



Chambers
Ireland
Advancing business together

Business Community Survey April 2020

Rebooting the Economy

Headline Findings:

Revenue

- Half of firms expect an immediate loss of revenue that is in excess of 60%
- Smaller businesses affected most
- Full year expectations for 2020 suggest a slow rebound for the economy

Closures

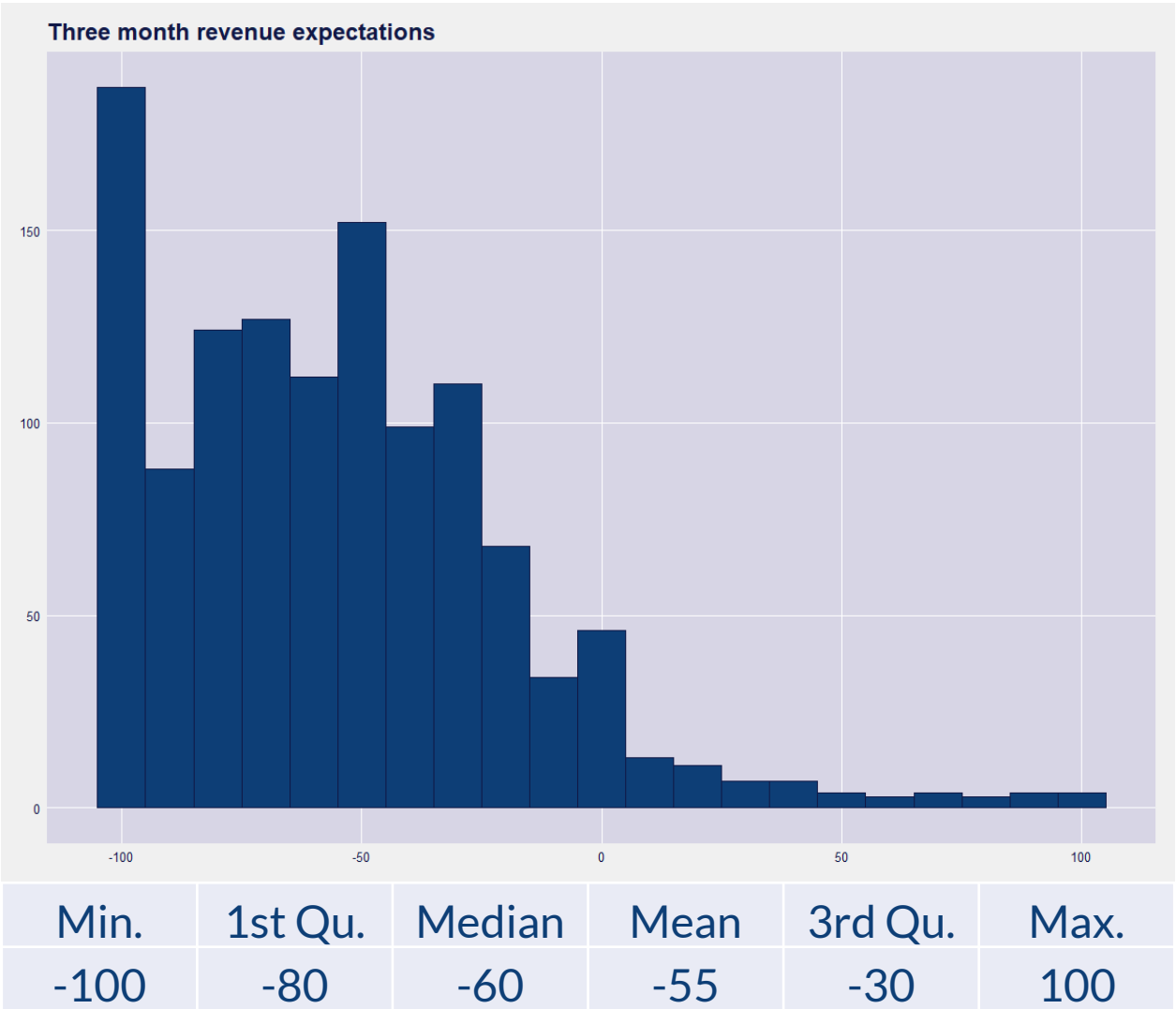
- Only 15% of businesses have not experienced some form of closure
- Overhead costs for most businesses that are closed exceed €2000/week
- For businesses that need restocking most expect it to cost in excess of €3000
- For 25% of businesses that need to restock costs will exceed €8000
- Half of all businesses will need at least two weeks to reopen, 25% will need more than a month

