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## **ИССЛЕДОВАНИЕ ПО ВОПРОСУ О ВОЗДЕЙСТВИИ КОВИД -19 НА МСП И КОНТРАМЕРЫ НА ПРИМЕРЕ NT**

Краткое описание:

Малые и средние предприятия играют огромную роль в экономическом развитии, и их развитие оказывает важное влияние на общее экономическое развитие Китая. На фоне КОВИД -19 ситуация, с которой сталкиваются МСП, весьма серьезна. Вопрос о том, каким образом поддерживать производство и деловые операции и содействовать устойчивому развитию предприятий, является важным для многих МСП. С учетом нынешнего положения дел в рамках код -19,66 МСП были отобраны для обследования с целью изучения воздействия эпидемии на МСП и трудностей, с которыми они сталкиваются в процессе развития, а также для обсуждения конкретного воздействия КОВИД -19 на отдельные МСП, используя в качестве примера ст.

Ключевые слова:

Пневмония ньюкасла; МСП; По итогам расследования

### **1. Introduction**

In December 2019, a number of cases of unexplained pneumonia were reported in Wuhan, Hubei Province, and a novel coronavirus was later identified as the cause of the outbreak. The outbreak of covid-19 has been rampant and the increased movement of people as the Chinese New Year approaches has increased the probability of transmission of the virus. With the further development of the epidemic, the first level of response to public health emergencies has been activated across the country, with strict monitoring of the movement of people and delayed opening of schools and resumption of work by enterprises. As of 5 March 2020, a total of 80,714 new cases of pneumonia had been confirmed nationwide, with 3,045 deaths and 53,827 cured cases. Compared to large enterprises, SMEs are less resilient to risks and the delay in resuming work or resumption of work during the epidemic poses a greater challenge to SMEs. In such circumstances, how to maintain their production and operation and 'promote sustainable development' is an important issue for many SMEs.

## **2. Basic information on the development of SMEs in China**

### **2.1 Overview of SMEs**

Compared to large and powerful enterprises, SMEs are smaller in terms of capital, personnel and scale of operation. They are smaller independent economic units compared to large enterprises. In China, SMEs are an important part of the market economy and a relatively active factor in its development. The number of SMEs in China is huge, accounting for 90% of the total number of enterprises, and their total production accounts for 60% of the total production of enterprises, making an outstanding contribution to the economic development and social progress of China. Therefore, it is necessary to strengthen the study of SMEs.

### **2.2 Current status of SMEs development**

Many scholars have researched and presented their views and opinions on the development of SMEs. Existing research on the development of SMEs focuses on the following areas.

Firstly, research on the current situation of SME development, problems and countermeasures. According to Jixin, the most important problem faced by SMEs in the process of development is the lack of financial resources, which has become an important bottleneck in the development of SMEs to a certain extent. Therefore, in order to achieve leapfrog development, SMEs need to pay attention to the issue of financial needs in the development process. Only by scientifically improving their own strength can they provide a strong backing for their financing, otherwise it will be difficult to achieve financing through any channel. Wang Jian argues that SMEs face external competitive pressures in the process of development and internal pressures due to their own imperfections and the large gap between them and large enterprises. Agarwal argues that SMEs play an important role in the process of economic development and that although the contribution of individual SMEs is limited, there are a large number of SMEs and their overall development has a significant impact on the development of the national economy. Therefore, in the process of national economic development, much attention should be paid to the development of SMEs.

Secondly, a study on the current situation, problems and countermeasures for the development of SMEs in the light of covid-19. In order to reduce the number of infections, many enterprises had to shut down their production and some of them had to comply with the relevant requirements and their production schedule was affected to a certain extent. Many scholars have studied the development of SMEs in the context of the epidemic and have offered their views and opinions. According to Sun Fuchun, the long duration, extensive impact and devastating nature of the Newcastle pneumonia epidemic have affected the development of SMEs to a certain extent. Specifically, the impact of covid-19 on the development of SMEs is mainly due to the lack of personnel, markets, supplies and capital, which is very detrimental to the long-term development of SMEs. In order to better understand the impact of the epidemic on SMEs, Liu Jun selected 995 SMEs to conduct a survey and concluded that the impact of the NCCP epidemic on SMEs was mainly in three areas: firstly, it had a greater impact on SMEs' business income; secondly, it had a greater impact on SMEs' liquidity; and finally, it had a greater impact on SMEs' survival. The impact of covid-19 on the development of SMEs is inevitable, but in this new situation, it is important to actively explore the impact of the epidemic and find solutions.

