <li>-The outbreak causes discrimination, prejudice and separation.</li> </ul>	<ul style="list-style-type: none"> <li>-More effective, responsible and transparent institutions.</li> <li>-Developing countries will be more engaged in global governance.</li> </ul>
Goal 17: Partnerships	<ul style="list-style-type: none"> <li>-The outbreak has impeded partnerships at the individual, community and country levels.</li> </ul>	<ul style="list-style-type: none"> <li>-Awareness of partnership building and efforts to strengthen them are enhanced.</li> <li>-Governments share pandemic information and control experiences.</li> <li>-Stable business partnerships emerge in which enterprises support and understand each other towards shared goals.</li> </ul>

### **3. The pandemic shows need for enterprises' enhanced capacities, and the promotion of sustainable development by all stakeholders.**

**Enhancing the awareness and capacity of enterprises to implement the SDGs is critical.** Support should be provided from all stakeholders to improve enterprises' awareness of and ability to implement the SDGs; to help them navigate opportunities and challenges brought by the SDGs; and to enhance their pursuit of sustainable development in corporate values and top-level design. For instance, enterprises should be encouraged to pay attention to partnerships in the value chain, integrate resources, and take the lead to promote responsible consumption and production (Goal 12). along with enhanced partnerships (Goal 17). Such actions would move companies and society towards a "new normal" more in line with sustainable development.

**Promoting the SDGs to create a sustainable environment throughout the whole of society is much needed.** Firstly, it is important for enterprises to guide consumers to develop the awareness and habits of responsible consumption and create new areas of growth based on the SDGs. Secondly, the government should guide the capital market to invest more in the SDGs and incorporate more sustainable development factors into investment models. Thirdly, the government should integrate the SDGs into national development strategies, and introduce policies to guide and promote sustainable development.

**Enterprises should be supported with practical guidance so they can better integrate corporate development goals with the SDGs and enhance management.** It is necessary to provide enterprises with various forms of practical guidance, including helping them analyze the relationship between the SDGs and business growth, so as to promote integration of the two. They should also be guided to establish a comprehensive measurement mechanism for economic, social and environmental value, so they can better set targets, map out strategies, build management systems, and make evaluations and improvements.

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30. The fund incorporates the CSI Sustainable Development 100 Index, which evaluates CSI 300 constituent companies to select 100 listed companies that have comprehensively high values in economic, social, environment and governance. It aims to identify high quality long-term investments that are sustainable.

31. Gathering info from the analyses of the researchers and the opinions of experts interviewed, this table primarily focuses on the impacts of COVID-19 on enterprises' implementation of SDGs in the short run. If the COVID-19 triggers long-term individual/institutional behavior changes after the pandemic is over, then it may also have implications for SDG attainment in the long run.

# Policy Recommendations

To reduce the impact of the pandemic on enterprises and achieve economic recovery, it is critical for key stakeholders – including government agencies, international organizations, business partners, financial institutions as well as enterprises – to jointly work together. Based on analysis of the situation and of the information received from surveys and interviews, the Report offers the following recommendations for these five main stakeholders:

## 1. Government agencies in China:

**Set up a coordinated policy package for future emergencies based on the COVID-19 experience.** It is suggested that government agencies analyze relevant policies on public emergencies, selecting and classifying them according to time horizons (short-term, medium and long term), type (fiscal, financial, service improvement, etc.) and government departments in charge, to form a basic and comprehensive policy package for public emergencies. In terms of policy types, the Report highlights that policies related to social security insurance reduction, resumption of work and production, and industry-specific policies play a significant role. Enterprises suggest that support in finance, tax and other aspects could be further strengthened. Experts and scholars generally hold the view that policies related to lower financing costs are more pertinent to and effective for enterprises, and that these policies need to be designed carefully.

**Strengthen policies coordination.** According to incomplete statistics, nearly 200 policies have been released by the central government to help enterprises cope with the outbreak. However, some policies overlap, and some are not as effective. Local governments have also issued numerous policies, but cross-provincial cooperation must be enhanced. It is advised that all levels of governments should comprehensively evaluate the objectives and effectiveness of policies, and strengthen coordination to improve their communication and implementation.

**Implement policies rapidly to ensure greater impact.** According to the surveys, many SMEs say that their cash flow can endure for only about one month, meaning that government support should reach enterprises as soon as possible. Furthermore, it is suggested that further strengthening the communication and implementation of policies in fields like credit enhancement, taxation and resumption of production and work is needed, to provide timely assistance for enterprises. For instance, tax departments in Shanghai, by exploring big data governance, have established multiple data analysis sub-databases, including data on corporate donations, to support formulation and rapid implementation of preferential tax policies.

## 2. The international community:

**Promote international exchanges and policy coordination,** including in preventing and controlling the COVID-19 pandemic, drug research and development, as well as public governance. This will help to increase the transparency of data provided regarding the spread of the virus and latest situation, enhance public knowledge on pandemic prevention and control, as well as empower governments to combat the pandemic more effectively and scientifically (e.g. jointly pushing for a vaccine on an accelerated path). It will also strengthen understanding and trust among

countries during global emergencies, and deepen international economic cooperation to safeguard pandemic-hit value chains.

**Strengthen global economic analyses with a focus on value chains.** A global database on the status of major value chains and how they have been impacted by the pandemic should be established. This can serve as a basis for all relevant stakeholders to jointly promote the recovery of the chains themselves and reduce risks.

**Improve capacity-building of enterprises** to pursue best practices in the following aspects: coping with emergencies and public crisis and enhancing resilience; building the capacity for sustainable development and SDGs attainment; speeding up digital transformation, etc.

### 3. Financial institutions :

**Enhance credit support.** The credit support for SMEs should be mainly from government guarantees and policy banks (with complementary regulatory action from the Central Bank), supplemented by the support of commercial banks. Private lending, inclusive finance and online banking, among others, could also provide timely financial support for SMEs.

**Develop new financial instruments.** In the medium and long-term, it is necessary to consider innovative financial instruments, so as to provide more diversified financing channels for SMEs, as well as helping them finance in more effective ways and at lower costs.

### 4. Business partners:

**Deepen communication and mutual trust.** Business partners should strengthen communication with upstream and downstream partners across their supply chains, enhance mutual understanding, trust and support, and jointly identify solutions through cooperation.

**Safeguard and unblock value chains.** Business partners should, through channels such as international organizations, business associations, and industrial alliances, identify value chains barriers in time, and jointly take measures to solve bottlenecks related to the supply of inputs and logistics.

**Disperse risks of supply chains.** Joint efforts should be made to explore optimized supply chain models with a level of diversification to disperse potential risks. Business partners should share the negative impacts of force majeure, and try to balance expectations and demands of all parties. Business partners with global supply chains should also develop alternative supply chain options within the region, in order to improve business resilience when global events such as COVID-19 happen.

### 5. Enterprises:

**Rapidly adapt to market changes to capture new demand.** Enterprises should actively study and capture changes in market demand and take actions promptly to reduce negative impacts by rapidly adjusting their manufacturing plan and sales strategy. For instance, Changan Automobile quickly adjusted its sales and service model towards online in response to the outbreak. It has also been strengthening the research, development and production of

vehicles with a health angle.

**Streamline businesses and reduce costs rapidly.** When confronted with sudden crises, enterprises should take timely measures to preserve cash flow. For enterprises suffering from heavy losses, measures such as telecommuting, employee-sharing and stimulating employees' creativity for new business models should be fully explored, before considering layoffs and salary cuts.

**Review corporate strategies.** Faced with the COVID-19 pandemic, many Chinese enterprises have not only taken temporary measures to deal with short-term impact, but also actively reviewed and adjusted their development strategies and business positioning in the medium and long-run. For instance, some textile and apparel enterprises voluntarily shifted to manufacturing PPE supplies, benefitting both themselves and society. Others have also been speeding-up their business transformations to adapt to consumer preferences and competition patterns that may change after the pandemic.

**Enhanced risk management.** The pandemic has highlighted the importance of risk management. Some enterprises with sufficient cash flow reserves can maintain operations for a longer time in the face of the sudden impact and win more time and opportunities for themselves, offering excellent examples for other enterprises.

## Attachment I: A summary of policies released by the Chinese government during the COVID-19 outbreak to support enterprises<sup>32</sup>

