

A large, abstract graphic on the left side of the cover features several overlapping circles. The circles are rendered in shades of light grey and white, with some featuring fine horizontal lines. They are arranged in a way that creates a sense of depth and movement, resembling a stylized globe or a series of pages. The entire graphic is set against a dark grey background.

Mastercard Index of Women Entrepreneurs 2020

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Israel

The ongoing pursuit of innovation alongside strong backing by the government and institutions in the form of venture capital has spurred a strong trend in start-ups in Israel. Data from GEM (2018/2019) pointed to a 31.9% increase in business start-up intention among the adult, non-entrepreneurial population within the next 3 years, the highest level observed in the GEM study in the past 11 years. This trend is especially prevalent in the minority cohort and among women.⁹¹

A Support for SMEs: Pre-Crisis

The latest updated data show Israel surging from rank 42 in 'Support for SMEs' to 1st place this year, driven by various factors such as recent targeted initiatives taken by the Israel Innovation Authority (IIA), a government body in charge of supporting research and development in Israel, to double the number of women entrepreneurs within 2 years by reducing gender gap in the high-tech ecosystem via funding and networking opportunities. Israel also ranks very highly in terms of 'Supporting Entrepreneurial Factors' (9th on MIWE chart) in terms of availability of skilled personnel and acceptance of business failure.





B Highly Dynamic & Vibrant Entrepreneurial Ecosystem

The Israeli society holds extremely high regard for entrepreneurship, especially when it comes to those who demonstrate creative and innovative flair. According to *Statista*, Israel has evolved itself in recent years as an important international hub for start-ups, especially in the high-tech sector. With the highest number of start-ups per capita worldwide, this tremendous achievement is driven by 3 main factors:⁹²

Innovation grants by the government for start-ups and technological developments

The city of Tel Aviv is one of the world's leading and most popular high-tech start-up locations

Israel is one of the leaders globally in terms of R&D expenditure as a share of GDP

According to the *Dell Women Entrepreneur Cities Index 2017*, the city of Tel Aviv in Israel was ranked as one of the best cities worldwide for female entrepreneurs based on a measure of 5 characteristics: access to capital, technology, talent, culture and economies. Described as “one of the most pluralistic cities in the world where one is judged the least by socio-economic status, gender and orientation”,³ female entrepreneurs here have been extremely successful in establishing their businesses across a wide range of fields

from tourism to wave energy, thanks to the highly supportive environment.

However, business ownership among women in Israel (19.8% of total) remains relatively low compared to other high-income, advanced economies such as the United States (34.1%) and Spain (30.9%), suggesting that there is much room for improvement to further drive business ownership. Some possible barriers include:

Lack of Access to Entrepreneurial Finance: Although many initiatives have been launched in recent years to encourage women to start their own businesses and statistics are pointing to a highly conducive and favorable entrepreneurial framework, securing sufficient funding remains one of the major hurdles for most women.

Fear of Business Failure: Another major constraint of women's inclination towards entrepreneurship resides in the high fear of failure in business: more than half (55.4%) of the adult population aged 18 to 64 in 2019 compared to 41.7% globally and 43.9% regionally. Perception of good business opportunities is generally lower at 46.0% in 2019 compared to 53.7% globally and 57.5% regionally. The perceived capabilities in running a business (43.3% in 2019) also trails regional and global peers (62.5% for both).

C Impact of Covid-19

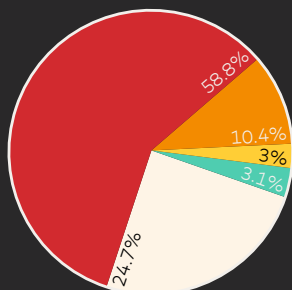
The outbreak of Covid-19 has not spared Israel's business sectors. Data from ILO show a substantial proportion of businesses operating in sectors that are being hard hit by the crisis, especially the wholesale & retail trade and professional, scientific & technical sectors. A gender breakdown shows a slightly greater proportion of male business owners operating in highly impacted sectors compared to

female (62.1% male vs. 58.8% female). In contrast, there are 5 times more women business owners operating in low-impact sectors such as human health & social work (14.9% female vs 2.8% male). In the medium-impact sector of construction, there are 10 times more male business owners than female (17.0% male vs. 1.6% female). This is shown in the following diagram.

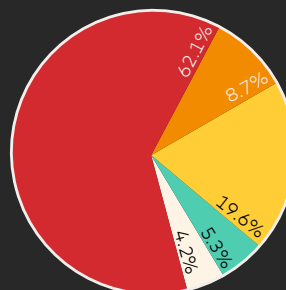


Covid-19 Impact – Business Sectors by Vulnerability in **Israel**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	19.6%	21.7%
	Accommodation and food services	7.4%	6.9%
	Manufacturing	6.0%	9.8%
	Real estate activities	1.7%	1.5%
	Administrative & support services	2.0%	2.9%
	Professional, scientific and technical	20.3%	17.5%
	Information & communication	1.7%	1.9%
MEDIUM-HIGH	Arts, entertainment & recreation	2.6%	1.7%
	Other service activities	11.2%	2.6%
	Transportation & storage	3.7%	4.5%
MEDIUM	Construction	1.6%	17.0%
	Financial and insurance	1.4%	2.6%
	Mining and quarrying	0.0%	0.0%
LOW-MEDIUM	Primary sectors	3.1%	5.3%
LOW	Human health and social work	14.9%	2.8%
	Education	9.9%	1.2%
	Public administration and defense	0.0%	0.0%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

D SME Support in Response to Covid-19 Crisis

To ease the burden of businesses, the Israeli government has extended various support measures, including⁴:

Credit guarantees: The fund for state guaranteed loans to support mainly SMEs with cash-flow problems increased from ILS 4 billion to ILS 8 billion

Targeted Expenditure Programs: On 1 April, the government announced a ILS 650 million stimulus plan for the tech sector via the Israeli Innovation Authority. ILS 196 million will be used for innovation for combatting the Covid-19. A package of measures to boost "growth engines" once containment measures are eased will also be kicked off, including the acceleration of public investment projects (ILS 1.1 billion), support for SMEs in the high-tech sector (ILS 1.5 billion), and so far unspecified measures to boost economic activity (ILS 5 billion)

Support for Informal or Self-employed Workers:

Government approved grant scheme for self-employed

Unemployment benefits: All employees on unpaid leave for at least 30 days will be able to claim unemployment benefits immediately

However, following the easing of restriction measures in April, a second wave of infection has hit the economy in July and August. This has led to a spike in job losses as the unemployment rate surged over 20%. Although the government has announced crisis-related support packages amounting to billion of dollars, many, including the unemployed, self-employed, entrepreneurs and business owners have not received any compensation as of July.⁵



E The Role of Innovation in Wake of Covid-19

Recognized globally as one of the most technologically advanced and innovative economies, the pandemic is altering the business landscape and culture in Israel. For one, the Israeli-government owned Israel Aerospace Industries (IAI) which develops and economies defense systems for air, space, sea, land, cyber and homeland security has converted a missile production line to mass-produce ventilators. It has also created a rapid disinfection tool for treatment rooms being tested at Israeli hospitals and created a system that can remotely collect and analyze Covid-19 patients' vital signs in order to minimize exposure of medical staff.⁶ This swift shift in priority and mindset is not surprising,

given the economy is known globally as a start-up economy with one of the strongest pools of skilled employees.

Recent findings from StartupBlink, an Israeli-founded global start-up ecosystem research center showed Israel ranked fifth among 20 "most innovative economies"⁷ during the Covid-19 pandemic based on categories of solutions and initiatives such as treatment, diagnostics, lifestyle adaptation, prevention, and grants. City-based ranking also showed Tel Aviv coming in 11th in terms of coronavirus-related innovation.⁸



F Women, Opportunism & Covid-19

GEM's data showed women slightly more inclined than men by 2.3% on average to pursue business opportunities to improve independence and economic self-reliance as well as to increase income.⁹ Such aspiration-driven entrepreneurial activity is to a large extent underpinned by the highly positive cultural perception of entrepreneurship (*'Cultural Perception*

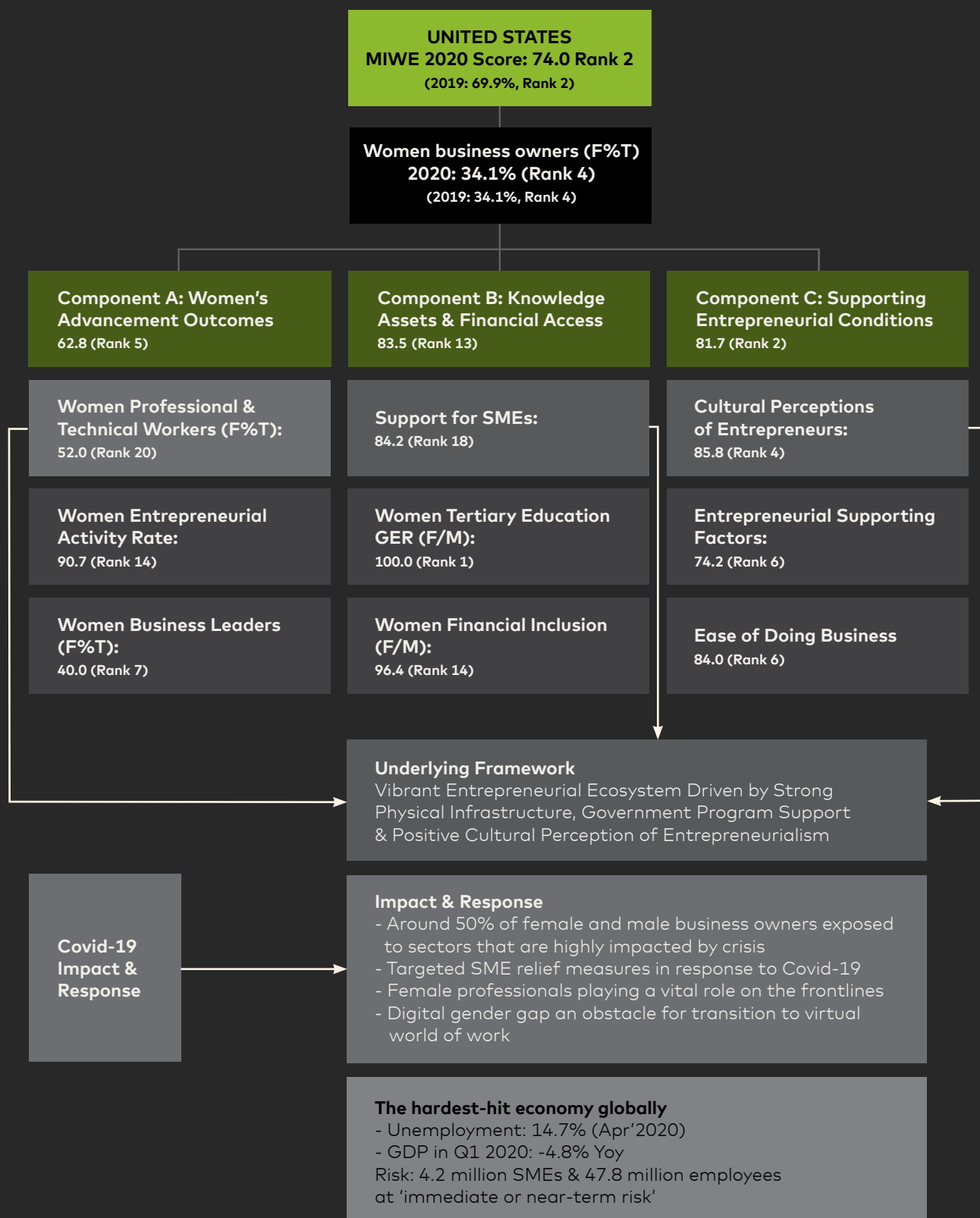
of Entrepreneurs', rank 2). One of the greatest success stories to date is *Diagnostic Robotics*, a start-up initiative led by Israel's leading tech-guru, Kira Radinsky who played a key role in developing a digital system "COVID360" using predictive analytics and artificial intelligence to help manage the Covid-19 outbreak in the economy.