## **3. Survey on the impact of the epidemic on SMEs**

### **3.1 Selection of survey respondents**

In order to better understand the impact of the epidemic on different types of SMEs, we conducted a questionnaire survey of 66 SMEs. Among them, 15 were processing and manufacturing SMEs, 10 were logistics and transportation SMEs, 9 were catering, culture and tourism SMEs, 14 were agriculture and forestry SMEs, 9 were e-commerce SMEs, 5 were construction SMEs and 4 were other types of SMEs. Among these 66 SMEs, 62.08% had less than 50 employees, 13.89% had 50-100 employees, 16.19% had 101-500 employees, and 3.92% had more than 500 employees, as shown in Table 1.

Table 1. types of survey respondents	
SME Type	Number of SMEs/households
Processing and manufacturing	15
Logistics and Transport	10
Catering, Culture and Tourism	9
Agriculture and Forestry	14
E-commerce	9
Construction	5
Other categories	4
Total	66

### 3.2 Selection of survey questions

The impact of the NCCP epidemic on SMEs is multifaceted. In order to better understand the impact on SMEs, this paper focuses on the impact of the NCCP epidemic on the business income of SMEs, the time available for SMEs to maintain their capital under the epidemic, and the cost payment pressure of enterprises. Of course, the impact of the Newcastle pneumonia epidemic on SMEs is multifaceted and it is difficult to cover all aspects in the design of the survey questions, so this survey focuses on three key issues for SMEs.

### 3.3 Analysis of the survey results

A total of 100 questionnaires were distributed and 66 valid questionnaires were returned. The survey found that the impact of the Newcastle Pneumonia epidemic on SMEs was mainly in the following three areas.

#### 3.3.1 Business revenue

Operating income is an important indicator of whether a business is operating properly and whether the goods and services it provides are recognised to a certain extent. Therefore, the impact of the epidemic on the operating income of SMEs is an important indicator to examine the impact of the epidemic on business operations. Of the 66 SMEs surveyed in this paper, four had a turnover of \$100 million or more, accounting for more than half of the total.

Of the 66 SMEs surveyed in this paper, 4 had revenues of over RMB 100 million, accounting for 6.06% of the total survey; 10 had revenues of RMB 50 million to RMB 99.99 million, accounting for 15.15% of the total survey; 16 had revenues of RMB 10 million to RMB 49.99 million, accounting for 24.24% of the total survey; 16 had revenues of RMB 5 million to RMB 999 million, accounting for 24.24% of the total survey; 20 had revenues of less than RMB 5 million, accounting for 30.30% of the total survey. . 30%, see Table 2.

Table 2 SME Enterprise Business Income Survey		
Amount of business revenue / RMB million	No. of enterprises / House	Percentage/%
≥ 10000	4	6.06
5000 ~ 9999	10	15.15
1000 ~ 4999	16	24.24
500 ~ 999	16	24.24
≤500	20	30.3

The survey analysis revealed that 71.14% of the respondents believed that the impact of covid-19 on the business income of SMEs was significant. 12.63% of the respondents believed that the impact of the NCCP epidemic on the business income of SMEs was affordable. 12.63% of the respondents believed that the impact of covid-19 on the business income of SMEs was not significant, and that the business income of SMEs would not change significantly from the same

period in 2019. 3.24% of the respondents believed that covid-19 had no impact on the business income of SMEs. The impact of the outbreak on the operating income of SMEs was not significant. As these companies are mainly manufacturers of protective equipment, their revenue increased significantly compared to the same period in 2019 due to the increased demand for protection from the epidemic. See Figure 1 for more details.