**Table 3: Financial Support**

No.	Policy Name	Released by	Time of Release	Main Content	Source
1	Notice on Further Strengthening Financial Support for the Prevention and Control of the Pandemic of Pneumonia Caused by Novel Coronavirus Infection Yin Fa [2020] No.29	The People's Bank of China (PBOC) Ministry of Finance (MOF) China Banking Regulatory Commission (CBRC) China Securities Regulatory Commission (CSRC) State Administration of Foreign Exchange (SAFE)	January 31, 2020	<p>1. For industries most affected by the pandemic, such as wholesale and retail, accommodation and catering, logistics and transportation, and culture and tourism, and small and micro enterprises, loans must not be arbitrarily withdrawn, suspended or postponed. In case of difficulties repaying loans, banking institutions should extend the date or renew loans.</p> <p>2. Credit support for key areas, such as manufacturing enterprises, small and micro enterprises, and private enterprises, should be strengthened. It is necessary to maintain the increase of loans and earnestly implement the requirement for reduced cost of integrated financing. Medium and long-term loans for manufacturing enterprises should also be enhanced.</p> <p>3. Some listing expenses for companies in areas severely affected by the pandemic should be reduced or exempted. The 2020 annual fees for listed companies and non-listed public companies in Hubei Province that should have been paid to the stock exchange and the National Equities Exchange and Quotations (NEEQ) should be exempted. The 2020 occupancy and membership fees that futures companies in Hubei that should have been paid to the futures exchange should be exempted.</p>	<a href="http://www.pbc.gov.cn/goutong/jiaoliu/113456/113469/3965911/index.html">http://www.pbc.gov.cn/goutong/jiaoliu/113456/113469/3965911/index.html</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
2	Notice on Matters Concerning Bond Issuance by Financial Institutions during the Period of Prevention and Control of the Novel Coronavirus Pneumonia Pandemic Yin Shi Chang [2020] No.29	Financial Market Department, PBOC	February 7, 2020	<p>1. The validity period of the approved or registered bond quotas should be suspended from February 1, 2020, and the time of resumption will be notified based on the situation of the containment of the pandemic.</p> <p>2. Bond issuance and management within the duration of the bond should be conducted flexibly.</p> <p>3. Strong support should be offered for financial institutions in areas severely affected by the pandemic in bond issuance.</p>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485695.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485695.htm</a>
3	Notice on Supporting Financial Service Improvement for Better Prevention and Control of the Pandemic of Pneumonia Caused by Novel Coronavirus Infection Cai Jin [2020] No.3	MOF	February 1, 2020	<p>1. For individuals and small and micro enterprises that have temporarily lost their sources of income because of the pandemic, local financial departments should work with relevant parties to give priority to these individuals and SMEs when it comes to their application for business guarantee loans.</p> <p>2. Financial institutions are encouraged to provide credit support for enterprises that provide strong guarantees for pandemic containment and small and micro enterprises severely affected by the pandemic. Government financing guarantee and re-guarantee institutions at all levels should improve process efficiency, cancel counter-guarantee requirements, lower guarantee and re-guarantee fee rates, help enterprises connect with financial institutions for faster lending, and ensure that loans to these enterprises are not arbitrarily withdrawn, suspended or postponed. The State Financing Guarantee Fund should halve the re-guarantee fees for government financing guarantee and re-guarantee institutions in areas affected by the pandemic. All levels of government's financing guarantee institutions responsible for providing related financing guarantee services for SMEs that do not</p>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/03/content_5474105.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/03/content_5474105.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
3				have the ability to repay should perform the compensation obligation in a timely manner and appropriately postpone their recovery time according to the pandemic situation. For SMEs that meet related verification conditions, the compensation for losses should be verified according to related regulations.	
4	Urgent Notice on Winning the Battle Against the COVID-19 Pandemic and Strengthening the Funding Support for the Production Enterprises of Key Anti-Pandemic Materials and Daily Necessities Cai Jin [2020] No. 5	MOF National Development and Reform Commission (NDRC) Ministry of Industry and Information Technology (MIIT) PBOC National Audit Office of the People's Republic of China (CNAO)	February 7, 2020	The PBOC issues special re-loans to relevant national banks and local banks in key areas for pandemic prevention and control, and supports these banks in providing preferential loans to enterprises that provide strong guarantees for pandemic containment. The central government provides an interest discount of 50% based on the actual loan interest rate enjoyed by the enterprise within one year.	<a href="http://jrs.mof.gov.cn/zhengcefabu/202002/t20200207_3467035.htm">http://jrs.mof.gov.cn/zhengcefabu/202002/t20200207_3467035.htm</a>
5	Supplementary Notice on Speeding Up the Allocation of the Discount Interest Funds and Enhancing the Funding Support for the Production Enterprise of Key Anti-Pandemic Materials and Daily Necessities Cai Bai Jin [2020] No. 13	The General Office, MOF	March 2, 2020	All levels of local government financial departments should strengthen communication with PBOC branches and lenders of the same level, track the progress of loan issuance in real time, provide door-to-door services, and promote interest discount policies. Appropriation can be prioritized over settlement, and qualified enterprises should be fully supported with discounted interest rates as a boost for greater production capacity.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/04/content_5486773.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/04/content_5486773.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
6	Notice on Actively Coping with the Impact of the COVID-19 Pandemic and Guaranteeing Microcredit for Poverty Alleviation	State Council Leading Group Office of Poverty Alleviation and Development CBRC	February 10, 2020	<p>1. Poverty alleviation-oriented microloans (including extended loans and renewed loans) with maturity dates after January 1, 2020 for poor households who have difficulties in repayment because of the pandemic can be postponed rationally. The extension period should be no longer than six months. During the extension period, all original contract terms and policies will remain valid. Banking institutions are encouraged to appropriately lower interest rates on loans during the extension period.</p> <p>2. Business processes should be simplified to meet customers' needs effectively. The role of grassroots organizations should be fully played, and the monitoring and prevention of risks should be strengthened, and organizational leadership should be enhanced.</p>	<a href="http://www.gov.cn/xinwen/2020-02/13/content_5478076.htm">http://www.gov.cn/xinwen/2020-02/13/content_5478076.htm</a>
7	Notice on Further Improving Financial Services for Pandemic Prevention and Control Yin Bao Jian Ban Fa [2020] No. 15	CBRC	February 14, 2020	Actively assist small and micro enterprises, privately or individually-owned businesses by earnestly understanding their demands for financial services, and taking effective measures, such as adjusting the repayment method. It also calls for moderately lowering the interest rate and completing loan extensions and renewals, to help SMEs that face temporary difficulties caused by the pandemic, but still have good development prospects. Allocate more inclusive financial resources to increase the "first loan ratio" and proportion of credit loans for SMEs, and further reduce the comprehensive financing cost of SMEs. Improve the coverage of corporate property insurance, work safety insurance, export credit insurance and other corporate insurances, to provide more guarantees for the production and operation of SMEs.	<a href="http://www.cbirc.gov.cn/view/pages/ItemDetail.html?docId=890657&amp;itemId=915">http://www.cbirc.gov.cn/view/pages/ItemDetail.html?docId=890657&amp;itemId=915</a>
8	Notice on Properly Handling Corporate Bonds during the Pandemic Prevention and Control	The General Office, NDRC	February 8, 2020	1. Support the application of funds raised by corporate bonds to medical services, scientific research, pharmaceutical product manufacturing, as well as construction of facilities related to pandemic prevention and control, and loosen requirements of such projects appropriately when conditions of debt repayment can be met.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/09/content_5476359.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/09/content_5476359.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
8	Fa Gai Ban Cai Jin [2020] No. 111			2. Encourage companies with good credit to enhance the issuance of assemble bonds to small and micro enterprises and provide liquidity assistance to micro, small and medium enterprises (MSMEs) affected by the pandemic; allow bond issuers to use no more than 40% of the funds raised through bonds to supplement the working capital, and loosen the requirement for the concentration of entrusted loans to “the cumulative balance of funds for entrusted loans issued to a single entity should not exceed RMB 50 million and 10% of the total funds raised among SMEs.”	

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32. The policies in this table are from the official websites of Chinese government agencies. Content of the policies that is highly relevant to business operations, involves a wide range of enterprises, or proposes specific measures to be taken, has been summarized in the “Main Content” column. Regional or industry policies are not covered in the table. Please refer to source link for more details.

Table 4: Preferential Taxes and Fees

No.	Policy Name	Released by	Time of Release	Main Content	Source
1	Notice on Optimizing Tax Payment Services to Support Prevention and Control of COVID-19 Pandemic Shui Zong Han [2020] No.19	State Taxation Administration (STA)	January 30, 2020	According to the needs for pandemic prevention and control, the deadline for filing tax returns shall be extended. For taxpayers and withholding agents that file tax returns on a daily basis, extend February's statutory tax filing deadline to February 24, 2020. For areas severely affected by the pandemic, including Hubei Province, the deadline can be extended further with the decision of the local tax authorities, who should also submit the decision for filing of the STA. Taxpayers and withholding agents affected by the pandemic who still have difficulties in completing the filing process in February 2020 can apply for further extension according to law.	<a href="http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5143135/content.html">http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5143135/content.html</a>
2	Announcement on Matters Concerning Tax Collection and Management in Support of COVID-19 Pandemic Prevention and Control STA Announcement [2020] No. 4	STA	February 10, 2020	<ol style="list-style-type: none"> <li>1. Where the policy of incremental rebate of VAT retained is applicable, the procedure shall be completed within the VAT declaration period; after the VAT declaration is completed, taxpayers can apply for the refund of retained VAT.</li> <li>2. Taxpayers exempted from the VAT and consumption tax can declare tax exemption independently without going through the filing process, though the relevant certification materials should be kept for future examination.</li> <li>3. The collected VATs and consumption taxes that should have been exempted can be refunded or deducted from future VATs and consumption taxes that are payable by the taxpayer in the future.</li> </ol>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/11/content_5477136.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/11/content_5477136.htm</a>
3	Announcement on Supporting Tax Collection and Administration of Privately or Individually-owned Businesses STA Announcement [2020] No. 5	STA	February 29, 2020	For tax liabilities occurring before the end of February 2020, the 3% VAT rate is applicable, and VAT invoices with a rate of 3% should be issued. For tax liabilities occurring from March 1 to May 31, 2020, the 1% VAT rate is applicable, and VAT invoices with a rate of 1% should be issued.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/01/content_5485111.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/01/content_5485111.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
4	Announcement on Tax Policies Supporting the Prevention and Control of the COVID-19 Pandemic MOF and STA Announcement [2020] No.8	MOF STA	February 6, 2020	<ol style="list-style-type: none"> <li>1. For producers who purchase new equipment to enlarge the production capacity of key materials for pandemic containment, the total cost of new purchases should be included in the cost of the current period and deducted before the filing of corporate income tax.</li> <li>2. Producers of key materials for pandemic containment can apply for the refund of incremental rebate of VAT retained in full.</li> <li>3. VATs for the transportation of key materials for pandemic containment should be exempted.</li> <li>4. The longest carry-forward period for losses of enterprises from transportation, catering, accommodation, and tourism sectors hit hard by the pandemic in 2020 is extended from five to eight years. The income of enterprises from these sectors contributed by their main businesses in 2020 should account for 50% of the total income (excluding non-taxable income and investment income) or higher.</li> <li>5. VATs generated by the provision of public transport services, life services, as well as the delivery services for residents' essential supplies should be exempted.</li> </ol>	<a href="http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5143465/content.html">http://www.chinatax.gov.cn/chinatax/n810341/n810755/c5143465/content.html</a>
5	Announcement on Relevant Donation Tax Policies Supporting the Prevention and Control of the COVID-19 Pandemic MOF and STA Announcement [2020] No.9	MOF STA	February 6, 2020	<ol style="list-style-type: none"> <li>1. When calculating taxable income, the cash and items donated for COVID-19 pandemic containment by enterprises and individuals through public welfare organizations, the go[Addressed. Thank you.]vernments at county-level or above, as well as government departments, should be fully deducted.</li> <li>2. When calculating taxable income, the items directly donated by enterprises and individuals to hospitals responsible for COVID-19 pandemic containment should be fully deducted.</li> <li>3. VAT, consumption tax, urban construction and maintenance tax, education surcharge, and local education surcharge on goods self-produced, commissioned, or purchased by units and privately or individually-owned businesses that are voluntarily donated through NGOs, governments authorities at the county level</li> </ol>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/07/content_5475532.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/07/content_5475532.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
5				and above and other state organs, or donated directly to hospitals with pandemic control mission to curb the COVID-19 pandemic, shall be exempted.	
6	Announcement on VAT Policies for Supporting Privately or Individually-Owned Businesses to Return to Business MOF and STA Announcement [2020] No.13	MOF STA	February 28, 2020	1. For small-scale taxpayers in Hubei Province, the 3% VAT on taxable sales and for prepayments should be exempted from 1 March to 31 May 2020. 2. For small-scale taxpayers in the rest of the country, the 3% VAT rate is reduced to 1% on taxable sales and for prepayments from 1 March to 31 May 2020.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/29/content_5484995.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/29/content_5484995.htm</a>
7	Notice on Interim Reduction and Exemption of Certain Credit Information Service Charges Fa Gai Jia Ge [2020] No. 291	NDRC	February 28, 2020	1. Charges for the registration of the pledge of accounts receivable, change registration, and dissent registration should be exempted. 2. Credit reference service fees for ten types of financial institutions, including service fees for checking corporate credit reports and personal credit reports, should be exempted.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/04/content_5486646.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/04/content_5486646.htm</a>
8	Notice on Temporarily Deferring Repayment of Principal and Interest on Loans for Micro, Small, and Medium Enterprises Yin Bao Jian Fa [2020] No. 6	CBRC PBOC NDRC MIIT MOF	March 1, 2020	For the principal of loans of MSMEs (including owners of small and micro enterprises and privately or individually-owned businesses) that have matured since January 25, 2020, financial institutions – according to applications of enterprises and in consideration of the situation – should adopt measures such as extension and renewal to temporarily defer repayment of the principal to another date before June 30, 2020. For a small number of MSMEs severely affected by the pandemic, with good development prospects that need a long period to recover, financial institutions can negotiate with them to determine additional extension arrangements, based on the situation.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485597.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485597.htm</a>

