# COVID-19 Outbreak

## Impact on Sri Lanka and Recommendations

8 April 2020

# 1

# Economic impact to Sri Lanka – *"Signals of global recession"*

# Expanding pandemic along with its economic consequences

The 2019 novel coronavirus disease ("COVID-19") was first identified in December 2019 in Wuhan, the capital of Hubei Province in China. Since then the outbreak has significantly expanded across borders, leading the World Health Organisation ("WHO") to declare COVID-19 a pandemic on 11 March 2020.

As the number of cases increase globally, the epicentre for the disease has been shifting from Wuhan region in China to Europe and most lately, the United States of America.

According to the information provided by WHO, the mortality rate of COVID-19 is likely to be significantly lower than for Severe Acute Respiratory Syndrome ("SARS") or Middle East Respiratory Syndrome ("MERS") but higher than for seasonal flu.

**Why is it so dangerous?** Studies show that the average number of new infections generated by a single infectious person could be more than double that of SARS and five times that of the seasonal flu.

As the outbreak continues to spread, governments across the world have resorted to varying levels of public health measures, including movement restrictions, nationwide curfews, travel bans and border closures to tackle the pandemic. These measures are having a huge impact on people's lives, families and communities whilst having significant consequences on national economies and global trade;

## Numbers as at 08 April 2020

Confirmed cases

**1,455,519**

US has more confirmed cases of Coronavirus than China and Italy

Total number of deaths

**83,664**

The mortality rate is currently estimated by the WHO is at 3%–4% of those reported infected.

Number of confirmed cases in Sri Lanka

**189**

Sri Lanka recorded seven deaths due to the pandemic outbreak

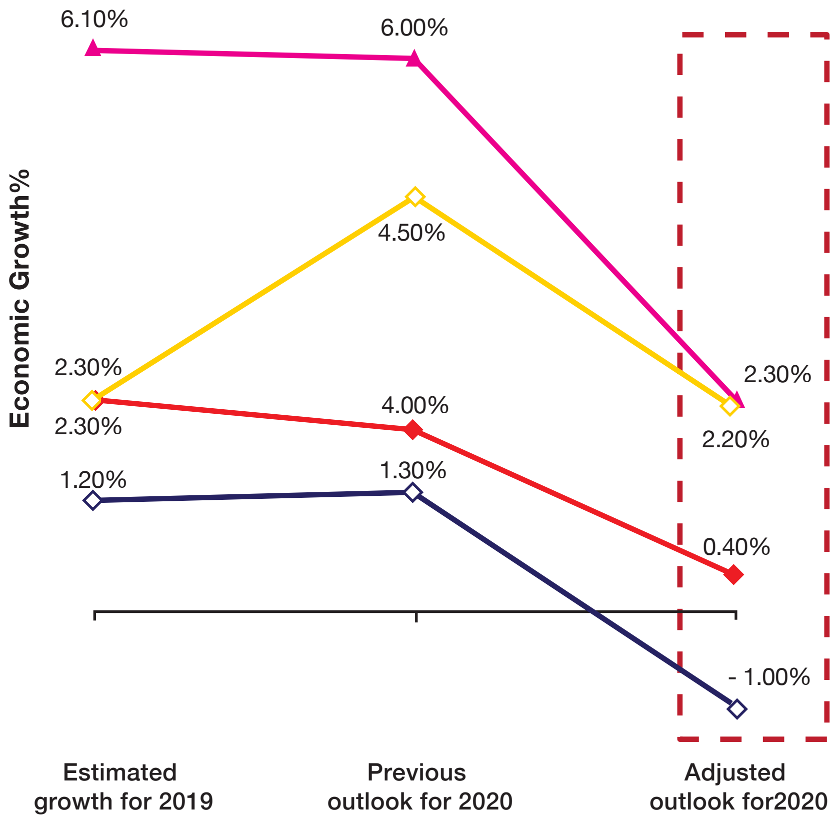
**USD 2-4.1 trillion**

Loss to the Global Economy

*Source: ADB, OECD, PwC Analysis*

# Global recession alarm bells are beginning to ring

**Exhibit 01 : The expected economic downturn due to the COVID-19 outbreak**




*Source: IMF, ADB, Central Bank of Sri Lanka, PwC Analysis*

Contraction in economies are felt all around the world, with the Global Manufacturing and Services Purchasing Manager's Indices ("PMI") recording the steepest contraction in over a decade as the Coronavirus disrupts global supply chains, distribution channels and demand. This data signals a higher possibility of a global recession.