Invoices outstanding

- 68% of businesses are awaiting payments
- The median amount due is €40000



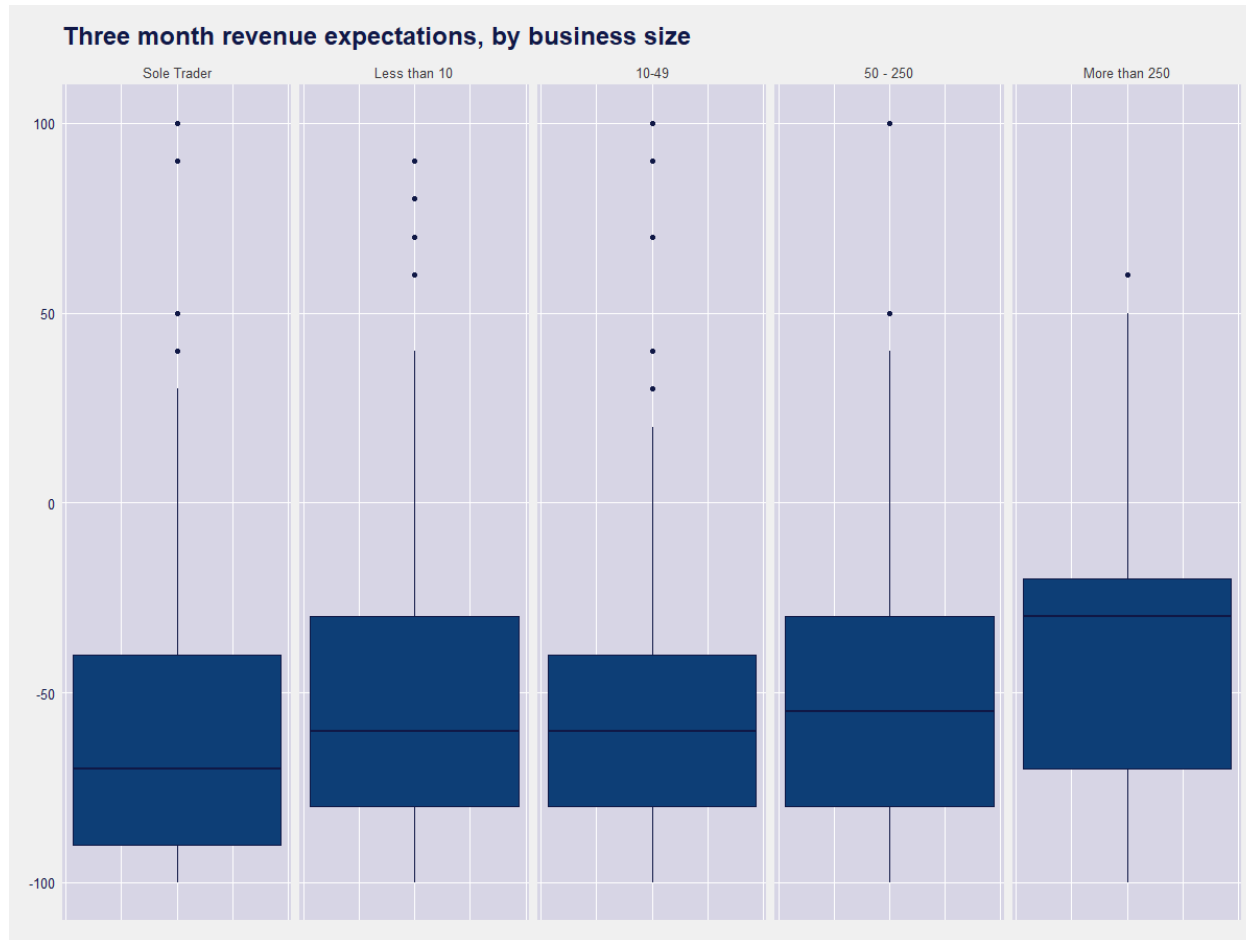
Revenue



The consensus of a 60% dip in expected revenue over the short term still holds from our previous survey

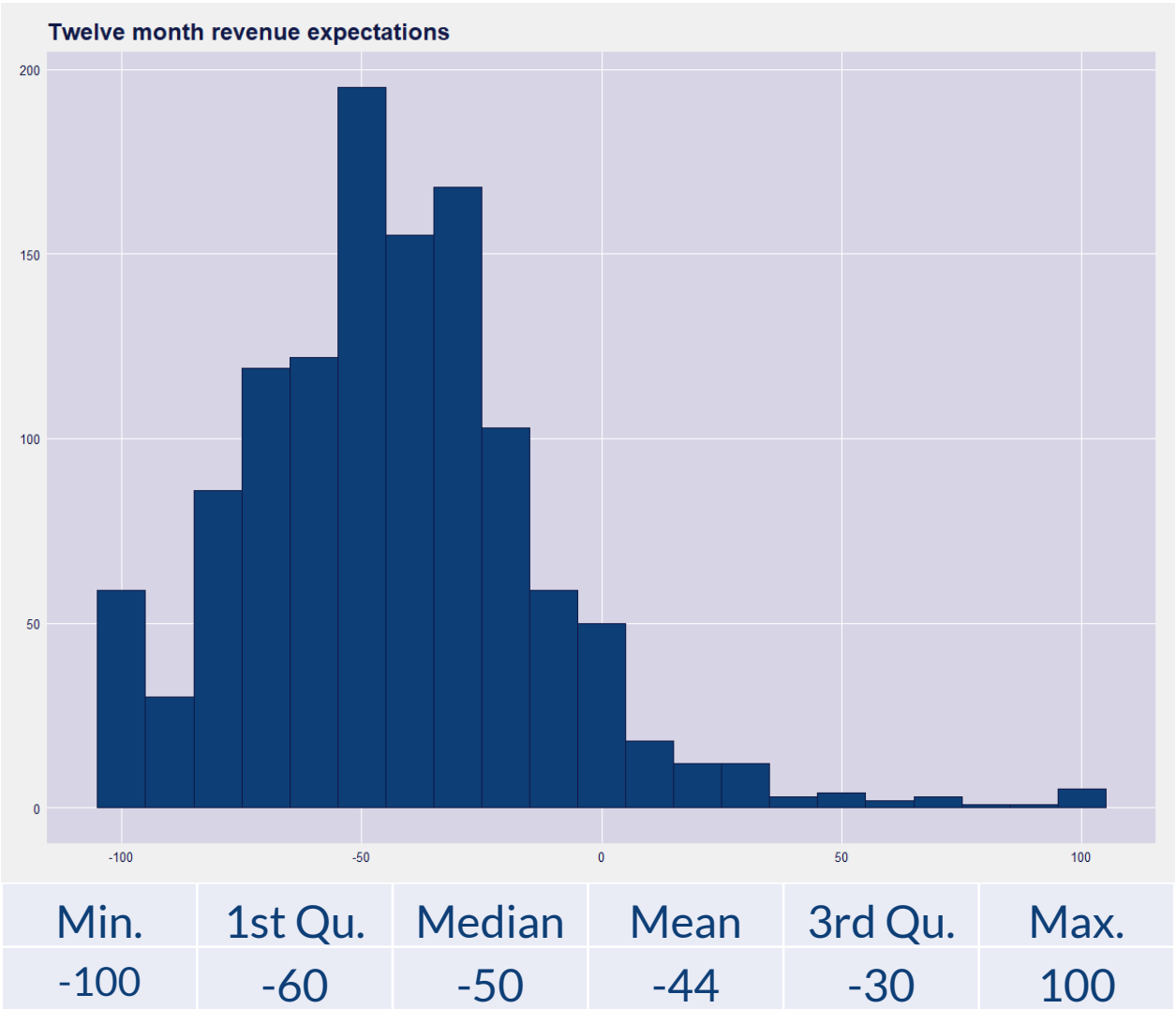
Over 80% of businesses expect their earnings to underperform by in excess of 25%