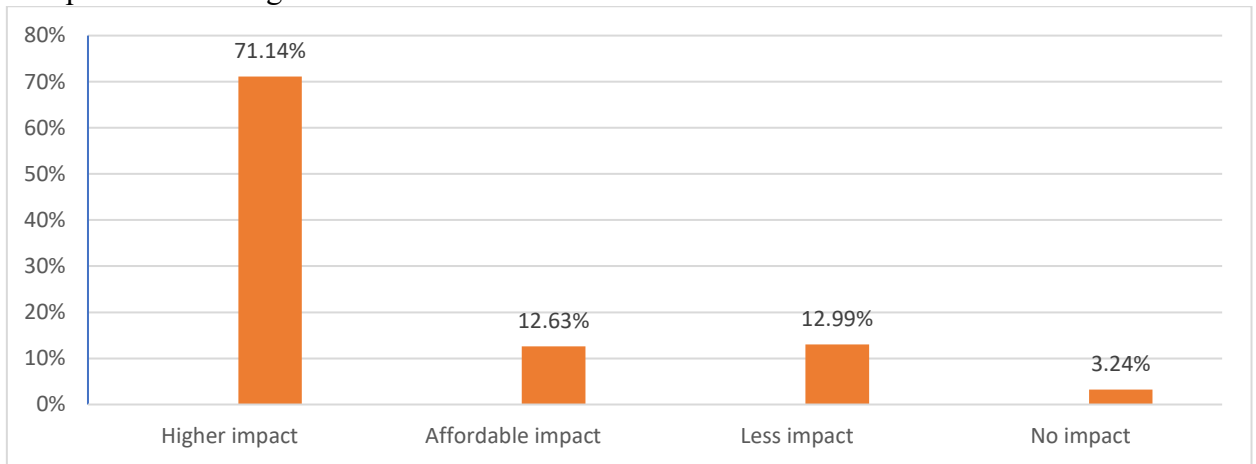


Figure 1 – Impact of the COVID-19 on the operating income of SMEs

### 2.3.2 Capital maintainability time

In order to survive, companies need to have a certain level of liquidity. The emergence of covid-19 has had a significant impact on the production and operation of SMEs, which to a certain extent has put greater pressure on their liquidity. The survey found that 32.63% of SMEs had a capital maintenance period of one month or less, 22.63% had a capital maintenance period of two to three months, 19.18% had a capital maintenance period of four months, 11.96% had a capital maintenance period of five months, and 6.96% had a capital maintenance period of six months. The proportion of SMEs with a sustainable funding period of 6 months was 8.23%. The proportion of SMEs with funds available for more than 6 months was 5.37%. See Figure 2 for details.

