



Impacts and opportunities:

# Perspectives of Small Enterprises on the COVID-19 Pandemic

## Inside

Cambodia	4
Myanmar	6
Nepal	8
Pakistan	10
The Philippines	12
Sri Lanka	14

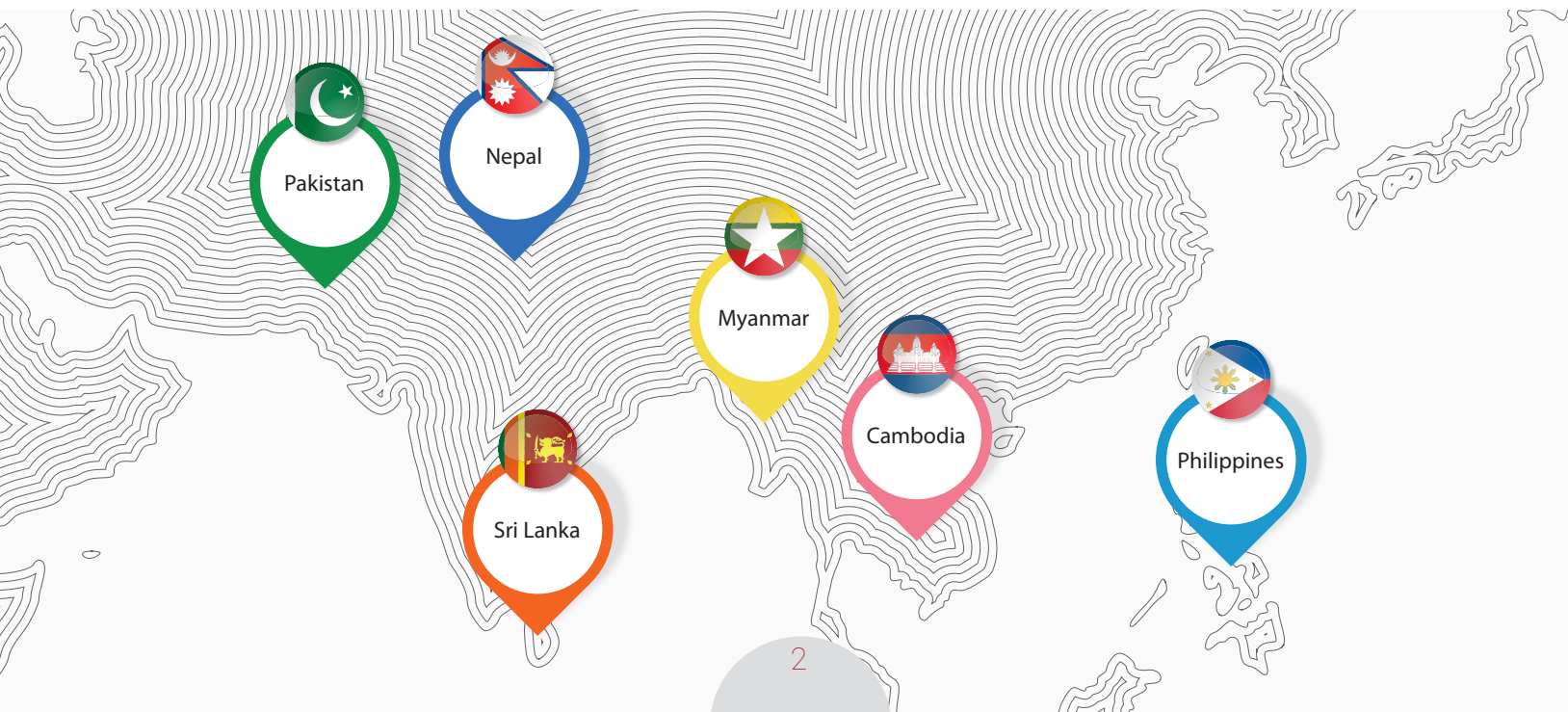
## Background

The COVID-19 pandemic has been termed as a “twin crisis of unprecedented proportion.” **Specifically, the pandemic simultaneously emerged as a public health emergency and an economic crisis.** The business sector experienced unique challenges to their operations, and had to navigate complex obstacles including employee absenteeism and supply chain disruptions; this led to the need for immediate changes in working modalities and suppliers/vendors. In addition, global and national restrictions led to sudden changes in customer demands and behaviors, and the need to effectively operate under new government regulations, such as factory and workplace closures. These changes have left many enterprises unable to continue “business as usual” in the short to medium term.