Revenue



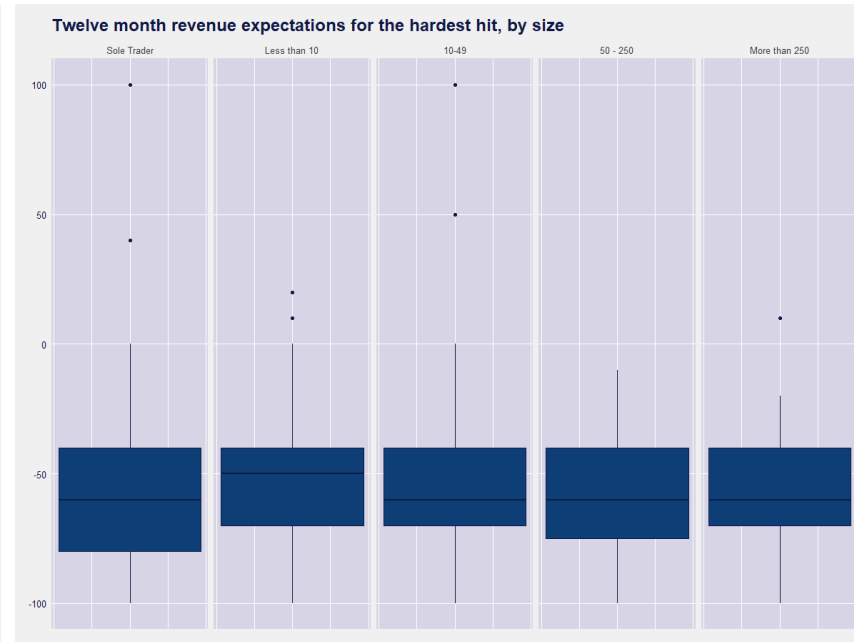
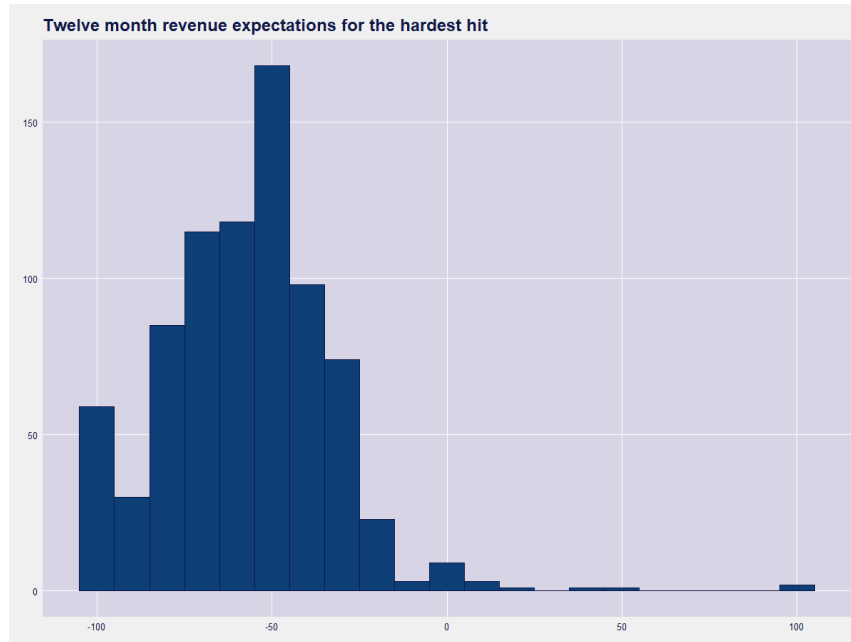
While the impact is felt widely across the economy, smaller businesses, which account for 67% of jobs, are feeling the impact more strongly than larger businesses.

Revenue



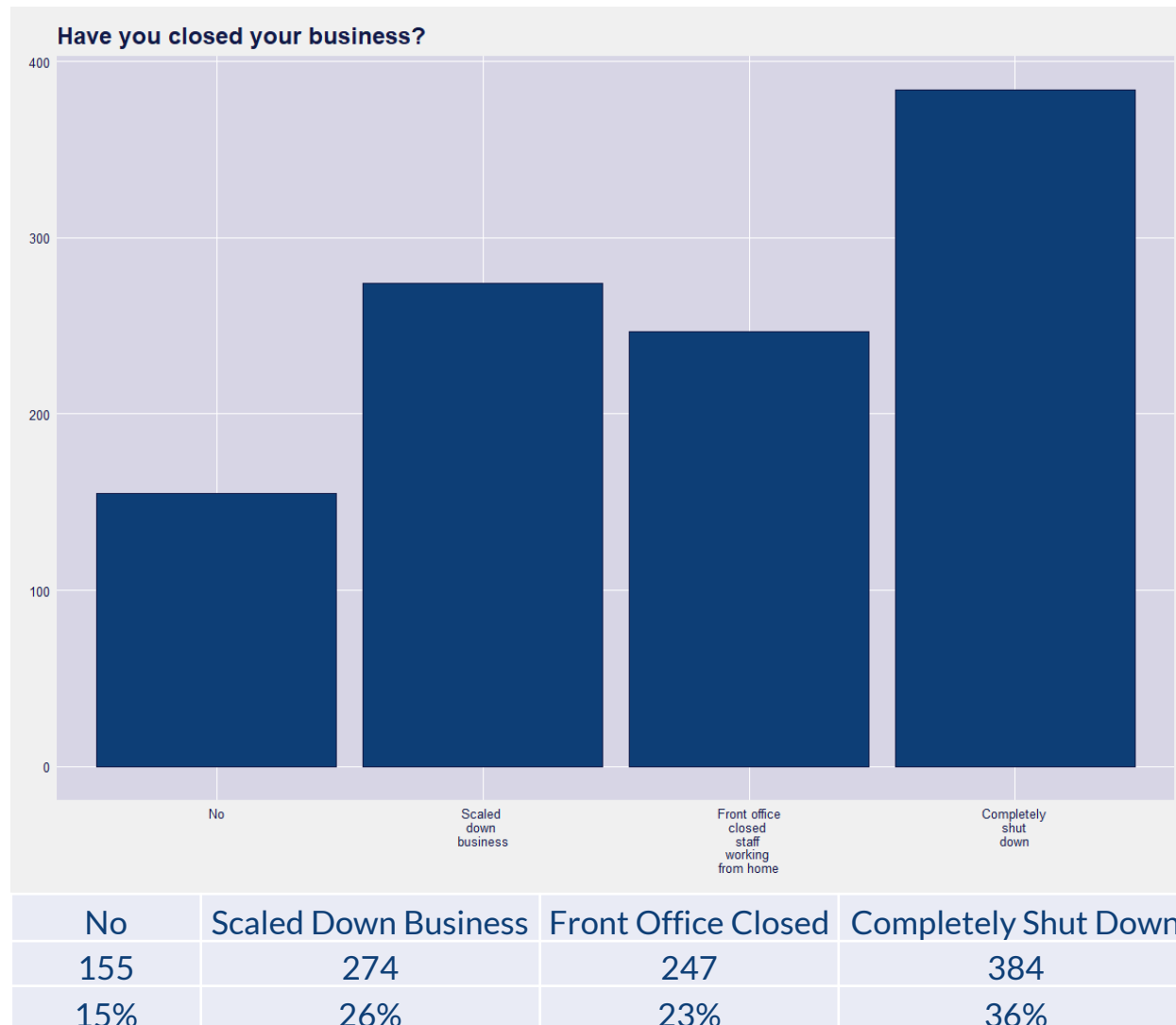
Businesses foresee an increase in economic activity in Q3/Q4 of 2020, but are expecting it to be very limited in scale.