United States

Hardest Hit Economy, Strength in Entrepreneurial Ecosystem

Women in the United States (overall MIWE score of 74.0, rank 2) continue to make remarkable inroads in the business world, propelled by highly supportive entrepreneurial conditions. The favorable cultural regard for entrepreneurship is encouraging and reflects the high visibility and leadership that role models provide for entrepreneurs. These propitious underlying factors remain crucial in promoting women's strong standing socioeconomically as business leaders, professionals and technical workers and especially as business owners (3 out of every 10 business owners are female, rank 4). There is also a rising trend in female entrepreneurial activity rate (up from 10.7% of total female working age population in 2018 to 13.6% in 2019, and 16.6% in the latest GEM data). More pointedly, the entrepreneurial gender gap narrowed considerably, with 9 women entrepreneurs for every 10 men entrepreneurs compared to a ratio of 7.5 to 10 the previous year.





A Impact of Covid-19

Despite remarkable progress achieved by women in the United States, the Covid-19 outbreak has severely undermined this achievement. On a global scale, the United States is by far the hardest-hit economy. Since the first reported case of human-to-human transmission of the virus locally in January, the number of cases has soared, and remains the highest in the world as of August this year. The abrupt shutdown in operations, movement restrictions, and city lockdowns are taking a deep toll on economic activity, especially small businesses.

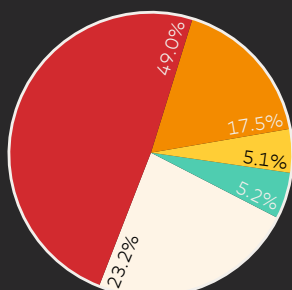
Exposure to Highly Impacted Sectors

The anchor of the economy, SMEs make up more than 99% of all businesses, employing nearly half of the economy's workforce. Of this 99%, 34.1% are owned by women.

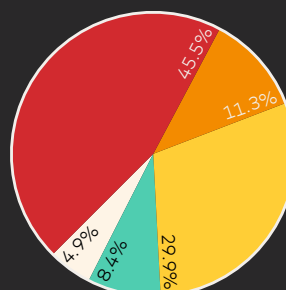
The business sectors by vulnerability analysis of the Covid-19 impact show around half of all women and men business owners and solo-operators exposed to highly impacted sectors (49.0% female and 45.5% male). ILO's data also show there are nearly 6 times more women-owned businesses in the human health & social work sector (18.5%) than men (3.2%). In contrast, men-owned businesses are 10 times more exposed to the 'medium' impact construction sector (26.3%) than women (2.5%).

Covid-19 Impact – Business Sectors by Vulnerability in the **United States**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	10.0%	9.3%
	Accommodation and food services	2.6%	2.1%
	Manufacturing	5.6%	7.3%
	Real estate activities	6.1%	4.1%
	Administrative & support services	10.2%	9.3%
	Professional, scientific and technical	12.1%	9.8%
	Information & communication	2.3%	3.5%
MEDIUM-HIGH	Arts, entertainment & recreation	2.6%	2.1%
	Other service activities	11.2%	2.1%
	Transportation & storage	3.7%	7.2%
MEDIUM	Construction	2.5%	26.3%
	Financial and insurance	2.6%	3.4%
	Mining and quarrying	0.0%	0.1%
LOW-MEDIUM	Primary sectors	5.2%	8.4%
LOW	Human health and social work	18.5%	3.2%
	Education	4%	1.2%
	Public administration and defense	0.6%	0.2%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

In the *CNBC/SurveyMonkey Small Business Index for Q2 2020* conducted from April 21 to 27 among 2,200 small business owners across the United States, 72% noted that the outbreak will likely have permanent effect on the way they run their businesses.¹¹ According to JP Morgan Chase, most

businesses lack the cash reserves and working capital to weather a month-long, let alone a few months, interruption.¹²

The graph below shows some actions business owners taken as a direct result of Covid-19.¹³

Actions taken by business owners as a direct result of Covid-19



Source: Adopted from CNBC/Survey Monkey Small Business Survey for Q2 2020 conducted from April 21 to 27 among 2,200 businesses in the United States. Notes: 'In-person' business refers to business activities involving direct face-to-face contact or interaction with customers. 'Furloughed' refers to sending workers on leave of absence

On a positive note, the latest Q3 2020 Small Business Index by CNBC/SurveyMonkey (conducted between 20th to 27th July among 2,040 small businesses) pointed to a slight rebound in sentiment with the majority of owners (64%) voicing confidence in keeping operations ongoing given the current conditions for more than a year. More than one-third (35%) reported an increase in core products or services over the last 3 months compared to 17% the previous quarter although 41% still reported declines in demand. The results also showed 34% of women business owners considering current business conditions as 'good' compared to 36% for men.¹⁴

The Transition to the Virtual World of Work

For most states across the economy, businesses have been shuttered with mandatory work-from-home orders. For many American women

entrepreneurs in the fields of marketing and health consultancy, fitness, and IT solutions, this has called for a swift transition from traditional brick-and-mortar to online and digital platforms. The International Trade Centre's (ITC) SheTrades Initiative has stepped up measures to help women-owned businesses make the transition more smoothly. These include rolling out new content and modules on the SheTrades.com platform, including virtual workshops on crisis management and finance, webinars, publications, success stories and videos on coaching.¹⁵ Such ability to adjust and transit is enabled by the economy's highly accommodative and enabling entrepreneurial framework in terms of ease of doing business, cultural perception of entrepreneurship, advanced physical infrastructure (e.g. information & communication technology) and support for SMEs.

Digital Gender Gap

Containment measures due to the Covid-19 crisis are also posing challenges due to a prevalent gender digital divide. According to the U.S. Agency for International Development (USAID), women are on average 14% less likely to own mobile phones than males and are 43% less likely to engage online. For women enrolled in tertiary-education, a lack of access to mobile phones, computers or internet connection means that they may lose out on the

opportunity for distance learning.¹⁶

For women business owners, such a digital divide means that they are less able to adapt their businesses readily to e-commerce platforms that are increasingly used due to containment measurements. For women in the workforce, this suggests that they may not be able to work remotely from home due to social distancing constraints (unless their company provides them laptops or equipment). This will undermine their ability to maintain their work performance or keep

B SME Measures in Response to Covid-19

To cushion the blow, various support measures are being rolled out to SMEs, including:

- Business advice on emergency support measures and business operations
- Credit guarantees for small business loans, debt relief, bridging loans, and relief funds for farming and agricultural sectors
- Employment support: New York is offering small businesses with fewer than 5 employees a grant to cover 40% of payroll costs for 2 months to help retain employees, while San Francisco is offering USD 10,000 for employee salaries and rent for businesses with less than 5 employees. Self-employed workers will receive paid sick leave in the form of tax credit.

Challenges in Roll-out of Relief Measures

However, as of the first week of May, many businesses that have applied for the *Payroll Protection Program (PPP)* via banks are either rejected or still awaiting a response. Due to the stringent rules and conditions attached to the grants (e.g. the 25/75 rule that required business owners to only use 75% of the funds received for payroll and 25% for rent, mortgage payments, utilities and other operating expenses to be granted loan forgiveness), many business owners have given up on applying for it altogether.^{17,18}

According to the *CNBC/SurveyMonkey's Q2 2020 Small Business Survey* of 2,200 small business

owners across America (released on 4th May), only 13% of the 45% who applied for the USD 660 billion PPP bailout were approved. Among all respondents, 7% received financing while 18% are still waiting for a response for a lender. It is estimated that up to 90% from minority and women small business owners will be denied a PPP loan due as preference is given to pre-existing customers.¹⁹ For SMEs who applied for the USD 10,000 *Economic Injury Disaster Loan Emergency Advance (EIDL Grant)*, only 3% were approved while 16% are waiting for a response. As of August 2020, the exact number of PPP recipients and jobs retained as a result of the loan remain unclear.²⁰

The *CNBC/SurveyMonkey's* survey also showed that of the 2,200 SMEs, 31% reported they only have enough reserves to last for a few months or less, 7% less than a month and 6% less than a week given the current economic lockdown conditions.²¹

According to GEM, there is much more that needs to be done in the United States, including stepping up effort to directly assist small businesses via entrepreneurial programs, initiate R&D that leads to new commercial opportunities for women in business, and increase spending to support entrepreneurship through government agencies. Specifically, GEM's *Gendered Look at Entrepreneurship Ecosystems* revealed that providing support for childcare facilities

will encourage more women to engage in entrepreneurship.²² In the current context of the Covid-19 outbreak, this has become more crucial than ever before.

