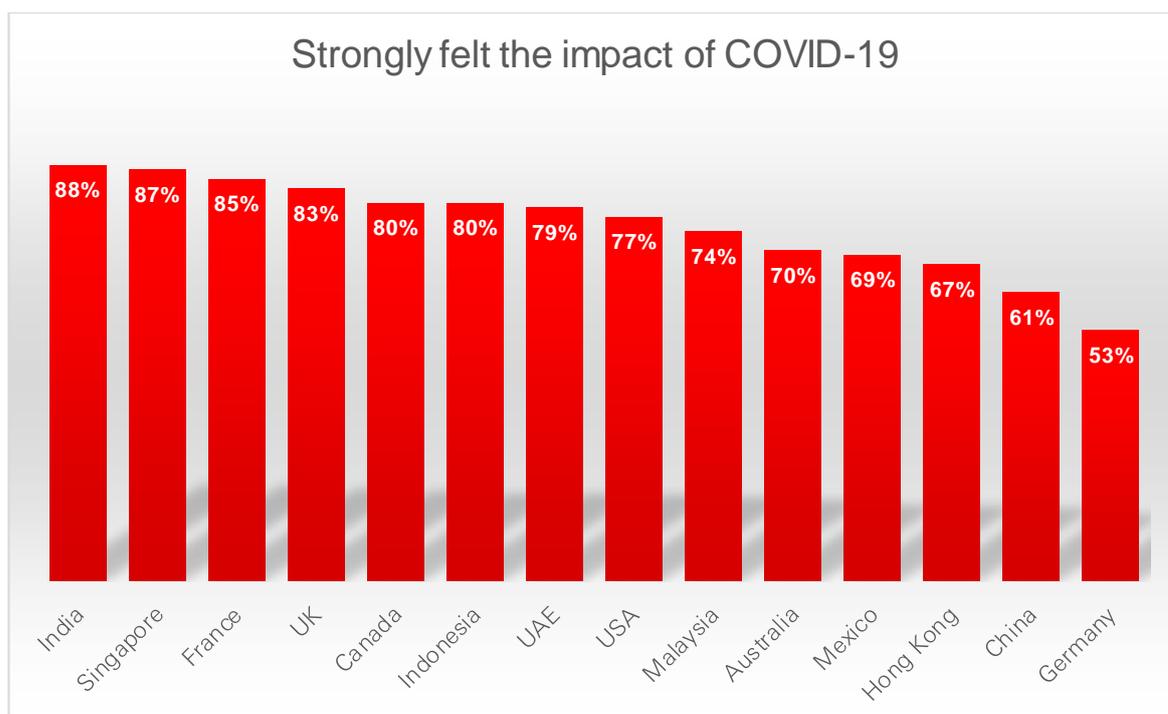


British businesses among the most impacted by COVID-19

British businesses felt a stronger impact from COVID-19 than companies globally, according to a new report from HSBC UK.

The findings, drawn from a survey of over 2,600 companies in 14 countries and territories, show 83% of UK firms strongly felt the impact of COVID-19 compared to 72% of businesses globally. India (88%), Singapore (87%) and France (85%) were the only markets to report a greater impact from the pandemic.



UK firms are planning to significantly adapt their operations in the future, with almost three out of five (58%) admitting they could have done more to prepare.

Before COVID-19, British businesses had focused on three main actions to build resilience; investing in technology, diversifying their business and consolidating their financial position.

To build resilience in the future, companies said they will focus on:

- **Flexible working** - more than two thirds (67%) expect to incorporate new working practices, most notably through allowing employees to work from home, operating from multiple locations and investing in tools to support collaboration.
- **Technology** - more than half of firms (55%) expect to invest in technology/innovation and a quarter identified it as their top priority.
- **Supply chains** – businesses identified increasing supply chain security (58%) and increasing transparency/traceability (38%) as the two key areas to

focus on when considering supply chains. They will focus on digitising more of their supply chain, diversifying to work with more suppliers and making their supply chain more environmentally sustainable.

- **Sustainability** - more than a third (37%) of firms say sustainability is more important than ever before and a significant majority (87%) agree that the need to review their operations will enable them to do so on firmer environmental foundations.

Amanda Murphy, Head of Commercial Banking for HSBC UK, said: “In the last four months, British businesses have experienced a challenge unlike anything they have ever seen.

“A huge proportion of companies were forced to close overnight and their responses to the challenges that they have faced have been inspiring. We’ve seen customers innovate and diversify at a pace we’ve never seen before, showing tenacity, commitment and a true entrepreneurial spirit to survive despite the uncertainties.

“As business leaders look to the future it’s more important than ever to build resilience into their plans, to make sure they can navigate these new trading conditions.”

HSBC UK will be staying close to customers to support them as lockdown restrictions lift. The Bank is urging businesses to take time to plan and consider a number of factors, including:

- **Diversification** – being flexible and adaptable to change will be of paramount importance throughout the rest of the year. Many businesses have diversified to survive, whether it’s manufacturers adapting to build partitions for retail, or breweries producing hand sanitiser, firms have overhauled their usual business operations to keep trading and to support the response to the pandemic.
- **Innovation** – the pace of change of technology has been enhanced by the pandemic and businesses should consider how they can embed this into their normal operations. Restaurants and pubs have designed online or app-based tools at great pace to make sure they could keep serving customers and reopen safely.
- **Working capital** – it’s essential for businesses to understand their cash flow cycle and how they may be able to support smaller businesses within their supply chains. There have been examples of food retailers paying small business suppliers early to support them and make sure they can keep essential products on their shelves.

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<https://www.about.hsbc.co.uk/news-and-media>

HSBC Navigator

The Navigator survey is conducted on behalf of HSBC by Kantar. It is compiled from responses by decision-makers at 2,604 businesses, ranging from small and mid-

market firms to large corporations, across a broad range of sectors. In total, 200 respondents are UK based. The respondents hold influence over their company's strategic direction and represent a broad range of roles: including c-suite, finance, procurement, supply chain, sales and marketing. A total of 14 markets were surveyed between 28 April and 12 May 2020.

- Americas: Canada, Mexico, USA
- Asia Pacific: Australia, Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore
- Europe: France, Germany, UK
- MENA: UAE

HSBC UK

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HSBC Holdings plc

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