Revenue



The 60% of businesses which are expecting to see their revenue halve in the short-run do not expect to make good on their losses for this quarter, expecting overall revenue for 2020 to be down >50%

Closures

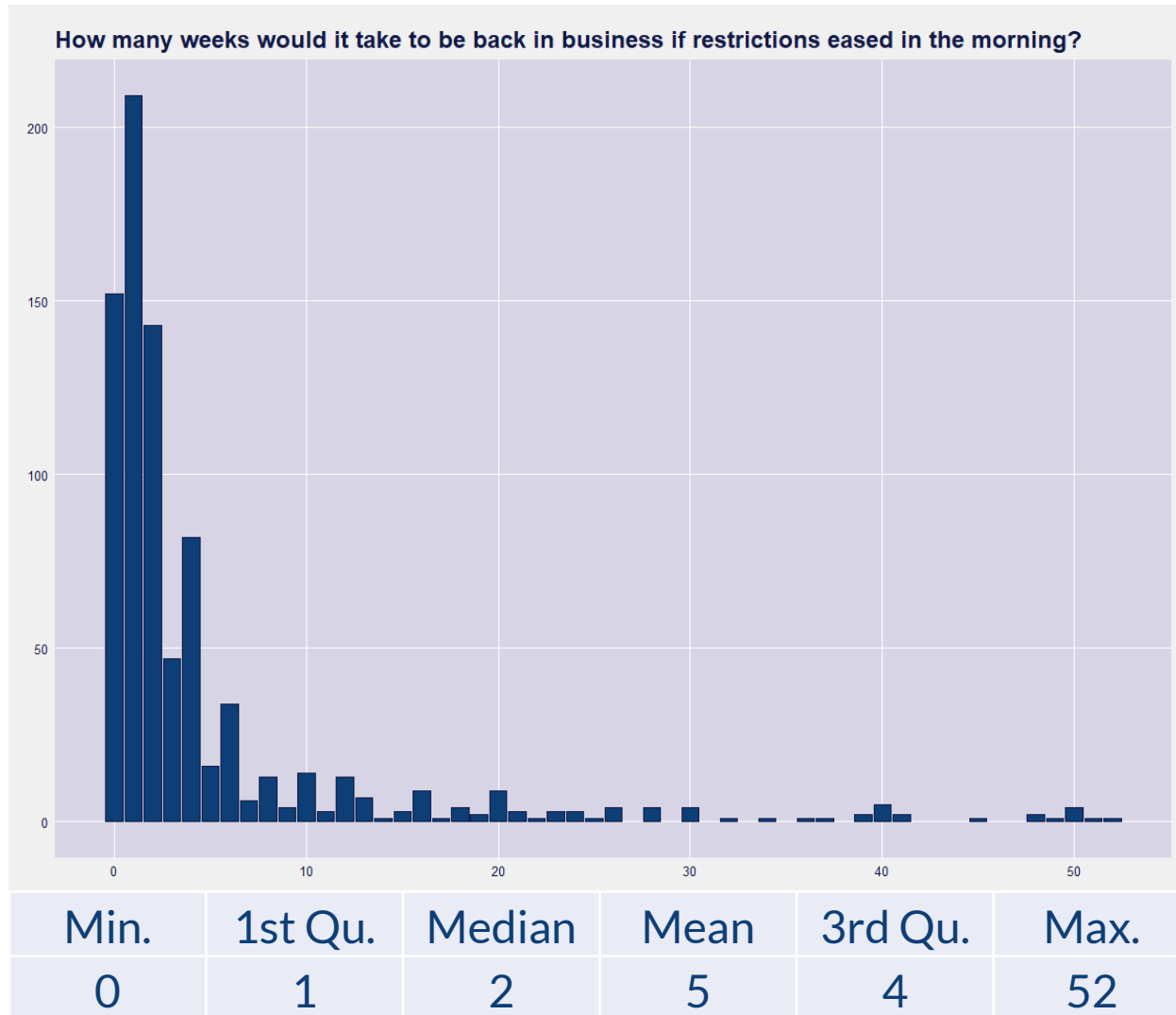


Only 15% of respondents have not have their business operations directly affected by the restrictions that the response to Covid-19 has required

