



Firm-level survey on the impact of COVID-19

Preliminary results for Lao PDR



UNIDO PRS/RPA

Presented by UNIDO County Office Lao PDR

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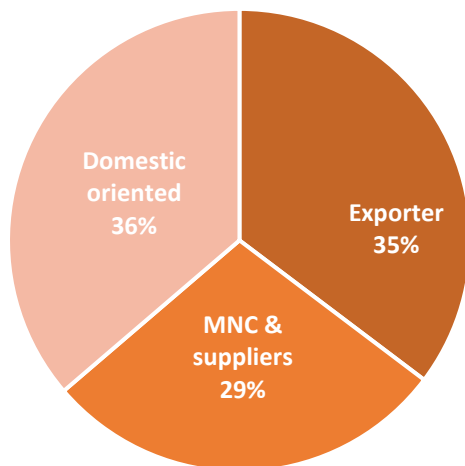
I. The sample



Total Sample: 102 firms

Distribution by type, size and sector

By type



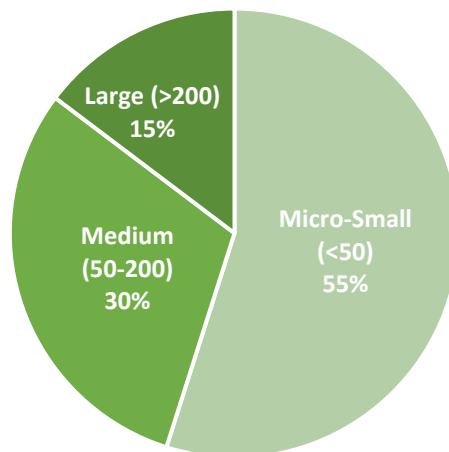
MNC & suppliers = Firms that either:

- a. Are subsidiaries of foreign MNCs
- b. Produce intermediate inputs and sell a large share to domestically located MNCs

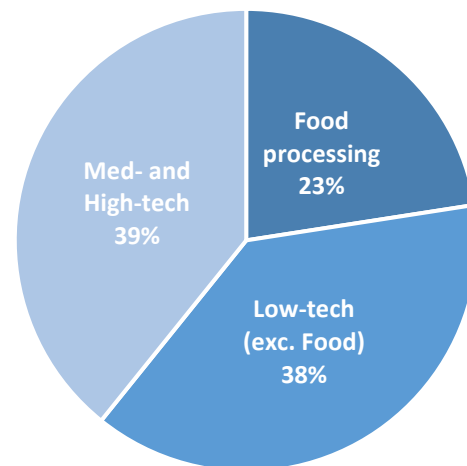
Exporter firms = Firms that sell part of production (>25%) abroad

Domestic-oriented = Non MNC suppliers that produce mainly for the domestic market

By size



By sector



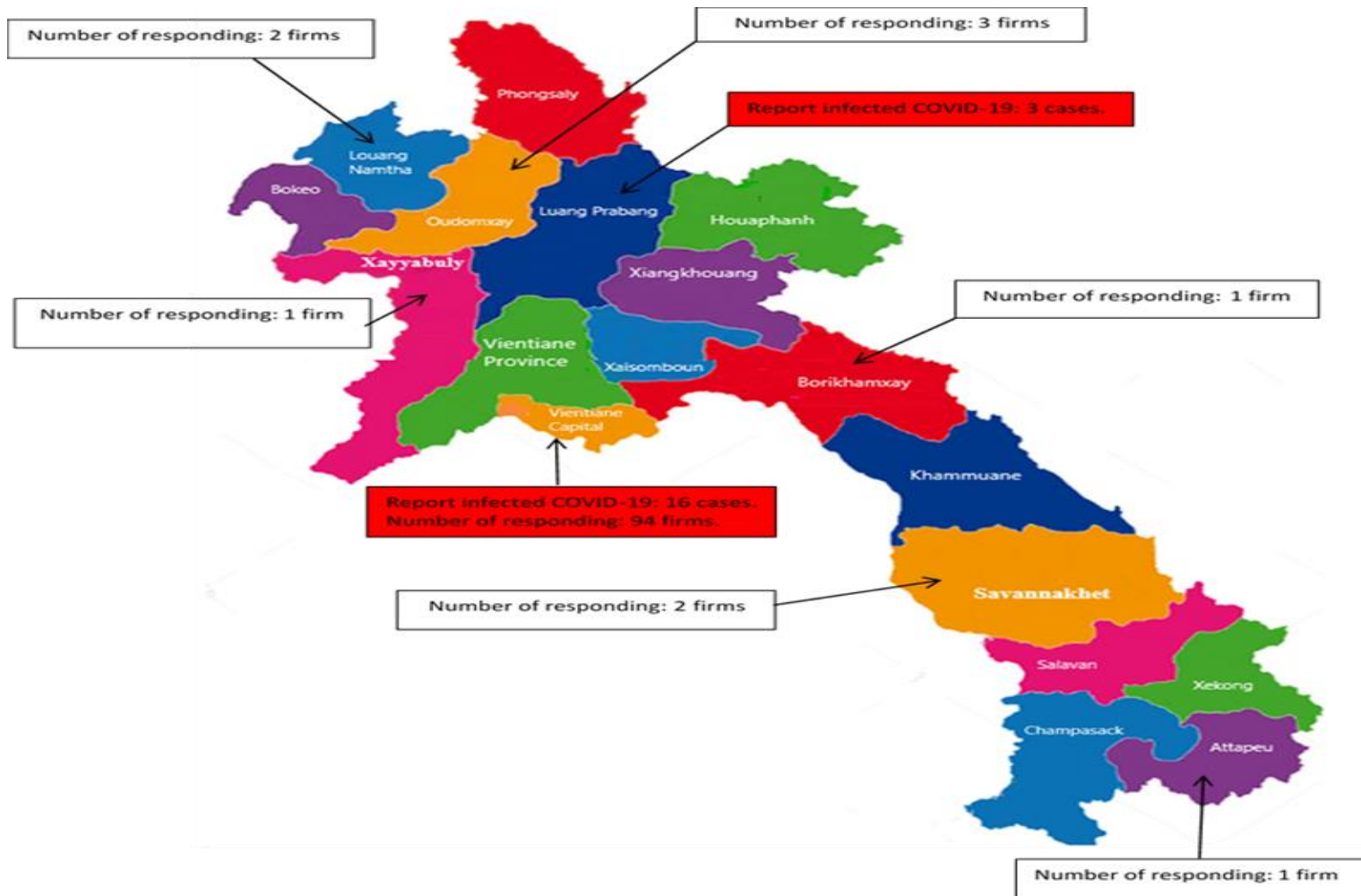
Low- tech includes:

Furniture [17], apparel [14], leather [3], wood [2], recycling [2], paper [1]

Medium- and High-tech includes:

Plastics [13], basic metals [9], medical instruments [6], non-metallic products [5], electric machinery [3], chemicals [2], petroleum [1], machinery [1]

Responding Firms' Location



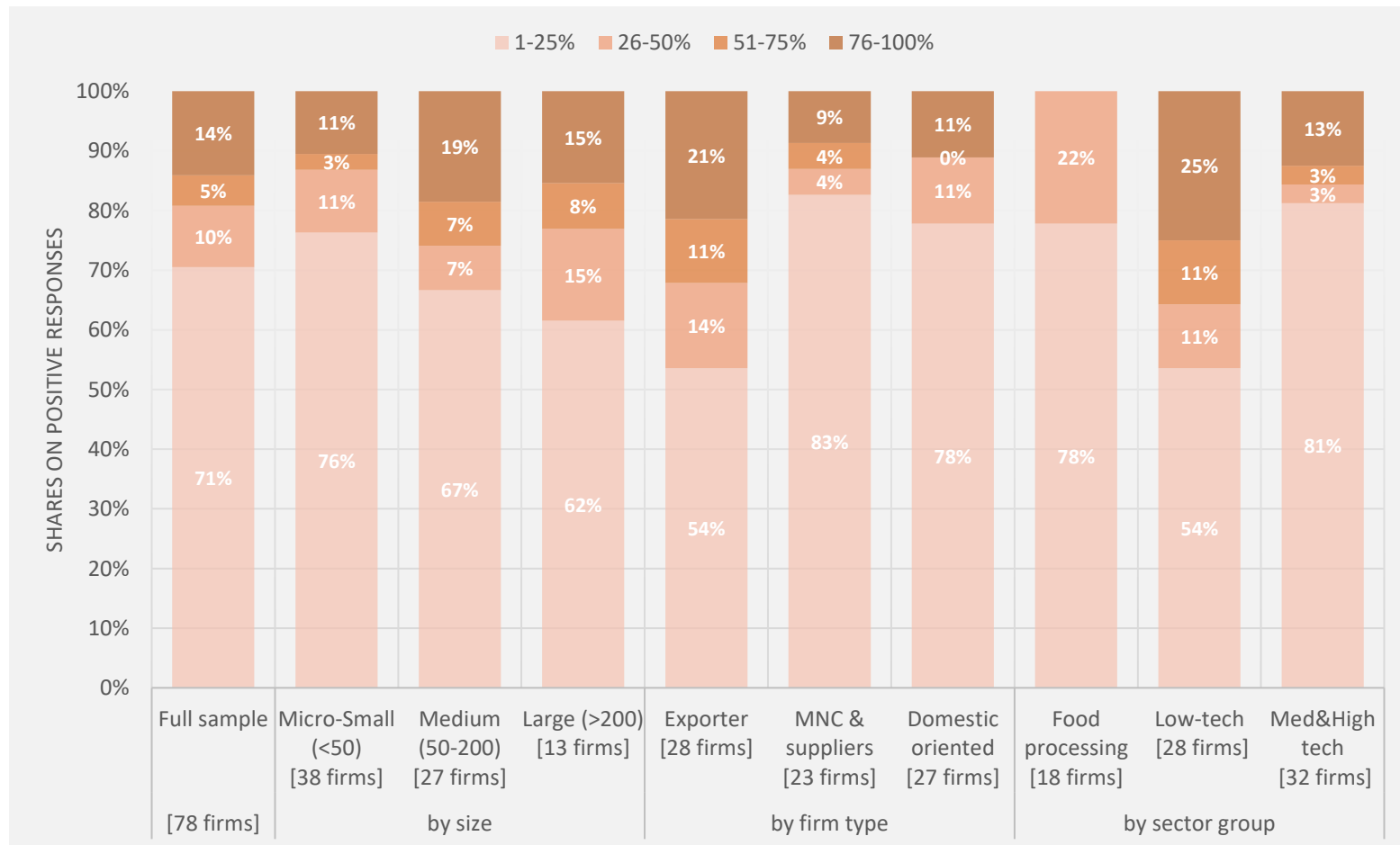


II. Current impact of COVID-19



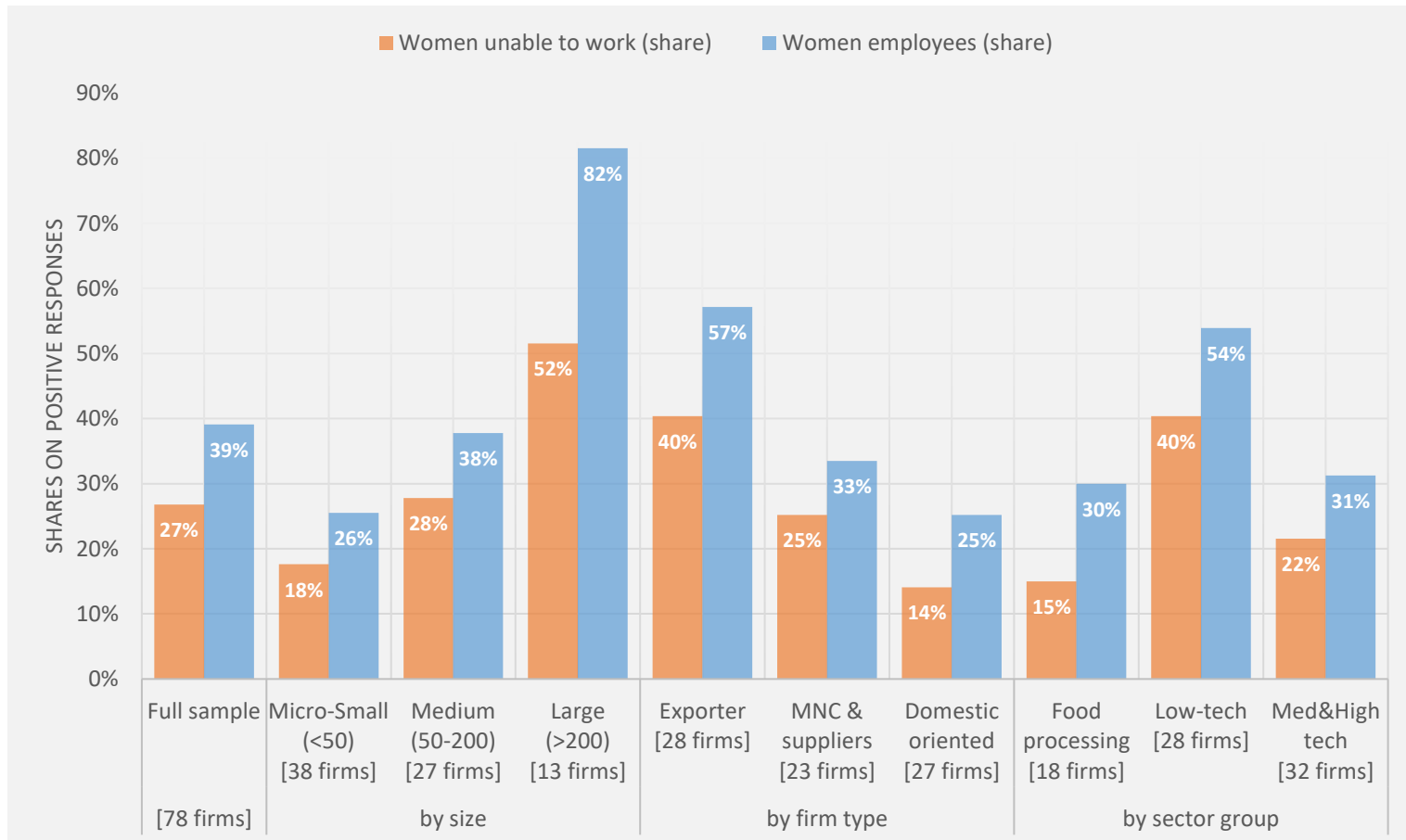
Employees unable to work [Q.1]

