

LAO PEOPLE'S DEMOCRATIC REPUBLIC – COFFEE EXPORT ROADMAP

ASSESSMENT RESULTS ON COVID-19



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TABLE OF CONTENTS

BACKGROUND

METHODOLOGY AND DATA

FINDINGS AND ANALYSIS

1. GENERAL PERFORMANCE AND OPERATIONS
2. IMPACTS OF COVID-19 ON COFFEE SECTOR FIRMS
3. FIRMS ADAPTATIONS TO THE CHALLENGES POSED BY COVID-19
4. FIRM PERSPECTIVES ON POLICY RESPONSES TO CURRENT CHALLENGES

CONCLUSIONS AND RECOMMENDATIONS

ANNEX

BACKGROUND

Responding to the changing environment caused by the global COVID-19 outbreak, ITC offered in the context of the EU funded ARISE+ Lao PDR project (ASEAN Regional Integration Support from the EU Plus – Lao PDR), to conduct two sector specific COVID-19 rapid assessments. These assessments offer an opportunity to better understand the new normal in the wood processing and coffee sectors, and reflect any changes appropriately in the two sector export roadmaps which are being developed as part of the project. This report highlights the key results of the assessment on the coffee sector of Lao PDR.

Objective

To assess the impact of COVID-19 on the business in the coffee sector.

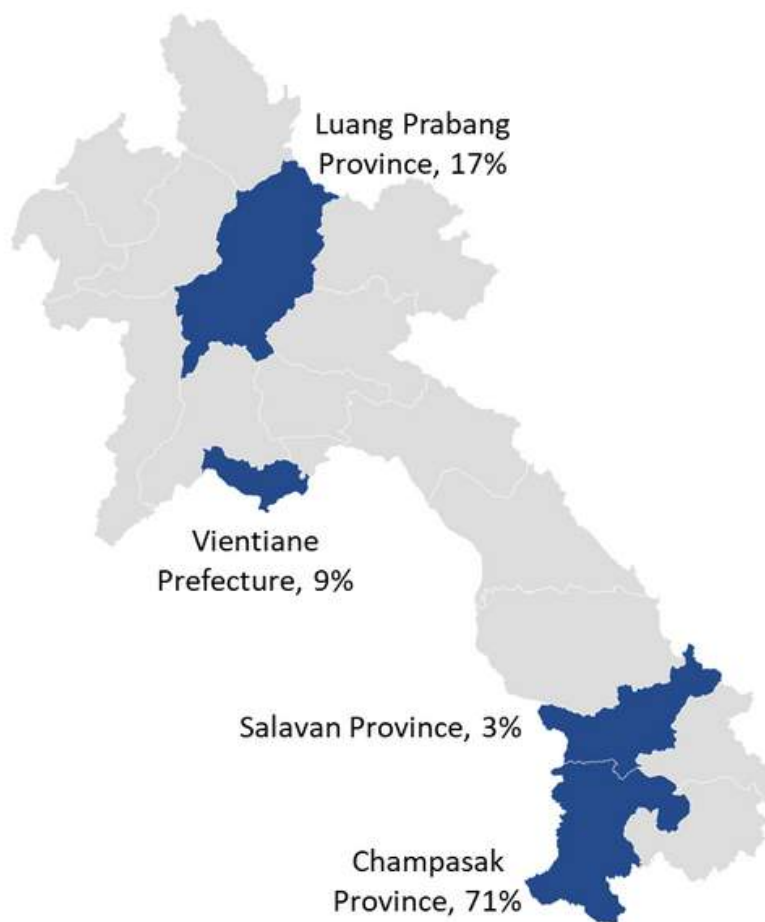


METHODOLOGY AND DATA

A) ONLINE SURVEY

ITC launched a data collection effort during 7 July to 21 August 2020, contacting private sector representatives, requesting them to complete an online survey. A total of 35 coffee sector firms responded to the call. Reflecting the geography of the Lao coffee sector, most respondents are located in Champasak Province (71%) and Luang Prabang Province (17%), though Vientiane Prefecture (9%) and Salavan Province (3%) are represented as well (Figure 1).

Figure 1. Most respondents are located in Champasak and Luang Prabang



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.



The questionnaire asked for information on respondents' firms, their usual business operations, and questions tailored to their firms' experiences and perspectives on the impacts of COVID-19. The rapid assessment for the Lao coffee sector is aligned with ITC's corporate COVID-19 business impact survey[1], which will allow for comparison at global and sectoral level.

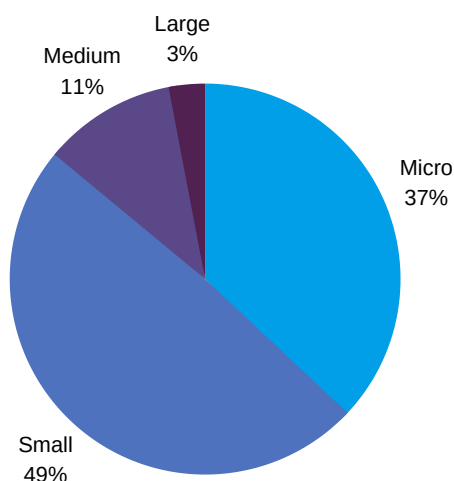
B) TYPOLOGY OF FIRMS

The information collected was then organised based on the size of the firm, categorising enterprises in small, medium and large:

- Micro firms: 1-4 employees
- Small firms: 0-29 employees
- Medium firms: 30-99 employees
- Large firms: 100 or more employees

These definitions are aligned to ITC's SMECS categorization[2]. Most respondents are among the smaller categories; 37% are micro firms and 49% are small firms, while just 11% are medium-sized and 3% are large (Figure 2).

Figure 2. Firm's size



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Most respondents are active in agriculture (51%) or agri-processing (29%), though others represented retail and wholesale (9%), accommodation and food services (6%), information technology (3%) and other services (3%). Most firms are led by men at least 35 years old; 63% of the top managers of respondent firms are male, and 91% are aged 35 years or above. Respondent firms are overwhelmingly registered businesses; just 6% were unregistered.

Our company

● Receipts ● Sales ● Orders



FINDINGS AND ANALYSIS

Business items

● Sales ● Orders



Firms were asked questions about their general performance and operations, as well as questions about how they have been affected by COVID-19 and their views on responses to the crisis and future prospects. The results of this analysis will support the development of the Coffee Sector Export Roadmap and the design and implementation of other activities under the ARISE Plus-Lao PDR programme.