The booklet complements the Asian Preparedness Partnership (APP) publication, “Study on the impacts of the COVID-19 pandemic on the private sector in the Asia Pacific Region” by presenting real-life cases that supplement the research findings. It features examples from entrepreneurs, individual

businesses, business chambers that are advocating on behalf of micro, small and medium enterprises (MSMEs) in the region as well as an expert perspective on business continuity. These accounts were collected to highlight the impacts and challenges enterprises have faced throughout the pandemic. Furthermore, the case studies also demonstrate how different types of businesses have worked to ensure their continuity and enhance their resilience despite facing multifaceted challenges associated with the pandemic.

These case studies were compiled and adapted with support from the Regional Technical Working Group on Advancing Private Sector Engagement in Disaster Risk Management (RTWG-PSE) established under APP in 2020. The RTWG serves as a multi-sectoral platform for regional knowledge sharing, learning, and incubation for innovations in advancing the engagement of the private sector in DRM. It is composed of representatives from the private sector and their partners in APP countries. The study and booklet were developed under the program “COVID-19 Country Support to APP” supported by the Bill & Melinda Gates Foundation (the foundation).



The Asian Preparedness Partnership (APP), established by the Asian Disaster Preparedness Center (ADPC), is a unique multi-stakeholder regional partnership that includes countries from South and Southeast Asia to better prepare for, respond to, and recover from disasters. Supported by the Bill & Melinda Gates Foundation (the foundation) and the United States Agency for International Development Bureau for Humanitarian Assistance (USAID BHA), the partnership strives to improve stakeholder coordination and dialogue between governments, local humanitarian organization networks, and the private sector for enhancing capacities through partnerships, knowledge resources, training and networking opportunities.



The iPrepare Business facility at the ADPC is a dedicated unit designed to engage the private sector in disaster risk management (DRM). The facility focuses on building disaster-resilient businesses in the region through partnerships to strengthen the resilience of the private sector, particularly small and medium-sized enterprises (SMEs). Services provided include providing technical assistance and capacity building on a demand-driven basis; strengthening the enabling environment for business resilience (policy and institutional arrangements and multi-agency and sector engagement); and facilitating regional cooperation, networking, and knowledge management.

# Cambodia

## Pivot to Prosper: Cambodian Enterprises Adapt Amidst the Pandemic

The early stages of the COVID-19 pandemic forced businesses around the globe to cease operations. Micro, small, and medium enterprises (MSMEs) had to reflect on their existing business operations to ensure business continuity, and in many cases, shift to new working modalities. There are **500,000 MSMEs in Cambodia that account for 70% of national employment**. Millions of livelihoods would be left in uncertainty if these businesses were to shut down for prolonged periods of time.

Soreth Enterprises and Leang Lang are SMEs operating in the food manufacturing sector in Cambodia. COVID-19 left them at a crossroads as they were met with novel challenges. They have taken steps to help ensure the continuity of their operations as well as enhance the resilience and sustainability of their businesses from future disaster events.

Mr. Men Sarith, Managing Director of Soreth Enterprises, sold a portion of his real estate to sustain his business. He secured the necessary capital to continue the production chain and cover his employees' salaries. However, a key challenge for the business was reaching consumers during the first stages of the pandemic. Soreth Enterprises experienced an 80% decline in their sales as many of their retailers ceased business activities. Unfortunately, the company had to let go of 30 workers.

Soreth Enterprises adopted the use of digital platforms to increase its access to the market. They experienced a 50% increase in sales after expanding to an e-market. Soreth Enterprises is now focusing on the value of products and packaging to appeal to a wider demographic. It has also prioritized internal growth by providing training for its

employees on safety measures according to government-approved guidelines for COVID-19 protection and control in workspaces.