Exporters and low tech are the most affected



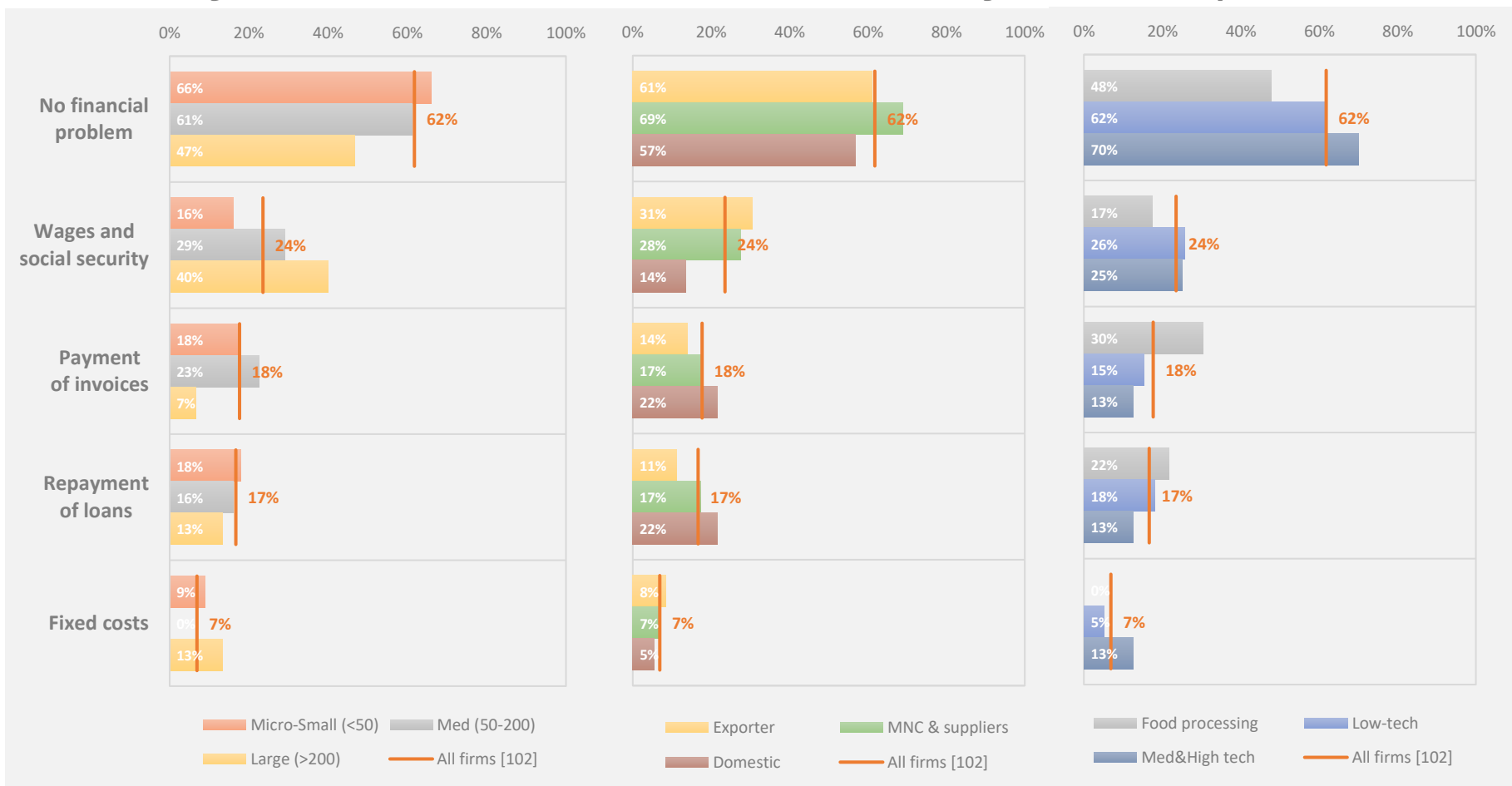
Impact on Female Employees [Q.1.1]