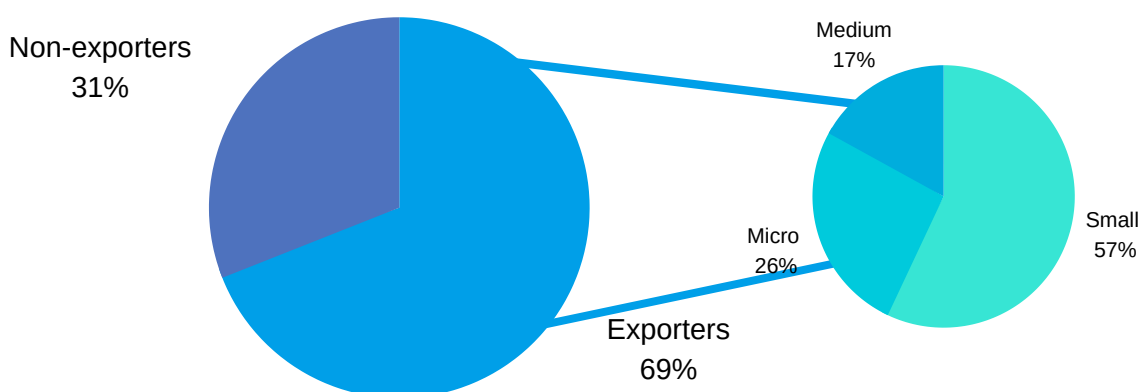
GENERAL PERFORMANCE AND OPERATIONS

Firms were asked about general business performance issues, including their involvement in trade, understanding of markets, views on sustainability standards, and types of support received.

Coffee is an important component of Lao agricultural exports, and thus contributes to growth and diversification. Lao coffee exports totalled USD 96.7 million in 2018, representing 1.7% of the value of all Lao exports, and making it one of the country's most important agricultural exports. In international comparison, Lao PDR was the world's 34th largest coffee exporter by value and the 32nd largest exporter by volume in 2018. The sector's exports have been growing in absolute terms and in comparison with other coffee exporters, though more slowly than other Lao export products.

Most respondents (68%) are exporters. Of the exporters, 48% export and import and 52% export but do not import. Of the non-exporters, 18% import but do not export and 82% buy and sell only domestically. In total, 38% of respondents turn to imports for at least some of their purchasing. Micro firms are underrepresented among exporters (Figure 3).

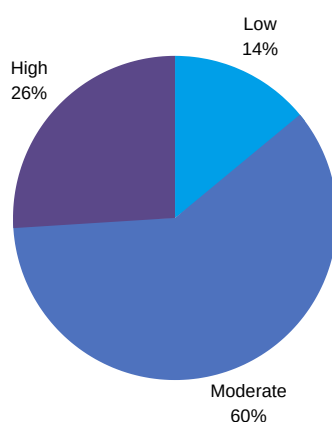
Figure 3. Most firms are engaged in exporting



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Trade information, including an understanding of market trends, is crucial for exporters' success and for producers to anticipate future prices. Few firms judge their understanding of how coffee prices are set to be "low" – just 14% of firms – while 60% judge their understanding to be "moderate" and 26% judge it to be "high" (Figure 4). However, the smallest firms were most likely to face difficulties in this regard; 31% of micro firms stated that they had a "low" level of confidence, while only 6% of small firms and none of the medium or large firms judged their level of understanding similarly.

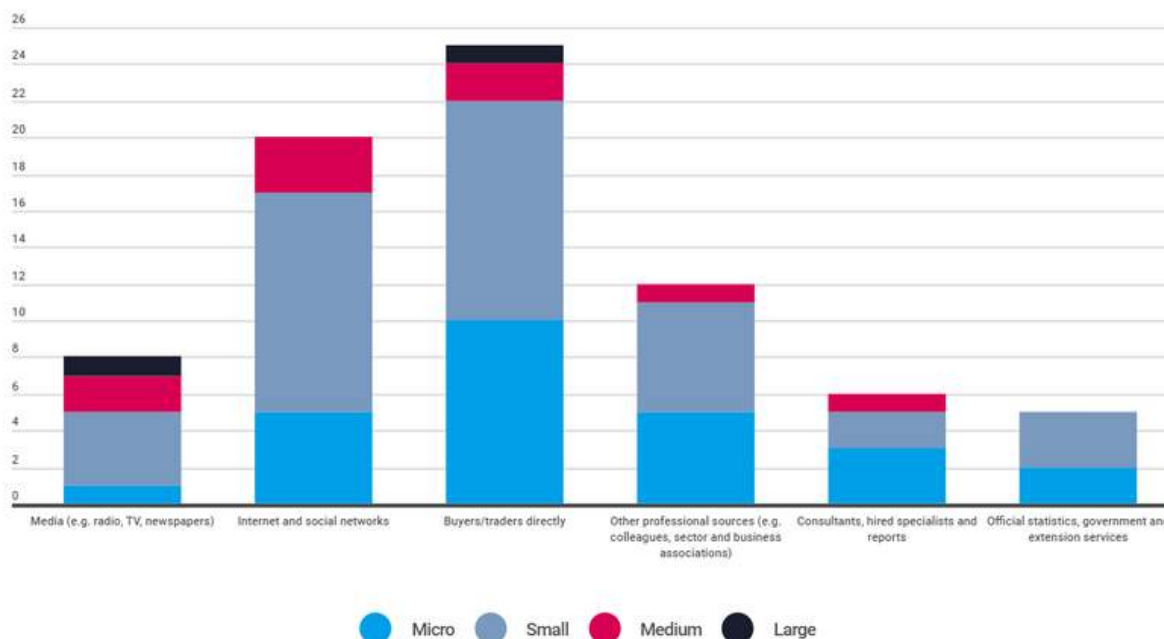
Figure 4. Most firms report having a moderate understanding of how coffee prices are set



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Respondents are most likely to look to buyers and traders (33% of respondents), Internet and social media (26% of respondents), and other professional sources (16% of respondents) for market information (Figure 5). Some differences are apparent by firm size. Micro-firms are most likely to use direct information from buyers and traders, small firms tend to use these sources and Internet and social media equally, medium firms mostly use Internet and social media, and large firms use buyers and traders and the media for information.

Figure 5. Buyers and traders and the Internet and social networks are common sources of market information for firms