Leang Leng Enterprises, a producer of fish sauce products, is a namesake project for Chief Executive Officer (CEO), Mr. Leang Lang. The Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC) provided the capital for many entrepreneurs like Mr. Leng to continue operations following the impacts of COVID-19. A drop in sales coupled with inflation in the price of raw materials exacerbated production challenges and drastically hindered Leang Leng's operations during the beginning of the pandemic.

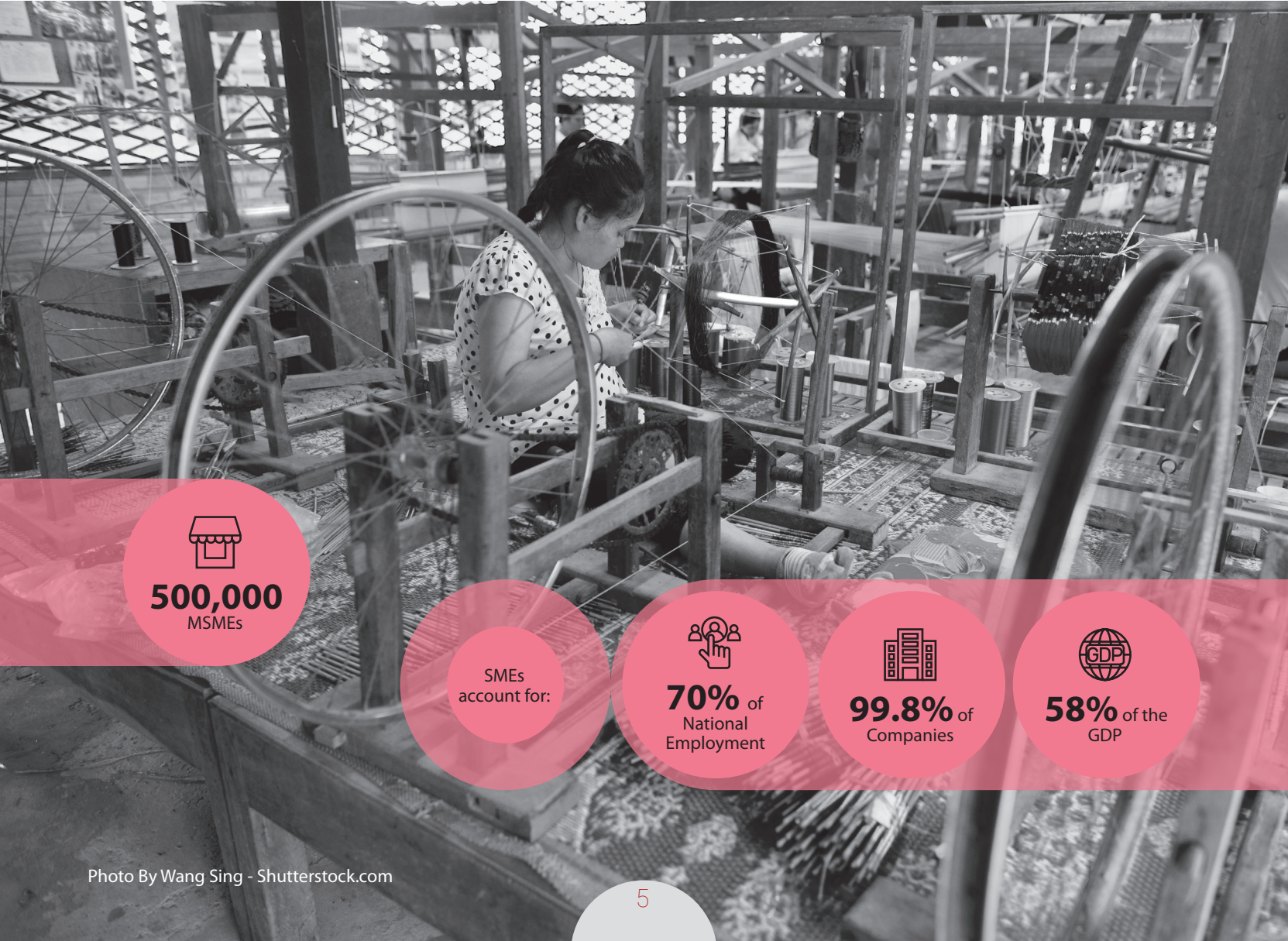
Mr. Leng drew the connection between everyday functionality and the need to adopt. Physical distancing restrictions meant that his 1,000 employees could not operate in their normal workstations. He took a motivational approach to implement changes. Leang Leng implemented new working practices to prioritize employee safety. Employees were provided with personal protective equipment (PPE), the factory layout was adapted to comply with guidelines on physical distancing, and a shift rotation system was implemented to limit the number of employees present in the work environment at any one time.