Women employees are proportionally less affected than men



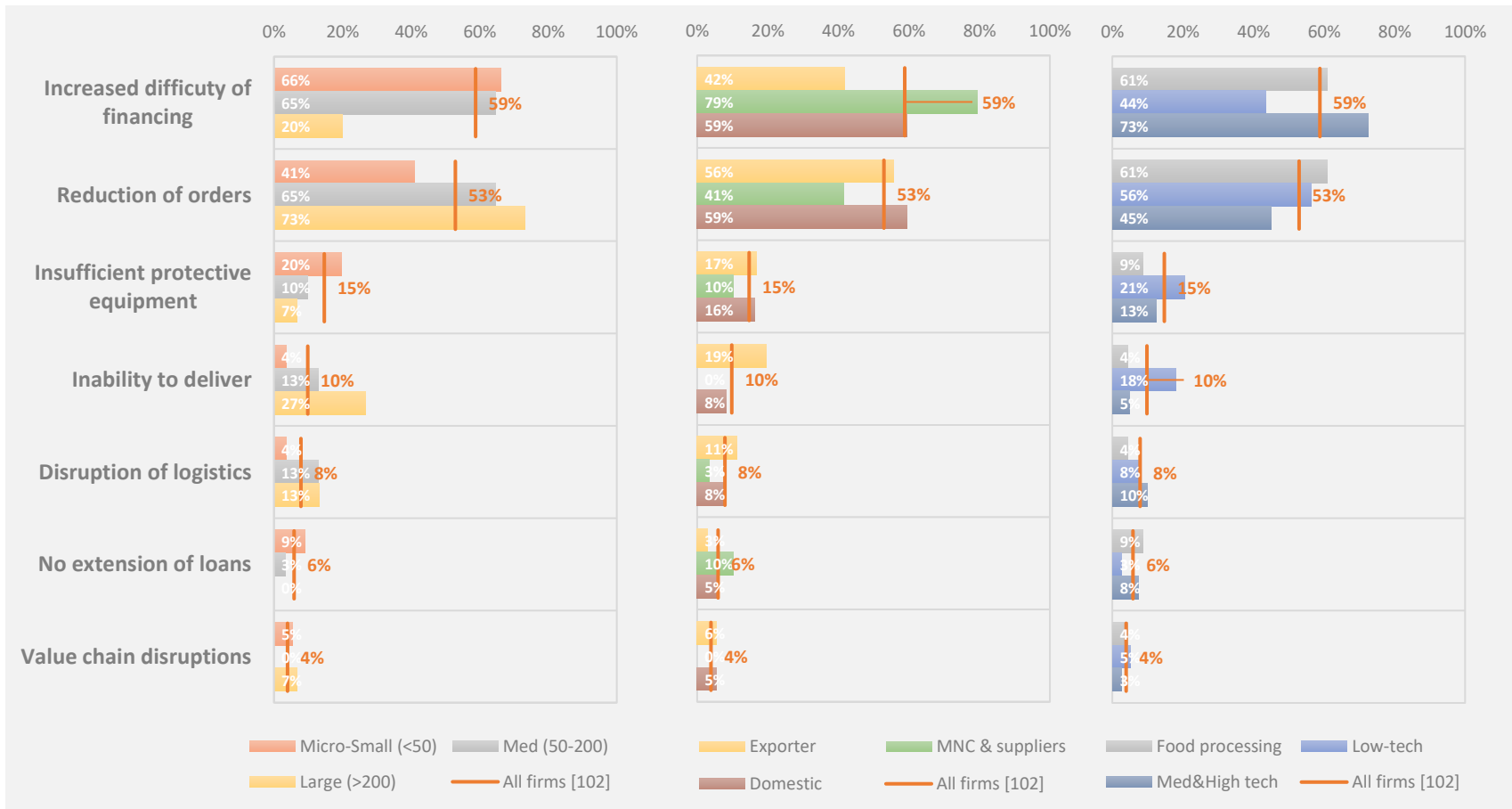
Main financial problem [Q.2]

Most firms are not concerned about financial problems



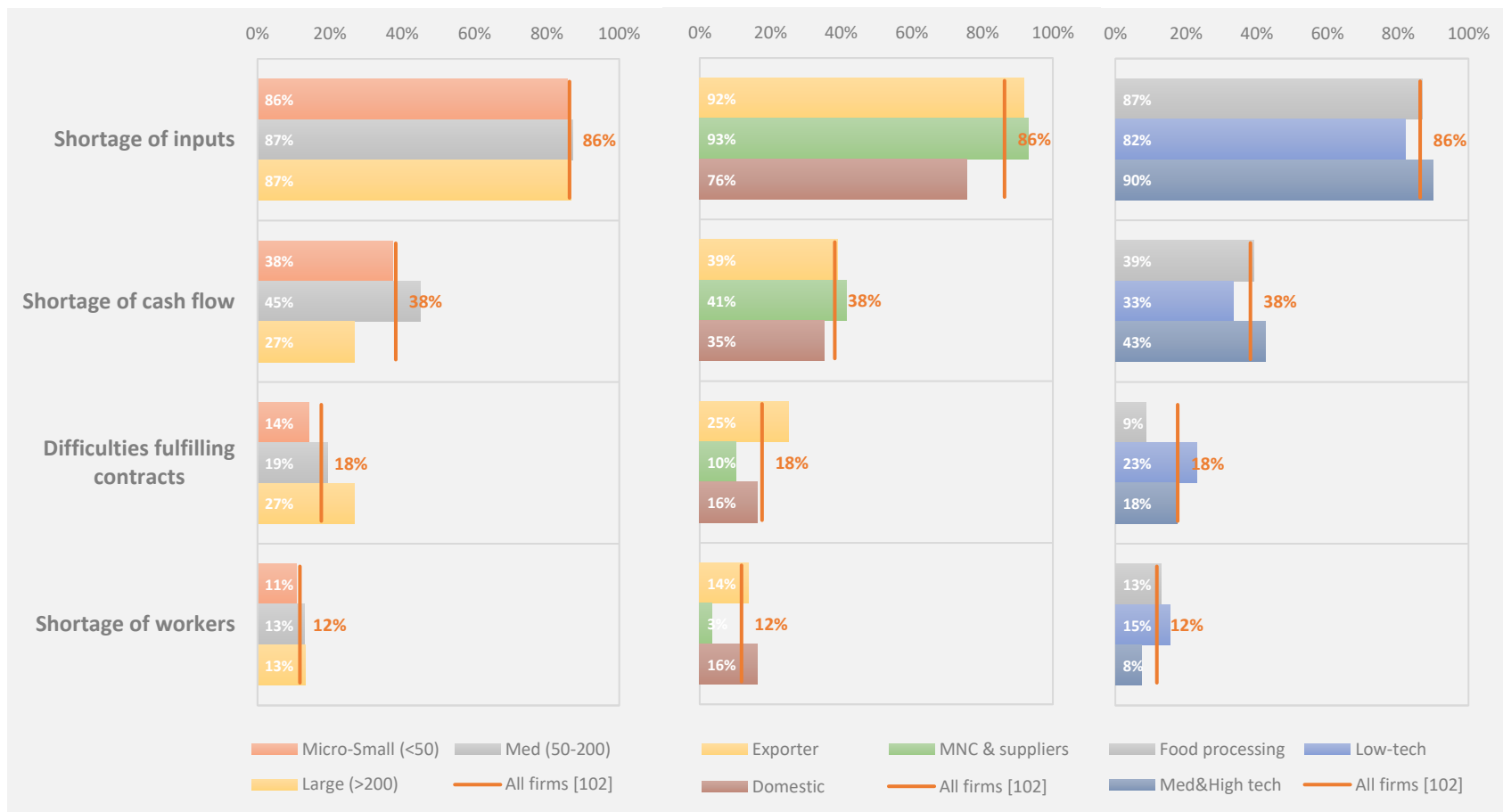
Main business problem [Q.3]