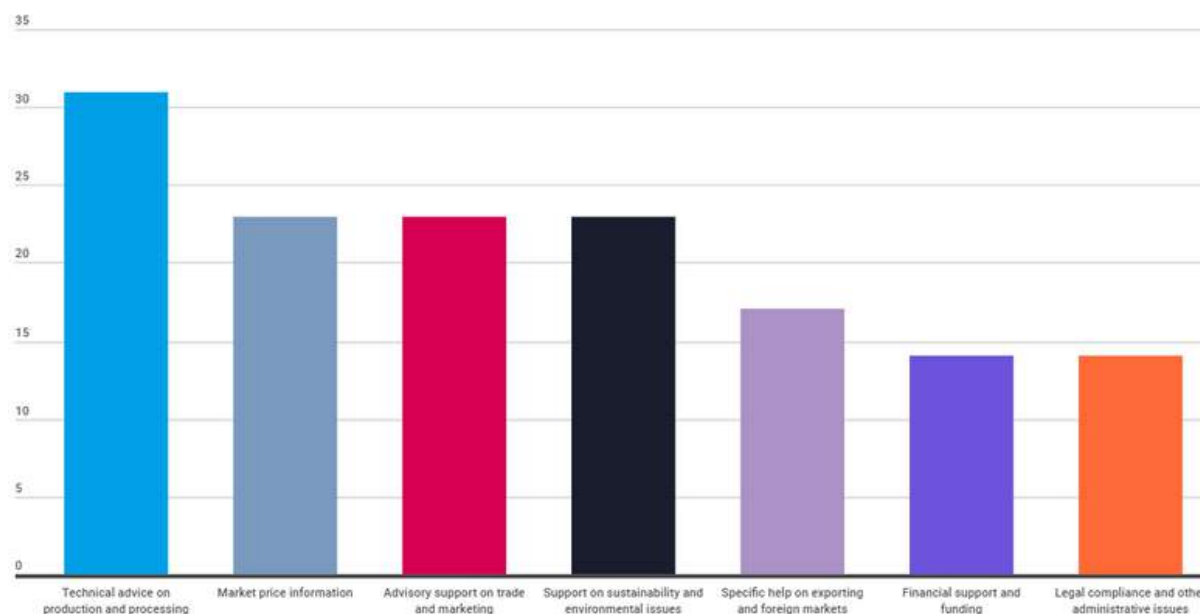


Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

“Administrative requirements for trade need to be streamlined; the process of exporting coffee involves five government offices, wasting our time and resources”, survey respondent.

Advisory services are a common form of support for firms in the coffee sector. Most respondents received have support in the form of technical advice on production and processing (31% of respondents), market price information (23% of respondents), advisory support on trade and marketing (23% of respondents), and support on sustainability and environmental issues (23% of respondents) (Figure 6).

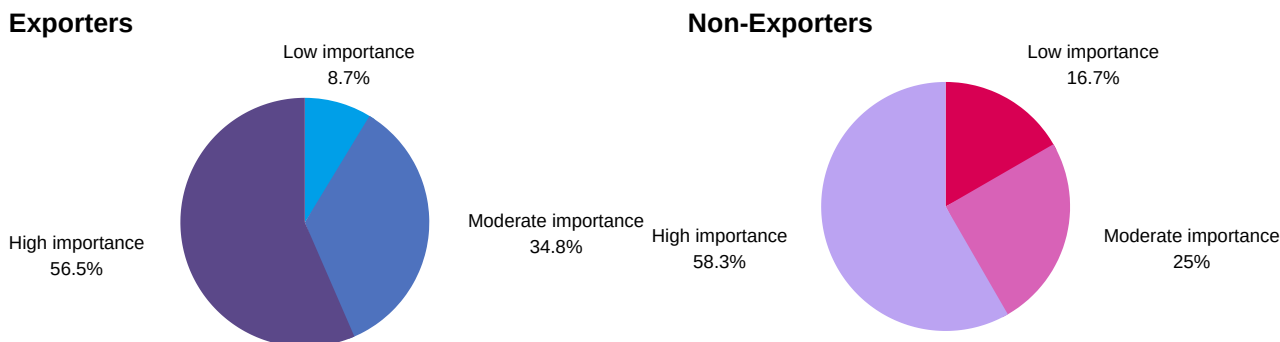
Figure 6. Technical advice is the most commonly received form of support



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Sustainability standards are becoming increasingly important in the global coffee sector. Between 2008 and 2016, the volume of sustainable coffee produced in the world increased by 800% to reach an estimated four million MT. At least 25% of all cultivated coffee area is certified by a voluntary sustainability standard, more than for many other commodities. Across all respondents, sustainability standards (such as organic certification, UTZ, Fairtrade, or 4C) were judged to be of “high importance” to 47% of firms, of “moderate importance” to 31% of firms, and of “low importance” to 11% of firms (Figure 7). Exporters place only a little more importance on these standards; 9% of exporters judged the importance of these standards to be “low”, compared with 17% of non-exporters, though similar proportions of exporters and non-exporters judged sustainability standards to be of “high” importance to their businesses.

Figure 7. Voluntary sustainability standards are only slightly more important to exporters



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.



COVID-19 IMPACT

Since early 2020, the outbreak of COVID-19 has caused an unprecedented human crisis with a growing impact on the global economy. There is great uncertainty about the severity and length of the crisis and this may differ from country to country and region to region, as the full effects of the pandemic are still largely unknown.

As across all sectors around the world, the outlook for the global coffee sector has been made more uncertain by the effects of the COVID-19 pandemic and associated economic downturn. An early analysis of the effects of the pandemic on the global coffee sector by the International Coffee Organization suggests that a global economic downturn would lead to reduced demand for coffee and changing patterns of consumption. Specifically, it suggests that a one percentage point decline in GDP growth is typically associated with a 0.95 percentage point reduction in the growth of global demand for coffee, representing about 1.6 million 60kg bags. At the same time, lockdowns and social distancing measures are reducing out-of-home consumption, reducing demand from the accommodation and food service sector in particular. On the other hand, it appears that at-home consumption has remained steady, with consumers stockpiling and making greater use of e-commerce.

Overall, global sector leaders are expecting changes in the medium and long term that would include increased digitization, decreased reliance on just in time inventory systems, a stronger focus on traceability, and the development of stronger relationships with coffee producers and in-country traders.

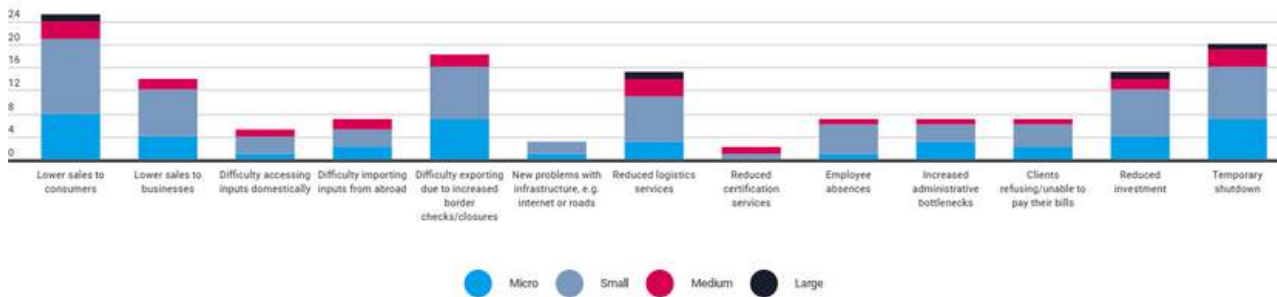
The Lao coffee sector is likely to be exposed to a number of risks. Indeed, a national survey conducted by LNCCI in May 2020 suggested that the agricultural, forestry, and fishery sector was the most affected in absolute terms, with an estimated loss of business revenue totalling USD 292.8 million in Q1 2020, compared with one year earlier (equivalent to a 41% decline). The WFP's Rapid Assessment of Food Security and Agriculture in Lao PDR found the greatest impacts in the agricultural sector were in cash crop production.