36% have closed entirely



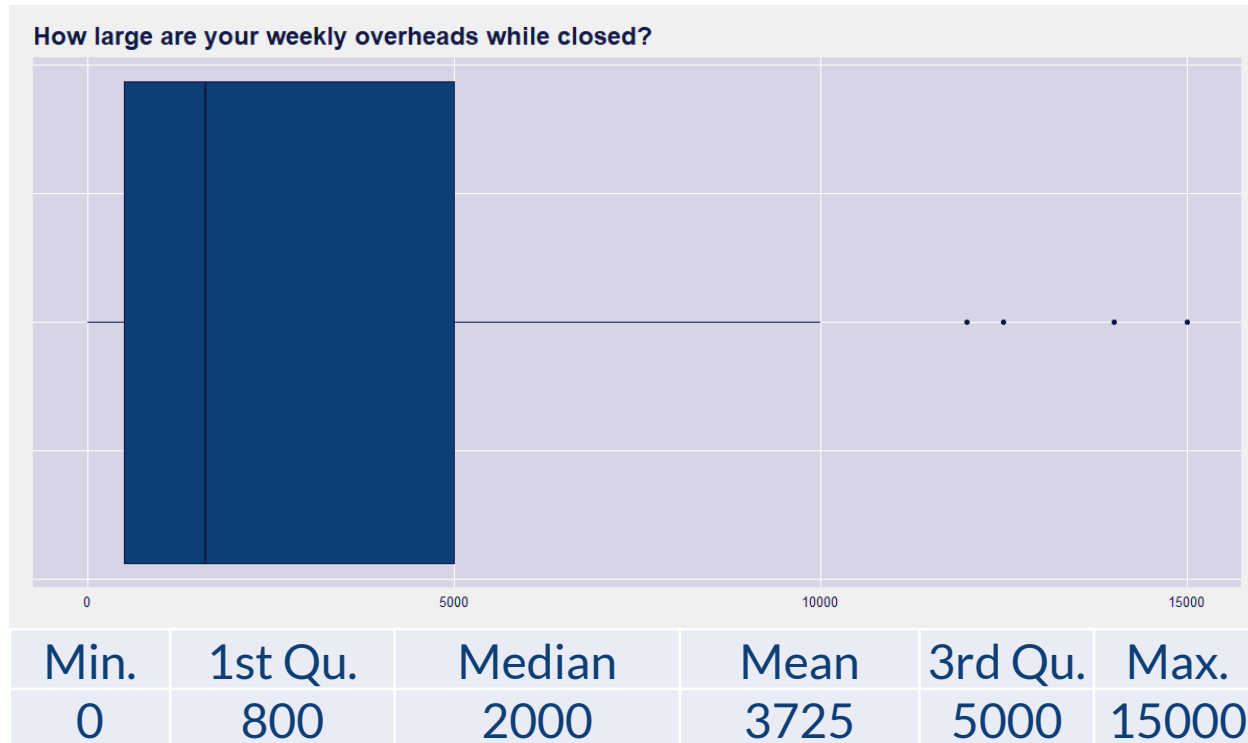
Closures



Half of all businesses will take at least two weeks to return to activity after the Covid-19 closures, with some seasonal sectors such as tourism expecting to be closed for 12 months.