However, they report increasing difficulty of financing



Main operating problems[Q8-11]

What really concern firms is the shortage of inputs



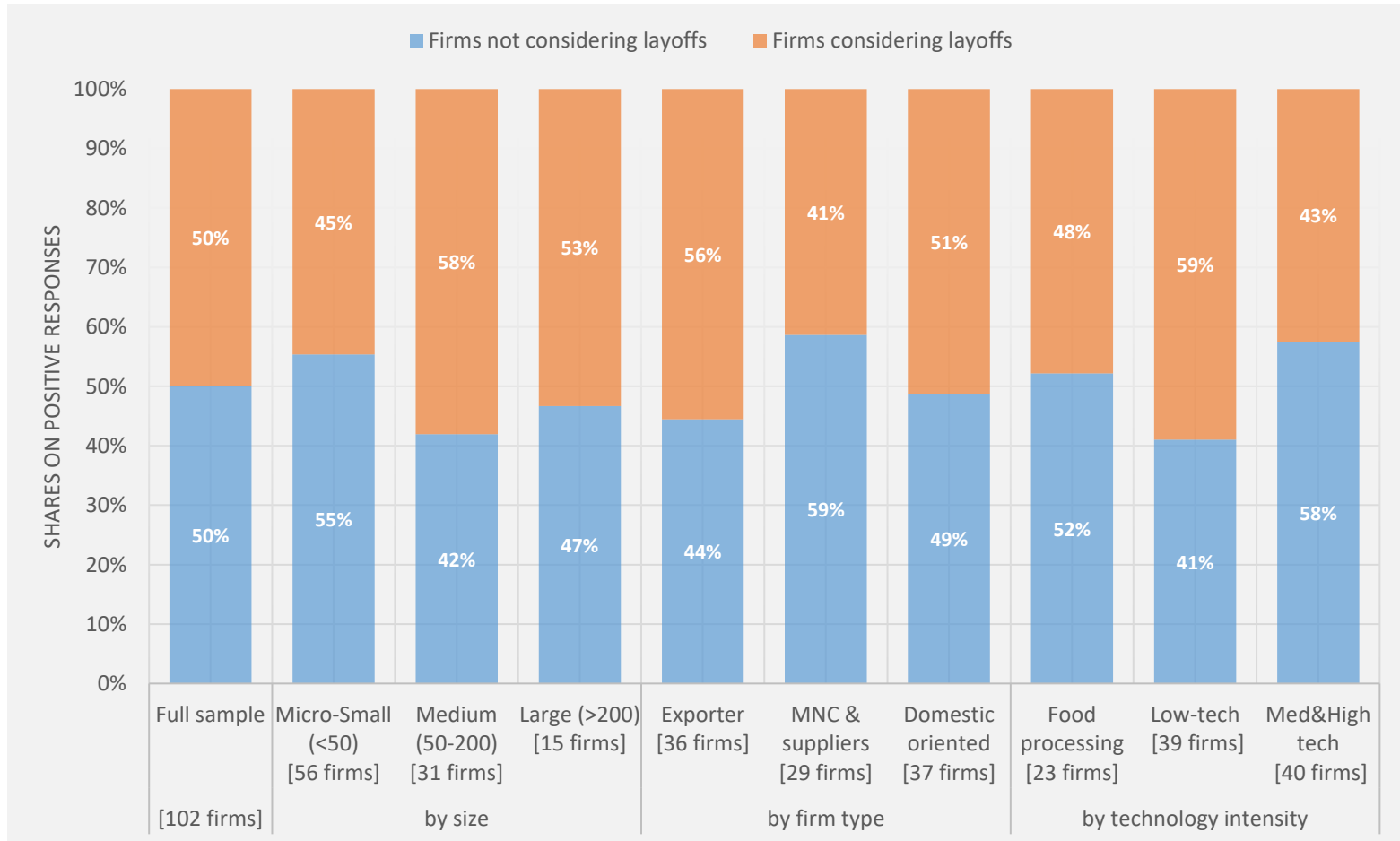


III. Expected impact of COVID-19



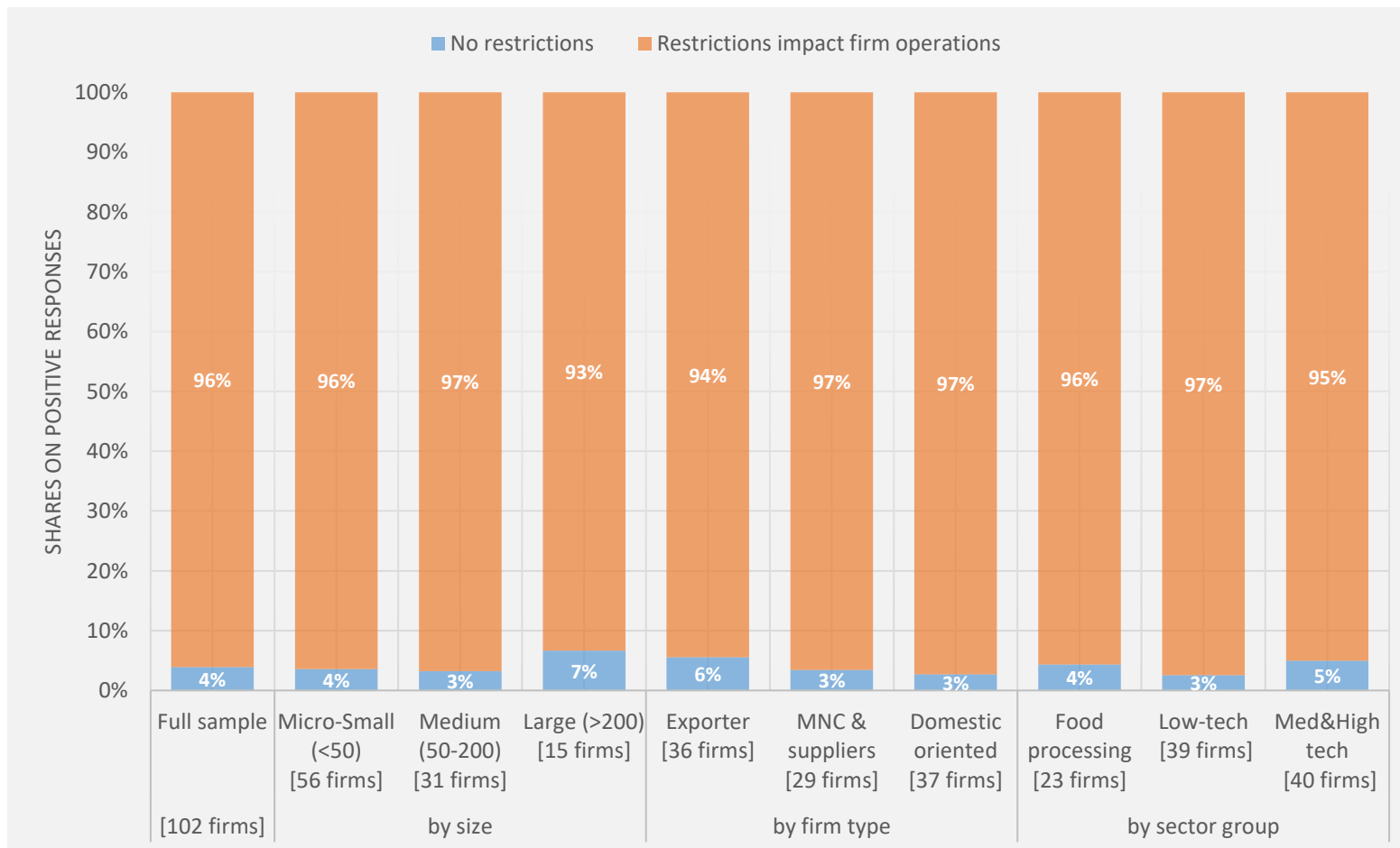
Impact on employment [Q.5]