Aside from practical challenges posed by the pandemic related to working arrangements, Leang Leng Enterprises also saw a drop in 15% of sales due to COVID-19. However, this became a point of opportunity, as it prompted the business to expand into the online market. The manufacturer now caters to replacing previously imported goods with locally produced

products. This approach has seen a recovery in sales and means that the company has a more diverse range of ways to promote and sell its products even beyond the pandemic.

COVID-19 has necessitated businesses to reconsider how they operate. They must ensure the safety of employees and stakeholders under government guidelines while maintaining


a level of operational efficiency. Moreover, travel restrictions and lockdown have forced them to adapt to the consumer behaviors of the time. MSMEs such as Soreth Enterprises and Leang Leng demonstrate that technology and adaptation are tools that can be harnessed for long-term sustainability to address novel challenges, such as the ones that have arisen from the pandemic.



  
**500,000**  
MSMEs

SMEs  
account for:

  
**70%** of  
National  
Employment

  
**99.8%** of  
Companies

  
**58%** of the  
GDP

# Myanmar

## Navigating the Pandemic: Helping Small Enterprises in Myanmar Stay Afloat

Myanmar's economy is built on SMEs, which comprise more than 90% of businesses in the country. The Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) recognizes that emerging challenges do not prevent these essential ventures from taking the nation forward.

The chamber champions business interests in building a competitive, equitable, and prosperous environment and advocates for its SME members. UMFCCI has 15,000 members and 75 affiliated organizations. It recognizes the toll that COVID-19 has taken as businesses are introduced to new challenges. It will continue to be a support system for SMEs to navigate the barriers that limit their operations.

SMEs in Myanmar were forced to suspend regular business activities as a result of lockdown measures to curb the transmission of COVID-19. Financial support was essential until these businesses could adopt a safe working modality. The chamber supported two COVID-19 loan schemes of Myanmar Kyat (K) 100 billion (approximately USD 72 million) administered by the Myanmar Economic Bank to its members. These loans reached 3,393 and 2,241 businesses during the first and second rounds respectively. The second phase of these loans focused on the fishery sector, which **employs 2.3 million people in Myanmar**. The initiative mitigated the loss of business for SMEs due to the lockdown measures imposed in Myanmar.

UMFCCI's strategy began with raising awareness. SMEs were informed of loan schemes and how to access them. It also assisted the government in dispersing these loans. As a representative of the business community, the chamber was able to screen the type of enterprises that were most eligible for support. The chamber bridged the gap between the private sector and the government during a time when its members, particularly small enterprises, required direct assistance.

The chamber believes a united front, through partnerships and collaboration within the private sector, can amplify progress. With this consideration, UMFCCI has collaborated with the Myanmar Private Sector Disaster Management Network (MPD Network) for disaster preparedness, response, and recovery since 2016. Some immediate and identifiable challenges that national enterprises faced included regulating enterprises to comply with government guidelines and informing them on the support mechanisms such as loans and subsidies. Compliance with COVID-19 guidelines became mandatory to establish safe working modalities while resuming business. The government carried out inspections and issued certificates that allowed companies to operate to ensure that safety protocols are being followed during everyday operations.