Table 5: Resumption of Business and Production

No.	Policy Name	Released by	Time of Release	Main Content	Source
1	Notice on Properly Handling Labor Relations during the Prevention and Control of the COVID-19 Pandemic Ren She Ting Fa Ming Dian [2020] No.5	The General Office, the Ministry of Human Resources and Social Security (MHRSS)	January 24, 2020	Enterprises encountering operational hardships caused by the pandemic shall reach consensus with their staff to retain most positions by adjusting salaries, having days off and cutting working hours. Enterprises are encouraged not to lay off workers or to reduce the number of layoffs. Enterprises responding to the policy can get subsidies from the government. If the business pause period is within one salary payment cycle, enterprises shall pay the same salaries stipulated in the labor contracts; if the pause period is longer than one salary payment cycle, for staff that can work as usual, enterprises shall pay them wages not lower than the local minimum wage standard, and for staff that don't provide normal labors, enterprises shall also give them cost-of-living allowances according to the standard set by different provinces, autonomous regions and direct-controlled municipalities.	<a href="http://www.mohrss.gov.cn/SYrlzyhshbzb/dongtaixinwen/buneiyaowen/202001/t20200127_357746.html">http://www.mohrss.gov.cn/SYrlzyhshbzb/dongtaixinwen/buneiyaowen/202001/t20200127_357746.html</a>
2	Notice on Guaranteeing Social Insurance Agent Work during the Prevention and Control of the COVID-19 Pandemic Ren She Ting Fa Ming Dian [2020] No.7	The General Office, MHRSS	January 30, 2020	The time limit is extended for insured enterprises and individuals to process insurance applications. Insurance agencies shall accept overdue insurance registration and payment applications from employers influenced by the pandemic. The time limit is also extended for flexible employees as well as urban and rural residents to pay 2020 social insurance premiums one-off or regularly. Enterprises or individuals that don't pay insurance premiums within the time limit are allowed to pay after the outbreak is over, but will be marked in the system. Overdue payment will not influence the personal interests and credit record and the payment must be made within three months after the outbreak.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-01/31/content_5473308.htm">http://www.gov.cn/zhengce/zhengceku/2020-01/31/content_5473308.htm</a>
3	Notice on the Release of Online Platforms for Unemployment Insurance Benefits Application	The General Office, MHRSS	February 3, 2020	1. Direct-controlled municipalities, capital cities and cities specifically designated in the state plan that have already realized online application of unemployment insurance benefits should ensure smooth access to these online application channels.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/04/content_5474595.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/04/content_5474595.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
3				<p>2. For agencies that are unable to set up online platforms, other means can be used to avoid as far as possible face-to-face unemployment insurance benefits applications, such as by telephone or mail. Agencies should ensure timely release to the public of their contact number and mailing address.</p> <p>3. For those who can only resort to on-site applications, agencies should accept the application, but with fewer materials, more optimized processes and shorter timeframes to reduce cross-infection risks.</p>	
4	<p>Notice on Enhancing Human Resource Market Management during the Prevention and Control of the COVID-19 Pandemic Ren She Ting Fa Ming Dian [2020] No.8</p>	<p>The General Office, MHRSS</p>	<p>February 6, 2020</p>	<p>Human Resources and Social Security Departments at provincial and municipal levels should close on-site job fairs and improve online recruitment services. Provide necessary on-site services and cut unnecessary ones. Strengthen work related to human resource service permission and filling. Guarantee personal information record services for floating personnel. Enhance monitoring of the human resource market and strengthen supervision.</p>	<p><a href="http://www.gov.cn/zhengce/zhengceku/2020-02/06/content_5475381.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/06/content_5475381.htm</a></p>
5	<p>Notice on Ensuring Employment during the Prevention and Control of the COVID-19 Pandemic Ren She Bu Ming Dian [2020] No.2</p>	<p>NHRSS Ministry of Education (MOE) MOF Ministry of Transport (MOT) National Health Commission (NHC)</p>	<p>February 5, 2020</p>	<p>1. Increase the return of unemployment insurance benefits for enterprises avoiding layoffs or reducing the number of layoffs. The standard of layoff percentage for MSMEs is relaxed from not higher than the urban registered unemployment rate of the statistical area last year, to not higher than the target of national surveyed urban unemployment rate last year. For enterprises with insured staff fewer than 30 (included), the layoff rate can be relaxed to not higher than 20% of total staff.</p> <p>2. Enterprises are encouraged to carry out on-the-job training. Enterprises that organize offline or online job training while ensuring pandemic prevention during the business pause or recovery period can get training subsidies.</p> <p>3. Give full play to guaranteed loans for business startups. For guaranteed loans that have been issued for individuals to start businesses, borrowers can apply for repayment extensions if they have been infected with the novel coronavirus. The</p>	<p><a href="http://www.mohrss.gov.cn/SYrlzyhshbzb/jiuye/zcwj/202002/t20200205_358141.html">http://www.mohrss.gov.cn/SYrlzyhshbzb/jiuye/zcwj/202002/t20200205_358141.html</a></p>