Half of the sample is considering cutting jobs



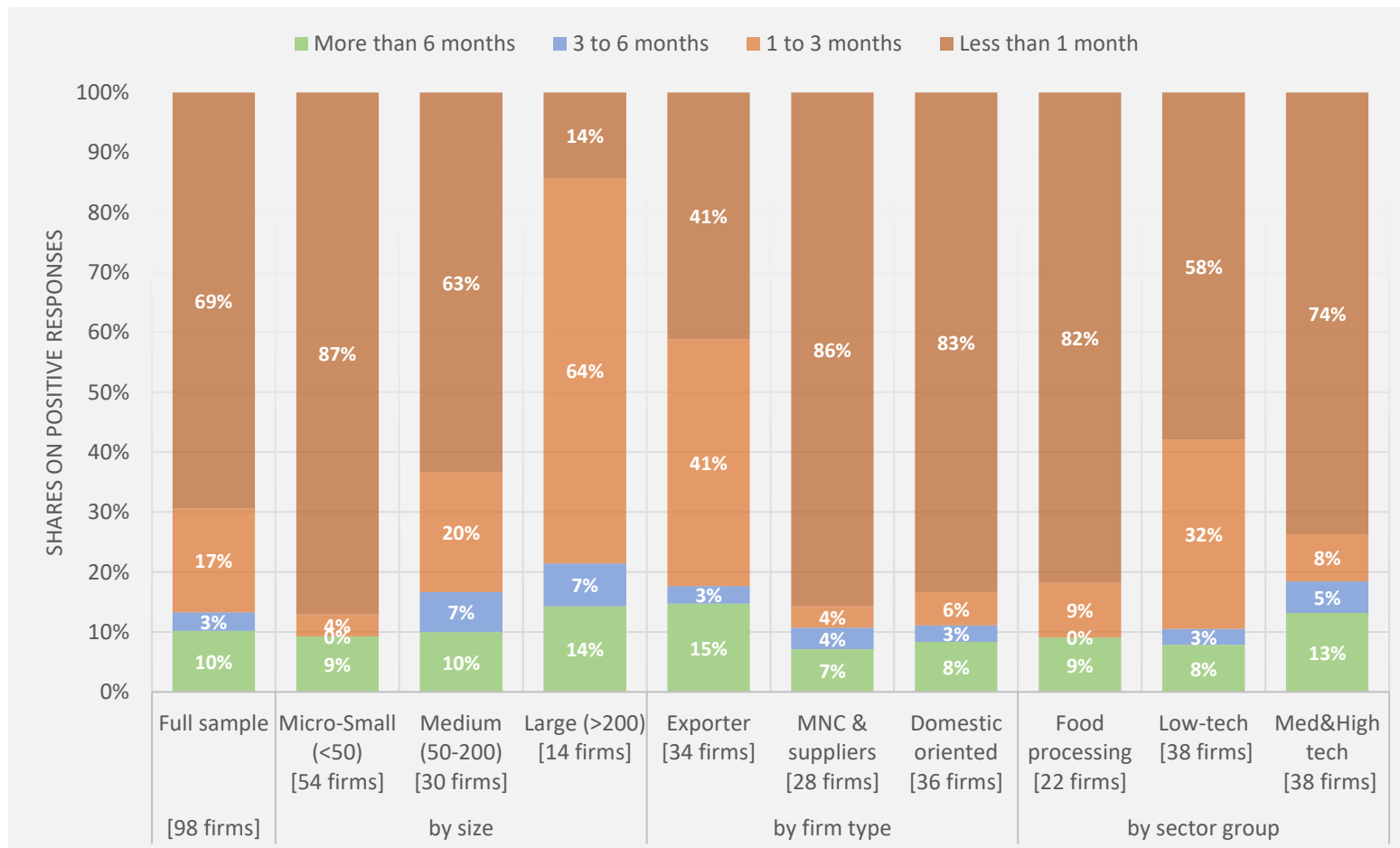
Government restrictions [Q.6]