Based on the latest PMI data in Sri Lanka as of February 2020, Manufacturing PMI marginally slowed by 0.4 basis points due to a contraction in new orders and employment in the manufacturing sector. Meanwhile, Services PMI recorded a 6.8 basis point drop owing to reduction in new businesses, business activity and expectations.

Furthermore, Sri Lankan manufacturers and service providers expect this trend trend to worsen with the imposition of travel restrictions and work from home periods in Sri Lanka. This will be further exacerbated by the increasing disruptions to people and goods movement seen across the work with measures taken to contain the spread of COVID-19.

Estimating the impact COVID-19 will have on economies is a challenge. Simply, there are too many unknowns such as rate of infection and immunity, policy response, demand-supply dynamics, reaction of firms etc.

However, we think analysing various scenarios still adds value in this environment of limited visibility.

According to Asian Development Bank (ADB), the economic uncertainty that COVID-19 pandemic has sparked will **likely cost the global economy USD 2 - 4.1 trillion in 2020.** The International Monetary Fund has downgraded its global economic growth estimates, and the Organisation for Economic Co-operation and Development has suggested global growth could be cut in half as a result of the virus.

Prior to the Coronavirus outbreak, the Central Bank of Sri Lanka (CBSL) expected the economy to grow at 4.5-5% with a modest recovery from the Easter Sunday attacks in April 2019 and the political stability after the Presidential elections. However, given the increasing economic consequences from the Coronavirus pandemic, these growth target will likely be difficult to achieve.

Based on the ADB's outlook as at 03 April 2020, the **Sri Lankan economy is expected to grow at 2.2% in 2020.** If the pandemic is contained by mid-2020, the economic recovery could begin towards the latter part of the year.

**PwC View**

If the pandemic is contained by mid-2020, the economic recovery could begin towards the latter part of the year. We expect real GDP growth to be less than 2% this year.

# The dark side of uncertainty

The outbreak is likely to affect private sector business sales and investment through most of 2020. This is further evident from the movement in the All Share Price Index (ASPI) of the Colombo Stock Exchange. From the date of the first confirmed case in Sri Lanka (28 January 2020), the ASPI plunged by more than 20% as at 31 March 2020 to an all-time low during the past five years. The fall in investor sentiment globally, along with their own home country challenges faced, will negatively impact prospects for attracting foreign direct investments to or in to Sri Lanka during 2020.

The expected government spending is also uncertain due postponement of parliamentary elections, health-care expenditure and income support measures undertaken to fight the consequences of the pandemic.

Receipt of remittances will be affected due to the global economic downturn and lower oil prices, since approximately about half of all remittances originate from the Middle East region and over 20% from Europe.

Based on the data provided by the Central Bank of Sri Lanka for the week ended 03 April 2020, the Headline and Core inflation of the Colombo Consumer Price Index (CCPI) showed a decline in March 2020. Based on higher food prices owing to a tighter supply conditions and supply-chain disruptions is expected to drive inflation. However, weak demand and lower indirect taxes, are likely to counter inflation pressures.

However, it should be noted that larger fiscal deficits will push the central government domestic and external debt ratios even higher.

The current account deficit is expected to widen with the anticipated decline in exports, tourist earnings, and remittances. Export will weaken in 2020 due to reduced sales, especially to Europe and the US, key markets for garments, tea and rubber products. However, reduction in global oil prices, weak demand and restrictions on imports for vehicles and non-essential consumer items may offset some of the adverse impacts from the decline in Exports.

Meanwhile, since the start of the year, the Sri Lankan Rupee depreciated against the US Dollar by approximately 9% as at 6 April, 2020.