Impact Likely to Be More Severe than 2008 Global Financial Crisis

Based on the GEM's research, at the macro level, the United States has higher entrepreneurship rates than other developed economies in the west with more than 30 million adults qualifying as early-stage entrepreneurs (0 to 3.5 years) and over 20 million qualifying as established, independent business owners (3.5 or more years of independent business ownership).²³ Using the 2008-2009 financial crisis as a guide to determine the potential loss of entrepreneurial activity

for the current crisis, data pointed to a decline in early-stage entrepreneurs of more than 20% between 2008 and 2010 with a rebound occurring only in 2012. However, it is likely that the potential loss stemming from the Covid-19 crisis will be larger due to the drastic and abrupt cessation of operations nationwide.²⁴

The implication of these findings and challenges is a mounting concern. Without targeted and swift assistance, many more businesses may be forced to shut. Data from the *Bureau of Economic Analysis* revealed the world's largest economy contracting at its fastest pace (GDP down 4.8%) over the first quarter of 2020 amid plunging confidence levels and massive job losses.

C Impact of Covid-19 on Women Labor Force Participation Rate (F%T)

The economic downturn arising from the pandemic is hurting America's labor force on an unprecedented scale. In April 2020, the U.S. Bureau of Labor Statistics revealed the unemployment rate soaring to 14.7%, the highest in the history of the series.²⁵ Of those who have been displaced, women account for the lion's share, especially those in the leisure and hospitality sector. Between February and March alone, women accounted for nearly 60% of the 700,000 terminated work positions compared to 40% for men. Of more concern is that women *lost* jobs while employment for men *rose* across nearly all sectors of the economy (Institute for Women's Policy Research, IWPR).^{26,27}

Of the millions who have yet to receive their claims for unemployment benefits from the US federal bailout, more than half were made by women, a stark contrast to the last 25 years where women only accounted for about one-third of unemployment claims. Some of the key reasons reside on women being engaged in careers that are not readily adaptable to teleworking,²⁸ and their high representation in part-time employment – roles that are usually the first to be cut in times of economic crisis or business downturns.²⁹

According to research by The Brookings Institution, around 26% of small business establishments in the United States (equivalent to 2 million and collectively employing 27.5 million Americans) related to clothing, general merchandise, retailing, food services and transportation in the United States are at "*immediate risk*" of severe operational disruption or even closure. Another 28% of small businesses such as apparel and furniture manufacturing, real estate, administrative & support services, merchant wholesalers and transportation – equivalent to 20.3 million jobs – are at "*near-term risk*". Combined, these two risk categories (54% of all small businesses) account for 4.2 million establishments and 47.8 million jobs. Other industries such as oil & gas extraction, information & computer technologies (ICT) and chemical/machinery/electronic manufacturing are at "*long-term risk*".³⁰

Although the unemployment rate of women in the United States has declined from 15.7% in April to 11.3% in July 2020, this is still 2.5 times higher than what was recorded in March 2020 when the female jobless rate was 4.2%.³¹

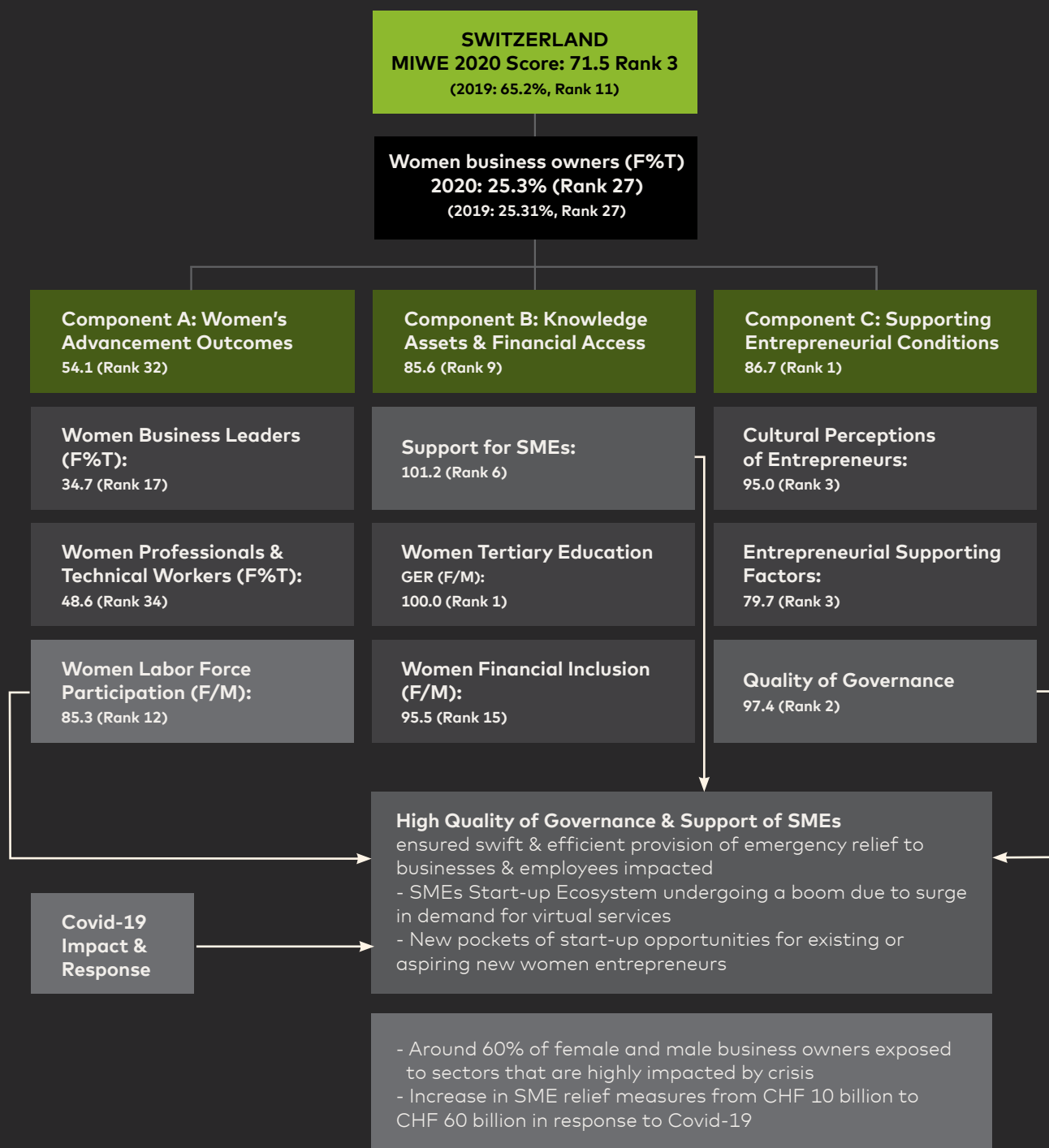


Switzerland

Very Strong Supporting Entrepreneurship Conditions

In 3rd place, Switzerland advanced strongly from a score of 65.2 (rank 11) in 2019 to 71.5 this year, buoyed by a sharp improvement in 'Support for SMEs' (up 37% from 73.8 to 101.2), 'Cultural Perceptions of Entrepreneurs' (up 45% from 65.3 to 95), and 'Women Entrepreneurial Activity Rate – F/M' (up 26% from 47 to 59.3). Highly positive cultural perceptions of entrepreneurship that applaud individuality and success through personal effort and initiative against a backdrop of strong government support for SMEs and quality of governance are playing an instrumental role in strengthening Swiss women's confidence when starting a business (optimism up 40% since 2015/2016).³² The economy is also rated top in *GEM's 2019 National Entrepreneurship Context Index (NECI)* in terms of ease of starting and developing a business.





However, gender gaps in entrepreneurial activity and low perceived capability continue to weigh on Swiss women's advancement in the business world. This is reflected in the relatively low share of women business ownership (25.3% of total, rank 27). This may also be dragged down by an overall low regard for entrepreneurship as a good career choice. On a positive note, GEM's Women

Report showed Switzerland having the lowest rate of business closure for women (0.3%). On top of this, median investment amount by women business owners is high (USD 15,108) compared to global peers. This implies that although total entrepreneurial activity rate is low among women, for those who actually start a business, they tend to invest in it and are capable of sustaining it.³³

A Economic Impact of Covid-19 Crisis

The pandemic that swept across the globe has fundamentally changed the economic outlook for Switzerland. Stringent containment measures such as closing of shops, factories and national borders have brought the economy to a standstill, with losses amounting to an estimated CHF 4-5 billion a week in mid-April. Unemployment rose to a non-seasonally adjusted 3.3% in April from 2.9% the previous month, the highest jobless rate since March 2017, as the number of unemployed rose 13.1% to 153,413.³⁴ Business confidence plunged to 63.5 in April, the lowest since March 2009 as all sectors of economy were heavily impacted.³⁵

By sectors, the wholesale & retail trade, accommodation & food services, and professional, scientific & technical are the hardest hit by the coronavirus crisis and economic downturn. Our business sectors by vulnerability analysis show around 60% of women and men owned businesses operating within these most impacted sectors ("High" impact). Gender profiling shows there are twice as many women business owners than men (15.8% vs 6.8%) operating in the human health & social work sector where the economic impact is considered "Low", but risk of infection is the most acute. In contrast, male business owners are nearly 3.5 times more represented in the "Medium" risk construction sector than female (13.1% vs 3.9%).³⁶

B SME Support: Switzerland

Compared to its global peers, Switzerland's SME support system in terms of physical infrastructure, availability and effectiveness of government program support, and access to financial services is considered among the strongest globally (rank 6 on MIWE chart). Quality of governance in terms of the credibility of commitment by government to the implementation of effective policies here is second to only New Zealand. This is evident in the efficiency with which SME relief measures were rolled out during the pandemic, including:

- CHF 8 billion emergency package earmarked for unemployment insurance funds whereby companies only have to bear one day's lost work independently before they are entitled to unemployment insurance support
- CHF 10 billion expenditure program aimed at helping ease the cost burdens of companies so that they made tide through the crisis

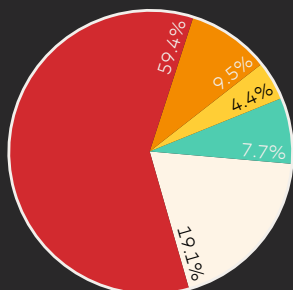
By April 3, the total emergency aid package by the Swiss government has been increased from an initial CHF 10 billion to CHF 60 billion to stem

the economic and social consequences of the pandemic. Within a week of the announcement of relief measures, more than CHF 15 billion has been disbursed to over 76,000 businesses.³⁷ To date, this is the largest relief package ever agreed by the government and is nearly equivalent to the annual public spending (CHF 71 billion in 2019) and 8.5% of gross domestic product (GDP).³⁸

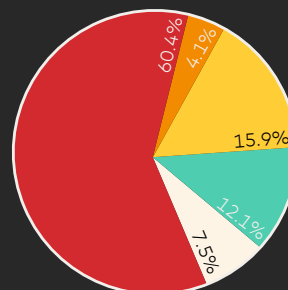
The efficacy and promptness with which such support was rendered is worthy of commendation and mention. In stark contrast to the United Kingdom, France, Germany and the United States where application of emergency relief support is sometimes delayed due to confusion, rejection and system overload, the support rendered to distressed businesses in Switzerland was swift.³⁹ Such rapid response and targeted support measures are testimonial of the economy's high 'Quality of Governance' (97.4, rank 2). In the forthcoming months, as the crisis unfolds amid lingering uncertainties and bearish economic outlook, such support will be instrumental in helping businesses sustain.