IMPACTS OF COVID-19 ON COFFEE SECTOR FIRMS

Most firms have been affected by COVID-19 mainly through lower and more challenging sales and exports, in particular during the country's temporary shutdown/ lockdown during April 2020. In addition, lower sales to customers (71%), the temporary shutdown (57%), and difficulty exporting due to increased border checks or closure (51%), followed by lower sales to businesses (40%), reduced logistics services (40%), and reduced investment (40%) were reported (Figure 8).

Large differences are not seen in the kinds of impact experienced by firm size. Micro and small firms were mostly affected by lower sales to consumers, the temporary shutdown, and difficulty exporting due to increased border checks / closures. Medium and large were mostly affected by lower sales to consumers, reduced logistics services, and the temporary shutdown, and large firms were also affected by reduced investment.

Figure 8. Most firms have been affected by COVID-19 through sales channels and the temporary shutdown



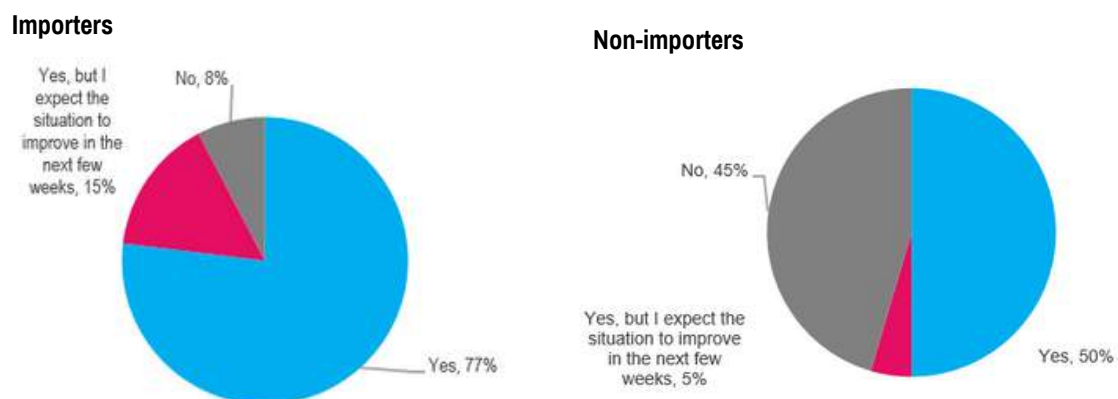
Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Most respondents report facing difficulties in sourcing supplies or materials due to disruptions from COVID-19. Overall, 60% of respondents stated that they experienced challenges of this kind, 9% stated that the difficulty was expected to be resolved in the coming weeks, and 31% stated that they faced no difficulty.

Barriers at borders and international supply chain disruptions have created additional complications for many importers. Importers are considerably more likely than other firms to report facing difficulties sourcing. While 92% of importers faced any kind of difficulty, only 55% of non-importers did (Figure 9).

"We haven't been able to make large sales, and product has gone to waste", survey respondent.

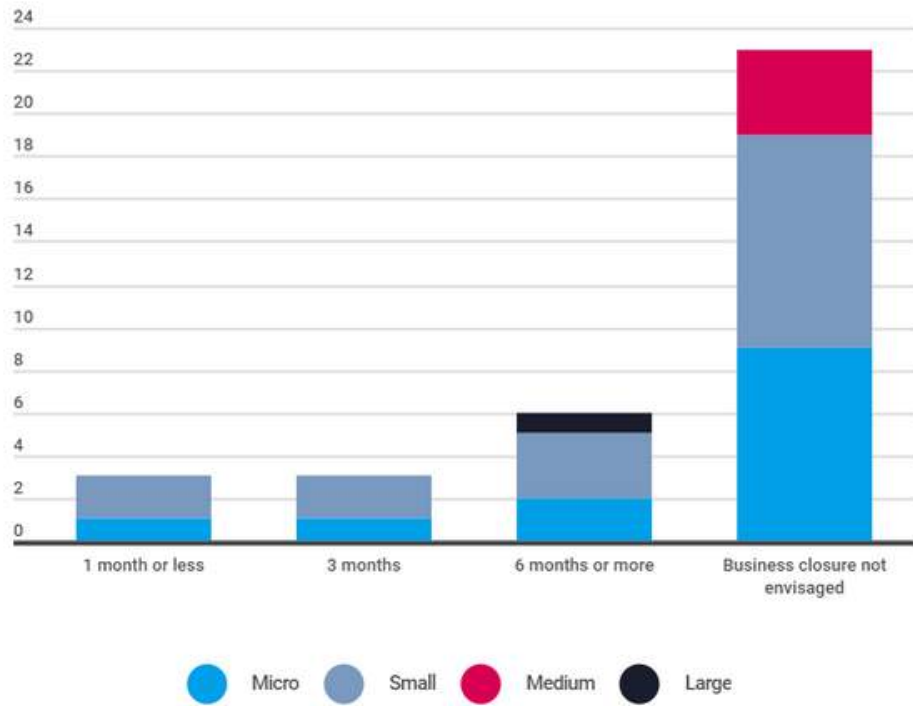
Figure 9. Importers in particular have faced difficulties in sourcing supplies or materials as a result of COVID-19



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Despite the challenges faced as a result of COVID-19, most respondents do not expect to have to close their businesses; 66% said that a closure was not envisioned. Of the remaining 33% that identified a risk of their business closing, 25% expected this would occur in one month or less, 25% expected this to occur within three months, and 50% expected that this would occur in six months or more (Figure 10). Retail and wholesale firms and accommodation and food service firms were most likely to identify a risk of needing to close permanently. Smaller firms were somewhat more likely to report there being a risk of closure in the near future; among the respondents, 8% of micro respondents and 12% of small respondents identify a risk of closure within one month or less, while no medium or large firms envisioned this possibility.

Figure 10. Most firms do not identify a risk of having to close permanently



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.



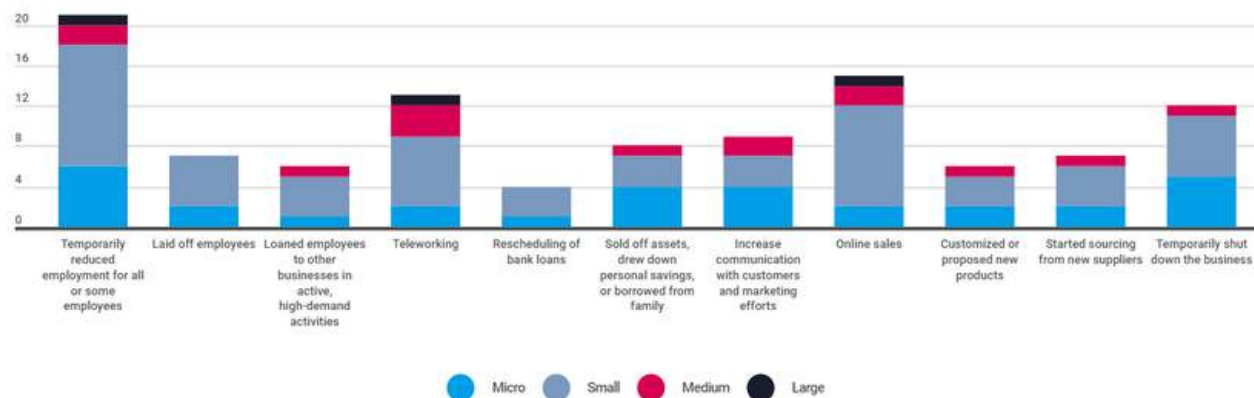
FIRM ADAPTATIONS TO THE CHALLENGES POSED BY COVID-19

In order to better understand how firms in the Lao coffee sector are adapting to current challenges, respondents were asked questions on firm responses to COVID-19, changes in business strategy, their expected timeline for a return to normalcy, and the barriers they see to this return to normalcy.