No.	Policy Name	Released by	Time of Release	Main Content	Source
5				extension is within one year in principle and the Ministry of Finance will continue to offer loan discount. Individuals and small and micro enterprises that temporarily have no incomes because of the outbreak will be given the priority when applying for loans.	
6	Notice on Retaining Labor Relations and Supporting Enterprises to Resume Production during the Prevention and Control of the COVID-19 Pandemic Ren She Bu Fa[2020] No.8	MHRSS All-China Federation of Trade Unions China Enterprise Confederation/ China Enterprise Directors Association All-China Federation of Industry and Commerce	February 7, 2020	<ol style="list-style-type: none"> <li>1. Matters related to labor employment should be dealt with in a flexible way. Enterprises are encouraged to negotiate with staff to properly manage the labor needed and to set flexible working hours before resuming production.</li> <li>2. Enterprises are encouraged to pay wages based on negotiation. The government supports enterprises in negotiating with staff to decide how much should be paid before staff return to their positions. The government can also provide support for enterprises enduring hardships to carry out negotiations on wages, to protect the rights and interests of staff.</li> <li>3. Multiple measures are being taken to reduce the burden on enterprises, to help them lower the cost of recruitment as well as cut their costs generated by retaining staff and provide free online training for them.</li> </ol>	<a href="http://www.mohrss.gov.cn/gkml/zcfg/gfxwj/202002/t20200207_358328.html">http://www.mohrss.gov.cn/gkml/zcfg/gfxwj/202002/t20200207_358328.html</a>
7	Notice on Providing "Point-to-Point" Services for Migrant Workers Returning to Positions. Ren She Bu Ming Dian [2020] No.4	NHRSS Ministry of Public Security (MPS) MOT NHC China Railway	February 19, 2020	Call on migrant workers with similar travel times and similar work destinations to travel at the same time and provide "point-to-point" nonstop services for migrant workers heading for similar destinations with a certain size in number. Priority will be given to the travel needs of batches of migrant workers with a large scale and similar destinations. They will be registered in advance and then transported directly from one point to another. The government will also provide preferential policies, such as subsidies for car expenses, to reduce migrant workers' travel costs. The government at the place of arrival should be well prepared for handover. Enterprises are required to establish personal health files for returning migrant workers in accordance with pandemic prevention requirements, ensuring that	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/19/content_5481045.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/19/content_5481045.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
				migrant workers meet the standard of pandemic prevention before they resume working with good protection.	
8	Notice on Periodic Reduction and Exemption of Corporate Social Insurance Premiums Ren She Bu Fa[2020] No.11	NHRSS MOF STA	February 20, 2020	<p>1. As of February 2020, provinces, autonomous regions, direct-controlled municipalities (except Hubei Province) and the Xinjiang Production and Construction Corps, according to their perspective impacts posed by the pandemic and the capacity of the fund, can exempt the three social insurance premiums paid by MSMEs for no longer than five months. For other insured large enterprises (excluding government departments and public institutions), the premiums of the three social insurances paid by these enterprises can be reduced by half for no more than three months.</p> <p>2. As of February 2020, Hubei Province can exempt the three social insurance premiums paid by insured enterprises of various types (excluding government departments and public institutions) for no more than five months.</p> <p>3. Enterprises with severe difficulties in production and operation because of the pandemic may apply for deferred payment of social insurance premiums. The deferred payment period shall not exceed six months in principle and the overdue fine shall be exempted during this period.</p> <p>4. The centrally-regulated share of basic aged-care pension funds for enterprise employees in 2020 will be increased to 4%, and the support for difficult areas will be strengthened.</p>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/21/content_5481861.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/21/content_5481861.htm</a>
9	Notice on Strengthening Scientific Prevention and Control of the Pandemic and Ensuring Resumption of Production	The State Council	February 8, 2020	Workers are encouraged to return to their working places in batches and in an orderly manner, to avoid the travel rush. Enterprises shall plan to resume production in batches and by field. The production of daily necessities for pandemic prevention and control, energy supply, transportation and logistics, urban and rural operations, medical supply and food, and other important fields related to the national economy and people's livelihoods such as feed production,	<a href="http://www.gov.cn/xinwen/2020-02/09/content_5476550.htm">http://www.gov.cn/xinwen/2020-02/09/content_5476550.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
				market circulation and sales, shall be ensured prompt production resumption. Staff of major projects are also required to return to positions in time and to resume work as soon as possible.	
10	Executive meeting of the State Council (February 18)	The State Council	February 18, 2020	<p>1. Except Hubei Province, MSMEs can be exempted from endowment, unemployment and work-related injury insurance premiums in all provinces from February to June and large enterprises can only pay half of the premiums from February to April. Insured enterprises of various types in Hubei Province are exempted from insurance premiums from February to June.</p> <p>2. Before the end of June, enterprises can apply for deferred payment of housing provident fund. During this period, employees who have not been able to make regular repayments due to the impact of the pandemic will not be seen as overdue.</p>	<a href="http://www.gov.cn/premier/2020-02/18/content_5480608.htm">http://www.gov.cn/premier/2020-02/18/content_5480608.htm</a>
11	Notice by Joint Prevention and Control Mechanism of the State Council on Release of Guidance of Pandemic Prevention and Control for Enterprises and Public Institutions to Resume Production Guo Fa Ming Dian [2020] No.4	The State Council	February 21, 2020	Enterprises shall strengthen employee health monitoring, along with prevention and control efforts in workplaces. Employees should be instructed to protect themselves and know how to deal with abnormal health situations.	<a href="http://www.gov.cn/zhengce/content/2020-02/22/content_5482025.htm">http://www.gov.cn/zhengce/content/2020-02/22/content_5482025.htm</a>
12	Notice on Further Streamlining Approval Process and Optimizing	General Office, the State Council	March 3, 2020	Improve the convenience of returning to work and production. Administrative services are encouraged to be provided online. The government should keep improving its service procedure for enterprises resuming work and production.	<a href="http://www.gov.cn/zhengce/content/2020-03/04/content_5486767.htm">http://www.gov.cn/zhengce/content/2020-03/04/content_5486767.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
12	Services to Promote Resumption of Production for Enterprises Guo Ban Fa Ming Dian [2020] No.6			Unreasonable traffic flow controls shall be removed in time. Additionally, the government shall strengthen supervision of pandemic prevention work carried out by enterprises that have resumed work and production.	
13	Notice on Ensuring the Transportation Services for Migrant Workers Returning to Work Jiao Yun Ming Dian [2020] No.56	MOT	February 11, 2020	Transportation shall be carefully organized and carried out. Passenger load factors of chartered vehicles shall be strictly controlled under 50%. Transport departments at provincial and municipal levels shall ensure smooth traffic flow while implementing pandemic prevention measures. Connection transportation management and services shall be strengthened, and safety management responsibilities implemented.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/12/content_5477637.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/12/content_5477637.htm</a>
14	Notice on Dealing with COVID-19 and Helping SMEs to Resume Work and Production Gong Xin Ming Dian [2020] No.14	MIIT	February 9, 2020	In total, 20 measures have been put forward to ensure orderly resumption of SMEs' production, as well as further strengthen financial support, innovation support, public services and overall SME coordination.	<a href="http://www.miit.gov.cn/n973401/n7647394/n7647399/c7669722/content.html">http://www.miit.gov.cn/n973401/n7647394/n7647399/c7669722/content.html</a>
15	Notice on Utilizing Next-generation Information Technology to Support Pandemic Prevention and Control and Resumption of Production Gong Xin Ting Xin Fa [2020] No.4	MIIT	February 18, 2020	New-generation information technology shall be utilized to fully support scientific prevention and control of the pandemic, as well as speed up resumption of production for enterprises. Supporting services need to be strengthened.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/19/content_5480843.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/19/content_5480843.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
16	Guiding Opinions on Promoting Orderly Resumption of Production for Industrial and Communication Enterprises Gong Xin Bu Zheng Fa [2020] No.29	MIIT	February 24, 2020	<p>1. Enterprises shall be instructed to make good use of existing preferential policies such as fiscal and tax, financial, and social security policies. Industry and information technology departments at provincial and municipal [Again, which government department? If unsure, suggest saying 'the relevant government department'.] [Addressed. Thank you.]levels shall research and introduce periodical and targeted tax reduction policies, to help MSMEs overcome difficulties. Leading enterprises such as central enterprises and large SOEs are encouraged to play an exemplary role to help SMEs to carry out account receivables financing, drive upstream and downstream SMEs in the industrial chain to resume work and production, and carry out pandemic prevention and control and production resumption through coordination.</p> <p>2. For SMEs with insufficient cash flow, which is a major problem, financial support policies shall be implemented to help enterprises alleviate financing difficulties. Meanwhile, continuous efforts shall be made to clean up debts owed to private enterprises and SMEs, to reduce their financial pressure.</p>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/25/content_5482876.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/25/content_5482876.htm</a>
17	Issuing Notice on Properly Respond to the Novel Coronavirus Pneumonia Pandemic and Implementing a Phased Support Policy for Housing Provident Funds	Ministry of Housing and Urban-Rural Development (MOHURD) MOF PBOC	February 26, 2020	<p>1. Enterprises affected by the novel coronavirus pneumonia pandemic can apply for deferred payment of the housing provident fund before June 30, 2020 according to the regulations. The deposit time will not be discontinued during the deferred payment period and that will not affect the normal withdrawal and application for housing provident fund loans.</p> <p>2. For employees affected by COVID-19, if their housing provident fund loan cannot be repaid normally before June 30, 2020, it will not be seen as overdue, and will not be reported to the credit department as an overdue record, while those reported as overdue will be corrected.</p> <p>3. For employees who face heavy pressure in paying rent, the government shall reasonably increase their withdraw quota for rent and make flexible time schedules for withdrawal.</p>	<a href="http://www.gov.cn/xinwen/2020-02/26/content_5483419.htm">http://www.gov.cn/xinwen/2020-02/26/content_5483419.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
17				4. In areas where COVID-19 is serious or relatively serious, enterprises can voluntarily deposit housing provident funds before June 30, 2020, after full negotiation with their employees, and the deposit ratio can be decided on their own. For those who don't deposit during this period, the deposit time will not be discontinued and will not affect the normal withdrawal and application for housing provident fund loans.	
18	Notice on Strengthening the Prevention and Control of the Novel Coronavirus Pneumonia Pandemic and Orderly Promote the Start and Resumption of Work for Enterprises Jian Ban Shi [2020] No.5	MOHURD	February 26, 2020	Housing and urban-rural development departments at both provincial and municipal levels, industrial associations and state-owned enterprises shall promote the start and resumption of work for enterprises and projects by different areas and levels and effectively implement requirements for pandemic prevention and control. Quality and safety management at the construction site should be strengthened and the policy of steady growth strictly implemented. The management of contract performance changes shall be enhanced, and the supply of labors and materials shall be guaranteed. Measures should be taken to reduce the corporate financial burden and real-name management system shall cover all construction workers. Great efforts should be made to promote the digital transformation of enterprises, as well as the development of e-government. The government shall promote the reform of the qualification approval notification system and improve working procedures to strengthen guidance and supervision.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485626.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485626.htm</a>
19	Urgent Notice on Resolving Current Difficulties and Promoting the Resumption of Production for Agricultural Industry Nong Ban Mu [2020] No.14	General Office, Ministry of Agriculture and Rural Affairs (MOA) General office, NDRC General Office, MOT	February 15, 2020	MOA, NDRC and MOT will speed up resumption of production for feed enterprises, as well as enterprises involved in slaughtering and processing livestock and poultry. We will ensure the smooth transportation of supplies and products. Every possible measure is being taken to help the breeding industry. We will promote the connection of production and marketing of livestock, poultry and aquatic products, ensuring that the supporting policy for production resumption is implemented by enterprises.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/16/content_5479613.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/16/content_5479613.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
20	Ten Policies to Support Resumption of Production Guo Shi Jian Zong [2020] No.30	State Administration for Market Regulation (SAMR) State Food and Drug Administration (SFDA) National Intellectual Property Administration (CNIPA)	February 15, 2020	Ten policies and measures are put forward, namely: 1) registering and applying online; 2) implementing notification-commitment system; 3) establishing emergency channels for administrative licenses; 4) extending the administrative license period; 5) accelerating the process of standard conversion and application; 6) prudently managing the exception list; 7) strictly cracking down on arbitrary charges and price increases; 8) strengthening support of quality and technical services; 9) reducing technical service charges and; 10) encouraging enterprises to participate in guaranteeing prices, quality and supply.	<a href="http://gkml.samr.gov.cn/nsjg/zghgs/202002/t20200215_311667.html">http://gkml.samr.gov.cn/nsjg/zghgs/202002/t20200215_311667.html</a>
21	Ten Strict Measures by the General Administration of Customs to Fully Support the Resumption of Production for Foreign Trade Enterprises	The General Administration of Customs (GACC)	February 16, 2020	10 measures have been put forward to support foreign trade enterprises in their efforts to resume production, mainly including: simplifying registration and filing procedures; speeding up the examination and approval of imported production equipment and inputs; supporting enterprises to expand exports; simplifying the quarantine examination of imported special medical products; streamlining procedures for processing and trade enterprises to apply for deferred declaration; simplifying and condensing the time needed for administrative punishment and; bringing into play the role of "Internet plus customs" and others.	<a href="http://www.customs.gov.cn/customs/xwfb34/302425/2862795/index.html">http://www.customs.gov.cn/customs/xwfb34/302425/2862795/index.html</a>
22	Guiding Opinions on the Periodic Reduction of Basic Medical Insurance Premiums for Employees Yi Bao Fa [2020] No.6	National Healthcare Security Administration (NHSA) MOF STA	February 21, 2020	1. As of February 2020, under the premise of ensuring the medium and long-term balance of funds, a 50% reduction of the employee medical insurance paid by employers will be implemented for a period of no more than five months. 2. If the balance of the pooling fund can be paid for more than six months in the pooling area, the premium reduction can be implemented; if the balance of the pooling fund can be paid for less than six months but it is necessary to reduce the premiums in the pooling area, the provinces shall guide and plan	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/23/content_5482279.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/23/content_5482279.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
22				after overall consideration. The policy of deferred payment can be implemented, but the period shall not exceed six months in principle, and the overdue fine shall be exempted during the period.	
23	Notice on Supporting Enterprises Insured by Safety Production Liability Insurance to Cope with the Novel Coronavirus Pneumonia Pandemic Ying Ji Ting [2020] No.5	Ministry of Emergency Management (MEM) MOF CBRC	February 21, 2020	1. For enterprises insured by the safety production liability insurance and seriously affected by the pandemic, insurance companies are encouraged to strengthen communication with these enterprises, extend the insurance period and give a discount on or defer the payment of insurance premiums, according to the actual loss of the enterprises. 2. The scope of application of the fund for prevention in the safety production liability insurance shall be expanded.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/28/content_5484562.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/28/content_5484562.htm</a>
24	Notice on Implementing Temporary Reduction and Exemption of Social Insurance Premiums for Enterprises Shui Zong Han [2020] No.33	STA	February 25, 2020	1.We will promptly return premiums to insured enterprises that should be refunded and take practical measures to alleviate operating difficulties for MSMEs. For insured enterprises that choose to use the paid premiums in February to offset the payable premiums in the following months, we will formulate an offset procedure guidance and carry out the service in an orderly manner. 2.Strictly keep the postponement of payments within six months and exempt late fees for postponed payments to protect the right of all payers.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/27/content_5484154.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/27/content_5484154.htm</a>
25	Notice on Giving Full Play to the Role of Trade Associations and Chambers of Commerce to Support Private SMEs to Resume Production Fa Gai Ban Ti Gai [2020] No.175	NDRC, Ministry of Civil Affairs (MCA)	February 27, 2020	Industrial associations and Chambers of Commerce will promote the resumption of production for enterprises in batches and by region and category. Industrial associations and Chambers of Commerce will provide assistance in guaranteeing the needs of enterprises to resume work and production to prevent the pandemic. They will also coordinate with different parties to overcome the short supply of labor, energy, raw materials, and transportation. Professional, high-quality support services will be provided and precise measures taken to help cut-off enterprises out. They will also timely collect the demands of industries to support government decision-making and maintain industrial market order, while innovating and promoting new models and new types of businesses. Efforts will also be made to guide and promote a favourable public opinion.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/28/content_5484685.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/28/content_5484685.htm</a>