Meanwhile, the CBSL had introduced several measures such as restrictions on sovereign bond purchases by licensed banks, import restrictions and restrictions on outward investments to ease the pressure on the Sri Lankan Rupee.

**PwC View**

Despite the actions taken by regulators, given the current market conditions, we expect the Sri Lankan Rupee to experience further pressure. Hence adequate lines of foreign funding should be sought to manage short term pressures on the currency.

In the long term a strong export base and sustainable FDI's will be critical for a strong currency. Export industries in our view should be provided TAX FREE status for a considerable length of time to attract investment, create employment and generate foreign exchange.

# Recognising heroes in the war against the pandemic

The Government of Sri Lanka (GoSL) initiated several endeavours to help the country prevent, detect, and respond to the COVID-19 pandemic and strengthen its public health preparedness. Some key actions implemented include,

- Aggressive "social distancing" measures implemented in the entire country.
- Issuing travel bans to other affected countries and closing of ports and airports.
- Island wide strict curfews.
- Public-Private Partnerships to aid Sri Lankan households obtain emergency supplies
- Emergency health and economic measures, including several economic relief measures for the poorest segments of society and the most vulnerable sectors of business.
- Increase in government spending on healthcare and public safety measures.
- Establishment of a Coronavirus Task Force, which has effectively co-ordinated the health and containment, quarantine and contact tracing efforts.

Recently, the Director General of the World Health Organization, praised the actions taken by the GoSL so far and continues to support to fight against the Coronavirus outbreak. We commend and appreciate the efforts taken, the dedication, commitment and high level of responsiveness of the healthcare workers, government officials and the armed forces in managing the present crisis.

**PwC View**

We believe that a Covid 19 Economic Action Task Force should be set up to consider ways and means of managing the impacts to the economy in the short and medium term and fast tracking the implementation of necessary policies.

# Another tough year for business

With the economy coming to a near standstill, enterprises that are dependent on export revenue and simultaneously managing debt, are going to be vulnerable. Longer-term impact will be felt by indebted companies or those with poor cash flows, those unable to remain open or afford salaries to retain employees.

The Government of Sri Lanka ("GoSL") have taken several measures to provide relief for the public. These actions includes allowances to low income and vulnerable families and individuals, suspension of lease and debt payments, extension on utility payments etc.

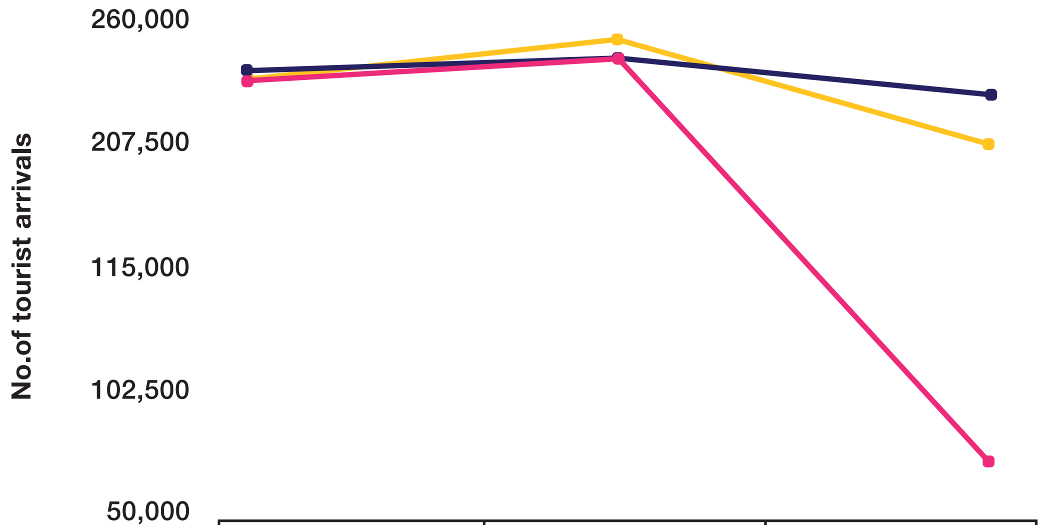
In spite of the overall impact to any enterprises, it is understood that some industries are comparatively at risk than others. Based on our views, we have discussed the implications of the COVID-19 outbreak on these sectors.