Respondents adopted a varied range of strategies to the challenges posed by COVID-19. The most popular strategies were temporarily reduced employment for all or some employees (60%), online sales (43%), teleworking (37%), and temporarily shutting down the business (34%) (Figure 11).

The smallest firms were less likely to adopt strategies making use of ICT. Micro respondents were most likely to temporarily reduce employment for all or some employees; temporarily shut down the business; sell off assets, draw down personal savings, or borrow from family to pay the daily bills of the business; and increase communication with customers and marketing efforts. By contrast, respondents in the three larger size categories (small, medium, and large companies) were most likely to temporarily reduce employment for all or some employees, sell online, or turn to teleworking, and many of the medium-sized firms also increased communication with customers and marketing efforts.

Figure 11. Firms responded to the crisis by temporarily reducing employment and turning to online sales and teleworking



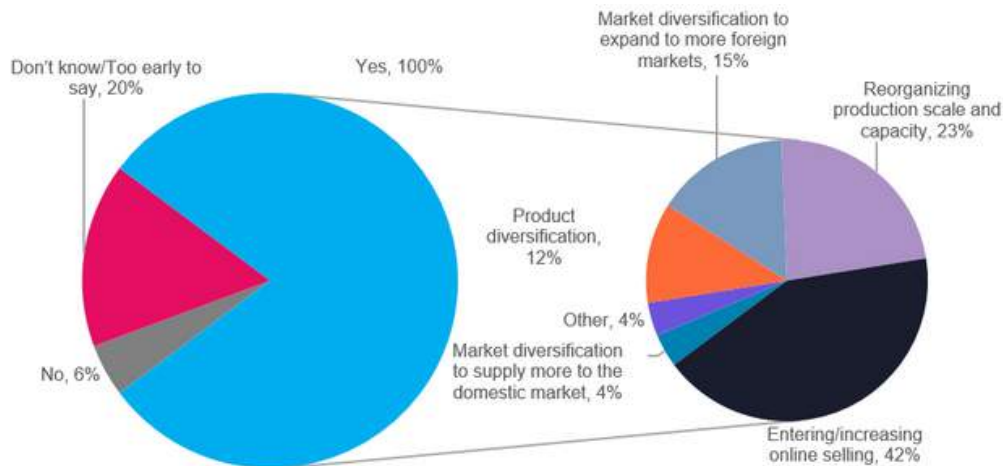
Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

"Farmers cannot maintain plantation areas due to labour shortages", survey respondent.

Most firms are re-evaluating their business strategy as a result of COVID-19. Overall, 74% of respondents stated that they were re-evaluating their strategy, 6% stated that they weren't, and 20% stated that they did not know or that it was too early to say (Figure 12).

Of the firms that responded that they were re-evaluating their business strategies, most were doing this by beginning or increasing their online sales (42%), reorganizing production scale and capacity (23%), or diversifying their markets to expand to more foreign markets (15%).

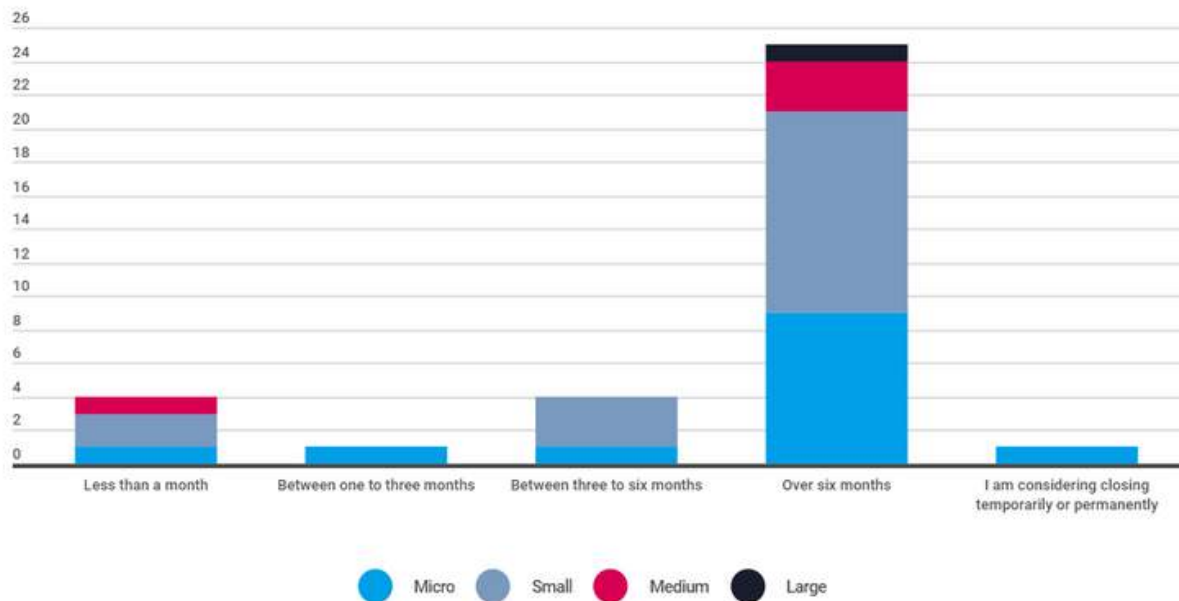
Figure 12. Most firms are re-evaluating their business strategies in response to COVID-19



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Firms expect that the return to normal will take some time. Overall, 71% of respondents stated that they expect it will take more than six months before their business can fully restore operations (Figure 13). Pessimism in this regard tends to increase with firm size; 69% micro respondents with expect that the return to normalcy will take over six months, while 71% of small respondents with, 75% of medium respondents, and all large respondents agree.