**770,000**  
MSMEs

MSMEs  
account for:



**99.4%** of  
Businesses



**80%** of  
National  
Employment

# Nepal

## Safety in Numbers: Federation of Nepalese Chambers of Commerce and Industry Support to Members During the Pandemic

Local businesses are a community staple in Nepal. **There are more than 900,000 MSMEs in the country and 95.5% of these businesses are micro-enterprises.** The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is aware that a diverse business environment requires comprehensive and adaptive solutions. Its wide range of members includes MSMEs. The chamber understands that disruptive events like COVID-19 necessitate a wide range of support mechanisms to navigate the challenges in the business ecosystem.

When a national lockdown and restrictions were enforced in Nepal in March 2020, the chamber mobilized its network to support its MSMEs members. FNCCI can reach enterprises across the nation as its network extends to all 77 districts of the country. The chamber immediately sought to address the socio-economic challenges that MSMEs would face as they suddenly ceased their operations due to COVID-19. These businesses required financial support to ensure their long-term continuity. Additionally, some members required food and nutritional provisions due to the sudden loss of income. The chamber's rapid response and expansive partnerships reached the most vulnerable communities through its local members and chapters. This approach established the private sector as part of the community and supporting businesses can optimize immediate response to crises.

### Advocating to Forge Ahead

FNCCI has organized national and provincial meetings to voice the needs of MSMEs. The events identified key challenges facing MSMEs amid the pandemic and considerations for the

post-pandemic situation. These insights were presented to the Ministry of Finance and the Office of the Prime Minister to lobby for economic support for the business sector. The advocacy motivated the government to provide soft loans to the private sector, waive electricity bills for several months, and delay interest and payment dates for repayments as part of a package of support measures to help enterprises navigate the challenges posed by the pandemic.

The chamber is devising plans for large-scale capacity development for its member organizations, including small enterprises. It envisions a business community that is adequately prepared for disasters and disruptive events. FNCCI has advanced its organizational capacities on disaster management and business continuity through partnerships. To tackle future emergencies and large-scale crises including pandemics, the chamber aims to promote capacity development with an emphasis on activities for risk reduction, disaster preparedness, and business continuity. FNCCI has been able to engage in coordination with the government and local humanitarian organizations on capacity development, knowledge and experience sharing, and networking with relevant stakeholders to enhance its contributions to emergency preparedness for response in the country.

The COVID-19 pandemic has been a learning experience for FNCCI. The chamber has taken the disaster event as an opportunity to grow by incorporating plans for disaster risk management and preparedness, and business continuity within the organization and among its members, in particular MSMEs.





SMEs  
account for:



**6** out of **10**  
Employed Persons



**40%** of the  
GDP



**900,000**  
MSMEs



**95.5%** are  
Microenterprises

# Pakistan

## Strength Comes in Planning: Training SMEs for Resilience

The COVID-19 pandemic has posed new and unique challenges to the global business community. Some businesses have faced the possibility of closure and others find their futures hanging in the balance. The income losses for **developing countries are expected to reach USD 220 billion**. Businesses in Pakistan are no exception, with SMEs among the worst affected.

Dr. Syed Afzal Moshadi, the Head of Student Start-up Business Centre (SSBC) at COMSATS University Islamabad-Abbottabad Campus, is working to support MSMEs. He cites the recent **Karandaz study** to summarize the current predicament, "More than half of MSMEs [in Pakistan] have laid off their employees with 47% reducing their employees' wages. As of March



Dr. Syed Afzal Moshadi, the Head of Student Start-up Business Centre (SSBC) at COMSATS University Islamabad-Abbottabad Campus

2021, 31% of these businesses are [still] expected to become insolvent this month."

The government's relief efforts are not sufficient against the prolonged effects of the pandemic. Dr. Moshadi underlines the importance of business continuity planning - "Such planning caters to any disaster that an MSME may encounter by devising paths and procedures for business continuation." Unfortunately, the concept of creating a business continuity plan (BCP) has not gained precedence among enterprises in Pakistan. "MSMEs need to understand that the BCP can identify their core objectives, products, and services. It places their essential activities in line with the disaster events. Moreover, such planning can administer new and enhanced modes of communication for them to reach their essential customers and stakeholders."