Table 6: Improved Services

No.	Policy Name	Released by	Time of Release	Main Content	Source
1	Notice on Supporting Foreign Trade Enterprises to Overcome Difficulties and Reduce Losses during the Pandemic	Ministry of Commerce (MOFCOM)	February 5, 2020	<ol style="list-style-type: none"> <li>1. Chambers of Commerce shall help issue the force majeure certificate to enterprises that failed to deliver the contracted goods on time, due to the force majeure event of the COVID-19 Pandemic.</li> <li>2. Chambers of Commerce shall provide enterprises affected by the COVID-19 Pandemic with necessary legal and information services to help them deal with relevant trade restrictions imposed during the outbreak.</li> <li>3. Chambers of Commerce shall coordinate foreign and domestic exhibition organizers to help solve problems of enterprises that cannot go abroad to participate in exhibitions due to the pandemic, e.g., sunk costs.</li> </ol>	<a href="http://www.mofcom.gov.cn/article/yqfkscbg/202002/20200202933976.shtml">http://www.mofcom.gov.cn/article/yqfkscbg/202002/20200202933976.shtml</a>
2	Guidelines on Business and Service of Retail and Catering Enterprises During the Prevention and Control of the COVID-19 Pandemic	The General Office, MOFCOM The General Office, NHC	February 6, 2020	The Guidelines cover the etiological characteristics of coronavirus, management of personnel, sites, facilities, commodities, take-away services, as well as business and service rules, etc.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/07/content_5475725.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/07/content_5475725.htm</a>
3	Notice on Further Facilitating Enterprises' Application for Import and Export Licenses During the Prevention and Control of the COVID-19 Pandemic	The General Office, MOFCOM	February 6, 2020	<ol style="list-style-type: none"> <li>1. Guide and encourage enterprises to apply online for Import and Export Licenses.</li> <li>2. Further simplify the checklist of materials required by the online application for Import and Export Licenses.</li> <li>3. Further optimize the application and update of electronic keys.</li> <li>4. The institutions that cannot report or issue Import and Export Licenses due to the pandemic may apply to the Quota &amp; License Administrative Bureau, Ministry of Commerce for the service. The Quota &amp; License Administrative Bureau will make the registration and go through the procedure upon request, giving timely feedback.</li> </ol>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/06/content_5475372.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/06/content_5475372.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
4	Notice on Further Matching Agricultural Production and Sales During the Prevention and Control of the COVID-19 Pandemic	The General Office, MOFCOM	February 13, 2020	<ol style="list-style-type: none"> <li>1. Coordinate with the Department of Finance and relevant departments to support circulation to move inputs in place of production and final products in place of sales with subsidies, interest discounts and governmental reserve, etc., and take advantage of warehousing facilities such as freezers to realize peak shift sales of unsalable agricultural produce.</li> <li>2. Give priority to sales of agricultural products in poverty-stricken areas. Under equal conditions, more funds shall be allocated to enterprises that undertake the tasks of agricultural products circulation in the process of anti-epidemic activities and rural poverty-stricken areas, so as to ensure the supply of major agricultural products during the prevention and control of the COVID-19 Pandemic.</li> <li>3. Commerce authorities at all levels can release updates on unsalable agricultural products on Yi Mu Tian APP, 52nong.cn (<a href="http://www.52nong.cn">http://www.52nong.cn</a>), and other channels. The Ministry of Commerce will provide support in this regard.</li> </ol>	<a href="http://www.gov.cn/xinwen/2020-02/14/content_5479000.htm">http://www.gov.cn/xinwen/2020-02/14/content_5479000.htm</a>
5	Notice on Performing Well in 2020 Short-Term Export Credit Insurance Work and Supporting the Foreign Trade Enterprises Impacted by the COVID-19 Pandemic Shang Cai Han [2020] No. 50	MOFCOM, China Export and Credit Insurance Corporation (SINOSURE)	February 20, 2020	<ol style="list-style-type: none"> <li>1. Enhance policy guidance. Enhanced risk guarantee shall be proactively provided to enterprises impacted by COVID-19, especially those severely hit. Collect and analyze enterprises' needs of additional pre-shipment insurance before shipment, and strengthen guarantee for risks such as order cancellation. Develop green channels of insurance claims, moderately extend the terms of insurance claims, and approve rational insurance claims as quickly as possible, if the trade deal actually happened and the financial claim has a definite amount.</li> <li>2. Provide more support for MSMEs. Moderately improve risk endurance and further reduce the premium rate; enhance information services related to the prevention and control of COVID-19 by regularly collecting and releasing updates on the pandemic; establish a claim service procedure for small and micro enterprises impacted by the pandemic, to streamline processes for losses and claim reporting; allow impacted export enterprises to postpone premium payments and; properly deal with estimates for losses and claims.</li> </ol>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485721.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485721.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
5				3. Enhance financing support for foreign trade enterprises. Effectively use financial funds, improve the “government + bank + credit insurance” cooperation mechanism, mobilize social resources and expand the premium financing scale.	
6	Notice on Organizing “Micro-Lecture Online Training for Enterprises”	Small and Medium Enterprises Bureau, MIIT	February 10, 2020	Organize “Micro-Lecture Online Training for Enterprises,” encourage SMEs to attend the online training and provide them with support in terms of policies, technology and management.	<a href="http://www.gov.cn/xinwen/2020-03/02/content_5485716.htm">http://www.gov.cn/xinwen/2020-03/02/content_5485716.htm</a>
7	Notice on Holding the 2020 “Maker in China” Small and Medium Enterprises Innovation and Entrepreneurship Competition Gong Xin Bu Lian Qi Ye [2020] No. 26	MIIT, MOF	February 17, 2020	To further stimulate enterprises’ vitality for innovation and entrepreneurship, while promoting high-quality development of SMEs, the Ministry of Industry and Information Technology and Ministry of Finance will jointly hold the 2020 “Maker in China” Small and Medium Enterprises Innovation and Entrepreneurship Competition.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/19/content_5480809.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/19/content_5480809.htm</a>
8	Notice on Optimizing Tax Payment Services During the Prevention and Control of the COVID-19 Pandemic Shui Zong Han [2020] No. 19	STA	January 30, 2020	For taxpayers and withholding agents that declare and pay taxes monthly, the legal deadline for tax declaration and payment in February 2020 is postponed to February 24, 2020. In Hubei and other regions severely hit by the pandemic, the deadline may be further postponed in accordance with local conditions, to be reported to the Provincial Tax Service for approval and to the STA for registration. If taxpayers and withholding agents still have trouble, they may apply for further postponing the deadline.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-01/31/content_5473310.htm">http://www.gov.cn/zhengce/zhengceku/2020-01/31/content_5473310.htm</a>
9	Notice on Postponing the Legal Deadline for Tax			Postpone the legal deadline for tax declaration and payment in March 2020	

No.	Policy Name	Released by	Time of Release	Main Content	Source
9	Declaration and Payment in March 2020 Shui Zong Han [2020] No. 37	STA	March 3, 2020		<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/04/content_5486668.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/04/content_5486668.htm</a>
10	Notice on Promoting Production and Sales of Animal Husbandry in An Orderly Manner and Guaranteeing the Supply of Meat, Eggs and Milk in the Market	The General Office of, MOA	February 4, 2020	Prohibit the interception of small livestock, newborn livestock and breeding livestock transport vehicles. Prohibit the interception of fodder transport vehicles. Prohibit the interception of livestock products transport vehicles. Do not shut down livestock slaughterhouses. No roadblocks or lockdowns shall be set up in villages. Support enterprises to speed up work resumption.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/04/content_5474554.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/04/content_5474554.htm</a>
11	Notice on Optimizing the Approval Process During the Prevention and Control of the COVID-19 Pandemic MOA Announcement [2020] No.1	MOA	February 12, 2020	Facilitate the renewal of the registration certificate of imports of pesticide, fertilizer, fodder and fodder additives. Simplify the procedure for approval. Optimize the approval process.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/13/content_5478044.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/13/content_5478044.htm</a>
12	MOA Announcement No.270	MOA	February 13, 2020	1. For the quality review and approval certificate issued by the agricultural product quality and safety inspection institution or ministerial agency of quality inspection that expires on and after the date of the Announcement release, the effective period shall be automatically postponed till three months after the pandemic is over. 2. Under the following circumstances, on-site review for quality inspection can neither be arranged nor implemented upon the date of the Announcement	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485685.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485685.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
12				<p>release: on-site review for quality inspection has been arranged, but not implemented yet; or the application is approved, but an on-site review has not been arranged yet. The on-site review work shall resume after the pandemic is over.</p> <p>3. During prevention and control of the COVID-19 Pandemic, the Ministry of Agriculture and Rural Affairs will continue giving guidance on the review and approval work via phone calls, online consultations, postal mail, etc.</p>	
13	<p>Notice on Further Providing Convenient Services for Science and Technology Enterprises During the Prevention and Control of the COVID-19 Pandemic</p> <p>Guo Ke Huo Zi [2020] No.38</p>	<p>Torch High Technology Industry Development Center, Ministry of Science and Technology (MOST)</p>	<p>February 6, 2020</p>	<p>Promote “paperless” registration for technical contracts. Facilitate the registration of technical contracts for high-tech enterprises. Implement the whole-process online assessment of science and technology SMEs. Encourage science and technology incubators and the Worker Space (for mass entrepreneurship and innovation) to lower the rent for incubating enterprises. Make plans for national Torch statistical surveys.</p>	<p><a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485710.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485710.htm</a></p>
14	<p>Notice on Releasing the Guidelines on 2019-nCoV On-site Inspection Products Emergency Research and Development Projects Application</p> <p>Guo Ke Fa Zi [2020] No.28</p>	<p>MOST</p>	<p>February 8, 2020</p>	<p>Release the guidelines on COVID-19 Pandemic prevention and control emergency projects application.</p>	<p><a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485687.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485687.htm</a></p>