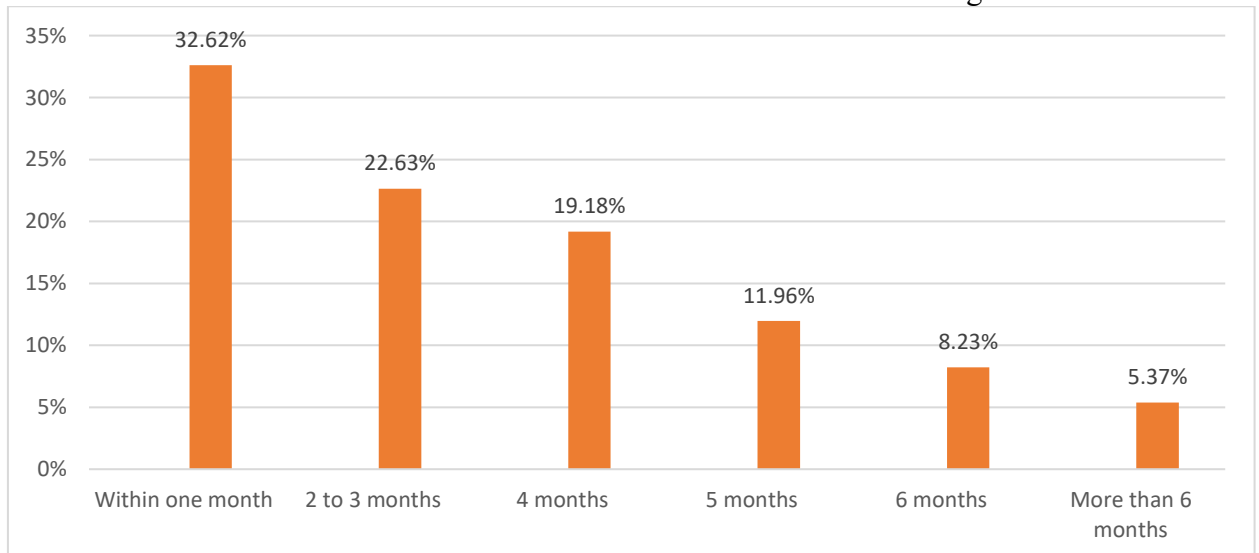


Figure 2 – Time to sustain business capital under COVID-19

### 3.3.3 Pressure to pay for costs

There is a certain amount of pressure to pay for costs in the production process, such as the rent of the factory and the employees' insurance and pensions, which to a certain extent has a significant impact on the growth of SMEs. The survey found that the cost payment pressures faced by enterprises under the NCCP epidemic were as follows: 72.13% of SMEs believed that the business income of many enterprises had been significantly affected by the NCCP epidemic, while the cost expenditure of enterprises had increased more compared to the same period in 2019, which

in effect increased the cost payment pressures of enterprises and had a greater impact on the cost payment of enterprises; 13.56% of SMEs believed that the business income of many enterprises had been significantly affected by the NCCP epidemic. 13.56% of SMEs believed that the business income of many enterprises was affected to a certain extent by the epidemic, but it was still within a tolerable range, while the cost expenditure of enterprises increased less compared to the same period in Sep.2019. About 23% of SMEs believed that the business income of many enterprises was basically unaffected by the epidemic, and the cost expenditure of enterprises did not change significantly compared to the same period in 2019. The impact of the NCCP epidemic on cost payment pressure was therefore small; 5.08% of SMEs saw an increase in business revenue and no change in cost payment compared to the same period in 2019, so the epidemic had no impact on cost payment pressure for SMEs. See Figure 3 for more details.