## 1). Tourism

With disruptions to global travel and restrictions issued to some countries due to the pandemic outbreak, Sri Lanka's tourism industry will be significantly affected. Based on the Sri Lanka Tourist Development Authority Data, tourist arrivals fell below over 30%, during the first quarter of 2020, compared to the previous year.

We will see a further impact from April onwards as the Sri Lanka closed its borders for non - essential passenger travel and domestic travel restrictions have also caused a virtual standstill in the tourism industry. According to ADB estimates as at 06 March 2020, the decline in tourism revenues for Sri Lanka could range from **USD 107 mn – USD 319 mn.** However, this will likely to be greater if the public health measures continue.

**Exhibit 02: China drops out from Sri Lanka's top 10 tourist source markets for the first time since 2012**




| | 2018 | 2019 | 2020 |
|---|---|---|---|
| January | 238,924 | 244,239 | 228,434 |
| February | 235,618 | 252,033 | 207,507 |
| March | 233,382 | 244,328 | 71,370 |

*Source: Sri Lanka Tourism Development Authority*

The GoSL has taken actions to provide a six month debt moratorium to support the sector. However, in the long run, the recovery of the industry will entirely depend on how fast the confidence in global travel normalises.

**PwC View**
We expect tourism earnings to decline significantly from the previous year's USD 3.6bn, a figure already impacted by the Easter attacks, as compared to USD 4.3bn in 2018.

## 2) Apparel and textile

Apparel and textile is one of the highest contributors towards national exports with over USD 5 bn in export revenues. Based on the PMI data as at February 2020 provided by CBSL, “New Orders” and “Employment” slowed down, particularly in the manufacturing of textile and wearing apparel sector with the decrease in global demand. The Coronavirus outbreak has affected major export destinations of Sri Lanka such as Italy (one of the largest procurer of textiles and garments).

Furthermore, respondents of the PMI highlighted that their raw material imports have been delayed due to supply side disruptions due to the pandemic outbreak. Hence, enterprises foresee a decline in manufacturing in the short term. Industry experts envisage a revenue loss of USD 1.5 bn between March 2020 – September 2020 and is likely to increase if the outbreak continues to spread.

## 3) Construction and engineering

Several high rise building projects had showed slowdown owing to the delay in procurement of materials from China and the complete stoppage of work due to the curfew. Based on the Construction industry experts, although the Chinese government has allowed factories in many industrial centres to open, the recovery is expected to take more time. In addition, the lockdown of construction workers after the Chinese New Year also adversely affected the industry, as many construction projects are undertaken by Chinese contractors.

The slight recovery of demand for middle income apartments seen earlier this year is likely to be offset by the current and expected economic downturn; as well as the delays caused by work stoppage. Investor sentiment is likely to be depressed throughout the remainder of the year.

## 4) Retail and consumer

Social distancing measures come at a great economic cost especially for the Retail and Consumer sector. Despite the lifting of the indefinite curfew in March 2020 and the panic buying seen earlier this year we still expect the retail and consumer sector to slowdown, given the prolonged period of curfew. However, we have seen Public Private Partnerships to provide essential household and consumption items to the public during this indefinite curfew period.

During this time, it is likely that retail and consumer products in relation to Essentials (e.g. groceries) will strive to keep supply lines moving. This is further evident with many retailers now relying on alternative methods such as limited deliveries during a given time to continue their business activities. Demand for clothing, white goods and consumer durables will slow down. Import restrictions may further dampen retail activity.

## 5) Banking and finance

Since the banking sector is the backbone of any economy, any significant economic downturn will directly affect the banks. Due to difficult operating conditions, the performance of the banking sector and the NBFIs in particular, will be more challenging, affecting asset quality and profitability recovery. The six month debt moratorium and other measures imposed by the GoSL is expected to soften the impact to individuals and businesses but will increase non-performing loans in 2020.