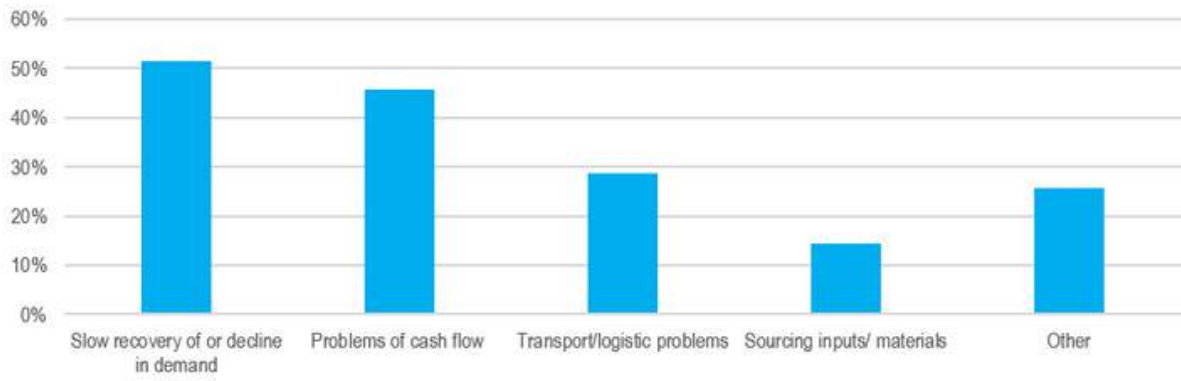
Figure 13. Firms tend to expect that the return to normalcy will take some time



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Overall, 51% of respondents stated that they expected a main challenge to ramping up production will be a slow recovery of demand or a decline in demand, and 46% stated that they expect problems of cash flow will be a main challenge (Figure 14).

Figure 14. Demand and cash flow are expected to be the biggest barriers to the return to normalcy



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

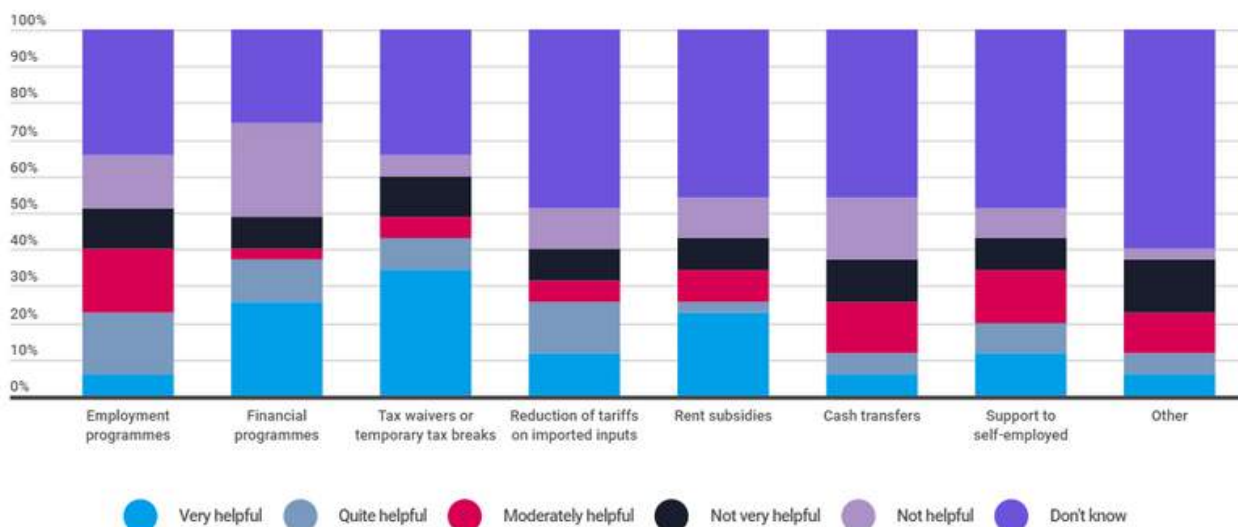


FIRM PERSPECTIVES ON POLICY RESPONSES TO CURRENT CHALLENGES

The government of Lao PDR has put in place a series of measures to help businesses during the pandemic crisis, by implementing for example tax breaks and exemptions and debt reclassifications. Surveyed firms were asked about the most helpful measures that could be implemented by the Government.

Firms have the most favourable views of government programmes providing financial assistance as a means of providing assistance in the current environment. Asked about their views of various possible government responses to the crisis caused by COVID-19, firms welcomed tax waivers and temporary breaks (which 43% of respondents rated as being either “very helpful” or “quite helpful”), financial programmes (37%), the reduction of tariffs on imported inputs (26%), and rent subsidies (26%) (Figure 15).

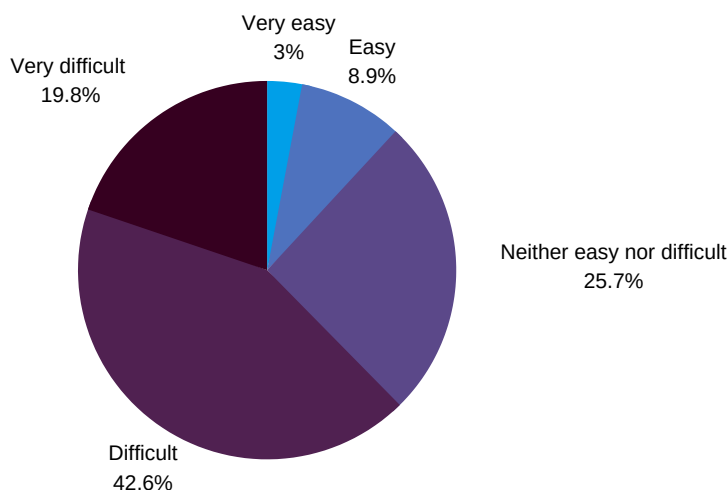
Figure 15. Tax waivers and tax breaks are the most favoured forms of government assistance



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Despite the interest in government assistance, most firms reported having trouble finding information about COVID-19 related SME assistance programmes. More than half of respondents stated that accessing this information was either “difficult” (43%) or “very difficult” (20%) (Figure 16). Only 3% of respondents stated that access was “very easy” and 9% stated that it was “easy”.

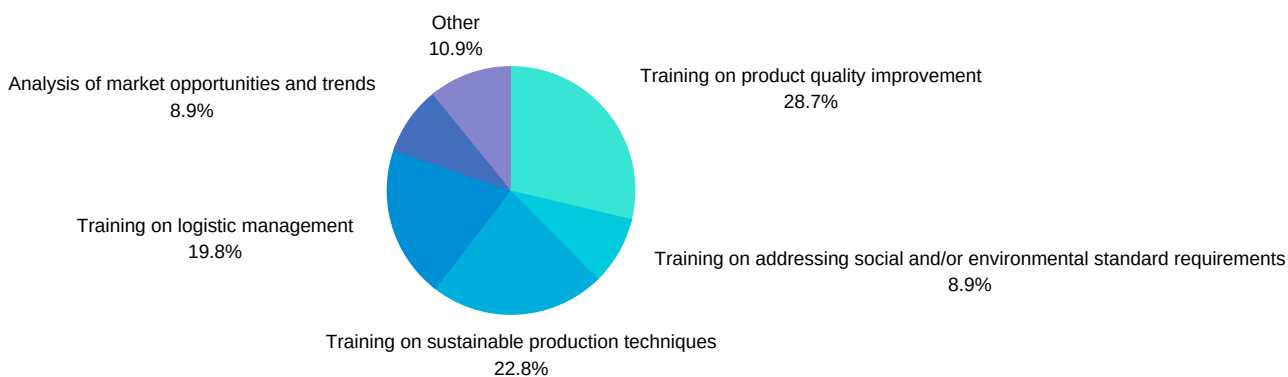
Figure 16. Most firms face difficulty in accessing information on COVID-19 related government assistance programmes




Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.