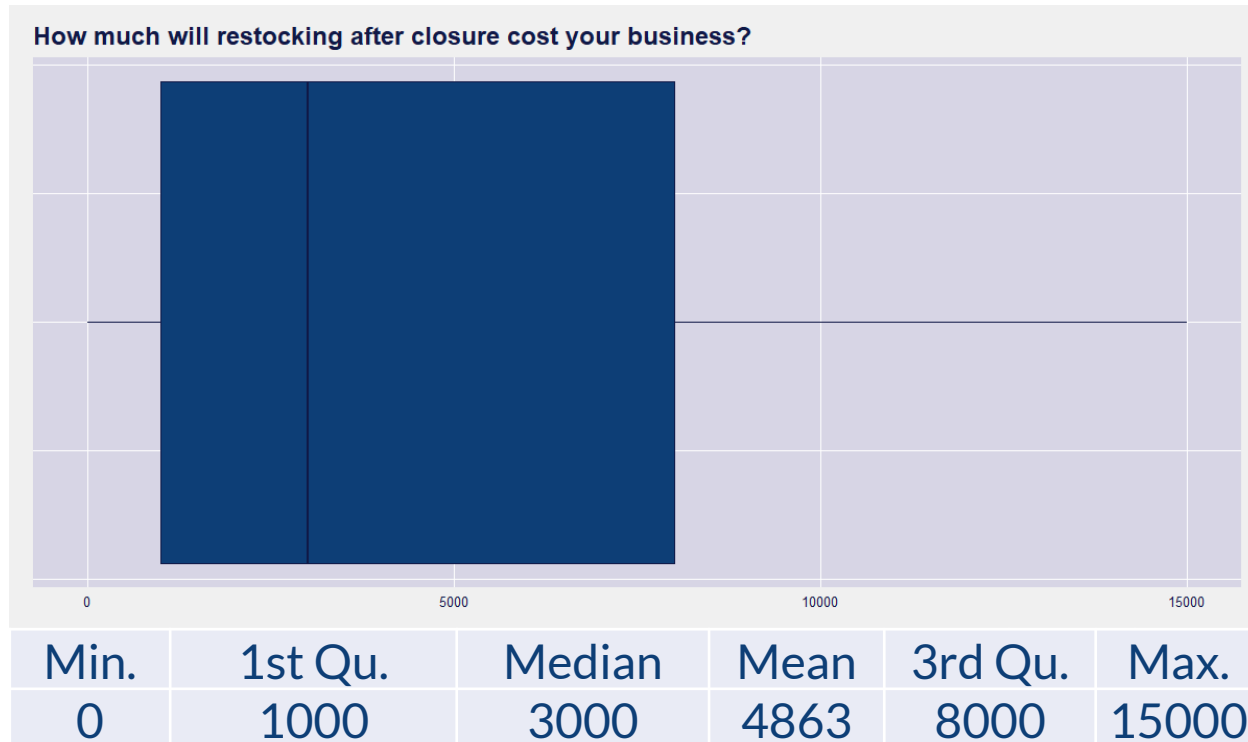


Closures



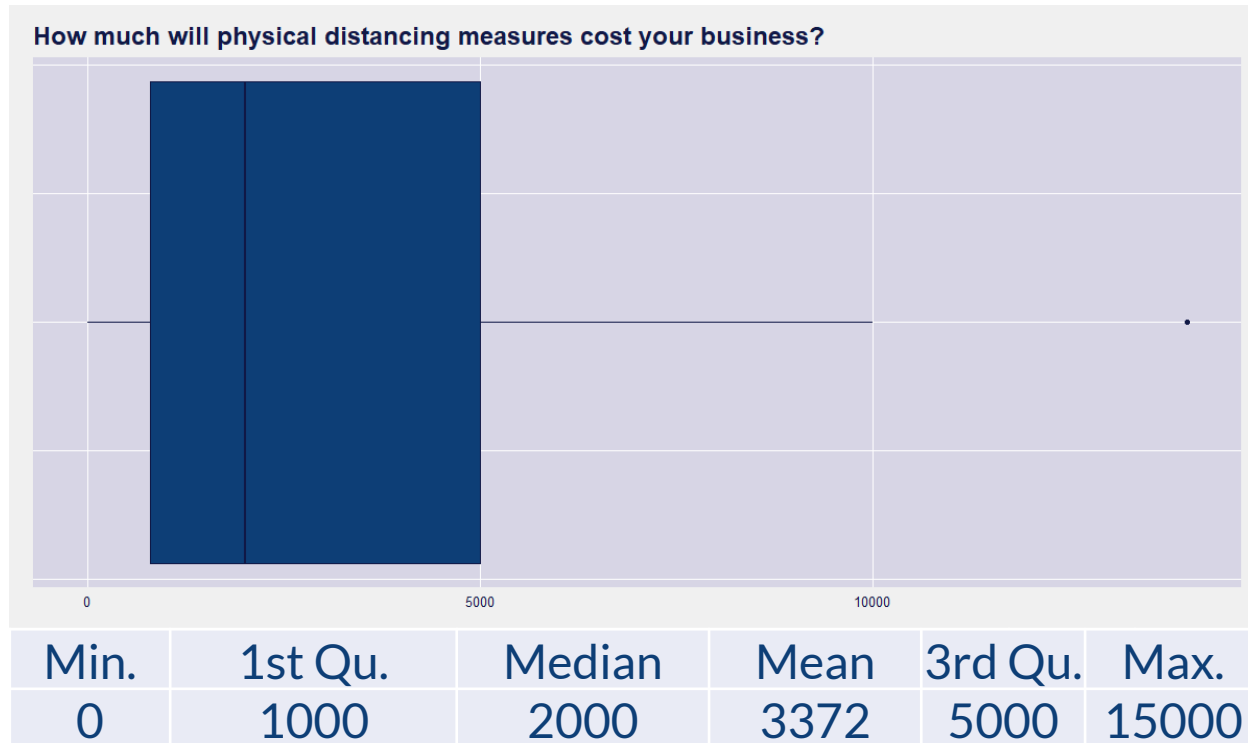
While the Temporary Wage Subsidy Scheme aids many businesses, overhead costs are mounting up over the period of closure, with liabilities typically accruing at €2000/week

Closures



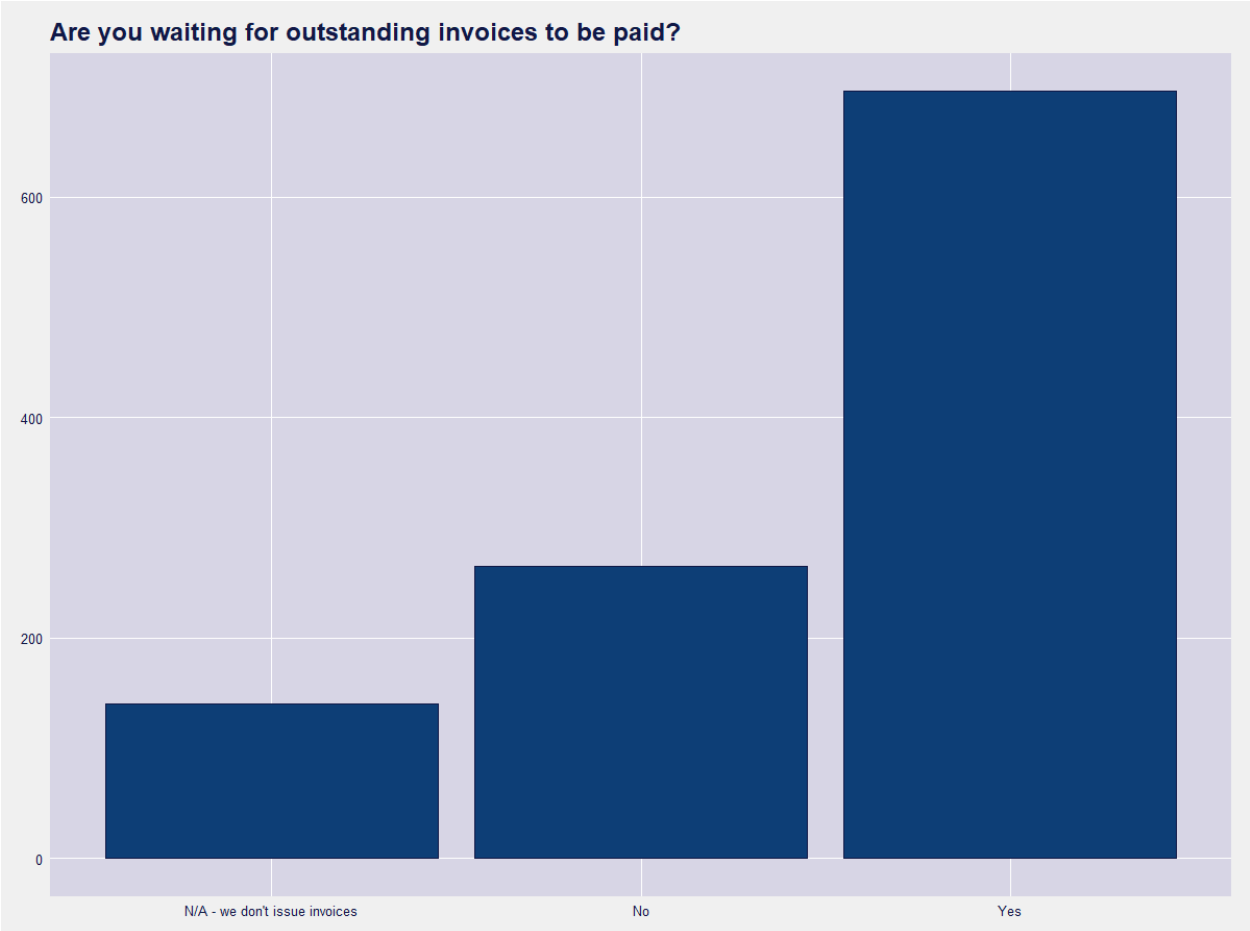
Restocking will prove to be a considerable burden for many businesses which will need to do it. The typical value required will exceed €3000, but more than 25% will need multiples of that