No.	Policy Name	Released by	Time of Release	Main Content	Source
15	Announcement on the Temporary Extension of Verification and Cancellation Period for Processing Trade Manual (Account) and Matters Concerning Registration and Filing During the Prevention and Control of the COVID-19 Pandemic GACC Announcement [2020] No. 21	GACC	February 6, 2020	<ol style="list-style-type: none"> <li>1. For processing trade enterprises (including enterprises under special administration of the Customs), if their Processing Trade Manual (Account) expires or the verification and cancellation period for Processing Trade Manual (Account) expires due to delayed work resumption according to the requirements of governments at all levels, local customs may renew the Processing Trade Manual (Account) for these enterprises. Afterwards, these enterprises shall submit the relevant materials required. If the declaration of deep processing transit and domestic sales tax, etc. in the Processing Trade Manual (Account) is not accomplished within the stipulated period, then local customs may extend the period for the procedure.</li> <li>2. For bonded goods donated or expropriated for the prevention and control of the COVID-19 Pandemic, upon receiving enterprises' applications, local customs shall speed up clearing the goods after registering their basic information such as name, quantity, donation (expropriation) institution, etc.</li> <li>3. Local customs shall give priority to handling requests of enterprises that need registration for importing anti-pandemic supplies.</li> </ol>	<a href="http://www.customs.gov.cn//custms/302249/302266/302267/2867087/index.html">http://www.customs.gov.cn//custms/302249/302266/302267/2867087/index.html</a>
16	Announcement on the Exemption of the Consignee and Consignor from the Presence of the Goods Inspection During the Prevention and Control of the COVID-19 Pandemic GACC Announcement [2020] No. 24	GACC	February 11, 2020	<ol style="list-style-type: none"> <li>1. The consignee and the consignor may be exempted from the presence of the goods inspection upon receiving the Customs' notification of goods inspection.</li> <li>2. Before inspection by Customs, the consignee, consignor or their agents shall declare in advance the imported and exported goods with special attributes that need the customs officer's special attention.</li> <li>3. After inspection, local customs shall supervise the responsible persons for operation sites and transport vehicles to sign the inspection records form for confirmation.</li> </ol>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/14/content_5478546.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/14/content_5478546.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
17	Notice on Promoting Market Entity Registration During the Prevention and Control of the COVID-19 Pandemic Shi Jian Zhu [2020] No.8	The General Office, SAMR	February 1, 2020	Encourage the use of online services to accomplish market entity registration; enhance publicity during prevention and control of the COVID-19 Pandemic and; create a safe, orderly registration environment.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/03/content_5474268.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/03/content_5474268.htm</a>
18	Notice on Promoting Quality Certification Work During the Prevention and Control of the COVID-19 Pandemic	The General Office, SAMR	February 4, 2020	Optimize the certification process and contain certification risks. Take the pandemic into account and properly deal with certificate renewals, reviews and re-certification. Also, enhance communication and give timely reports of relevant information.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/04/content_5474547.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/04/content_5474547.htm</a>
19	Notice on Promoting Qualification Certification for Medical Equipment and Protective Supplies Inspection and Testing Institutions During the Prevention and Control of the COVID-19 Pandemic Shi Jian Jian Ce [2020] No.16	The General Office, SAMR	February 20, 2020	<ol style="list-style-type: none"> <li>Sort out the capability level of medical machinery inspection and testing institutions that have obtained qualification certification and give a timely public release of the list of medical machinery and protective supplies inspection, testing institutions and relevant information.</li> <li>During pandemic prevention and control, applications for qualification certification of medical machinery and protective supply institutions shall be handled by local administrations/ commissions for market regulation (in provinces, autonomous regions, municipalities, and the Xinjiang Production and Construction Corps).</li> </ol>	<a href="http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485632.htm">http://www.gov.cn/zhengce/zhengceku/2020-03/02/content_5485632.htm</a>
20	Notice on Enhancing Remote Review and Approval Services for Investment Projects During Prevention and Control of	NDRC	February 4, 2020	Strictly implement the online reporting and registration system; adopt various measures to speed up online reviews, approval and verification; enhance consultation services and technical guarantees and; strengthen follow-up guidance	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/20/content_5481440.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/20/content_5481440.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
20	the COVID-19 Pandemic Fa Gai Dian [2020] No.66				
21	Notice on Encouraging Laborers Participating in Online Vocational Skills Training During the Prevention and Control of the COVID-19 Pandemic Fa Gai Ban Jiu Ye [2020] No.100	The General Office, NDRC The General Office, MOHRSS The General Office, MIIT The General Office, ACFTU	February 5, 2020	Release online resources for vocational skills training free of charge. Improve the quality of online vocational training resources; improve supporting services for online vocational training; promote publicity and mobilization of online vocational training; and enhance organization and implementation of online vocational training.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/06/content_5475392.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/06/content_5475392.htm</a>
22	Notice on Promoting Skilled Talents Appraisal During the Prevention and Control of the COVID-19 Pandemic Ren She Ting Han [2020] No.22	MOHRSS	February 6, 2020	Enhance organization, supervision and management of skilled talent appraisal under local jurisdiction (including vocational qualification certification, vocational skills identification, vocational capability tests, and vocational skills competition). During pandemic prevention and control, unified appraisal activities for skilled talents and training for examination management personnel, appraisal personnel, and supervisors, etc. shall be suspended; the reason for that shall be disclosed to the public. Strictly implement pandemic prevention and control measures and avoid optional on-site services. Departments of Human Resources and Social Security shall coordinate the skilled talent appraisal work.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/11/content_5477454.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/11/content_5477454.htm</a>
23	Notice on Providing Free Online Vocational Training Platform During Prevention and Control of the COVID-19 Pandemic Ren She Ting Han [2020] No.24	The General Office, MOHRSS	February 12, 2020	Provide the public with free access to online training platforms developed by institutions affiliated to or under the administration of MOHRSS and support the online training of vocational skills across the country.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/17/content_5480186.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/17/content_5480186.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
24	Notice on Enhancing Poverty Alleviation Through Employment During Prevention and Control of the COVID-19 Pandemic	MOHRSS The State Council Leading Group Office of Poverty Alleviation and Development	February 21, 2020	Enhance awareness of the importance of poverty alleviation and encourage key enterprises to prioritise employment of poorer workers. Further, enterprises must arrange for migrant workers to resume work in a safe and orderly manner, and promote the transfer of labor force locally. They should also enhance poverty alleviation through employment in areas with deep poverty, increase the employment and income of farmers and provide more care for poor laborers. Additionally, enterprises should optimize online service and online training, as well as enhance organization and leadership in employment promotion.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/24/content_5482770.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/24/content_5482770.htm</a>
25	Enhancing Online Review and Approval for Construction Projects During Prevention and Control of the COVID-19 Pandemic	MOHURD leading Group Office of Projects Construction Review and Approval System Reform	February 19, 2020	Establish and improve the online review and approval system; improve the efficiency of the online review and approval service; include more construction projects in the online review and approval database and; provide more guarantees for online review and approval services.	<a href="http://www.gov.cn/xinwen/2020-02/19/content_5480990.htm">http://www.gov.cn/xinwen/2020-02/19/content_5480990.htm</a>

Table 7: Lower Costs

No.	Policy Name	Released by	Time of Release	Main Content	Source
1	Notice on Temporarily Returning Part of the Tourism Service Quality Deposit to Travel Agencies During Prevention and Control of the COVID-19 Pandemic	The General Office, Ministry of Culture and Tourism (MCT)	February 5, 2020	The tourism service quality deposit may be temporarily returned to tourism agencies. The policy is applicable to tourism agencies in China that have paid the deposit and obtained the business license according to law. The temporary refundable deposit shall be 80% of the paid deposit.	<a href="https://www.mct.gov.cn/whzx/ggtz/202002/t20200206_850681.htm">https://www.mct.gov.cn/whzx/ggtz/202002/t20200206_850681.htm</a>
2	Notice on Implementing Supporting Policies of the Two-Part Pricing and Reducing the Electric Power Cost of Enterprises During Prevention and Control of the COVID-19 Pandemic Fa Gai Jia Ge [2020] No.110	NDRC	February 7, 2020	For enterprises that cannot resume work and production during the prevention and control of the COVID-19 Pandemic, the period for changing demand charges and the period for reducing (suspending) demand shall be extended. Upon the date of the Announcement release, electricity users may apply for demand reduction, demand suspension, demand recovery, and demand recovery suspension. Electricity users that apply for changes are not subject to the provision "electricity demand suspension shall be no less than 15 days" and shall be charged with fewer demand charges. For enterprises that have suspended work and production since the outbreak of the pandemic, the period for reducing demand charges can be moderately extended.	<a href="https://www.ndrc.gov.cn/xxgk/zcfb/tz/202002/t20200207_1220156.html">https://www.ndrc.gov.cn/xxgk/zcfb/tz/202002/t20200207_1220156.html</a>
3	Notice on Reducing the Gas Cost of Non-residents and Supporting the Resumption of Work and Production During the Prevention and Control of the COVID-19 Pandemic	NDRC	February 22, 2020	1. Gas stations for non-residents shall implement pricing for off-seasons in advance. 2. Chemical fertilizer and other industries hit hard by the COVID-19 Pandemic shall be provided with more preferential pricing policies. Natural gas production and operation enterprises are encouraged to consider the impacts of the pandemic on different industries and provide more preferential gas pricing policies for agriculture-related industries, such as chemical fertilizer and those hit hard by the pandemic.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/22/content_5482149.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/22/content_5482149.htm</a>

No.	Policy Name	Released by	Time of Release	Main Content	Source
3	Fa Gai Jia Ge [2020] No.257			<p>3. The price for terminal sales of natural gas shall be reduced in a timely manner.</p> <p>4. The stability of the natural gas market shall be maintained.</p> <p>5. Publicity shall be enhanced.</p>	
4	<p>Notice on Reducing the Electric Power Cost of Enterprises and Supporting the Resumption of Work and Production During the Prevention and Control of the COVID-19 Pandemic</p> <p>Fa Gai Jia Ge [2020] No.258</p>	NDRC	February 22, 2020	From February 1, 2020 to June 30, 2020, power grid enterprises shall charge electricity users (including common industry and commerce electricity users, those for big industry, and those engaged in market deals, excluding high-consumption electricity users) 95% of the original electricity rate.	<a href="http://www.gov.cn/zhengce/zhengceku/2020-02/22/content_5482141.htm">http://www.gov.cn/zhengce/zhengceku/2020-02/22/content_5482141.htm</a>
5	<p>Notice on Highway Toll Fee Exemption During Prevention and Control of the COVID-19 Pandemic</p> <p>Jiao Gong Lu Ming Dian [2020] No.62</p>	MOT	February 15, 2020	The highway toll fee shall be exempted across the country during prevention and control of the COVID-19 Pandemic. The policy shall take effect from February 17, 2020 until the termination of the pandemic.	<a href="http://xxgk.mot.gov.cn/jigou/glj/202002/t20200215_3333514.html">http://xxgk.mot.gov.cn/jigou/glj/202002/t20200215_3333514.html</a>

## Attachment II: Assessment Framework

### 1. Assessment Objective

The Report aims to assess the impact of the COVID-19 pandemic on non-state-owned enterprises including both large POEs and SMEs in China, the support needed by them, as well as the impact on their ability to support the SDGs. It also aims to provide baselines for international organizations to design cooperative projects.

