

# GLOBAL SME POLICY NETWORK ([GSPN](#))

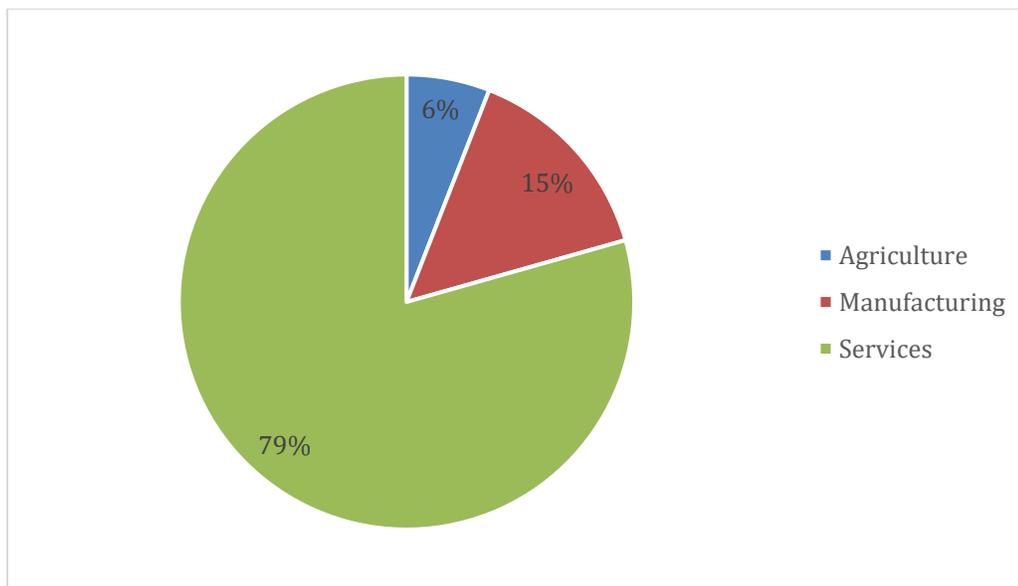
## GLOBAL SURVEY ON THE IMPACT OF COVID-19 ON SMALL BUSINESS

### Summary Findings

*The survey has been conducted among small and medium companies of RA. The companies have been received invitations for participation in the survey and the links of the survey via email. The total number of invitations is 52,169, with primary targeting of 44,713 enterprises that had both registered wage earners and positive income in 2020.<sup>1</sup> The survey was conducted from 28.03.2021 to 08.04.2021.*