Almost all firms are equally affected by restrictions



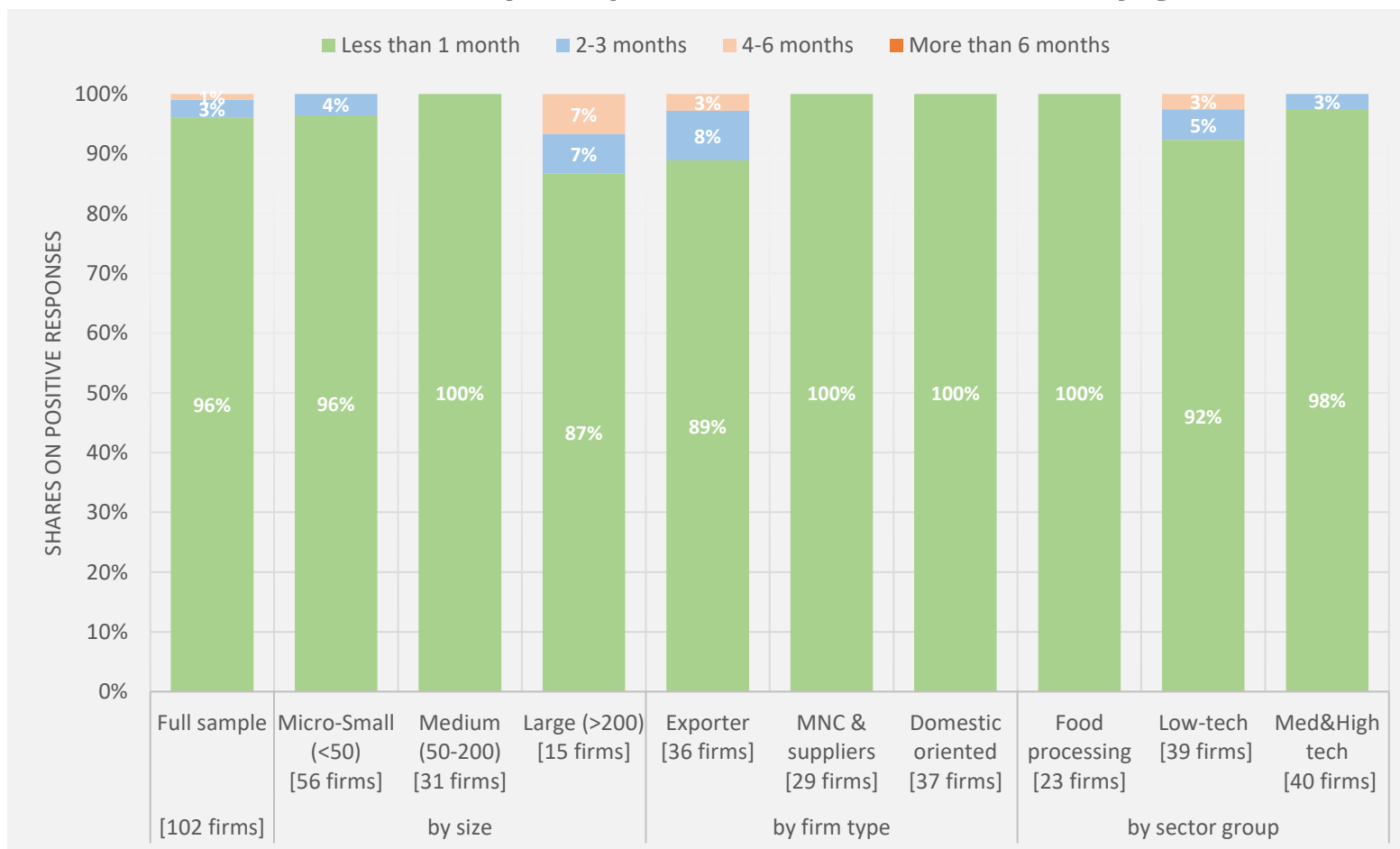
Expected survival with current restrictions [Q6.1]

Almost 70% of firms to close operations within 1 month!



Expected time to get back to normal [Q.7]