Covid-19 Impact – Business Sectors by Vulnerability in **Switzerland**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	18.5%	15.4%
	Accommodation and food services	12.3%	8.1%
	Manufacturing	7.7%	9.1%
	Real estate activities	1.4%	2.0%
	Administrative & support services	4.4%	4.6%
	Professional, scientific and technical	14.3%	16.9%
	Information & communication	0.8%	4.4%
MEDIUM-HIGH	Arts, entertainment & recreation	1.5%	1.2%
	Other service activities	7.2%	1.0%
	Transportation & storage	0.8%	1.9%
MEDIUM	Construction	3.9%	13.1%
	Financial and insurance	0.5%	2.8%
	Mining and quarrying	0.0%	0.0%
LOW-MEDIUM	Primary sectors	7.5%	12.1%
LOW	Human health and social work	15.8%	6.8%
	Education	3.3%	0.7%
	Public administration and defense	0.0%	0.0%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

C Surge in Swiss Startup Opportunities

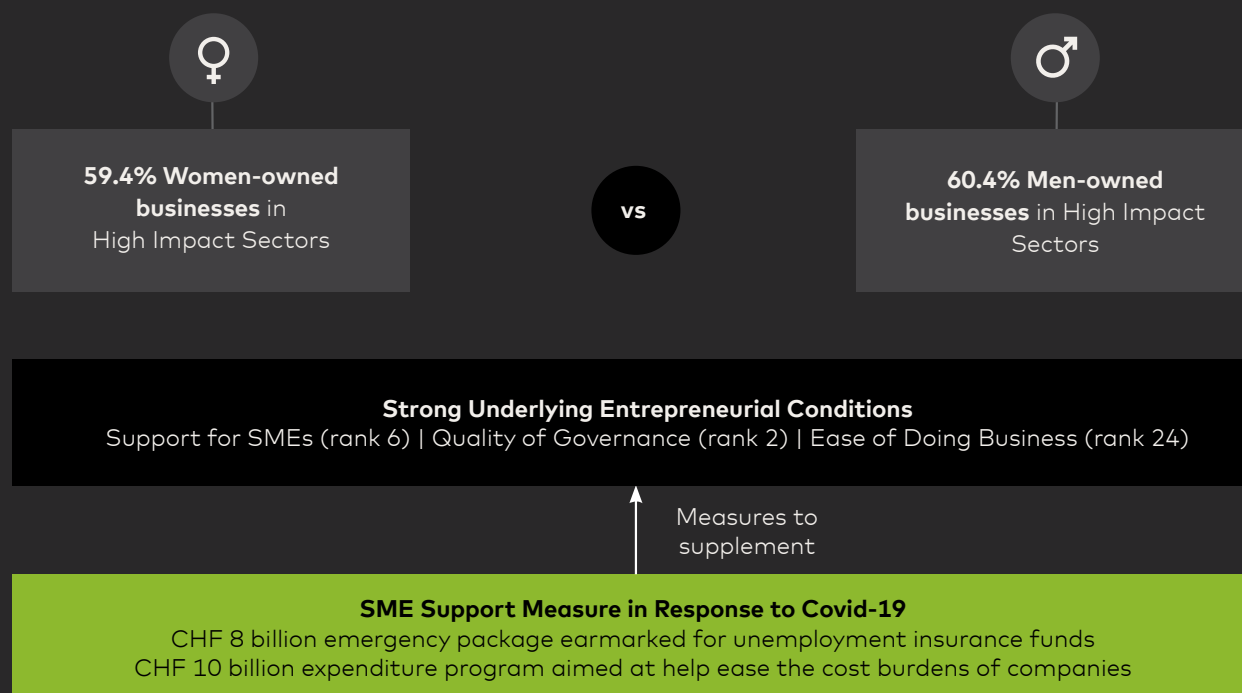
Amid the crisis, there is silver lining in the Swiss start-up ecosystem whereby remote working and online collaboration activities are fast gaining momentum and making a vital contribution to the daily lives of millions at work and at home. Over the past 2 months, the demand for virtual shopping and services have skyrocketed, including:⁴⁰

E-commerce & Delivery: Provision of direct delivery service from groceries to biological farming goods to organic baby food and medical products to packaged meals.

E-health & Telemedicine: Provision of remote health and consultancy services for the home care industry, the bioanalytical sector to remotely detect immunological responses, the healthcare sector for online medical consultation and remote patient monitoring, among others

Enterprise Tech and Services: Offering contactless checkout-free solution for the retail sector, automated people counting system for the food and retail sector, virtual job interviews for corporations, among others

Impact of Covid-19 on SMEs: Switzerland



Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

D Impact on Women Labor Force Participation

In Switzerland, around two-thirds of working age females are engaged in the workforce (63% compared to 74% for men). This is considered relatively high on the MIWE charts (rank 10). Of those that are working, nearly half (48.6%) are professionals and technicians.

Like their global peers, the pandemic has impacted the economy's labor market severely. According to

the ILO, as of 29 April, around 70% of workforce in Switzerland have been affected due to social distancing and lockdown measures related to the coronavirus.⁴¹ To prevent mass layoffs, CHF 8 billion has been allocated as employment support for short-time work allowances.⁴² As of mid-March, benefits have been claimed by around 1.3 million employees – a quarter of the active workforce in the economy.⁴³

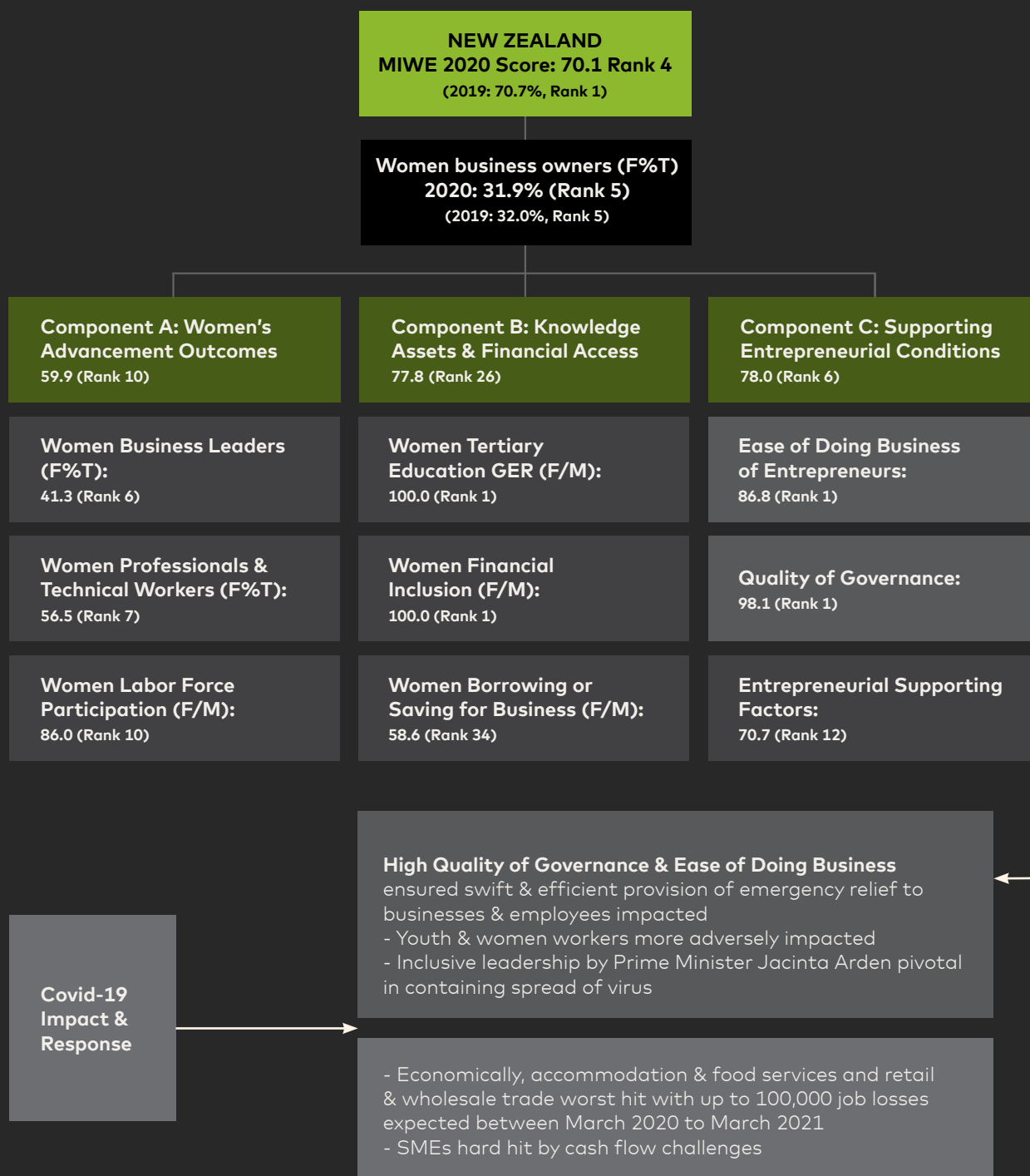




New Zealand

Women in New Zealand retain their strong lead on the MIWE chart (score 70.1, rank 4), underpinned by high representation as business leaders and professionals and favorable entrepreneurial supporting conditions. Of the 12 sub-indicators, New Zealand takes the rein in '*Ease of Doing Business*', '*Quality of Governance*', '*Women Financial Inclusion – F/M*' and '*Women Tertiary Education GER – F/M*'. Women in New Zealand have high access to resources to start a business, including extensive and established distribution channels, business networks, and international economies. They can thrive against a backdrop of supportive entrepreneurial ecosystem nurtured by high ease of doing business, supportive government programs, developed physical infrastructure and financial and business systems, and favorable sociocultural regard for entrepreneurship.