Furthermore, according to Fitch Ratings, the outlook for Sri Lanka’s banking sector is negative for 2020. Financial sector liquidity will be impacted by the debt moratoriums although offset to some extent by the reduction in the liquidity requirements for financial institutions. The need to strengthen the capital of NBFIs will be felt even more as they need to have the financial capacity be able to navigate crises such as this. Stress testing of banks will also be of relevance and importance as we face uncertain events.

# 2

# Actions for Government and Public Services - *“Strategy to beat the invisible enemy”*

# Economic Stimulus Package – Much needed relief

In the light of existing crisis situation of the country, GoSL through the CBSL decided to allocate a LKR 50 Billion Re-financing Facility to support business and the economy.

The requests on these relief packages must be submitted to any Licensed Financial Institution through online or any other communication arrangements before 30 April 2020 – requests will be processed within 45 days from the date of the request.

## Key Concessions

| | |
|---|---|
| **Debt Moratorium** for <u>interest</u> and <u>capital</u> to all eligible sectors impacted by the economic slowdown (refer eligible parties next page). Existing tenure of loans eligible for debt moratorium will also be extended accordingly | Six Months |
| **Permanent Overdraft and Trade Finance Facilities** falling due for settlement or maturing during the period up to 25 March 2020 | Extended up to 30 September 2020 Interest rates will be capped at 13% |
| **Working Capital Loan -** higher of 2 months working capital requirement of the business or LKR 25 million per bank per borrower (LKR 10 million per other financial institutions per borrower) | Two year loan at 4% interest |
| **Investment Purpose Loan -** LKR 300 million per bank per borrower to <u>expand business activities</u> – only granted by banks | Five year loan at AWPLR + 1.5% interest |

## Eligible parties

| | |
|---|---|
| Direct and indirect export-related businesses | Apparel, Tourism, IT, Tea, Spices and Plantation |
| Small and Medium Enterprises (SMEs) | Manufacturing, Services, Construction, Agriculture and Agri Processing Businesses, Trading & Value Addition Businesses, & Domestic pharmaceutical suppliers with turnover below LKR 1 bn |
| Other parties adversely affected by work disruptions | Logistic Suppliers |
| Foreign currency earners | Individuals and Corporates who have to repay loans in foreign currency |

*<u>Import facilities</u> other than pharmaceutical drugs, medical equipment, food, fertilizer and essential raw materials and machinery and equipment will <u>not be entitled</u> for these concessions*

# Along with tax reliefs already announced prior to the outbreak

The Ministry of Finance of Sri Lanka also issued directives on tax revisions during December 2019 to enhance economic activities of the country and support business

| Tax Revision | Effective Date |
|---|---|
| **Value Added Tax (VAT)** rate reduced to 8% from 15% for all business sectors (excluding financial services) and **Nation Building Tax (NBT)** was abolished. | 01 December 2019 |
| The Economic Service Charge (ESC) was abolished | 01 January 2020 |
| **Liable limit for VAT registration** increased to LKR 300 million per annum | 01 January 2020 |
| **Income Tax Exemptions** Income from Agriculture, Fisheries and Livestock related businesses, and Information Technology (IT) and enabling services. | From year of Assessment 2019/2020 |
| Income earned from the supply of services for the receipt of foreign currency | 01 December 2019 |
| **Income Tax Revisions -** Tax rate applicable on Construction Industry reduced to 14% from 28% | From year of Assessment 2019/2020 |
| **Pay-As-You-Earn (PAYEE) Revisions -** Tax free threshold for all public and private sector employees increased to LKR 250,000 from LKR 100,000 per month (The excess will be taxed at progressive rates of 6% & 12% for every tax slab of Rs 250,000/- and the balance at 18%). | 01 January 2020 |

# Short Term Strategy : Back to the drawing board

## Economic relief packages

To fight against the economic downturn due to the outbreak, GoSL announced several measures to aid the economy as mentioned previously.

