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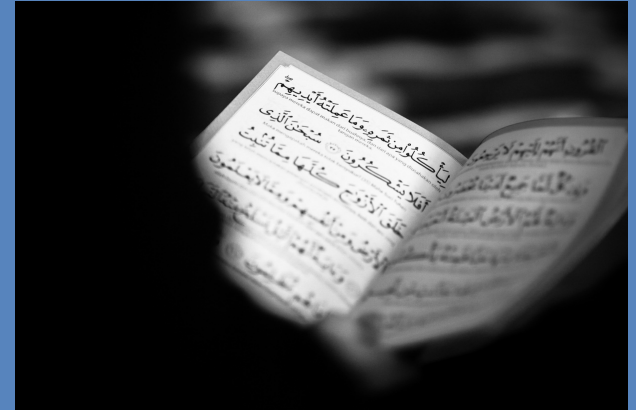
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Covid-19 effecting businesses



what is Covid-19

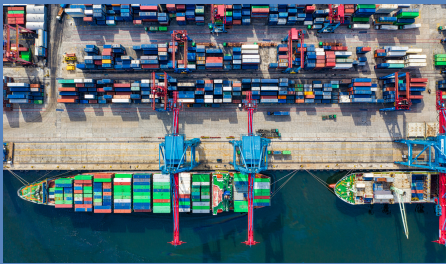
Covid-19 is a flu like disease that has affected the world. It all started in Wuhan, China in December 2019 and quickly spread across the globe within three to four months. (1) It effects our lungs and airways, sometimes making it a real struggle to breath. It is part of the virus 'Coronoavirus' which has been around for many years.

How is Covid-19 affecting businesses?

The Guardian says that a reporter stated "Last year, the live music sector grew by almost a fifth to a record £1.3 billion This year, which had been predicted to be even stronger, will record a slump of as much as 85%, with live music's GVA expected to plummet to about £300 million as touring halts and social distancing keeps most venues shut".(2) There has been a huge loss for the music industry having to close or postpone festivals, gigs and music events. Covid-19 has largely impacted UK businesses for example sales were 30% lower that usual, employment was 5% lower and investment has dropped down to 33% lower, this is all just in the UK alone. (3) People have been out of work and been put on furlough due to this global pandemic and many people are struggling, businesses can not afford to keep staff on to work. The main businesses affected by the pandemic were restaurants, theatres and construction companies. (4) The Unemployment rates have even gone up since the start of the pandemic due to employers not being able to afford to furlough their employees or keep them in work. Tourism was also affected with airlines having to close (5) The developing economies face a lower contraction of 3%, global growth is expected to drop by 4.9% this year, advanced economies are expected to drop by 8% and China will grow by 1%. (6). the hair and beauty industry have been affected by the pandemic in many ways, such as the closure of their businesses meant no income, they had small grants through 'self-employment income support' as they payed business rates but was not eligible for any other support due to being limited companies. While getting little grants and no other income due to not being able to work from home they still had to pay bills for their business and pay wages for their employees. Even though they are now allowed to open in wales a lot of their clients are still shielding due to health and worry of catching Covid, leaving the businesses with less clients meaning they have less income. Businesses also had to pay for PPE, masks and face shields, extra cleaning materials and social distancing posters/floor markings ect. A lot of business owners had a lot of added stress and anxiety with government change of rules and conditions continually. A lot of businesses have gone into liquidation re covid due to downturn of income re people shopping ect, such as 'Peacocks'.

How has Covid-19 affected trade?