A Impact of Crisis on Labor Economy

Like all its global peers, the coronavirus outbreak has thrown the millions of households and hundreds of thousands of businesses in New Zealand into disarray. In late March, New Zealand was one of the first few economies calling for strict nationwide lockdown measures including isolation, quarantines, widespread testing, shuttering of nearly all businesses and strict orders for citizens to remain home unless absolutely necessary. The impact of the pandemic was evident in the first quarter's unemployment figures. The unemployment rate for the first quarter of 2020 rose to 4.2% from 4.0% in Q4 2019 as the number of unemployed rose 5,000 to 116,000. The unemployment rate for men rose to 4.1% from 3.8% the previous quarter but remained the same for women at 4.3%. Underutilization rate rose to 10.4% from an 11-year low of 10% during Q4 2019.⁴⁴ However, given that this figure pre-dates the lockdown, in the coming months, the jobless rate is expected to rise sharply to between 8 to 10%

by the end of the year as the impact of the crisis is more fully captured.⁴⁵

In April alone, there was a 20% surge in the number of New Zealanders joining the Jobseeker benefit.

Youth & Women Most Impacted

According to analysis by *Infometrics*, more than 250,000 jobs are expected to be lost between March 2020 and March 2021, with tourism-related sectors worst hit (See chart below). For instance, the accommodation & food services and retail & wholesale trade sectors are expected to see combined job losses of up to 100,000. A gender breakdown reveals a higher proportion of women workers engaged in these 2 sectors: 60% in hospitality and 56% in retail. Median weekly wages in these most impacted sectors are also the lowest across industry: NZD 631 in hospitality and NZD 782 in retail.

Expected job losses between March 2020 and March 2021



Source: Infometrics, Covid-19 to cause huge job losses, Industries with largest job losses between March 2020 and March 2021, preliminary estimates.

Industries that rely on discretionary spending (e.g. arts & recreation) will be particularly hard-hit amid subdued employment prospects and a drastic cut in spending, while spending by overseas visitors is expected to be near zero as long as the national borders remain shut. A change in consumer behavior arising from social distancing will deter people from attending cultural and sporting events with large crowds. This is expected to shave more than 9,000 creative jobs from the economy. Apart from the slump in tourism, the international education sector which accounts for 32,000 jobs is expected to incur a 50% drop in staffing, with most of the losses concentrated in Auckland.⁴⁶ Meanwhile, *The International Air Transport Association (IATA)* has forecasted job losses of up to 128,300 in aviation-related sectors in New Zealand by end June due to travel restrictions related to the pandemic.⁴⁷

In response to the crisis, the New Zealand government has committed billions in employment support for affected businesses across all sectors and regions, including:

NZD 5.1 billion in wage subsidies: committed for affected businesses in all sectors and regions. Full-time workers (more than 20 hours/week) will receive NZD 585/week under the scheme, with NZD 350 paid to part-time workers. Subsidies are paid in lump sums and cover up to 12 weeks per employee

Payments to self-isolated people: NZD 585.50 per worker per week for full-time workers and NZD 350 per worker per week for part-time workers.

B Economic Impact on SMEs

The SME sector which accounts for almost 70% of all jobs in the economy, is particularly hard hit. Many small businesses are severely challenged due to the lack of resources to draw on following the abrupt cessation in economic activity.⁴⁸ To cushion the blow, the government extended the following SME relief measures:⁴⁹

- **Business Cost:** A ban in rent increases with view to extend no-cause contract terminations. Introduction of "significant support for mortgage holders"
- **Wage Subsidies:** Total of NZD 5.1 billion in wage subsidies committed for affected businesses in all sectors and regions. Full-time workers (more than 20 hours/week) will receive NZD 585/week

under the scheme, with NZD 350 paid to part-time workers. Subsidy paid as lump sum and covers 12 weeks per employee

- NZD 12.1 billion (4% of GDP) fiscal support to help businesses cope with economic effects of pandemic
- Covid-19 Leave Support Scheme is also available for businesses to pay workers who need to take leave due to public health guidance

SMEs may be eligible for funding to protect jobs and receive interest-free loans for a year. Small businesses employing 50 or fewer full-time employees may also receive up to USD 100,000 in aide.⁵⁰



C Role of Female Leadership

The pandemic has brought to light the importance of firm leadership and solid quality of governance during times of great uncertainty and widescale apprehension. In New Zealand, Prime Minister Jacinta Arden's role as the national leader has won global praise and acknowledgement for not only instilling calm, trust and order among the people,

but putting into place actions and policies that are 'inclusive', carefully considered and consulted. The collective and clear enforcement of containment to control measures helped mitigate the risk of widespread infection, while the swift kick-off of SME and employment support measures helped ease the burden of businesses and employees.

D Easing of Restrictions

On May 14, the government announced the relaxation of containment measures. As parks, beaches, cafes and restaurants reopen, there

remains a large degree of anxiety and apprehension as most await the revelation of what the fallout will be – politically, culturally, and economically.



United Arab Emirates

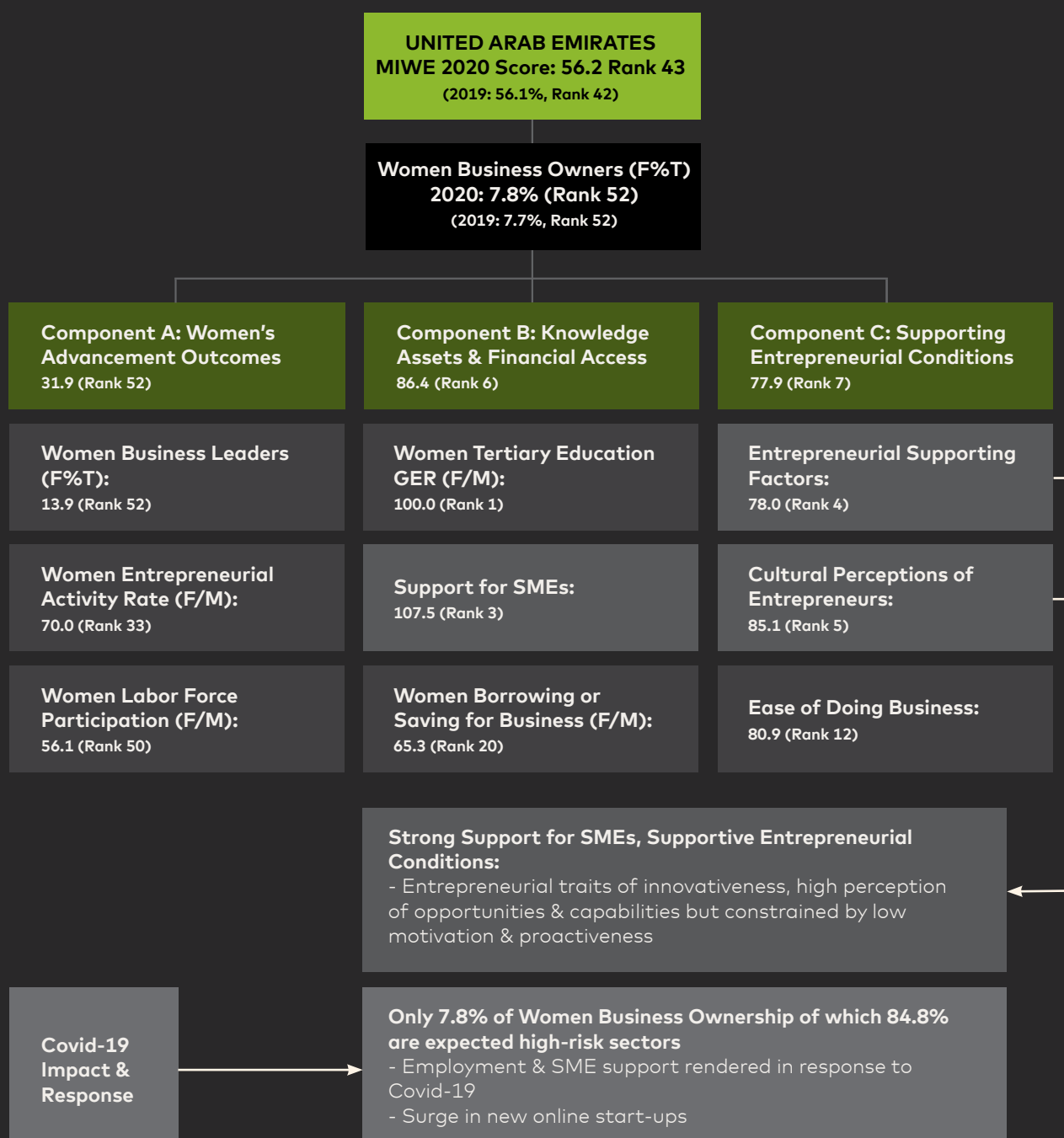
In 43rd place, women's progress in the United Arab Emirates continue to lag peers on the global scale, especially in the corporate world as business leaders and professionals. In the workforce, the gender gap remains wide with women only half as likely as men to be engaged in the workforce. Although the entrepreneurial landscape is favorable offering strong support for SMEs and sociocultural regard for entrepreneurship is positive, Emirati women's inclination towards business and entrepreneurship remains acutely low. In fact, women's share of business ownership is only at 7.8%, a stark contrast to other MEA economies such as South Africa, Ghana, Nigeria, Uganda, and Botswana where women's business ownership is considerably higher (between 20% to 40%).