**PwC View**
We believe that further measures could support the economic recovery process. A combination of the measures given below could have a significant positive impact on the economy.

These measures could be divided into:

- **Funding based initiatives**
- **Tax or grant based initiatives.**

### 1. Funding-based initiatives

This will enable enterprises to strengthen cashflow and liquidity position in the short – medium term. There are two main funding initiatives that can be made available to companies, which we recommend:

- **Enterprise financing facility**

This can be aimed at larger corporates which have a strong credit history but experiencing liquidity pressures due to the impact of COVID-19. The funding scheme could allow large corporates to access short term financing (e.g. 12 months) through issuing Commercial Paper ("CP") and other longer term debt instruments which are tax deductible and tax free in the hands of investors for a limited period of time.

- **Business disruption funding scheme**

This can be a temporary measure aimed to support all corporates tide over the immediate distress caused due to closure of workplaces and lack of sales and production. The interest cost incurred by corporates can be waived for two months, with the banks being compensated for the expected interest loss by the government.

These measures will further complement the debt moratoriums and subsidised loans being offered to affected sectors, which need longer term support.

# Short Term Strategy : Actions speak louder than words

### 2. Tax or grant based initiatives

This initiative will enable enterprises to ease cost pressures and preserve cash in the short-medium term. However, it should be noted that GoSL declared tax cuts in early 2020 to boost economic growth and corporate profits. Hence, these recommended actions are supplementary to the benefits already given. These scheme could be structured as follows:

- VAT deferrals during the first half of the year (assuming a recovery in the second half of the year), along with deferring of EPF and ETF dues.
- Corporate tax rate relief for all companies for a 06-12 month period.
- Voucher based scheme (none or limited cash grants) for affected employees in retail, hospitality and leisure businesses and SMEs. Alternatively an employer grant should be established to pay salaries depending on the number of employees.
- All businesses in distress with outstanding tax liabilities should be eligible for a rescheduling period.
- Releasing of dues from government to the construction, fertiliser, pharmaceuticals, financial services and other sectors which have substantial receivables.

### Supporting employment in selective industries and changing the way we work

Many countries have implemented some form of wages support to enable employers to continue paying basic wages to the sectors worst affected by the the pandemic, e.g. tourism and other service sectors, construction, export manufacturing etc.

The focus should be job retention by easing the cost of employment of affected sectors. An Employer grant will enable enterprises to pay salaries and refrain from job redundancies. This could also come through interest free loans or limited pay-outs from pension funds savings. Some relief on cost management has been provided in some countries by reducing utility bills.

**PwC View**

**On reskilling the workforce:** the GoSL could request companies to provide data on employment shortages and surplus since some sectors will have surplus workers (tourism) and the others a shortage (IT, healthcare). With relevant data, a re-skilling matrix could be developed to see what actions are possible on re-deployment of human resources between different economic sectors.

**On new ways of working:** we believe that laws need to become more flexible to permit staggered / flexi working hours, shorter day weeks and flexible work arrangements that suit employers and employees; and improve productivity across the state and private sector.

# Medium-Long Term Strategy : The silver lining encouraging investment and capital flows

**PwC View**

**Boosting Infrastructure development after the crisis**

Public Infrastructure development is a key component of economic growth. One of the quickest initiatives in the ***recovery phase*** would be to kick start the ongoing infrastructure projects which have been planned and approved, such as the Central Expressway, elevated highways, vital power projects and port projects using BOT arrangements. Faster approvals and innovative financing schemes including private sources of capital would help to expedite execution. These projects provide employment, and have spill over effects to SMEs including transporters, food / service providers and temporary workers.

Foreign funding sources (long term low cost debt in particular) could be mobilised for this purpose by creating appropriate structures to facilitate & guarantee repayment of these debt instruments. This will help stabilise forex positions and the Balance of Payments by bringing in sustainable external capital flows.