Closures



The Health & Safety requirements necessary for ensuring appropriate physical distancing will be another considerable cost for businesses

Invoices Outstanding

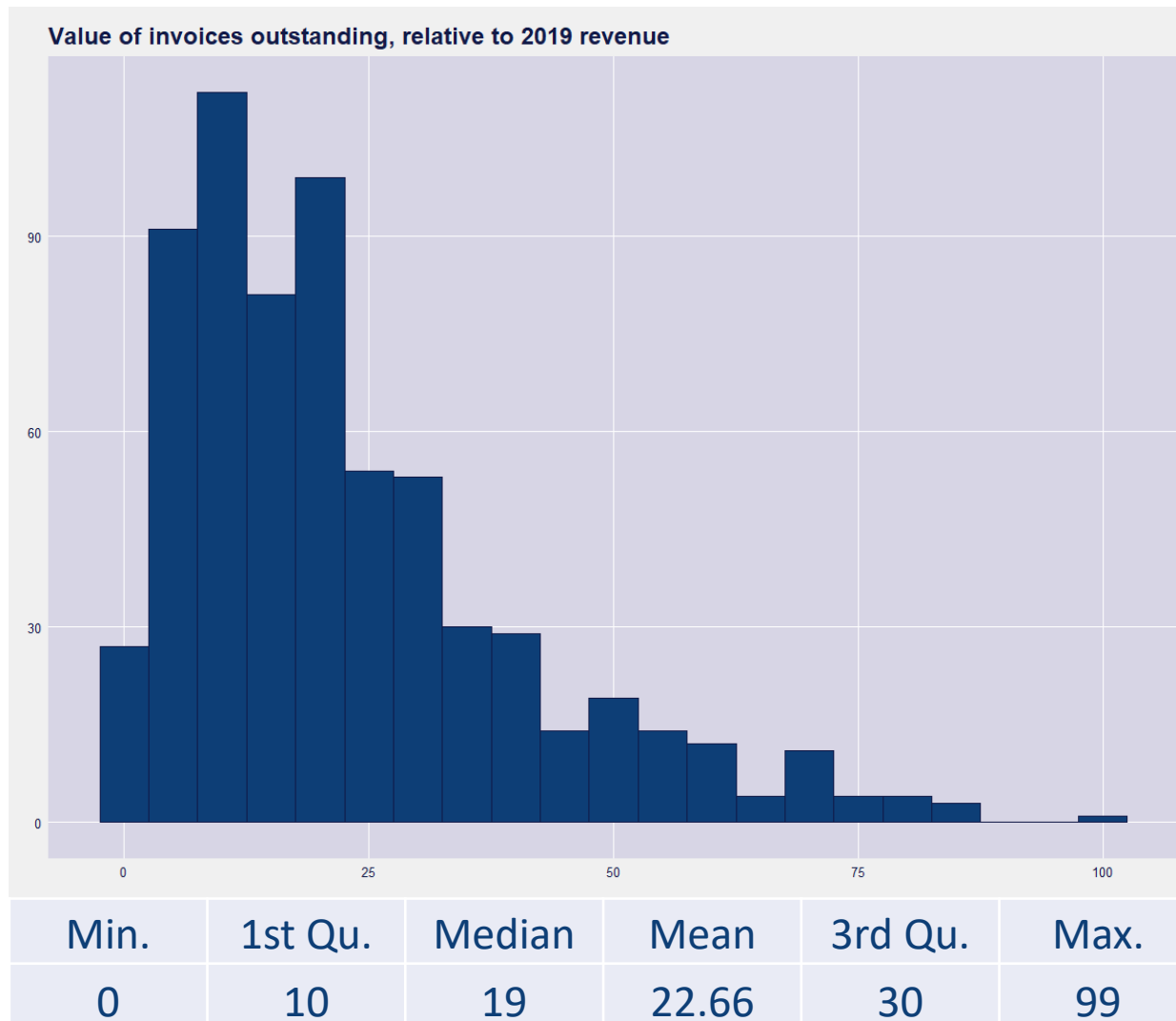


Don't issue invoices	No	Yes
140	265	696
14%	26%	68%

Liquidity is becoming a bigger issues, even for businesses which are still active