China had a tumble with exports in February, but it didn't last long until they were back up in March. However the U.S and Germany did not recover as quick and lead them until August to recover. Some marketers were better off with Covid-19 due to high demands of supply's such as Brazil, they were exporting \$464 worth of soybeans and beef a month to \$639 a month from the period of April 2020 to May 2020. Other exporters were not as lucky such as car exporters for example, in April to May they dropped over \$1 billion. (7). UK trade had a massive fall in exports and imports during the 3 months of February, March and April by £33.1 billion (19.3%) in exports and £29.9 billion (17.6%) in imports being the largest falls since 1997 in the UK. (8) Small businesses across the UK has used about £11,000 more due to the pandemic. Many businesses has a major lost of income, for example businesses in Wales had a lost of £11.804.82 during the pandemic. (9) There were many trade-related measures put in place, these included tariffs on certain things and temporary export bans. A lot of businesses were affected in trade due to the pandemic because it meant a lot of traders could not trade and import goods across the world. Although majority of businesses were affected by trade their were also many businesses not affected. 'Office for national statistics' reported that in fact one in five businesses claimed they had not been affected by exporting and 29% had not been affected by importing. There was a small percentage of 3% of businesses that were importing and exporting more than their usual. (11)



Challenges businesses are facing working from home

There are a lot of challenges businesses are facing working from home such as employees getting distracted by their surroundings or their phones and not being able to concentrate properly, or lack of socialising so they become lonely and depressed. A lot of people are becoming depressed and feel isolated from their friends and family, although they can video call family and friend's it's not beneficial for their mental health and well being. People are not getting enough daily exercises and are eating less healthier due to being out of routine although their allowed out on a daily walk they still are not doing as much walking ect as they normally would as they are sitting down watching tv or at their computer desks more, due to this many workers find it hard to get motivated while in the comfort of their own home. They also lack communication and social skills and sometimes the wifi is down or there is a connection problem meaning the workers can't get on with their work and customers might get annoyed and leave bad reviews. While there are many disadvantages there are also many advantages such as working at your own pace and around your own time. Spending more time with your family and being in the comfort of your own home. It means you can be in for your deliveries and not rely on other people too. Working from home is also an advantage as it means you can work in your comforting clothes and you can save money on fuel or public transport likewise a lot of people will save money as they are not spending money on takeaways or other fast food places. On the other hand some people won't save money because they are going online and buying stuff online.

Lockdown's

Lock down's were put in place to try reduce the virus and stop it spreading. The UK first went on Lock down in March 2020, we went on lock down about 3 months before Boris Johnson restricted the Lock down rules. Before these restrictions were made the rules of lock down were that you are not leave your house unless necessarily, non - essential businesses were to close, no gatherings of more than 2 people were allowed in public and people must work from home when possible. These affected businesses and tourism due to no one allowed to leave and non - essential businesses closing. People weren't allowed to leave their country so tourism had fallen majorly. Then on the 23rd of October Wales entered a 'Firebreak' lock down until the 9th of November, meaning non - essential shops, pubs and restaurants were to close again having yet another impact on businesses.

Financial help from the government

Although businesses were struggling a bit financially due to closure of their business there is help out there. The government released a grant to help out with this problem for those who were self - employed or in partnerships. The scheme was called 'self employment income support scheme grant'. You could only apply for this if you intend to continue trading and either are still trading but struggling because of the supply demand due to covid or were previously trading but can't continue yet due to covid. They also bought out a scheme called 'Furlough' this is for the employers to pay their employees. This helped up to 80% of their employees salary. (10) The government have and are still trying to do their best to help those that are unable to work to the to global pandemic, There is support out there from the government for many different sized and type og businesses, visit the government website to find support for you.



Administration due to Covid-19

Administration is when companies can not afford to pay bills or obligations and companies are then put through the 'management of Licensed Insolvency Practitioners'.

They can put you through court to try help you save your business but sometimes it is not always successful.