A Impact of Covid-19

The United Arab Emirates, like all economies the world over, has been battered by the Covid-19 outbreak. It has prompted the government to take unprecedented measures to curb the spread of the disease, including mandatory work from home requirement, travel restrictions and business shutdowns. By sectors, tourism, retail, hospitality and logistics – which account for over half of UAE's

total GDP - are among the worst hit due to travel restrictions and shuttering of most public venues, while domestic consumption continues to decline amid social distancing measures. The scaling back of state projects, coupled with the oil price slump to 17-year lows are also compounding the impact on the business sector.⁵¹



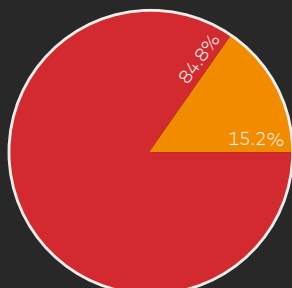


According to the Business Sectors by Vulnerability Analysis (see diagram above), a significant proportion of business owners and own-account workers (around 80%) are established in highly impacted business sectors. This is especially evident in the wholesale & retail trade sector where more than one-third of women and men-owned businesses exist. Women business owners

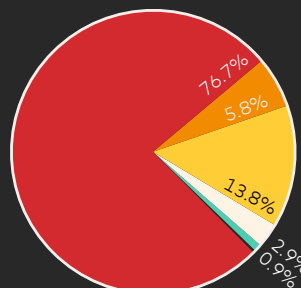
are twice as likely than men to operate within the professional, scientific & technical sector (27.8% vs 12.0%), while men owners are more exposed to the manufacturing sector than women (11.9% for men vs 0% for women). In the highly impacted sector of accommodation & food services, there are 4 times more businesswomen (14.1%) than men (3.5%).⁵²

Covid-19 Impact – Business Sectors by Vulnerability in **United Arab Emirates**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	38.3%	35.4%
	Accommodation and food services	14.1%	3.5%
	Manufacturing	0.0%	11.9%
	Real estate activities	0.0%	3.3%
	Administrative & support services	4.5%	6.2%
	Professional, scientific and technical	27.8%	12.0%
	Information & communication	0.0%	4.3%
MEDIUM-HIGH	Arts, entertainment & recreation	0.0%	0.0%
	Other service activities	15.2%	1.7%
	Transportation & storage	0.0%	4.1%
MEDIUM	Construction	0.0%	12.8%
	Financial and insurance	0.0%	0.6%
	Mining and quarrying	0.0%	0.5%
LOW-MEDIUM	Primary sectors	0.0%	0.9%
LOW	Human health and social work	0.0%	1.0%
	Education	0.0%	1.5%
	Public administration and defense	0.0%	0.3%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

B Policy Support

To ease the burden on businesses – especially SMEs - the government has extended employment support such as sending employees home on paid or unpaid leave or implementing temporary or permanent salary reduction. Measures are also taken to redeploy excess employees registering them with the “Virtual Labour Economy System” to search for suitable alternative employment.⁵³ As of May, many employees are facing delays in receipt of gratuity payments as businesses grapple with cash flow challenges. This is evident even in critical and essential sectors such as health care where doctors and medical personnel have had their salaries slashed by up to 40-50% across the board.

However, health care, government utility companies and FMCG (fast-moving consumer goods) continue to hire to meet the demand for their services. For many of these newly employed, work starts from home. Employees with skills and expertise in logistics and e-commerce are also finding their services in demand. According to Bayt.com, the percentage growth rate for jobs is 35% for logistics, 10% for e-commerce, and 46% for telecom based on figures comparing Q1 2020 to Q4 2019. For those engaged in these roles, operation continues at full capacity, some even beyond normal levels due to the surge in demand.⁵⁴ However, this may not be particularly opportunistic for Emirati women due to the following: (i) only around half of all working age females are in the workforce prior to the pandemic; and (ii) less than one-fifth (19%) of all professionals and technical workers are female.

The Central Bank also announced measures to guarantee liquidity in the banking system, and to boost its stimulus to a total of USD 70 billion from a previously announced USD 27 billion package.

The additional measures will be targeted towards relieving the pressure on financial institutions to allow them to continue carrying out their crucial role as the backbone of the economy while offering the required relief and access to funding for businesses and households. The Central bank has also halved banks' reserve requirements for demand deposits from 14% to 7%, effectively injecting around AED 61 billion of liquidity to support banks' lending and liquidity management. The bank also extended the duration of a previously announced deferral of loan principal and interest payments for customers until the end of the year.⁵⁵ However, as of 23 April, lenders have exhausted 60% of the crisis support fund, underscoring the severity of business downturn. This prompted the central bank to further urge lenders to remove requirements for SMEs to have a minimum account balance of AED 10,000 before opening accounts, and to hasten the length of time taken to open accounts to no longer than 2 days unless there are risks of anti-money laundering.⁵⁶

C Opportunities for Start-ups & Entrepreneurs

Like the rest of the world, many businesses in the UAE had to transition into working virtually and remotely from home. A study by *UpWork*, a work-from-home platform, estimates that by 2028, nearly three-quarters (73%) of all departments in UAE businesses will have employees working remotely, especially in sectors such as IT, marketing, application development and retail shopping.⁵⁷ Similar to its regional peers in Oman, Bahrain, Saudi Arabia and Egypt, the Covid-19 crisis has

sparked off a surge in online start-ups, especially in the healthcare and delivery logistics sectors.⁵⁸ Apart from the government, there are many organizations that have reached out to the community of entrepreneurs, start-ups, and SMEs in the MENA (Middle East & North African) region to help them navigate their way out of the pandemic. Many corporations are offering grants, incentives and consultation services for start-ups and entrepreneurs.

D Implication for MIWE 2020

The United Arab Emirates offers a vibrant and dynamic entrepreneurial ecosystem underpinned by very favorable supportive conditions such as high ease of doing business and positive cultural perception of entrepreneurship. Although GEM's 2019 findings point to encouraging entrepreneurial traits of innovativeness, opportunism, and tendency towards long term career planning among the majority of population (>60%),⁵⁹ the underlying motivation and proactiveness when it comes to

entrepreneurship remains acutely low.

The outlook ahead for women business ownership in the UAE is poor. Not only is the number of women business owners severely low (only 7.8% of total owners), a significant proportion of them (84.8%) operate in sectors that are the worst hit by the pandemic. Coupled with the heightened degree of uncertainties posed by the pandemic and economic slowdown, this may further deter Emirati women from engaging in new start-ups.

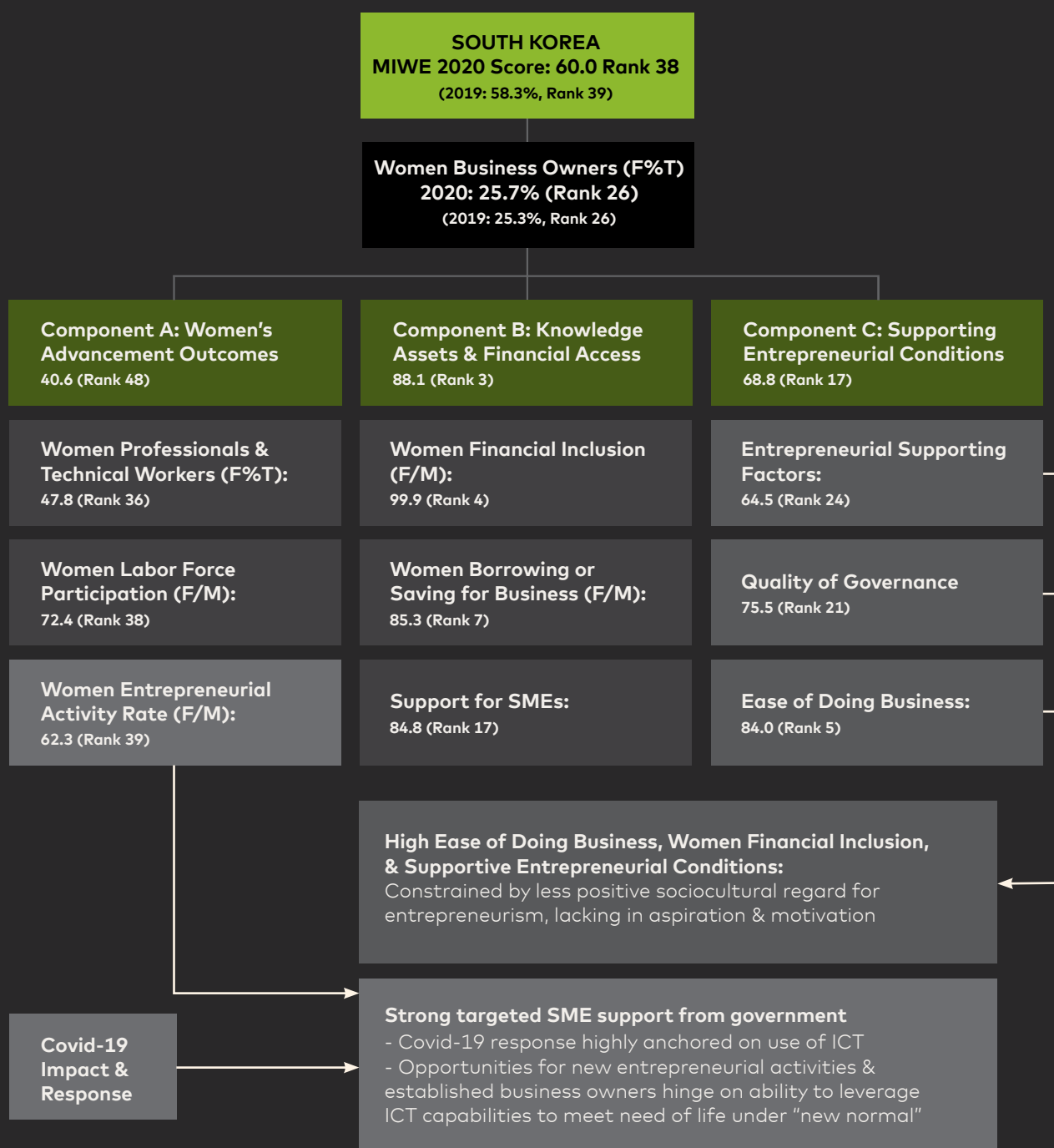




South Korea

South Korean's entrepreneurial landscape is unique. Although women here are only 60% as likely as men to be engaged in entrepreneurial activities, compared to their regional peers, South Korean women are more active. For instance, for every 100 working age females, 11 are engaged in entrepreneurial activity. This surpasses most Asian economies such as Australia (9), Hong Kong SAR (5), Japan (3), Singapore (6), Chinese Taipei (7), Mainland China (8) and Bangladesh (5). Over the period of 2013 to 2018, there has been a near 200% increase in the share of Korean female adults engaged in entrepreneurial activities (4% in 2013 to 11% in 2019).¹⁵⁰ In terms of women's share of the business world, South Korea is well positioned at 25.7%, ahead of most developed and high-income economies such as Hong Kong SAR, Japan, Chinese Taipei, France, Ireland, Italy, Sweden, Israel, and the United Arab Emirates.