### The Sharpest Tool of the Trade

Survival and progress can be simultaneously achieved when MSMEs optimize the right tools, according to Dr. Moshadi. He indicates that the **International Labour Organization's (ILO) business continuity planning toolkit** is one of these instruments. "The ILO publication assesses the level of risk and vulnerability of business and supports the establishment of an effective risk [management] and contingency system." The toolkit guides MSMEs on the four key dimensions of each business which are people, process, profits, and partnerships. "These businesses are able to generate a risk matrix of these four dimensions through processes facilitated by the toolkit. The scoring rubric assesses the clear indicators of an enterprise's vulnerability."

Furthermore, Dr. Moshadi indicates that technology is the greatest mechanism for businesses around the world. Pakistan has experienced a mobile takeover with approximately **59 million smartphone users**. He suggests that these digital channels need to be accessed for business growth: "MSMEs need to promote themselves via mobile apps or create an app that connects them with suppliers and customers. Foodservice providers that have continued their operations through applications such as Foodpanda have seen growth during the pandemic."

### **Making Risk-Informed Business Development a National Priority**

Leading by example is often the best way forward. Dr. Moshadi believes that business role models and successful case studies on a national scale will lead to change: "We need to amplify the strategies of business that have adapted to the pandemic

and promote them. The government must conduct webinars, seminars, awareness campaigns, and consultations as well as training and workshops on a national level to emphasize the need for BCP." He observes that a year of restrictions underlines the need to further diversify and promote business continuity planning: "Expanding and integrating into a larger market starts with the government supporting businesses in this course of action. A national plan that categorizes sectors with potential for the international market, orchestrates programs that properly train MSMEs and monitor their requirements, and finally, investing in these sectors is crucial."

Most businesses solely focused on survival throughout the first year of COVID-19. Dr. Moshadi highlights that survival requires adaptation and also opens up unique opportunities: "The new normal has changed their consumers' buying habits. Businesses need to pay attention to these changes and strategize a new modality of conduct if they want to sustain."



**3.2 million**  
SMEs

SMEs  
account for:



**9 out of 10**  
are Private  
Businesses



**40%** of the  
GDP

# The Philippines

## Never Too Small for Hope: Keeping the Business Online

Doing business is largely a family affair in the Philippines – **80% of enterprises** are family-owned or family-controlled. Microenterprises are the most intimate and common of these businesses as they make up **nine out of 10 MSMEs in the Philippines**. Chierrie Villarosa Marces owns a small Pisonet (pay-by-the-minute computer and Internet shop) in General Santos City, Philippines. She has embraced the world wide web to create digital solutions for her business. The COVID-19 lockdown has forced her to close her shop, so she is selling goods through digital networks. “I have closed the pisonet since mid-March. I am focusing on online trading which includes buying and selling dry goods, food items, and other basic commodities.”



Chierrie Villarosa Marces,  
Pisonet Owner

Online sales are the only means of income for Chierrie, “I make around Philippines Peso (PHP) 200 for every PHP 1,000 I invest in online selling. I have been doing it for some time but even that has experienced a decline.” Her customers have stopped ordering dried foods, “Basic goods and essential commodities such as fruits and cooking ingredients are a priority now. We own a tricycle that we use to transport orders. Travel restrictions have made reaching suppliers for goods very difficult.”

However, these sales do not provide stability for the pisonet. Globally, **Filipinos spend the most time on the Internet, averaging 10 hours per day**. Her Internet business had expanded to printing, scanning, and photocopying services, “I would make around PHP 25,000 every month from the pisonet. The expenses would be around PHP 8,000 for the Internet and electricity bills. My direct suppliers have been generous enough to offer freebies on their services for now.”

Chierrie is struggling to make ends meet, “Our household expenses are about PHP 10,000 every month. I am grateful to the government for providing us with rice, meat, canned goods, and other staples.” She is worried about restarting the business once the community quarantine is lifted, “I estimate that we will need at least PHP 5,000 to restart the pisonet. It would cover two months of our Internet bill. We can manage the cost of computer maintenance and business equipment.”