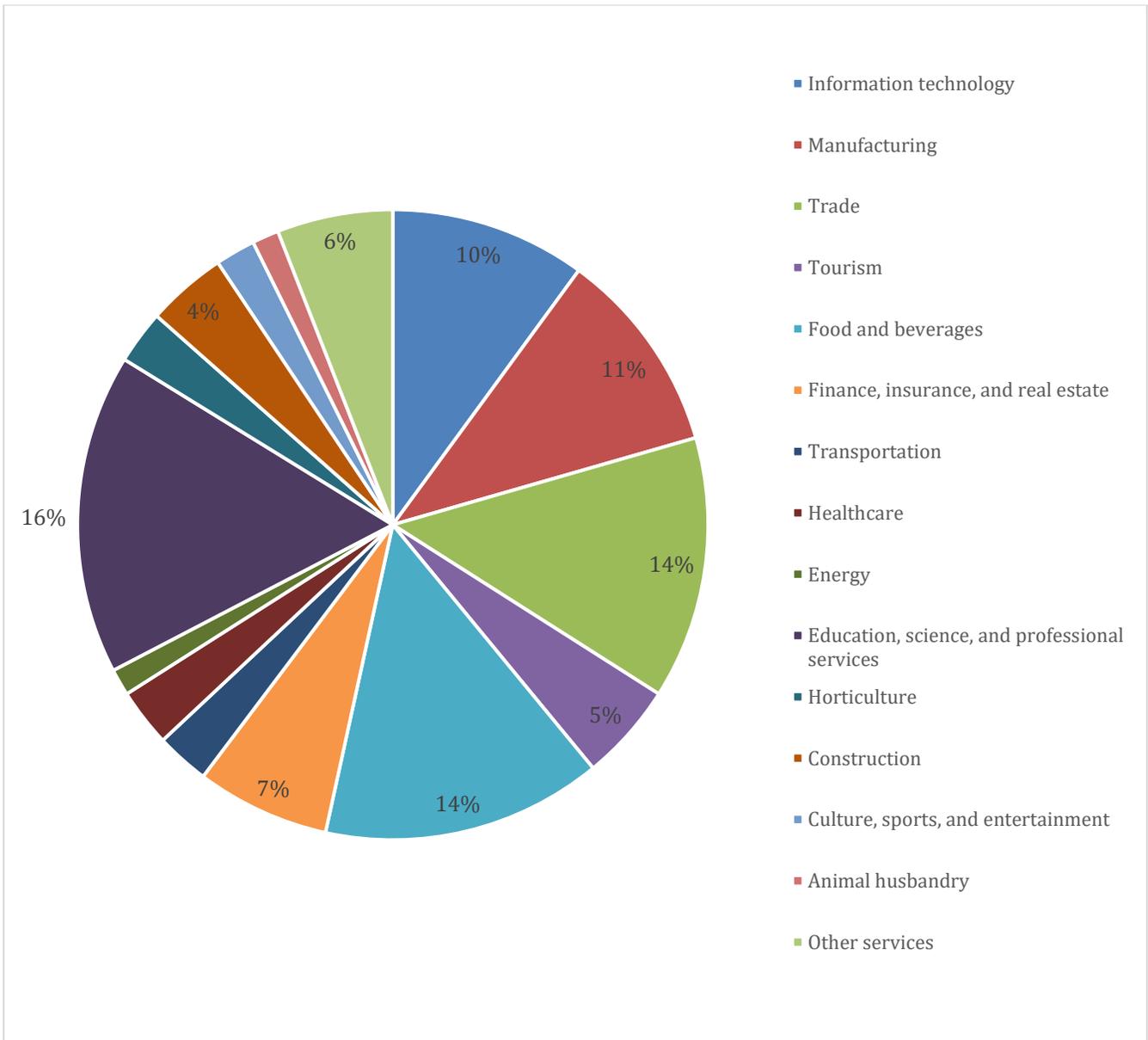
There are 458 valid responses in the survey. Most respondents (69%) stated that they are the owners of the enterprise. The average turnover of the surveyed enterprises in 2019 was around AMD 160 million, while the average number of workers in the same year was nine. [Figure 1](#) below presents the distribution of the surveyed enterprises by industries; [Figure 2](#) presents the distribution by sectors. As can be observed, most enterprises are in services, providing education and professional services, followed by wholesale and retail trade and food/beverages.

**Figure 1.** Surveyed Enterprises by Industries



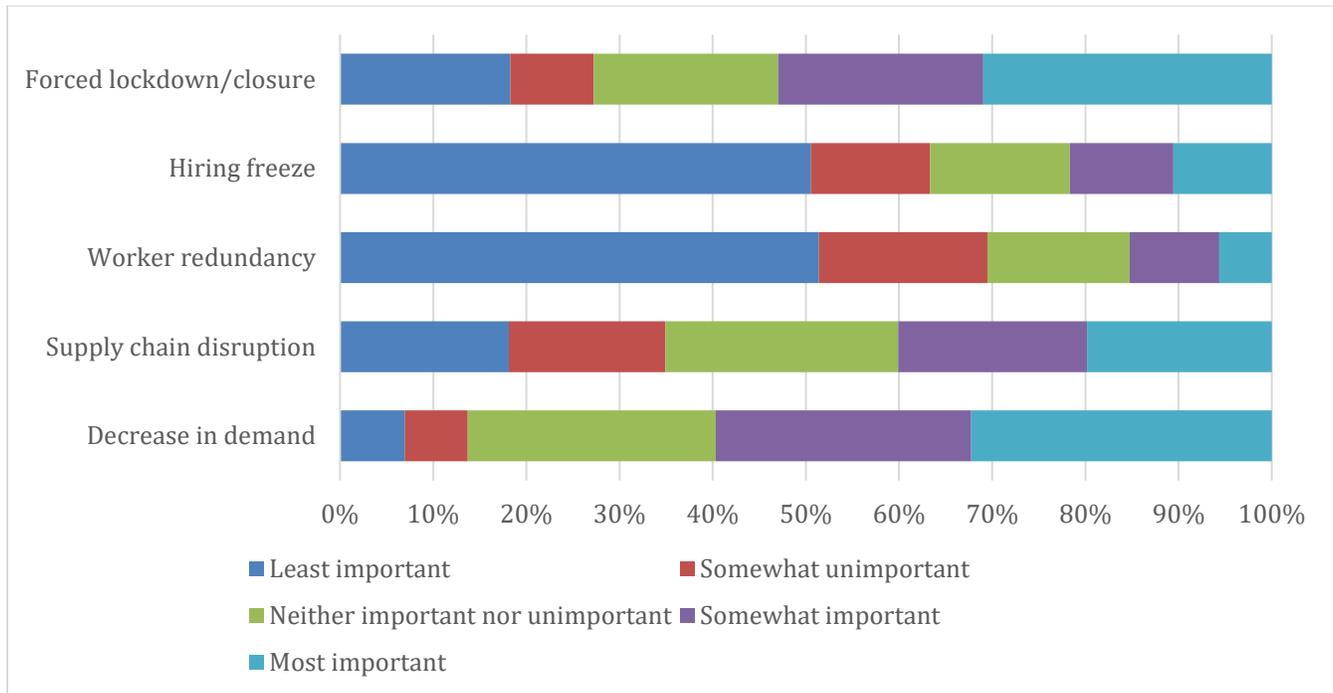
<sup>1</sup> According to the "[SMALL AND MEDIUM ENTREPRENEURSHIP IN THE REPUBLIC OF ARMENIA](#)" Report of the National Statistical Committee, in 2019 there were in total 75 180 companies in Armenia, of which 135 were large, 4 272 were small, 743 were medium sized. The greatest number of the enterprises were microenterprises 70 030, of which with 31 547 with 0 wage-earners. For most practical purposes, we can consider the survey to be statistically representative.