### 2. Assessment Targets

The assessment targets are non-state-owned enterprises including both large POEs and SMEs in China, especially those in tourism, textiles, the digital economy, information technology, traditional manufacturing and consulting services.

### 3. Assessment Methods

The Report combines the methodology of primary interviews, big data analytics and literature reviews. Firstly, based on the research framework in Chart 1, we conducted in-depth theme interviews with nine managers from non-state-owned enterprises in sectors including textiles and garments, social media, public relations, infrastructure data consulting, sporting goods and education, as well as four industry experts and scholars (Table 8). Secondly, the study utilized big data to analyze the impact of COVID-19 on China's economy and recovery<sup>33</sup>. Thirdly, to obtain a comprehensive assessment, we also analyzed reports and research by ten organizations covering over 78,000 SMEs and large POEs' responses to the impact of COVID-19, listed in table 9.

**Table 8: List of entrepreneurs, experts and scholars interviewees<sup>34</sup>**

No.	Interviewees	Date
1	Joyce Chau, Director, amfori Asia Pacific	March 5
2	Liang Xiaohui, Deputy Chief Economist, China Textile Information Center	March 6
3	Liu Baocheng, Professor, University of International Business and Economics	March 9
4	Lisa Wang, Deputy General Manager, SINA Weibo International	March 10
5	Liu Wanlan, CEO, SAGACITY PR	March 10
6	Li Baochun, Secretary-General, World Tourism Cities Federation	March 11

7	Chen Aihua, General Manager, Chongqing Xinjie Clothing Co., Ltd.(Xinjie Clothing)	March 11
8	Xiao Guangrui, CEO, Beijing Bridata Technology Co.,Ltd.	March 12
9	Cao Shiyong, Chairman and General Manager, Beijing SRT Education & Technology Co., Ltd.	March 12
10	Li Ling, Vice President, ANTA Group	March 13
11	Angela Bai, Secretary General, China Alliance of Social Value Investment	March 13
12	Tan Benhong, Vice President, Chongqing Changan Automobile Co., Ltd. (Changan Automobile)	March 16
13	Yan Tiantong, CEO Assistant, Strategy Director, Onion Academy	March 17

**Table 9: Research reports for reference**

No.	Time of publication	Research Institutions	Research Objects	Research Methods	Name in the Report <sup>35</sup>	Link
1	February 9	Tsinghua University, Peking University	995 SMEs	Online public questionnaire survey	February 9 Survey of SMEs	<a href="http://dwz.date/TVD">http://dwz.date/TVD</a>
2	February 10	Beijing Normal University	2,136 cultural enterprise in Beijing	Online questionnaire survey	February 10 Survey of Cultural Enterprises in Beijing	<a href="http://dwz.date/TVM">http://dwz.date/TVM</a>
3	February 12	School of Economics and Management, Tsinghua University	212 large and medium enterprises	Online questionnaire survey	February 12 Survey of Large and Medium Enterprises	<a href="http://dwz.date/TVN">http://dwz.date/TVN</a>
4	February 12	Meituan Research Institute	32,000 catering enterprises	Online questionnaire survey	February 12 Survey of Catering Enterprises	<a href="http://dwz.date/TVP">http://dwz.date/TVP</a>
5	February 13	China National Textile and Apparel Council	1,201 textile enterprises	Online questionnaire survey	February 12 Survey of Textile Enterprises	<a href="http://dwz.date/TVQ">http://dwz.date/TVQ</a>
6	February 15	China Association of Small and Medium Enterprise	6,422 SMEs	Online questionnaire survey	February 15 Survey of SMEs	
7	February 26	Xinhuanet, Development Research Center of the State Administratio for Market Regulation	11,743 micro, SMEs and large enterprises	Online questionnaire survey	February 26 Survey of Enterprises	<a href="http://dwz.date/TVS">http://dwz.date/TVS</a>
8	March 2	Ant Financial	20,165 micro and small enterprises	Online questionnaire survey	March 2 Survey of micro and small enterprises	<a href="http://dwz.date/TVU">http://dwz.date/TVU</a>
9	March 2	Enterprise Survey for Innovation and Entrepreneurship in China (ESIEC) research group, Peking University	2,344 micro enterprises and SMEs	Online questionnaire survey + random interviews	March 2 Survey of SMEs	<a href="http://dwz.date/TVV">http://dwz.date/TVV</a>
10	March 3	Peking University, Tsinghua University, Renmin University of China	950 enterprises and non-business organizations	Online public questionnaire survey	March 3 Survey of Enterprises and Non-business Organizations	<a href="http://dwz.date/TVX">http://dwz.date/TVX</a>

## 4. Technology Roadmap

The short-term impact of the pandemic on enterprises is mainly reflected in their huge operating pressures, while mid- and long-term impacts lie mainly in adverse effects on enterprises' supply chains and market demand—both emerging with a lag, but potentially at growing speed and magnitude. To achieve a comprehensive impact assessment, multiple factors, including measures taken by the enterprises, supporting policies, industry chain synergies and expectations for future developments (particularly for forward-looking decisions such as investment in production assets by SMEs and government, and in consumer durables by consumers) should be considered.

Based on the assessment, the Report proposes recommendations for government entities, international communities, financial institutions, business partners and enterprises, so that the latter can have strong and effective support during the pandemic containment stage and achieve a return to steady growth through sustainable solutions.

## 5. Limitations and Solutions

The main limitations of this report and corresponding solutions are as follows. Firstly, the size of the primary sample is relatively small, so this report also refers to survey results of other institutions (Table 9) to make up for the insufficient sample size. Second, the research objects, research time, and concerns of these surveys somewhat differ from this Report, possibly weakening their reference value. To address this, the selected research reports (shown in Table 9) have same or similar research objects to conduct cross-validation, so as to enhance the representativeness of this Report. Third, as the pandemic develops rapidly, the surveys' results conducted at different times vary largely. In response, this Report classifies existing surveys based on the development of the pandemic and analyzes whether it has an impact on the questionnaires.

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33. The big data analysis utilized in this study is supported by the WeBank Moonshot Team.

34. Note: The names are listed in order of interview time.

35. Since the conclusions of these 10 reports are compared later, we rename these reports based on the release date and the survey respondents for easier readability.

# Attachment III: Interview Topics

## 1. For Entrepreneurs

### Survey on the Impact of the COVID-19 Pandemic on Chinese Enterprises Interview with Entrepreneurs

Dear Entrepreneurs:

To better know the impact of the COVID-19 pandemic on Chinese enterprises and the corporate demand on external support during the pandemic, and further carry out projects accordingly, the United Nations Development Programme in China (hereinafter referred to as “UNDP”) and GoldenBee (Beijing) Management Consulting Co.,Ltd launched this joint survey, of which the interview and consultation with entrepreneurs form an important part. We will make sure to seek your consent in advance when your opinions are to be quoted in the latter research report, and we will guarantee the completeness and unambiguity of the quoted content. Thank you for your support!

March 2020

#### I. Basic information about your company

Company name:

Industry<sup>36</sup> (multiple choice)

- |   |   |
|---|---|
| <input type="checkbox"/> Vital medical supplies     | <input type="checkbox"/> Energy                   |
| <input type="checkbox"/> Food                       | <input type="checkbox"/> Transportation           |
| <input type="checkbox"/> Logistics                  | <input type="checkbox"/> Commerce and trade       |
| <input type="checkbox"/> Agriculture                | <input type="checkbox"/> Internet                 |
| <input type="checkbox"/> Traditional manufacturing  | <input type="checkbox"/> Real estate              |
| <input type="checkbox"/> Construction               | <input type="checkbox"/> Environmental protection |
| <input type="checkbox"/> Catering and accommodation | <input type="checkbox"/> Culture                  |
| <input type="checkbox"/> Tourism                    | <input type="checkbox"/> Others                   |

Place of registration<sup>37</sup> (provinces / municipalities / autonomous regions):

- |  |  |
|--|--|
| <input type="checkbox"/> Beijing               | <input type="checkbox"/> Shanghai          |
| <input type="checkbox"/> Tianjin               | <input type="checkbox"/> Chongqing         |
| <input type="checkbox"/> Hebei Province        | <input type="checkbox"/> Shanxi Province   |
| <input type="checkbox"/> Jilin Province        | <input type="checkbox"/> Liaoning Province |
| <input type="checkbox"/> Heilongjiang Province | <input type="checkbox"/> Shaanxi Province  |
| <input type="checkbox"/> Gansu Province        | <input type="checkbox"/> Qinghai Province  |
| <input type="checkbox"/> Shandong Province     | <input type="checkbox"/> Fujian Province   |
| <input type="checkbox"/> Zhejiang Province     | <input type="checkbox"/> Henan Province    |
| <input type="checkbox"/> Hubei Province        | <input type="checkbox"/> Hunan Province    |