Underlying entrepreneurial supporting conditions are considered favorable. This is evident in the high ease of doing business, good support for SMEs, sound quality of governance, and developed physical infrastructure. Compared to their global and regional peers, the average adult here has considerably low fear of business failure (7%). Among those entrepreneurs who are female, more than half (58.9%) are driven by opportunities. However, the desire to make a difference in the

world among women is extremely low – only 7 out of every 100 female entrepreneurs are driven by aspiration. This is quite similar among men as well (11 out of 100 males). This could be suppressed by poor cultural perception of entrepreneurs (only half of the average adult population consider entrepreneurship as a good career choice). In addition, the perception of innovativeness by others is rarely reported – a trait that is also observed in Japan, Chinese Taipei, and Ireland (GEM, 2019) .¹⁵¹

A Response to Covid-19

On a global scale, the health and economic impact of the novel coronavirus on South Korea is less severe. Due in large to the swift, decisive and proactive stance adopted by the government to contain the virus at the very onset of the outbreak.

As one of the most tech-savvy economies in the world, strong emphasis was given to transparency and open communication, formation of public-private partnerships to ensure necessary actions were taken to minimize disruption and loss to business operations while upholding safety measures, and adoption of innovative technology

and data to make the transition from traditional brick-and-mortar to digital platforms feasible and viable.

The resurgence of infection cases in July and August 2020 following May's gradual easing of movement restrictions prompted the government to swiftly tighten social distancing measures in Seoul and neighboring Gyeonggi province to mitigate risks of a more widescale outbreak. This has allowed the economy to keep infection and fatality cases relatively low without resorting to nationwide lockdown measures.

B Impact on Labor Economy

Nevertheless, the labor economy took considerable damage. In March, the number of job losses rose by 195,000, mainly dragged by declines in foreign demand for Korean goods, pushing the

unemployment rate up from 3.3% in February to 3.8% in March. By April, the number of employed fell by 338,000 to 26.5 million, while the unemployment rate remained unchanged at 3.8%.

C Impact on Women Business Owners – By Sectors

SMEs are a vital pillar of growth and support for South Korea's economy. They account for up to 99% of all enterprises, 88% of total employment, 38% of exports and 51% of added value (GDP). Containment measures amid widescale disruptions to global supply chains dealt a hefty blow to thousands of businesses across the economy, especially those in the electronics, semiconductor and automobile sectors. With swathes of workers being quarantined and factories shuttered, business essentially came to an abrupt halt.

The business sectors by vulnerability analysis (see following diagram) reveals women business owners to be just as likely as men to be exposed

to highly impacted business sectors during the crisis (67.7% female businesses vs 68.8% male businesses). Within the highly impacted sectors, women and men business owners are nearly equally vulnerable in wholesale retail trade, although women business owners are 3 times more vulnerable than men in accommodation & food services (36.6% vs 16.2%). There are about 3 times more men-owned businesses exposed to the highly impacted manufacturing sector. In other sectors, male business owners are more vulnerable in the medium-impact construction sector, while female business owners are 3 times more exposed in the low-impact sector of education.

Covid-19 Impact – Business Sectors by Vulnerability in **South Korea**

ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	20.0%	24.6%
	Accommodation and food services	36.6%	16.2%
	Manufacturing	4.7%	15.8%
	Real estate activities	3.2%	2.2%
	Administrative & support services	1.3%	3.0%
	Professional, scientific and technical	1.5%	5.4%
	Information & communication	0.5%	1.5%
MEDIUM-HIGH	Arts, entertainment & recreation	0.0%	1.8%
	Other service activities	15.2%	3.3%
	Transportation & storage	0.0%	2.2%
MEDIUM	Construction	0.0%	12.2%
	Financial and insurance	0.0%	0.8%
	Mining and quarrying	0.0%	0.50%
LOW-MEDIUM	Primary sectors	0.0%	3.8%
LOW	Human health and social work	0.0%	3.6%
	Education	0.0%	3.3%
	Public administration and defense	0.0%	0.0%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

Although the data above shows women business owners to be highly vulnerable due to the nature of industry they are in, for some sectors such as wholesale & retail trade; food services; administrative & support services; professional, scientific & technical; and information & communication, there are still avenues for them to reach out to customers via e-commerce and virtual platforms. According to Statista, the number of android users for ZOOM Cloud Meeting surged by 9 folds between the period of February and March 2020 alone¹⁵⁶ due to its ability to facilitate meetings, online teaching/learning, consultations, discussions, interviews, project planning, among many others.

Extensive support has been rendered to a wide range of sectors by the state and national government. For instance, to support teachers who participate in remote classes, the Seoul Metropolitan Office of Education (SOME) is funding 30,000 in telecom expenses for a month, while other large companies such as Samsung Electronics and LG Electronics have donated thousands of smart tablets to help facilitate remote learning for students in low-income households. To assist the badly damaged agricultural sector, local governments have directly hosted special events for local produce by selling selected goods via affiliated online shopping malls at discounted prices, effectively avoiding panic-buying in the economy.¹⁵⁷

D SME Support Measures

To mitigate the burden of SMEs and the employees and to minimize layoff in the short term, targeted support measures have been extended, including:

BUSINESS ADVICE	Vouchers for remote business services (e.g. purchasing teleworking services products)	Additional export vouchers to support exporting firms affected by Covid-19. Vouchers for remote business services to support MSMEs transition to online shopping platforms & identifying potential buyers in economies with travel restrictions
BUSINESS CLIMATE	Reduced import restrictions on intermediate goods	<ul style="list-style-type: none"> • Expedite customs procedures for raw & intermediate products • Import duty relief
BUSINESS COSTS	Reduced import restrictions on intermediate goods	<ul style="list-style-type: none"> • Lower commercial rents via 50% income tax break in 1H2020 • Support for rental fees for micro-business owners
DEBT FINANCE	Capital buffer safeguards requirement on banks	Base rate lowered by 50 bps from 1.25% to 0.75% effective March 17, Interest rate on bank intermediated lending support facility from 0.50%-0.75% to 0.25%, effective March 17
	Credit guarantees – new schemes, more generous guarantee levels	<ul style="list-style-type: none"> • KWR 5.5 trillion worth of guarantees for loans to SMEs and 100% loan guarantees for small merchants • Expansion of existing programs through additional funding, expansion of coverage and lowered fees
	Delayed repayments, deferral of payments, restructuring and rescheduling	<ul style="list-style-type: none"> • Defer loan repayment for SMEs and small businesses • Domestic banks to allow loan repayment deferral and suspend interest payments for minimum of 6 months for SMEs that cannot afford payment when due • State-owned export-import bank will suspend payments on KWR 11.3 trillion in loans of 877 companies that are to expire within 6 months
	Existing lending with reduced or no interest loans, delayed repayments, lower collateral requirements	Suspend loan interest payments for SMEs and small business for 6 months starting April 1
	New lending – under concessional terms	<ul style="list-style-type: none"> • KWR 300 billion (USD 240 million) worth of low-cost loans to airlines • KWR 12 trillion for spending on emergency funding for business operation and low interest rate loans

DEMAND	Procurement – increase purchases from SMEs and/ or increase margin for SME-sourced product, ease procurement process	Extending contract/delivery periods for goods procured by government
	Targeted expenditure programs	Promote consumption: Give a 70% individual consumption tax cut for car purchases, 10% refund for high energy-efficiency home appliances, discount coupons for other expenditures such as tourism, cultural and farm products
EMPLOYMENT SUPPORT	Increased labor training subsidies	Base rate lowered by 50 bps from 1.25% to 0.75% effective March 17, Interest rate on bank intermediated lending support facility from 0.50%-0.75% to 0.25%, effective March 17
	New working schemes	<ul style="list-style-type: none"> • KWR 5.5 trillion worth of guarantees for loans to SMEs and 100% loan guarantees for small merchants • Expansion of existing programs through additional funding, expansion of coverage and lowered fees
	Subsidies for employee sick leave	<ul style="list-style-type: none"> • Defer loan repayment for SMEs and small businesses • Domestic banks to allow loan repayment deferral and suspend interest payments for minimum of 6 months for SMEs that cannot afford payment when due • State-owned export-import bank will suspend payments on KWR 11.3 trillion in loans of 877 companies that are to expire within 6 months
	Support for informal or self-employed workers	Subsidies to intermediate governments used for employment protection programs for non-regular workers and daily workers
	Wage subsidies as alternative to direct payments to individuals	<ul style="list-style-type: none"> • KWR 500 billion (USD 406 million) through June for wage subsidies for affected firms in all sectors keeping employees on payroll, up to 90% of wages for SMEs and 67% for large companies • Provide employment support for businesses hit hard, such as tourism
OTHER FINANCE	Grants, insurance	Underwriting greater level of accounts receivable insurance and lowering insurance premiums
TAX	Payroll, social security, VAT taxes, land taxes – rate reductions, credits, waivers and/or deferrals	<ul style="list-style-type: none"> • KWR 12 trillion in various tax breaks for small business owners and self-employed affected by outbreak • Extending deadline of filing & paying internal and local tax returns • National & local government tax relief

Source: World Bank, SME Support Measures in Response to Covid-19, 14 April 2020.