**952,969**  
MSMEs

SMEs  
account for:



**5.38**  
**Million**  
Jobs



**62.6%**  
of National  
Employment



**35%** of the  
GDP

# Sri Lanka

## Recipes for a Resilient Business in Sri Lanka

Business is sweet for Manjula Janaki. The entrepreneur started with selling *thalaguli*, a sesame roll made with sesame seeds and jaggery, which she has kneaded into a successful enterprise. Manjula's venture, Sakura Products Pvt. Ltd, started in the village of Pitakanda, 103 kilometers southeast of Colombo. Initially, her vision was a solo operation, "I started making and delivering sweets from home 14 years ago. We now produce 300,000 products every month for markets in Sabaragamuwa, western, and southern provinces."

Manjula is a national changemaker. She is molding her business for the export market in a country where **women make up a little more than half the national population but only occupy 34% of the labor force**. Manjula employs 37 men and women in her village. But her business faced challenges such as supply-chain breakdowns, loss of working capital, marketing disruptions, and loss of livelihood opportunities because of the pandemic. This is an unfortunate reality for **the MSME sector that makes up nine out of 10 businesses in Sri Lanka**.

**MSMEs also employ 45%** of the country's total workforce. Manjula struggled to compensate her employees like many business owners in light of COVID-19, "I was not able to fulfill staff salary obligations, employees' provident funds, or their trust funds." She hoped that she could remunerate her employees with increased sales during the Sri Lanka new year celebration. The occasion is a profitable time as orders for sweets increase. Unfortunately, the curfews and lockdowns that have been imposed to curb the spread of COVID-19 restricted travel and mass gatherings, which led to customers returning products, canceling orders, and limiting future sales.

Manjula's loss of inventory was one of many financial hurdles her business faced - she was also in danger of losing her



Manjula Janaki, Founder,  
Sakura Products Pvt. Ltd.

trained staff. She was able to compensate for some of the losses incurred through government loans and bank loans for MSMEs. "I paid the salaries of my staff in installments by accessing a government-sponsored scheme which supports enterprises who have lost their income since COVID-19."

The pandemic presented adversity with the possibility to expand. "Adapting to grow stronger is a norm for women in business. COVID-19 was a loss that compelled us to diversify our product inventory," states Manjula. She identified in-demand products to venture into manufacturing and supplying. "We branched out into the production of *rulang* (semolina toffee), *boondi* (chickpea flour dessert), bite

mixtures, and chili paste." She built up a network of local suppliers of sesame farmers who produce the oil and butter necessary to make her products given that the import of sesame products in Sri Lanka ceased during the height of the COVID-19 pandemic.

Manjula's diligence has led her to be named the Best Woman Entrepreneur in the Sabargamuwa province for 2020. She attributes her success and perseverance in her business

in the face of challenges to numerous training sessions she has attended. Manjula reflects on how the Business Continuity Management Training conducted by the Sri Lanka Preparedness Partnership (SLPP), together with the Ceylon Chamber of Commerce, gave her the know-how to maintain her operations during the pandemic. "The workshops have made us more prepared for any business disruptions that stem from natural or human-made disasters. It also honed skills on how to effectively respond and recover from these disruptions."



BILL & MELINDA  
GATES *foundation*



This is a research study of the Asian Preparedness Partnership (APP) established by Asian Disaster Preparedness Center with support from the Bill & Melinda Gates Foundation (the foundation).

Study on the impacts of the COVID-19 pandemic on the private sector in the Asia Pacific Region.

@ Asian Disaster Preparedness Center Bangkok, Thailand2021

For more information, please contact [app@adpc.net](mailto:app@adpc.net)



## Asian Disaster Preparedness Center (ADPC)

### Head Office:

SM Tower, 24th Floor, 979/69 Paholyothin Road,  
Samsen Nai Phayathai, Bangkok 10400 Thailand  
Tel:+66 2 298 0681-92 | Fax:+66 2 298 0012

E-mail: [app@adpc.net](mailto:app@adpc.net) 

<https://app.adpc.net> 

@AsiaPrepared 

Asian Preparedness Partnership 