- |   |   |
|---|---|
| <input type="checkbox"/> Jiangxi Province                 | <input type="checkbox"/> Jiangsu Province                 |
| <input type="checkbox"/> Anhui Province                   | <input type="checkbox"/> Guangdong Province               |
| <input type="checkbox"/> Hainan Province                  | <input type="checkbox"/> Sichuan Province                 |
| <input type="checkbox"/> Guizhou Province                 | <input type="checkbox"/> Yunnan Province                  |
| <input type="checkbox"/> Inner Mongolia Autonomous Region | <input type="checkbox"/> Xinjiang Uygur Autonomous Region |
| <input type="checkbox"/> Ningxia Hui Autonomous Region    | <input type="checkbox"/> Guangxi Zhuang Autonomous Region |
| <input type="checkbox"/> Tibet Autonomous Region          |   |

Operating revenue in 2019 (in RMB million) (multiple choice):

- |                                      |  |
|--------------------------------------|--|
| <input type="checkbox"/> Less than 1 | <input type="checkbox"/> 1-5           |
| <input type="checkbox"/> 5-10        | <input type="checkbox"/> 10-20         |
| <input type="checkbox"/> 20-50       | <input type="checkbox"/> 50-100        |
| <input type="checkbox"/> 100-200     | <input type="checkbox"/> 200-400       |
| <input type="checkbox"/> 400-800     | <input type="checkbox"/> More than 800 |

Number of employees (multiple choice):

- |  |   |
|--|---|
| <input type="checkbox"/> Fewer than 10 | <input type="checkbox"/> 10-50            |
| <input type="checkbox"/> 50-300        | <input type="checkbox"/> 300-500          |
| <input type="checkbox"/> 500-1,000     | <input type="checkbox"/> 1,000-5,000      |
| <input type="checkbox"/> 5,000-10,000  | <input type="checkbox"/> More than 10,000 |

Major market (multiple choice) :

- Domestic market
- Overseas market
- Both

## II. The impact of the COVID-19 pandemic

1. If the business cannot be fully resumed in March, how long can your company endure? (multiple choice):

- One month
- Three months
- Half a year
- One year
- More than one year

2. What is the estimated impact of the pandemic on the operating revenue for the first half of 2020? (multiple choice):

- No impact
- A year-on-year decline within 10%
- A year-on-year decline of 10% to 20%
- A year-on-year decline of 20% to 30%
- A year-on-year decline of 30% to 50%
- A year-on-year decline over 50%

3. What is the estimated impact of the pandemic on the workforce for the first half of 2020? (multiple choice):

- No impact
- A year-on-year decline within 10%
- A year-on-year decline of 10% to 20%
- A year-on-year decline of 20% to 30%
- A year-on-year decline of 30% to 50%
- A year-on-year decline over 50%

4. What are the most significant challenges faced by your company during the pandemic? (tick and prioritize three choices):

- |  |  |
|--|--|
| <input type="checkbox"/> Labor cost                                      | <input type="checkbox"/> Inventory cost                          |
| <input type="checkbox"/> Procurement cost                                | <input type="checkbox"/> Penalty cost                            |
| <input type="checkbox"/> Costs of rent, water, electricity, energy, etc. | <input type="checkbox"/> Cost of pandemic prevention and control |
| <input type="checkbox"/> Financing cost                                  | <input type="checkbox"/> Others _____                            |
| <input type="checkbox"/> Tax cost  |  |

5. What are the most significant challenges to the business market? (tick and prioritize three choices):

- |   |  |
|---|--|
| <input type="checkbox"/> Delayed or failed recovery of payments                 | <input type="checkbox"/> Being removed from customers' list of suppliers |
| <input type="checkbox"/> Delayed or failed order delivery                       | <input type="checkbox"/> Lower market demand                             |
| <input type="checkbox"/> Being punished for the failed performance of contracts | <input type="checkbox"/> Blocked sales channels                          |
| <input type="checkbox"/> Customers cancell orders due to the pandemic           | <input type="checkbox"/> Financing difficulties                          |
|   | <input type="checkbox"/> Others _____                                    |

### III. Measures taken under the impact of the pandemic:

6. For suppliers (tick all the measures taken):

- |   |  |
|---|--|
| <input type="checkbox"/> Negotiate the reduction of purchases             | <input type="checkbox"/> Seek new suppliers                                    |
| <input type="checkbox"/> Negotiate the delay of payments                  | <input type="checkbox"/> Purchase protective supplies for safe work resumption |
| <input type="checkbox"/> Coordinate logistics and transportation of goods | <input type="checkbox"/> Others _____  |

7. For lowering the operating cost (tick all the measures taken):

- Communicate with relevant departments to resume work and production as soon as possible
- Communicate with employees about layoffs and temporary salary reductions
- Communicate with employees about implementing flexible shifts, working from home, and so on
- Negotiate with the lessor for the reduction or exemption of rent, equipment rental fees, etc.
- Negotiate with lenders for lowering the financing cost and extending the repayment cycle
- Apply for subsidies from relevant government departments
- Shut down certain production lines, outlets, etc.
- Others \_\_\_\_\_

8. For the market (tick all the measures taken)

- Discuss with customers about the impact of the pandemic on the partnership and seek solutions
- Negotiate with customers for delayed order delivery
- Arrange for overtime to make up for the lost hours of production and work
- Coordinate the transportation and logistics of the products sold
- Reduce marketing investment
- Reduce the prices of products and services
- Increase the prices of products and services
- Others \_\_\_\_\_

9. Impact of pandemic on the future development strategy of the company (tick all the answers):

- Accelerate technological, product, and service innovation
- Explore new office and business models
- Strengthen the global reach of the supply chain and expand overseas markets
- Plan to withdraw from the market
- Others \_\_\_\_\_

**IV. External support received and its effectiveness**

10. The effectiveness of policy support:

Effectiveness Category	Highly effective	Effective	Not effective	No support	Not clear
Financing support policies					
Preferential tax policies					
Social security policies for supporting employment, work resumption and production resumption					
Policies for the optimization of corporate services					
Policies for reducing production and operating costs					
Others					

**V. Expectations for further support**

11. Supporting policies that the company expects to be enhanced (tick all the answers):

- Financing support policies
- Preferential tax policies
- Social security policies for supporting employment, work resumption and production resumption
- Policies for the optimization of corporate services
- Policies for reducing production and operating costs
- Policies for supporting foreign trade
- Policies for coordinating the supply chain
- Others \_\_\_\_\_

12. Expectations for international organizations and the international community  
(tick all the answers):

- Support Chinese enterprises in participating in international economic and trade development
- Eliminate obstacles for Chinese enterprises to participate in international economic and trade development
- Provide advanced international experience of enterprises to tackle crises
- Provide direct financial and technical support
- Others \_\_\_\_\_

**VI. Expectations and suggestions about future development**

13. Confidence in the future development of the company (on a scale of 1 to 10, where 10 being the highest confidence score and 1 being the lowest or no confidence score): \_\_\_\_\_

14. Confidence in the future development of the macroeconomic environment (on a scale of 1 to 10, where 10 being the highest confidence score and 1 being the lowest or no confidence score): \_\_\_\_\_

15. What suggestions do you have for the support from all walks of life for the corporate development (this is an open question and you can offer recommendations in terms of short-, medium-, and long-term support)  
Recommendations for the government:

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Recommendations for the international community:

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Recommendations for business partners:

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Recommendations for financial institutions :

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## 2.For Experts

### Survey on the Impact of the COVID-19 Pandemic on the Private Sector of China Interview with Experts

Dear experts:

To better know the impact of the COVID-19 pandemic on the private sector of China and corporate demand on external support during the pandemic, and especially to motivate international organizations to carry out proper supporting projects and help enterprises overcome difficulties, the United Nations Development Programme in China (hereinafter referred to as "UNDP") and GoldenBee (Beijing) Management Consulting Co., Ltd launched this joint survey, of which the interview and consultation with experts from relevant fields form an important part. We will make sure to seek your consent in advance when your opinions are to be quoted in the latter research report, and we will guarantee the completeness and unambiguity of the quoted content. Thank you for your support!

March 2020

#### About the impact:

1. In what ways do you think the impact of the COVID-19 pandemic on enterprises will be reflected? To what extent do you think the pandemic will affect the operations of enterprises, and how long will the impact last? What is the impact of the pandemic on the global supply chain (value chain)?

#### About the response:

2. Enterprises: What do you know measures have been taken by enterprises? What are the good practices to draw on?

3. Policy support: Do you think the measures taken by the government are effective? In what ways? What are the problems during the implementation of such measures?

#### About SDGs

4. What are the pandemic's negative and positive impacts on enterprises when it comes to contributing to the 17 SDGs under the United Nation's 2030 Agenda for Sustainable Development?

#### About the future:

5. What do you think the government and enterprises could learn from the economic impact of the pandemic? Do you have any suggestions for the government and enterprises to improve their measures?

6. What impact do you think this pandemic will have on global cooperation? What roles should international organizations, including the United Nations, play?

#### About your confidence:

7. Do you have confidence in the future development of Chinese enterprises?

8. Do you have confidence in the future development of the overall economy?

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36. Reference: The private enterprise survey system of All-China Federation of Industry and Commerce - Survey on the Implementation of Anti-pandemic Policies of Private Enterprises in China

37. Reference: The private enterprise survey system of All-China Federation of Industry and Commerce - Survey on the Combat Against the Pandemic of Private Enterprises in China (Excluding Taiwan, Hong Kong Special Administrative Region, and Macau Special Administrative Region)

## **United Nations Development Programme in China**

The United Nations Development Programme (UNDP) is the largest development network of the United Nations, helping countries to achieve the eradication of poverty, and the reduction of inequalities and exclusion. We help to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results. UNDP assists China in integrating the Sustainable Development Goals (SDGs) into development decisions, promotes the transition to a low-carbon economy and a sustainable society to ensure no one is left behind. We help China to further grow into its role as a leading development partner for the world.

## **GoldenBee (Beijing) Management Consulting Co., Ltd.**

GoldenBee(Beijing) Management Consulting Co., Ltd. is one of the earliest professional organizations committed to promoting social responsibility and sustainable development in China. From 2003, we have provided research, consulting, training and sustainable branding in social responsibility and sustainable development. With “responsible competitiveness” as the core philosophy, GoldenBee strives to develop a close partnership with sustainability-oriented enterprises and organizations, serving as a high-end think tank for them, and building the important platform of corporate social responsibility and sustainable development in China.

## **WeBank MoonShot Asset Management Team**

WeBank’s MoonShot team built China’s first revolutionary Asset Management technology platform and Environmental Social Governance (ESG) analysis platform, fueled by AI and alternative data like remote satellite imagery, spatio-temporal data and public opinion data in China. Moonshot’s platform was shortlisted among "New Growth Creative Practice Cases in China" by Harvard Business Review in 2019 and could be applied in macroeconomic monitoring, quantitative fundamental analysis, commodity tracking, agricultural insurance estimation, ESG ratings and Solar Farm Tracking.