Business reporter John - Ford Rajas reported on news Sky on 19th of November 2020 that the two businesses called Peacocks and Jaeger are going into administration due to Covid-19 and a collapse in trade. This has put many employees jobs at risk, just over 4,700 employees and 500 shops after failing to find a buyer. (12) Another business that is being affected and was put into administrators was M&Co but it's previous owners had bought it back to help save the business. DW Sports was also put into administration back in August with 1,700 employees jobs at risk. (13). As you can see there are a lot of businesses were and still are put into administration due to Covid-19, these are just a few of them. There are many more businesses that were affected by the global pandemic due to fall in trade and economy. A lot of businesses are feared of going into administrations and losing their business as it means they will be out of jobs, which can lead to them not being able to afford their mortgage and other bills. Although there are a lot of disadvantages there is an advantage. The benefits of being put through administrators is that it can help to stop your business going into liquidation.

Recession

Recession means there is a fall in GDP where the economy doesn't grow. 2020 saw a fall in GDP in the first 2 quarters of the year due to Covid19 but in the third quarter it started to grow again. The more economy the more jobs and businesses can pay employees more, having a good economy means we become more profitable and also gives the taxes more, meaning more benefits and tax cuts. Due to the pandemic economy in the UK saw a fall of 9.7% where as other countries such as US fell by 3.5%, the economy drop ranges from 3.5%, 4.2% to 9.7% making the UK have the worst economy drop in the world, experts say this is down to the UK having a longer lock down though. (15) Most people saved during the lock down and the savings household grew from 6.6% to 8.6% during the first lockdown in the UK alone! In the 3 months of August to September the rate for unemployment shot up to 4.8%. However some businesses do benefit from a recession such as companies that offer cheap entertainment because people tend to drink more and gamble more through online entertainment and online gambles when sat in the house. Loan companies benefit from recession as many businesses would need more money because they are short of cash there for will get out a loan, it can also make it cheaper to buy a property because there is a fall in asset price and companies such as supermarkets benefit because people still need essential items such as toiletries and food. As people turned to online shopping such as Amazon or small businesses online, their sales raised big time with high demand for deliveries and people panic buying bulks of items such as toilet paper or food (15) Colleges or university's need tutors so therefor tutoring services is in high demand, with people losing jobs or not being able to do anything a lot of people turn to online courses meaning tutors are having more jobs and more students to teach. As people save more during the lock down it means less people in debt as they are not spending more meaning there is more money for investments.

How has Covid-19 impacted the NHS

Covid-19 has had a huge long - term affect on the NHS in many ways, one being the number of death rates have risen. Covid-19 has impacted people with other health needs due to so many people needing emergency help from the NHS. It has also impacted the visits to A&E services and emergency admissions from A&E has also fallen. There was a decrease in the number of patients that were sent to A&E by ambulance by 120,000 a month. Due to people being worried about the virus they were to scared to go to A&E so the number of NHS calls to 111 has risen. In January 2020 the number of people hospitalised and needed treatment due to Covid-19 had risen to 4.4 million patients. (16)

Covid-19 has taken a huge troll on the NHS with more and more people catching the virus it has left some hospitals without any beds or room for any patients meaning the NHS had to quickly try sort this out. They done this by freeing up more spaces in the hospital. The NHS staff are putting their health at risk and risking catching Covid-19 to help all the patients who have been affected by Covid, The staff have also been working over time to get as many patients seen as possible. There was a demand for Covid-19 tests, the NHS had opened up a drive through for Covid swabs, which millions of people were going to. One eighth caught the Covid-19 virus while in hospital. The NHS set up a 'Track and trace' system on the 28th of May 2020, to help reduce the spread of the virus and save lives. 8,305,969 people have had a test at least once since the Track and Trace. The amount of people who have had a test sent to them during the first week of October was 3,013,986 in the UK alone.

The first minister announced on the 20th of November 2020 that if cases of Covid-19 rise then people will not be able to enjoy their Christmas freedoms. Elderly people, men, people from Asian and black ethnic groups are more likely to be affected by Covid-19 and death.

Stay isolated if you have symptoms



Avoid going outside unless absolutely necessary



Wash your hands regularly



Cover your face by wearing face masks when outside



Stay at least 2 metres apart at all times



Or 1 metre apart when wearing a face mask

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