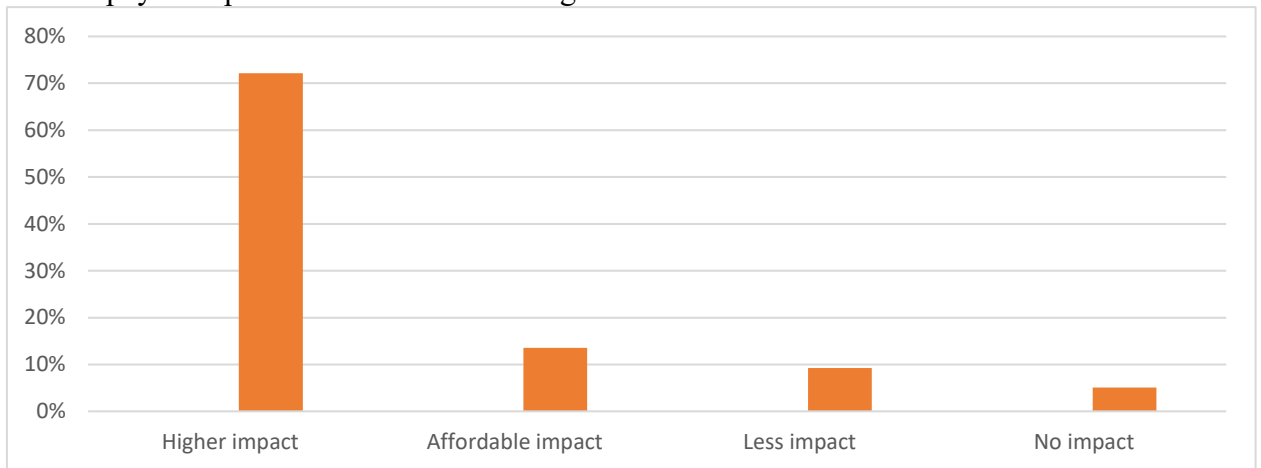


Figure 3 – Impact of the COVID-19 on cost payment pressures on businesses

#### 4. Impact of the New Crown Pneumonia Outbreak on NT

##### 4.1 Introduction of NT Company

NT, located in Wuhan, Hubei Province, was registered with the local market supervision authority in February 2007 with a registered capital of RMB 500,000 yuan, and is mainly engaged in the processing and sale of egg products. Since its establishment, the company has been aiming to provide high-quality and healthy egg products for the community and to be a good bridge between farmers and the public, and its products have been well received by customers and consumers alike.

##### 4.2.1 Impact on the business income of the enterprise

NT is mainly engaged in the processing and sale of egg products. Its main sales channels include supermarkets, e-commerce and export trade, and its customers include the public, restaurants and food factories. As a result of the Newcastle Pneumonia epidemic, strict traffic control measures and epidemic prevention and control measures were implemented across China, which had a significant impact on the sales of NT's products, with many caterers and food manufacturers cancelling their orders and the suspension of logistics leading to a halt in e-commerce sales. In February 2019, due to the peak season for egg products around the Chinese New Year, the Company's revenue reached RMB4.45 million, with high customer demand and substantial profits. In February 2020, the Company's revenue was \$330,000, a decrease of more than 90%, mainly due to the closure of factories, upstream suppliers and restaurants as a result of traffic control measures introduced by local governments during the epidemic period, which affected the sales of products.

##### 4.2.2 Impact on the liquidity of the enterprise

In February 2019, NT's liquidity could sustain the company's working capital for 4 months. Due to the impact of covid-19 outbreak, NT's current liquidity can only last for two months. This is mainly due to two factors: on the one hand, the company's overall inflow of funds has been

reduced due to the impact on the overseas sales of its products, which in effect has increased the pressure on the company's funds; on the other hand, the demand for shopping outside the company has been significantly reduced during the epidemic period, which has to a certain extent prolonged the liquidity recovery period and increased the pressure on the liquidity.

#### **4. 2. 3 Impact on the pressure to cover costs**

In the course of its development, NT faced significant payment pressure, mainly in terms of staff salaries and social security, rent, loan repayments and accounts payable. As a result of the impact of the Newcastle pneumonia epidemic, NT's operating income has declined significantly and the company's liquidity has decreased significantly compared to the same period in 2019, but fixed costs such as staff salaries and rent have not changed, which has inevitably increased the pressure to pay costs. The survey revealed that the pressure to pay employees' salaries and insurance premiums increased by 52.12% compared to the same period in 2019; the pressure to pay rent increased by 23.63% compared to the same period in 2019; the pressure to repay loans increased by 22.56% compared to the same period in 2019; and the pressure to pay accounts payable increased by 31.89% compared to the same period in 2019. This shows that the impact of the covid-19 has significantly increased NT's payment costs, which in effect has increased the pressure on the Company's survival and caused a sudden increase in the pressure on the Company in the face of fierce external competition, with an impact on the Company's long-term development.

### **5. Strategies for SMEs to cope**

#### **5.1 Actively develop online offices to meet business needs**

During the epidemic prevention and control period, companies have to reduce the number of people gathered and most employees have to work from home, which makes the traditional office model unable to meet the needs of the new situation. In order to keep the business running, companies can work online to meet their business needs. SMEs can do this in the following ways:

Firstly, they can work online. On the one hand, employees can do their work online; on the other hand, during the epidemic prevention and control period, they should actively develop. On the other hand, during the period of epidemic prevention and control, they should actively explore new sales channels and promote and sell their products through live streaming, online outlets and social networking platforms, which can reduce the impact on their business to a certain extent.