**Targeting sectors that could fast track economic recovery and growth**

The GoSL could encourage sectors that can generate employment and income such as export industries, healthcare and IT. We recommend:

- Tax free status to boost value added and efficient agriculture, and agriculture supply chains such as warehousing, cold storage, distribution, e-commerce based channels and agricultural inputs.
- Attract FDI into sectors where MNCs are looking to develop alternate supply chains, eg in electronic components.. The GoSL could open up an Export Processing Zone (EPZ) for these targets and offer them a custom made package within the EPZ concerned to solve their business needs.
- Tax reliefs that have been already granted could be extended for a definite period to facilitate investment, eg IT sector.
- The creation of fund pools outside the banking system to support private sector investment, should be encouraged through tax measures to encourage both local investment and FDI in particular. Example:
    - Tech funds that can include / enable logistics/ delivery and cashless payments in particular.
    - HR fund with international donor support to give rebates for companies supporting re-skilling training.
- Real estate is a key form of collateral for banks and a key economic activity. Since property cannot be easily liquidated under these circumstances, actions could be taken to ease mechanisms for trading of real estate by eliminating stamp duty and other charges associated with transactions. Foreign ownership laws for real estate could be re-evaluated for the next 2-3 years, particularly in the hotels sector.
- Regulators should take steps to enable Real Estate Investment Trusts (REIT) to be formed to acquire real estate assets by pooling of investment funds. Furthermore, REITs need to carry a practical tax structure and be free from foreign ownership restrictions.
- In addition, ease of restrictions for Casino licenses in restricted zones, could attract foreign investors to the Hospitality and Leisure sector.

# 3

## Outlook for investments - *"Rethinking purpose and returns"*

# Short Term Strategy : Reassess your investment portfolio

Based on the PwC Global COVID-19 CFO Survey, it is understood that many businesses are not sticking with budgets that were put in place before the crisis. An increasing number of respondents are evaluating additional steps to conserve cash. For example, 64% of leaders are now considering cancelling or delaying planned investments.

As businesses look to preserve cash, rent expense has become a major consideration. Tenants in your commercial property portfolio might be looking for a reduction in rent, or even for a payment holiday. Enterprises should not sabotage landlord-tenant relationships: both parties need to retain a sense of mutual respect.

As tenants, proactively engage with your landlord at this time to help them understand your more pressing concerns. Make your position very clear about your current plans, position, whether you can pay rent now, and whether you think you'll need reduced rent payments.

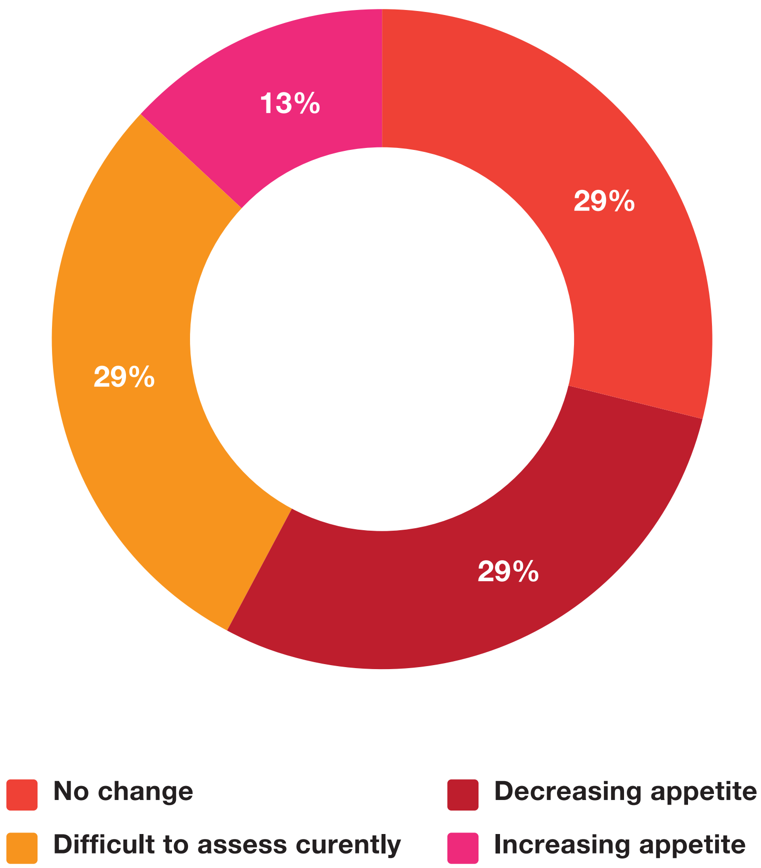
Landlords and tenants must work cooperatively. Some options includes,