However, they expect to recover very fast



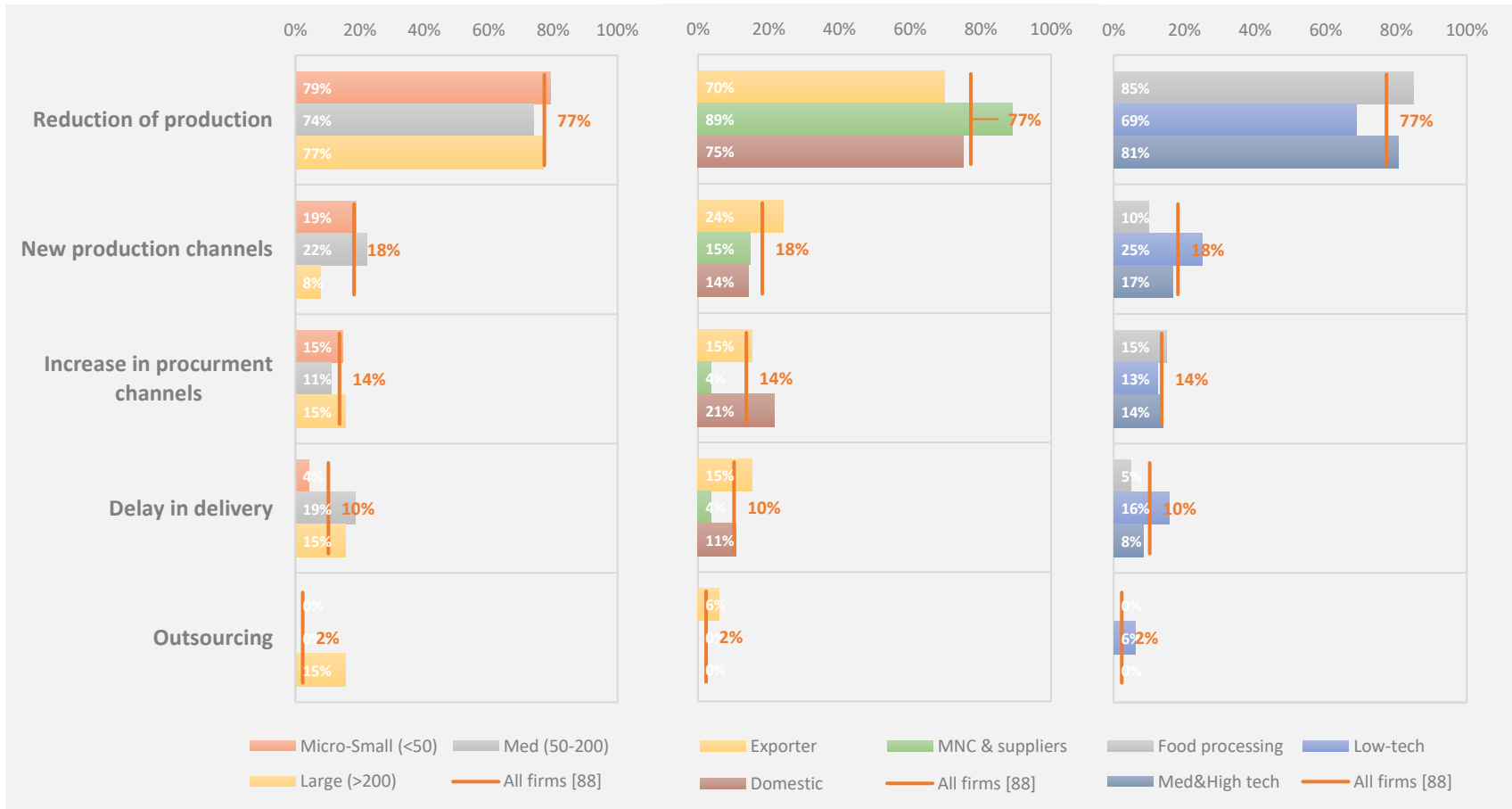


IV. Dealing with COVID-19



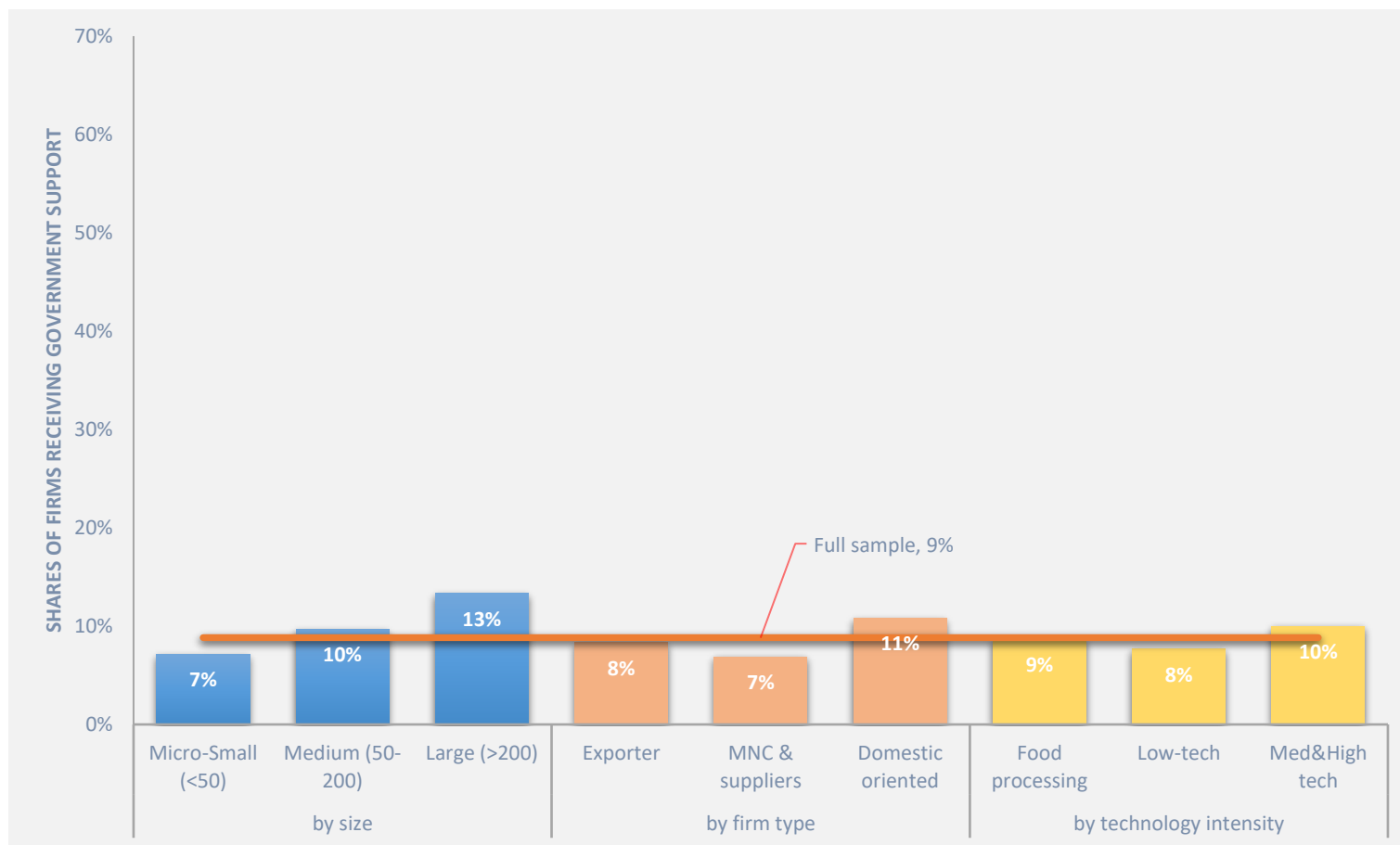
Dealing with shortage of inputs[Q.10]

Reducing production is the main strategy



Who is receiving government support? [Q.12]

Less than 10% of the sample is receiving support



What policies should be applied? [Q.13]

Firms indicate reductions in taxes and utilities



Some Recommendations

- **Additional Immediate actions and interventions:**

- Setting up task force consisting of relevant line ministries and private sector to provide actionable solution easing the situations and challenges for operations
- Shortening the lead time for implementing supported policies and relieve measures of the government with a clear implementation guidance
- Urgently reaching out SMEs including micro producers and those low-tech firms for any financial and taxation related supports
- Classifying safe zone, or high, medium and low risk infection zone for manufacturing to ensure health safety measures, but still enable the manufacturing firms keep operation and minimum disruption
- Setting up an initial platform for industry where all firms could participate and share their challenges and issues, and opportunity matching for suppliers and buyers as well as technology
- Increasing the frequency of working closely and directly with manufacturing firms to ensure the status, situations and solutions have been mutually agreed upon and effectively take action

Some Recommendations *(continue)*

- **Medium term plan and strategy for recovery better, stronger and greener toward ISID**
 - Taking a full assessment of industry sector after the first wave of COVID-19
 - Developing a National Industry Recovering Plan
 - Designing a specific strategy for promoting private and public partnership in innovation, products diversification
 - Promoting ICT and technology for “new normal” way of living and preparing for digitalization readiness toward Industry Revolutions 4.0
 - Further ensuring the quality and safety of products for consumers and firms’ productions per national or international safety stands
 - Introducing human resource capacity building plan for both private and public sector to be ready for digitalization and new normal way of living
 - Promoting domestic demand for domestic products

Some Recommendations *(continue)*

- **Long term development strategy and policies for achieving ISID and SDG goals**
 - Continuing data collection of those manufacturing firms and all industry sectors to ensure sufficient and long-term data available
 - Further revising and improving Developing Policies to promote sustainable and inclusive industry and resilient in manufacturing sector
 - Promoting international partnership for industry development and building up an incentive scheme thorough quality investment and public-private partnership collaboration
 - Building up a stronger and better industry development platform
 - Establishing national industrial standards for promoting cleaner and learner manufacturing practices



Thanks for your attention!