Currently, 68% of businesses have invoices which are outstanding

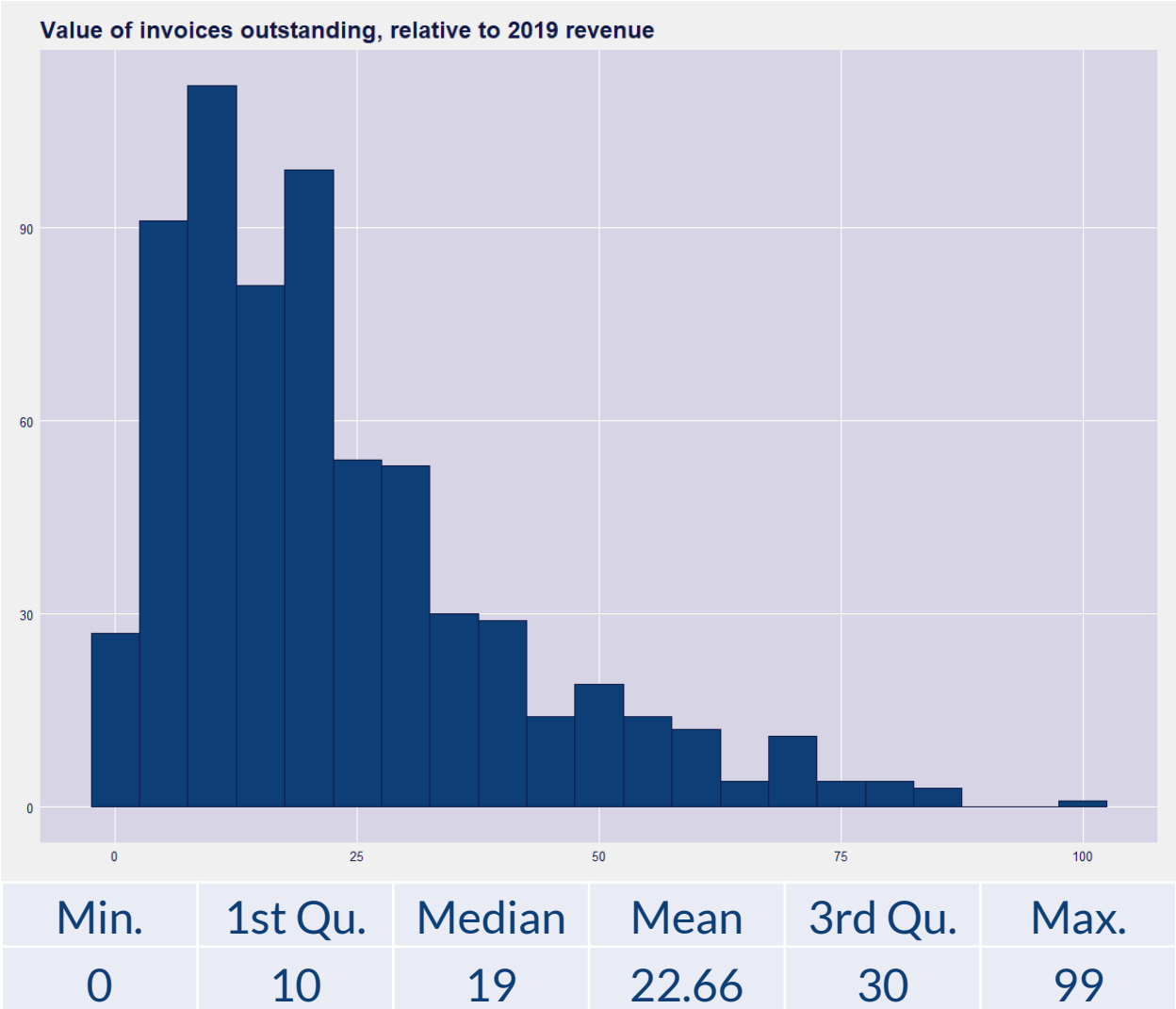
Invoices Outstanding



Even while looking at a Q2 which will typically see revenue decline by at least 60%, many businesses are also looking at considerable arrears developing with many clients

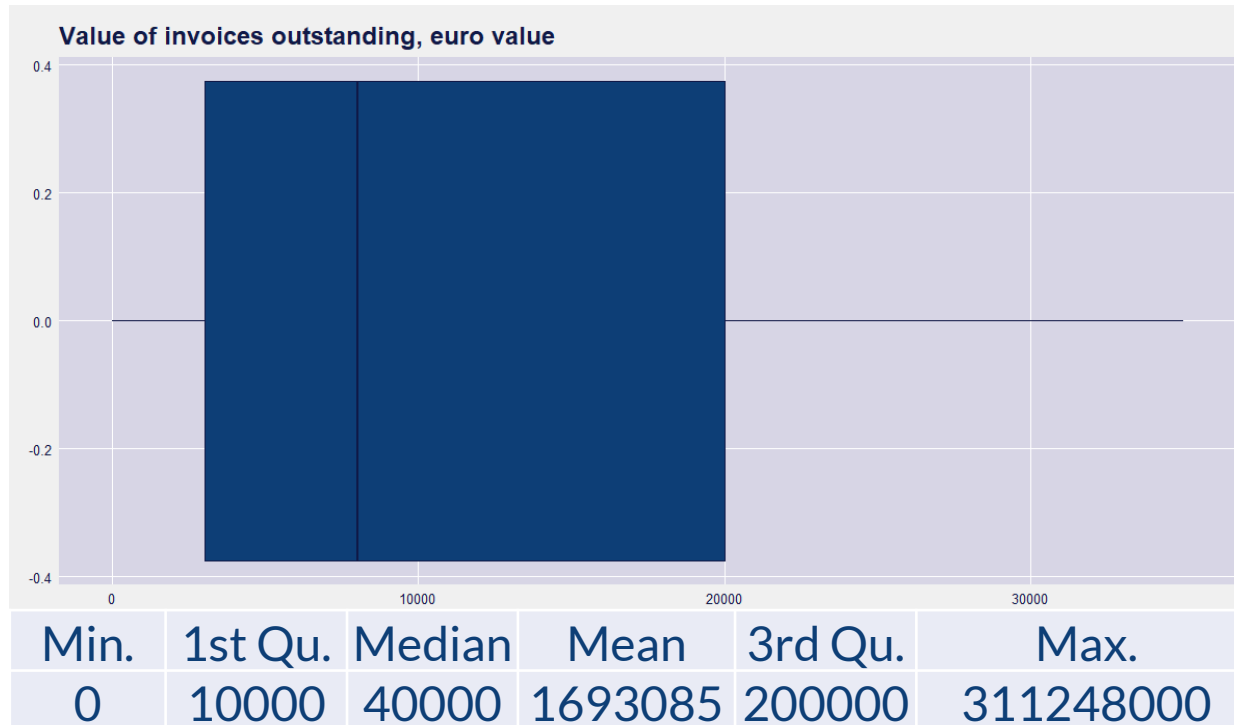


Invoices Outstanding



Even while looking at a Q2 which will typically see revenue decline by at least 60%, many businesses are also looking at considerable arrears developing with many clients

Invoices Outstanding



Over half of the respondents had sums owed to them which were in excess of €40000

Even among those owed less than €40000 25% of respondents are owed in excess of €20000