Alongside government responses, technical support programmes such as the ARISE+ programme can play a role in supporting firms as they adapt to the present environment. Respondents were asked about how the ARISE+ Lao PDR programme should help firms to respond to the challenges presented by COVID-19. Most respondents thought that the programme should focus on providing training on product quality improvement (29%), training on sustainable production techniques (23%), and training on logistics management (20%) (Figure 17).

Figure 17. Training on quality, sustainable production, and logistics are favoured as means for the ARISE Plus- Lao PDR programme to help firms respond to current challenges



Source: ITC calculations based on Lao PDR COVID-19 Rapid Assessment of the Coffee Sector. Data collected 7 July – 21 August 2020.



CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The COVID-19 crisis has impacted the Lao PDR economy through various channels. Below are some findings from the rapid assessment of the coffee sector.

- **Firm performance and operations:** Many firms are engaged in exporting and in importing. Larger firms are slightly overrepresented among exporters. Firms generally feel that they have at least a moderate understanding of how coffee prices are set, and gather much of their market information from buyers and traders of the Internet and social media. When firms do receive support, much of this comes in the form of advisory services, such as on technical aspects of production and processing. Sustainability standards are important to many firms. Interestingly, while fewer exporters describe sustainability standards as being of “low” importance, differences between exporters and non-exporters are limited.
- **Impacts of COVID-19:** Firms in the coffee sector were primarily affected by COVID-19 through lower sales to customers, the effects of the temporary shutdown and difficulty exporting due to increased border checks or closure. Sourcing inputs has become more challenging for many as well, particularly among firms engaged in importing. While most firms do not perceive a risk of having to close as a result of recent challenges, about a third of respondents identified a risk of their business being forced to close.
- **Firm responses to COVID-19:** Firms in the coffee sector have adopted a range of strategies in adapting to the challenges posed by COVID-19. The most popular have been temporarily reduced employment for all or some employees, online sales, teleworking, and temporarily shutting down the business. Most firms are also re-evaluating their business strategies, particularly by beginning or expanding their online selling. These strategies will help firms during what they generally expect will be a slow return to normal operations, slowed by depressed demand and problems with cash flow.
- **Firm perspectives on recovery:** Financial assistance programmes – including tax waivers and temporary tax breaks, financial programmes, reduced tariffs on imported inputs, and rent subsidies – are particularly popular forms of potential support in assisting firms during the current challenges. Access to information of government assistance programmes will need to be improved, however, as many firms face difficulties in finding needed information. Within the ARISE + programme itself, firms also see the benefit of trainings on quality improvement, sustainable production techniques, and logistics management in helping to respond to these challenges.

RECOMMENDATIONS

Based on the findings of the rapid assessment and aligned with the research and stakeholder consultations in the context of the ARISE + Lao PDR project, a series of short- and medium term recommendations are being provided below.

Short-term: mitigate and respond to the COVID-19 crisis:

In the short-term, responses are needed that will have immediate or rapid impacts to help firms manage the challenges identified as arising from COVID-19.

- **Improved information sources on assistance programmes:** While government programmes are being implemented to assist firms in the current environment, the responses from firms to this assessment showed that firms do not believe that they have easy access to information on these programmes. The effectiveness of assistance could be increased if information were more widely disseminated, such as through relevant chambers and sector associations.
- **Access to finance:** Similar to the financial support programmes prioritized by respondents, improvements to access to finance would help firms to manage cash flow challenges and the need to reorient elements of their businesses as planned. This may include temporary financial assistance programmes or reforms to financial assistance to better cater to the needs of smaller firms in particular, which often face considerable challenges regarding financial access. Development partners may also have a role to play; in other countries, development partners have provided support to SMEs through grants through partner banks, for example [3].
- **Maintaining trade and supply chains:** Trade has become more challenging, and firms in the coffee sector have identified challenges in exporting due to additional border checks and closures, as well as the difficulties in sourcing inputs faced by importing firms in particular. In this context, trade facilitation efforts will be particularly important, to reduce the costs of trade and limit the impacts of additional barriers or uncertainties in cross-border transactions. Relatedly, access to reliable and regularly-updated market information will help to enhance firms’ flexibility in adapting to rapid changes in demand and market access requirements.

Medium-term: adapt and thrive post-COVID-19 crisis

Building firms' resilience will help in building preparedness for future economic shocks. While the impacts of some of these responses may take time to have their intended effects, work can begin as part of the recovery effort.

- **Diversification:** The COVID-19 crisis has highlighted the problems arising from a lack of diversification in many countries and sectors. Respondents to this assessment from the Lao coffee sector expressed concern about the impact of reduced sales they have faced, the effects of depressed demand in slowing the recovery, and challenges in sourcing inputs and material. Diversification of products, markets, and sources of supply – including through the development of domestic markets and supply industries – will therefore help to improve the resiliency of the sector to future shocks. Expanding outreach to new markets and supporting the participation of companies in trade fairs and arrange business-to-business meetings is one means of strengthening linkages with new buyers.
- **Digitalisation:** Lao coffee firms have responded to COVID-19 by enhancing their use of ICT in production and sales, through teleworking and e-commerce. Over the medium-term and beyond, improving digital skills will help firms to lower production and transaction costs, reach new markets, and adapt to changing market conditions more easily. E-commerce is expected to accelerate – and potentially – boom post-Covid-19,[4] being a powerful instrument for smaller firms in particular to tap into a wider range of international buyers and alternate suppliers. For the coffee sector, online channels are relevant for both B2B and B2C transactions. Business support organizations (e.g. LNCCI and sector associations such as the LCA) can help businesses build their online presence and can even serve as intermediaries between firms and potential customers abroad. Digital platforms can help pool resources, create economies of scale and access new market opportunities.
- **Enhanced firm and institutional capacities:** Efforts at capacity building at the firm and institutional level will be needed during the recovery period to better prepare firms and trade support institutions for facing future challenges. Higher-productivity firms with independent capabilities to make use of market information are more flexible in the face of change or uncertainty. Effective trade support institutions are particularly important in responding to shocks and to fostering coordination within the sector.
- **Planning:** The implementation of sector planning, including the sector export roadmap, will provide a direction for the development of the sector and boost confidence among sector stakeholders in future planning exercises, enhancing resiliency at the sector level.