**Figure 2.** Surveyed Enterprises by Sectors



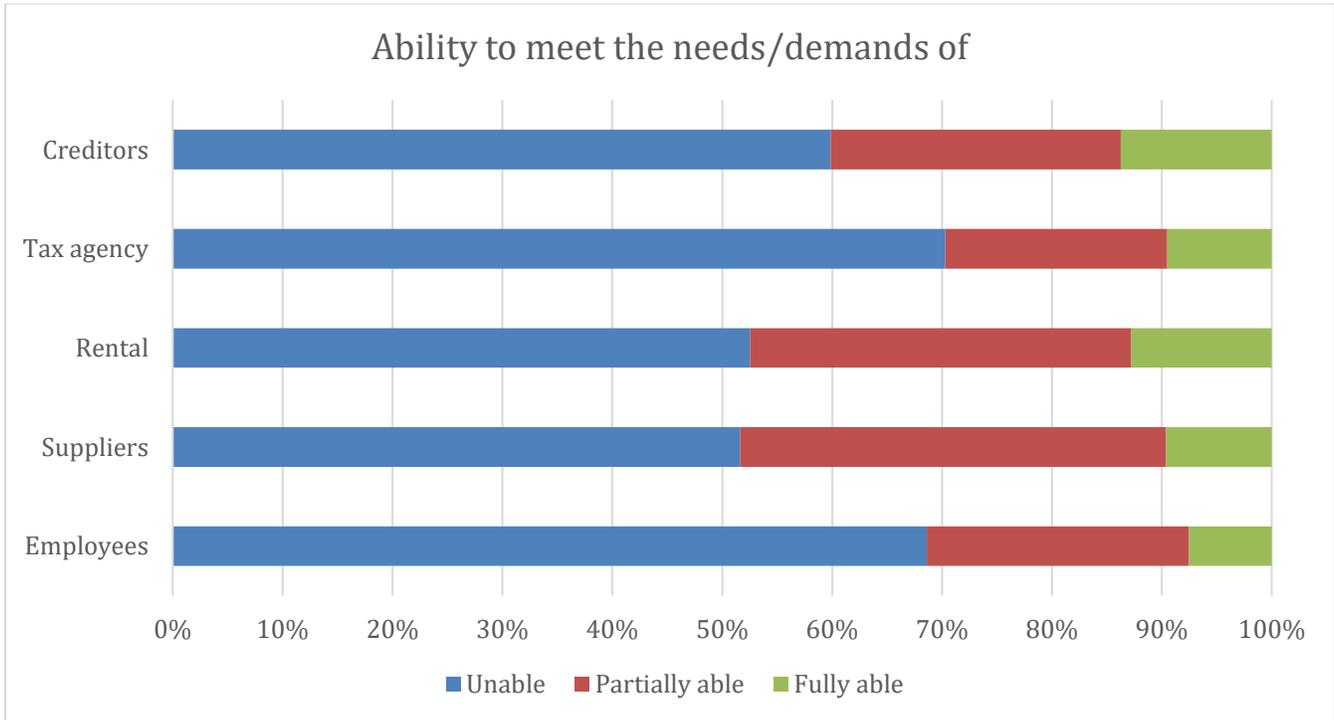
Around 90% of the respondents stated that their enterprise has been negatively affected by the COVID-19 pandemic. The decrease in demand is regarded as the most important impact of the pandemic, followed by state-mandated closure and supply chain disruptions (see [Figure 3](#) below). Most enterprises have laid off employees due to the pandemic, with an average of more than ten layoffs per enterprise.