Secondly, a staggered work schedule should be implemented for those who must be present at work to minimise direct contact and ensure the safety of personnel.

Thirdly, the company should develop a plan to deal with the new pneumonia epidemic and actively prevent and control the epidemic in the factory and office areas.

#### **5.2 Widen financing channels to ensure liquidity**

The covid-19 has affected the liquidity of enterprises to a certain extent, and in order to maintain the good development of enterprises, it is necessary to ensure the liquidity of enterprises. In this case, enterprises should use a variety of financing channels to raise funds, starting from the following aspects, namely.

First, actively make use of the state's support policies for SME financing. The financing cost of financial institutions is relatively low, and good financing from financial institutions can alleviate the financial pressure on the production and operation of enterprises to a certain extent.

Secondly, financing through compliant private lending channels. The financing cost of private lending is higher than that of financial institutions, but it is also a way to raise funds when the financial pressure is high.

Thirdly, raising funds from the relevant shareholders. The interests of shareholders are closely related to the interests of the enterprise, and shareholders with sufficient funds are more willing to help the enterprise to tide over its difficulties.

### **5.3 Make full use of fiscal and tax incentives to reduce operating costs**

In the context of the covid-19, the Chinese government has provided preferential policies for the development of enterprises, especially SMEs. In this new situation, SMEs should study and research the relevant preferential policies issued by the state and make use of them to reduce the pressure of cost payment. This can be done in the following ways:

Firstly, they should actively make use of tax incentives to reduce the amount of tax paid, lower the outflow of funds and reduce the pressure on their capital payments. For example, enterprises can take pre-tax credit for epidemic prevention and control equipment purchased; enterprises that produce key protection materials for epidemic prevention and control can apply to the competent tax authorities for full refund of incremental VAT credits on a monthly basis; the VAT levy rate for small-scale taxpayers has been reduced from 3% to 1%, etc.

Secondly, the pressure on enterprises to pay is mainly due to the payment of employees' salaries and social insurance. Under the new situation, the State has introduced relevant policies and measures to defer the payment of social insurance for employees, and some regions can even reduce some items, which greatly reduces the operating costs of enterprises.

### **6. Conclusion**

At present, the prevention and control situation of the covid-19 is still severe, and the development of small and medium-sized... The development of SMEs is under unprecedented pressure, and how to seek their own development is an important issue in front of them. Based on the current situation of the epidemic, 66 SMEs were selected for a survey to understand the difficulties and impacts of the NCCP epidemic on the development of SMEs, and to discuss the specific impacts of the NCCP epidemic on individual SMEs using NT as an example.

Firstly, there is a general impact of covid-19 on the development of SMEs, mainly in terms of the impact on business income, capital availability and the pressure to pay for costs.

Secondly, there is a specific impact of covid-19 on the development of individual SMEs, mainly in terms of the impact on business income, capital turnover and the pressure to meet costs. The impact of the epidemic on different SMEs varies.

Thirdly, we propose strategies for the development of SMEs in the light of covid-19, such as ensuring business needs through active online business operations, broadening financing channels to ensure capital turnover, and making full use of fiscal and tax incentives to reduce operating costs.

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## **A STUDY ON THE IMPACT OF THE COVID-19 ON SMES AND COUNTERMEASURES--TAKING NT AS AN EXAMPLE**

### *Abstract:*

Small and medium-sized enterprises play a huge role in economic development, and their development status has an important impact on the overall economic development of China. Against the backdrop of covid-19, the situation facing the development of SMEs is very serious. How to maintain production and business operations and promote sustainable development of enterprises is an important issue before many SMEs. Based on the current situation of covid-19, 66 SMEs were selected for a survey to understand the impact of the epidemic on SMEs and the difficulties they face in the development process, and to discuss the specific impact of covid-19 on individual SMEs using NT as an example.

### *Keywords:*

Newcastle pneumonia; SMEs; investigation