Footnotes:

[1] For more information on ITC's COVID 19 survey, see: <https://www.intracen.org/survey/Tell-us-how-your-business-is-affected-by-COVID-19/>

[2] ITC SMECS' definitions: The firm is micro if the number of its employees is between 1 and 4, small – between 5 and 19, medium between 20 and 99, large - more than 100. For more information on ITC's Competitiveness Surveys, see: <http://www.intracen.org/SMEintelligence>

[3] EU and EBRD step up access to finance for SMEs in

Western Balkans. Available at: https://ec.europa.eu/neighbourhood-enlargement/news_corner/news/eu-and-ebrd-step-access-finance-smes-western-balkans_en

[4] ITC (2020). Supporting small businesses through the COVID-19 crisis and towards the future: A 15-Point Action Plan

ANNEX

Questionnaire

SECTION A: Contact Information

1. Establishment's name
 2. How many full-time employees does the business have? (single select)
 - 0
 - 1-4
 - 5-19
 - 20-99
 - 100-249
 - 250 and more
 3. What is the main sector of activity of the business? (single select)
 - Agriculture
 - Mining and natural resources
 - Agri-processing
 - Non-food manufacturing
 - Retail and wholesale
 - Travel and transport
 - Accommodation and food services
 - Information technology
 - Finance
 - Other services
 4. Which is the main sub-sector of activity of the business (single-select)
 - Coffee
 - Wood processing
 5. What is the gender of the top manager of the business? (single select)
 - Female
 - Male
 - Don't know
 6. What is the age of the top manager of the business?
 - 34 years and younger
 - 35 years of age and older
 - Don't know
 7. Is this establishment currently registered with or licensed by a national authority? (single select)
 - Yes, registered business
 - Freelancing/independent/consultant
 - No, unregistered business
 - Do not know
 8. Does the business participate in international trade? (single select)
 - No, we buy and sell within our country only
 - We import but do not export
 - We export but do not import
 - We export and import
 9. Please provide your email address if you would like to receive a copy of the report based on the responses to this survey and agree to be contacted by the International Trade Centre about future opportunities in your country. Your data will be kept confidential. (open-ended)
-

SECTION B: COVID-19 Impact

10. Has the coronavirus (COVID-19) pandemic affected your enterprise in any of the following ways? (multi-select)

- Lower sales to consumers
- Lower sales to businesses
- Difficulty accessing inputs domestically
- Difficulty importing inputs from abroad
- Difficulty exporting due to increased border checks/closures
- New problems with infrastructure, e.g. internet or roads
- Reduced logistics services
- Reduced certification services
- Employee absences
- Increased administrative bottlenecks
- Clients refusing/unable to pay their bills
- Reduced investment
- Temporary shutdown
- Not affected
- Increased sales
- Other
- Don't know

11. Please specify which other effect. (Open-ended question)

12. Did you adopt any of the following strategies to cope with the crisis? (multi-select)

- Temporarily reduced employment for all or some employees
- Laid off employees
- Loaned employees to other businesses in active, high-demand activities
- Teleworking
- Rescheduling of bank loans
- Sold off assets, drew down personal savings, or borrowed from family to pay the daily bills of the business
- Increase communication with customers and marketing efforts
- Online sales
- Customized or proposed new products
- Started sourcing from new suppliers
- Temporarily shut down the business
- Filed for bankruptcy
- Other
- None

13. Do you think there is a risk that your business will permanently shut down because of this crisis, and if so, when could this closure occur? (single select)

- 1 month or less
- 3 months
- 6 months or more
- Business closure not envisaged

14. Which government measures would help you the most to cope with the COVID crisis (please order from 1 to 8, where 1 means most helpful and 8 means least helpful)

- Employment programmes (i.e. temporary unemployment programmes or social security waivers)
- Financial programmes, such as low interest credit line or credit guarantees
- Tax waivers or temporary tax breaks
- Reduction of tariffs on imported inputs
- Rent subsidies
- Cash transfers
- Support to self-employed
- Other

15. Please specify which other measure. (Open-ended question)

16. How easy is it to access information and benefits from government COVID-related SME assistance programmes?

- Very easy
- Easy
- Standard
- Difficult
- Very difficult

17. What do you think the Lao Arise plus initiative should do to help businesses like yours cope with the crisis?

- Training on product quality improvement,
- Training on addressing social and/or environmental standard requirements
- Training on sustainable production techniques
- Training on logistic management
- Analysis of market opportunities and trends
- Other, please specify_____

Section C: Questions specific to the Coffee Sector Export Roadmap

18. What is your level of confidence regarding your understanding of how coffee prices are set?

- Low
- Moderate
- High

19. What measures are you currently implementing or considering in order to improve quality of the coffee sold?

- Crop rehabilitation (existing trees) and crop renovation (new trees)
- Soil conservation
- Improved soil fertility
- Improved husbandry techniques
- Improved infrastructure for processing (hulling, fermenting, washing, drying) and storage, (waste) water management
- Building or improving processing facilities for coffee (wet and dry mills; improve yields and quality, reduce use of energy and water)
- Building or improving laboratories (soil and water analysis), cupping
- Building or improving storage facilities, roads & transport,
- Building or improving processing plants for (organic) fertilizers, water treatment plants

20. What is the source of your market information?

- Media (e.g. Radio, TV, Newspapers)
- Internet and social networks
- Personal sources (e.g. Friends, neighbors, family)
- Buyers/traders directly
- Other professional sources (e.g. Colleagues, sector and business associations)
- Consultants, hired specialists and reports
- Official statistics, government and extension services

21. To what extent do you believe that sustainability standards (e.g. organic, UTZ, Fairtrade, 4C) play an important role in your business?

- Low importance
- Moderate importance
- High importance

22. What type of support do you regularly receive in the course of your business operation?

- Financial support and funding
- Technical advice on production and processing
- Market price information
- Advisory support on trade and marketing
- Specific help on exporting and foreign markets
- Support on improving business operation and productivity
- Support on sustainability and environmental issues
- Legal compliance and other administrative issues
- Other

23. Are you experiencing difficulty sourcing suppliers/materials due to disruptions from the COVID-19?

- Yes
- Yes, but I expect the situation to improve in the next few weeks
- No

24. How long would it take your enterprise to fully restore operations?

- Less than a month
- Between one to three months
- Between three to six months
- Over six months
- I am considering closing temporarily or permanently

25. In your view, which will be the main challenge in ramping up production? (multi-select)

- Slow recovery of or decline in demand
- Problems of cash flow
- Sourcing inputs/ materials
- Transport/logistic problems
- Other

26. If you answered "other", which one?

27. Is your company re-evaluating its business strategy as a direct result of the COVID-19 outbreak? (multi-select)

- Yes, reorganizing production scale and capacity
- Yes, increasing prices of products
- Yes, product diversification
- Yes, market diversification to expand to more foreign markets
- Yes, market diversification to supply more to the domestic market
- Yes, entering/increasing online selling
- Yes, other
- No
- Don't know/Too early to say

28. What other business strategy are you evaluating? (open-ended question)



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