**Figure 3. The Impact of the Pandemic on Operations**

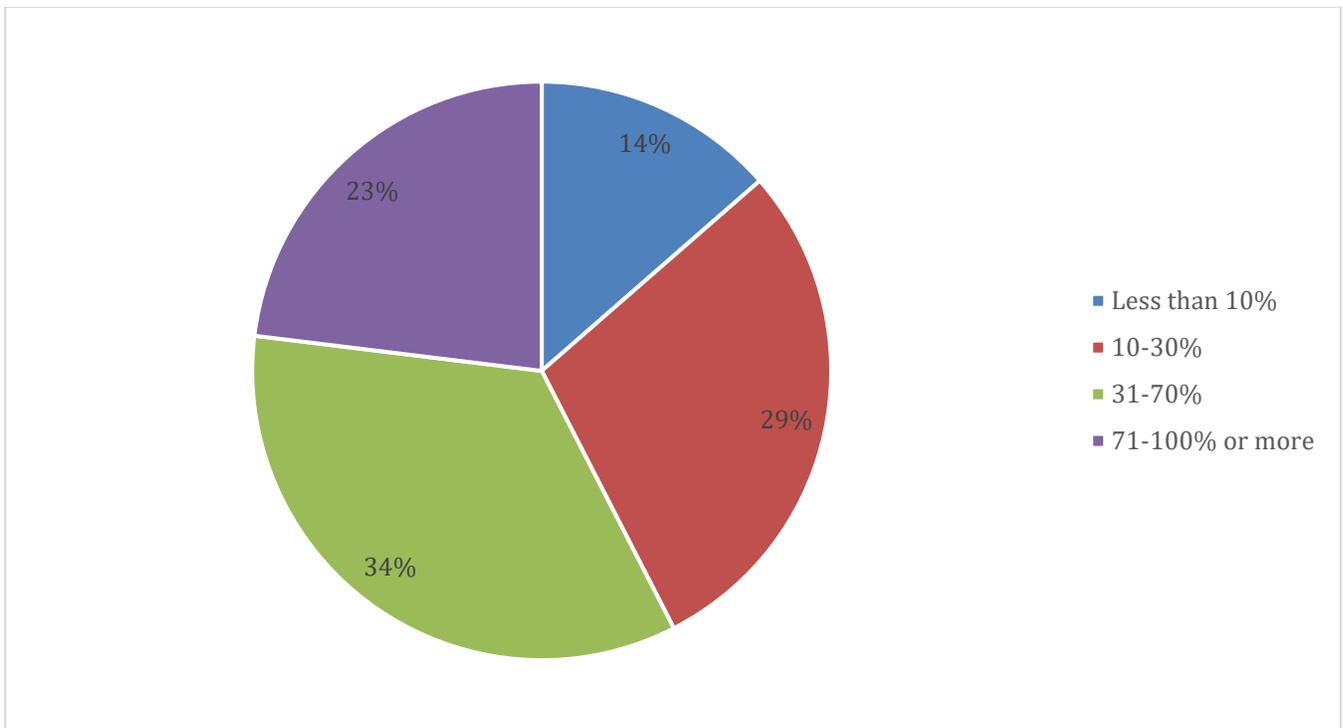


Most enterprises (80%) report being negatively affected also by the restrictive measures implemented by the government to combat the pandemic. There has been a business inability to carry out responsibilities towards the employees, suppliers, creditors, and the tax agency due to the lockdown (see [Figure 4](#) below). Overall, the average impact of the restrictive measures on turnover is assessed to be around a 40% decrease in 2020, as compared to the last quarter of 2019 (see [Figure 5](#)). At the same time, businesses report a 25% decrease in operational costs, on average, since the start of the pandemic.

**Figure 4.** The Impact of the Pandemic on Corporate Responsibility



**Figure 5.** Turnover Decrease due to the Lockdown, 2020 as compared to 2019



Most enterprises expect turnover to be unchanged in the next three months (see [Figure 6](#) below) and hold that it will take around a year to fully recover from the crisis.

**Figure 6.** Expectations of Turnover Change in the Next Three Months