- **Re-evaluate the payment frequency.**
- **Reduced rental cost but increased tenancy length.**
- **If the rental agreements have specific concessions in the future, tenants can trade them for a immediate concession but asking for lower rentals in the short term and foregoing future concessions.**

Meanwhile, in the short run, we believe investors should re-evaluate their investment strategy and asset allocation in this crisis. However, times of crisis doesn't have to mean that all investments should be put on hold. It is also an opportunity to re-assess how these conditions affect asset classes and industries. Some actions that Investors could consider includes,

- **Shift to low-risk liquid investments. Focus on cash flow with less leverage for the safest investment options. This also includes holding cash and foreign currencies.**
- **Identify surplus assets that could provide short-term liquidity for the business.**
- **Investing in real estate should only be a medium to long term strategy.**

**Exhibit 03 : How is COVID-19 affecting M&A Strategy**




*Source: PwC Global COVID-19 CFO Survey*

Based on the PwC Global COVID-19 CFO Survey, the impact of the outbreak on mergers and acquisitions (M&A) strategies remains unclear at the moment. A majority of business leaders are still assessing whether or not to change their approach. However, 13% report an increasing appetite for M&A, indicating that some leaders are looking to the future and evaluating businesses and assets that have healthy underlying operations and are now affordable.

We believe investors should exercise discipline in their strategic investments. In times of crisis, “Cash is King” as such businesses should focus on optimizing working capital and focus on liquidity in the short term. Any unavoidable investments made during the short to medium term should not put the core business at risk.

Meanwhile, enterprises should be ready to raise equity capital. Banking institutions are likely to be inundated with financing and re-financing requests and is likely to impose rigid conditions on borrowers. Equity capital is likely to be a popular source of financial relief.

At times of crisis, businesses will face liquidity and capital shortages. Provided that your balance sheets demonstrate credit worthiness and are acceptable to lenders, most businesses, especially SMEs, may need to raise “risk capital” i.e. equity capital that provides more flexibility in these times of uncertainty.

Investors will have strong deal flows; you need to stand out from the rest.

- **Short to medium term measures to improve attractiveness to investors:**
- **Optimizing working capital and operational restructuring**
- **Dynamic risk assessment of the business and business continuity planning to mitigate impact of external shocks**
- **Draw action plans to deleverage the business over the medium to long term.**

# Long Term Strategy : Someone is sitting in the shade today because someone planted a tree a long time ago

Our findings highlight the reality that companies' pre-crisis targets have been overtaken by events. PwC believes the goal for the leaders of most large companies should be to address the threat of the financial fallout caused by widespread unemployment meanwhile adopt a longer-view perspective wherever possible.

Lessons learnt from previous downturns have shown that investment (e.g. mergers and acquisitions) opportunities will present themselves in most industries. The key to availing of these opportunities, which tend to be more favourably priced than in a booming economy, is having the financial and operating flexibility to move quickly.

There are particular skillsets required in acquiring distressed businesses and experience shows that if deals are effectively managed in a downturn there is the potential to generate above average returns once trading conditions return to normal.

Meanwhile, companies should separate core from non-core businesses and plan exits from non-core businesses that one doesn't have a competitive advantage in.

Ensuring sufficient diversification of your investment portfolio: Diversifying across industries and asset classes will protect you from greater losses if a particular business/asset class is more affected by the current conditions compared to others.

Long term measures that enterprises could be to improve attractiveness to investors includes,

- **Accelerate upskilling of employees**
- **Investing in technologies to improve processes**
- **Evaluating the business model to widen sales channels and access new markets.**

# *Let's Talk*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