



Camera di Commercio Italiana in Cina  
中国意大利商会  
China-Italy Chamber of Commerce

*February 21st, 2020, Beijing*

**Press Release\_CICC: The impact of COVID-19 on Italian business community in China**

The China-Italy Chamber of Commerce released the results of the first Survey on the topic **"The impact of the novel Coronavirus Pneumonia on the Italian business community in China"**.

The survey aimed to analyze and comprehend the opinion of the Italian companies located in China in such a delicate phase due to the measures to contain the spread of COVID-19 that can only contribute to creating concerns for the future of their business.

The survey was conducted from the 13th to the 19th of February, 2020, and the respondent sample is 188 representatives of the business community. The choice to limit the sample to the CICC Members guaranteed the reliability and quality of the answers obtained.

Divided into two sections, the first part aims at carrying out a demographic mapping of the respondents, to subsequently represent what impact the COVID-19 is having and will have in operations in China in terms of personnel management, implemented countermeasures, expected impact on company revenues, and Chinese GDP growth. The ultimate purpose of the survey is to deeply understand the current desires and needs of the membership base to support it in the best possible way.

The companies that joined the survey are present on a national scale (a more significant number of respondents is located in Shanghai and in Jiangsu province, followed by Guangdong province and Beijing). A significant number of respondents is active in the manufacturing sector (64%) with almost equal presence of companies operating in trading/e-commerce, and intangible services (B2B, accounting, legal services, advisory, etc.).

The size of the participating companies is mostly small and medium (34% with less than 10 employees, 22% with 10 to 50 employees), while the large Italian multinationals are under-represented, a constant in this type of surveys conducted by the CICC.

The answers obtained also show that most of the interviewees did not leave China after the spread of the COVID-19, and that 85% resumed their activities (at full or partially capacity) in home working mode, a countermeasure that was implemented by over half of the members who participated in the questionnaire, followed by the application of paid holidays (20% of respondents).

The main obstacle to the reopening of the offices is related to the measures put in place by the local governments to contain the spread of the epidemic, such as the mandatory quarantine of employees (50%), their difficulty in returning from their

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hometowns due to movement restrictions (41%), and the issue of official permits, which are closely linked to the difficulty of obtaining medical supplies (33%).

The China-Italy Chamber of Commerce Members are rather optimistic about the prediction of a return to normal, which is identified by over a third for the end of February (35% of the respondents), and for the end of March (34%). However, more than 18% of the companies expresses uncertainty related to the inability of making predictions in the current situation.

An alarming overview of a sharp drop in sales is the picture that emerges from the forecasts of the impact of the spread of COVID-19 on the business in China.

In fact, about 54% of the representative sample foresees a decrease in revenues from 20% to 30% (30% of respondents), if not an even more negative impact of 30% (24% of respondents).

The difficulties identified by the participants are mostly related and fall within a short-term vision, far more tied to the market than to the containment measures of local governments. Among these, more than 56% expressed the fear of not being able to guarantee the services requested by the customers due to an extension of logistical limitations, while more than 40% fears supply difficulties.

It is also obvious the fear of a drop in demand related to the slowdown in Chinese GDP growth, which, according to the 43% of the sample, will face an important impact due to the COVID-19. 37% believes the impact will be even stronger.

With regard to the location of the offices in relation to the crisis situation, the survey shows a moderate concern (41%), while continuing to believe in the investment action in China (more than 31%).

The low level of satisfaction in the way the Italian Government dealt with the emergency should be read in reference to the decision of suspend all direct flight between Italy and China. In this sense, the emerging suggestion is to implement more specific countermeasures aimed at intercepting whoever contracted the COVID-19 and whoever arrives to Italy through connecting flights, such as temperature control and mandatory quarantine for all those who comes from areas considered at risk.

Finally, the survey responses show a growing need for the CICC Members to receive updated information, with particular interest in the measures announced by the Chinese government and the constantly changing local regulations.

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