E Change in Consumer Behavior & Implication for Entrepreneurship

Although the severity of the pandemic in South Korea is comparatively less severe than many other economies, it has altered consumer behavior substantially. McKinsey's survey from May 1-3 showed consumers to be much more uncertain and cautious about spending. Apart from cutting back on non-essentials, households expect to continue shopping online for categories such as takeout food and home entertainment.¹⁵⁸ Work-from-home advice and closures of schools and offices have also sent millions of employees, homeworkers and students switching to online working and learning platforms. Additionally, to support new business start-ups and help them transform to the digital economy, the Minister of SMEs and Startups is offering special guarantee for start-ups and venture companies.¹⁵⁹

The road ahead for all businesses will be clouded by uncertainties. As the economy gradually reopens in May, many will remain anxious about the possibility of a second wave of outbreak, while others would be eager to resume business again. For women in South Korea that have never tapped into the world of business, the pandemic may have opened new windows of opportunities for them. For others with

new or established businesses that are unable to transit to the virtual world of business, the woes of ongoing costs and declines in revenue may have forced them to close temporarily or permanently. For others whose business models and structures can be switched readily to e-commerce and other online platforms, business may continue, albeit at slower pace. Yet there are some businesses that may be at the right place at the right time (e.g. food delivery or online shopping) that may experience a spike in demand for their services.

To date, South Korea's response to the Covid-19 outbreak is anchored heavily on the use of ICT across multiple levels: from the tracking, testing and containment of the virus to helping businesses and institutions across sectors transform onto the digital platform. In this setting, opportunities for new and established business owners will hinge heavily on their ability to leverage on ICT capabilities and innovate or reposition their business model and offerings to meet the needs of life under the "new normal". This may be done in conjunction with the government's rollout of the "Brand K" campaign – a shared national brand – by extending various support measures such as facilitation of funding and export to promising SMEs for selected items.¹⁶⁰





Ghana

Ghana is uniquely positioned on the MIWE chart. Although Ghanaian women trail their global peers in the corporate world as professionals and business leaders and are significantly less qualified academically, they lead strongly in terms experience as business owners (36.5%, rank 3) and entrepreneurs (gender parity, rank 1). Of the 58 economies, they are one of only 7 whereby women are equally, or more engaged in entrepreneurial activity compared to men (28% of working age females are entrepreneurs compared to 24% for male). Although most types of businesses are likely sole-proprietary or family-run businesses of small-scale that are usually less technology and capital-intensive, the high rates of entrepreneurship and business ownership underscore the important role women play at the individual, community and national level. Ghanaian women are highly determined and driven, defying structural impediments, poor ease of doing business and SME support, and comparatively lower quality of governance. They also demonstrate a high tendency to save for their business (18.3%) and borrow (12.5%). Although lacking in tertiary qualifications, Ghanaian women's participation in the labor force is ranked 5th globally (63.6% female participation rate), surpassing most developed economies such as Spain (51.9%), United Kingdom (57.6%), United States (56.1%) and United Arab Emirates (52.4%). Additionally, the gender gap in work force participation is considered low (12% gender gap, rank 5).





A Impact of Covid-19

When the novel coronavirus struck, the government reacted swiftly to contain the spread of the disease, including partial lockdowns in the Accra, Tema, Kasoa and Kumasi Metropolitan areas, closure of borders by land, sea and air to passenger traffic, prohibition of large gatherings, closure of schools and held off consular services. Action was taken to drastically raise public awareness of the need for improved hygiene and social distancing.¹⁶¹ Economically, the pandemic is particularly damaging to SMEs due to the heavy reliance on social interaction in entertainment and hospitality settings such as hotels, restaurants, bars, retail shops, personal service such as salons, construction, transport, and street hawkers. The economy is also indirectly hit by declines in production, trade, and investment domestically and globally (especially with China, Europe and the United States), as well as the fall in global commodity (crude oil, gold, and cocoa) prices.

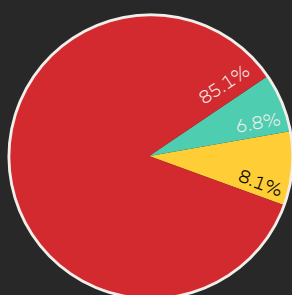
The business sectors by vulnerability analysis reveals a large proportion of women-owned businesses (85.1%) operating in highly impacted sectors compared to 50.5% for men (see following diagram). Specifically, almost half (46.1%) of

women businesses are in the manufacturing sector compared to 19% for men. Although men and women business owners are nearly equally represented in the wholesale & retail trade sector (29% vs 25% for female), women owners' exposure to the hospitality and tourism-related sector of accommodation & food services is much larger: 13.6% women compared to 0% for men. According to the Ministry of Finance, the pandemic is hurting the hotel, airline, and tourism sector most severely. Hotel occupancy rates are down from 70% to under 30% as of 30 March 2020, with many staff being laid off. A new Covid-19 Business Tracker Survey conducted in collaboration between The World Bank, the United Nations and Ghana Statistical Service between May 26 and June 17 among 4,311 firms revealed that the pandemic has forced businesses in Ghana to cut wages for over 770,000 workers (25.7% of total workforce) and lay off around 42,000 workers.

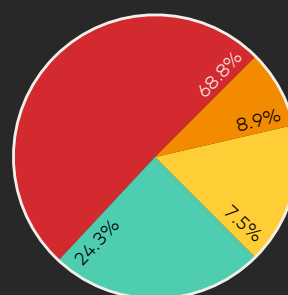
In contrast, men business owners account for a higher share in the medium impact sector of construction (15% vs 0% for women). They are also 3.5 times more represented in the primary sector (low-medium impact).

Covid-19 Impact – Business Sectors by Vulnerability in **Ghana**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	25.4%	29.0%
	Accommodation and food services	13.6%	0.0%
	Manufacturing	46.1%	19.0%
	Real estate activities	0.0%	0.0%
	Administrative & support services	0.0%	0.0%
	Professional, scientific and technical	0.0%	2.5%
	Information & communication	0.0%	0.0%
MEDIUM-HIGH	Arts, entertainment & recreation	0.0%	1.8%
	Other service activities	15.2%	3.3%
	Transportation & storage	0.0%	2.2%
MEDIUM	Construction	0.0%	15.1%
	Financial and insurance	0.0%	0.8%
	Mining and quarrying	0.0%	1.2%
LOW-MEDIUM	Primary sectors	6.8%	24.3%
LOW	Human health and social work	0.0%	0.0%
	Education	0.0%	0.0%
	Public administration and defense	0.0%	0.0%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis



B Policy Response: SME Support

The government has introduced various measures to mitigate the impact of Covid-19, including:

Reduction in lending rates: A 150 basis points drop in the policy rate to 14% and a reduction in the required reserve requirement from 10% to 8% to spur lending and spending

Coronavirus Alleviation Programme (CAP): 27 March 2020 – The Ministry of Finance will release GHS 1 billion geared towards protecting against job losses; upholding livelihoods; supporting SMEs; targeted support to businesses and households in the health, education, hospitality sectors; creating jobs; promoting selected industries to boost production for export and import substitution; and partnering with Pension Funds and Insurance Funds to create guarantees

Support for Private Sector: GHS 3 billion to support industry especially in the pharmaceutical, hospitality, service, and manufacturing sectors

Loans: granting of 6 month moratorium of principal repayments for selected businesses

Insurance: The Government arranged Life and Sickness Insurance for our Health Care Professionals on the front line of the Health Care Pandemic

Business cost: Engaging with telecommunication companies to reduce the cost of data and services to households and small businesses

Tax: The Ghana Revenue Authority will provide some relief to businesses and households such as (i) extension of due dates for filing of taxes from 4 months to 6 months after the end of the basis year; (ii) waiver of VAT on donations of stock of equipment and goods for fighting the Covid-19 Pandemic; (iii) waiver of taxes on selected Third-Tier Pension withdrawals; and (iv) deduction of contributions and donations towards Covid-19 as allowable expense for tax purposes

On top of this, the World Bank has extended a USD 100 million emergency support package to Ghana.¹⁶⁵

C Status of SMEs & New Opportunities

The impact of the pandemic on Ghana's SME sector is immense, given that they account for more than 85% of all enterprises. As the virus threat is still unfolding, a preliminary analysis by the Minister of Finance revealed that the outbreak could drag real GDP growth rate from 6.8% to 1.5% following the partial economy lock-down. This is compounded by the fact that Ghana is one of the most highly indebted economies in the world with interest payment alone amounting to USD 44 billion. Ghana also spends 11 times more money on servicing its debt than on healthcare, a rising concern given the ongoing threat and uncertainties related to the pandemic.¹⁶⁶

The implication of this for women business owners is significant. First, the data show Ghanaian female business owners will likely be hit more severely than male business owners due to their higher exposure to high risk sectors. Second, given that the underlying entrepreneurial supporting conditions are weak, many businesses will be challenged in adjusting to the abrupt changes commencing 16 March 2020. For instance, little, if any, relief measures in the form of employment support have been extended to SMEs to help retain workers.¹⁶⁷

On a positive note, the Covid-19 outbreak has presented new opportunities to boost domestic production and export commodities with regional

economies that have not closed their borders to cargo.^{168,169} This may assist Ghanaian women business owners operating in the primary sector and wholesale and retail trade sectors, especially those who are able to transition their operations online. For example, in the pharmaceutical retail sector, Ghanaian start-up mPharma has adopted technological solutions to address inefficiencies in supply chains to lower prices of drug. In the nascent telemedicine retail cluster, new opportunities have emerged for the distribution of health-related services using electronic and telecommunications methods. Other innovative e-health initiatives include Zipline, a medical drone delivery company which is catering to the needs of communities and health care specialists using drone delivery services.¹⁷⁰



Mexico

The untapped economic value of Mexican women is enormous. Research shows that if women's workforce participation is the same as men, Mexico's GDP will increase by 43% (USD 810 billion) by 2025.¹⁷¹ However, women tend to inhabit the least productive and innovative sectors and are underrepresented in the STEM fields at the university level, despite making up a higher percentage (54%) of tertiary school graduates than men.¹⁷²

In the business world, women account for about one-fifth (20.2%, rank 41) of total business owners. In terms of entrepreneurial activity rate, the gender gap is narrow (9%). Compared to their peers in Latin America, Mexican men and women's engagement in entrepreneurship is low. For instance, only 12% of females are engaged in some form of entrepreneurial activity out of all working age females, while males are a touch higher at 13.6%. In comparison, entrepreneurial participation rate among men and women are higher (above 20%) in Brazil, Colombia, Ecuador and Peru.





Marginalization remains prevalent in the business landscape with most women entrepreneurs encountering gender-related challenges whereby they are taken less seriously by male clients and suppliers due to "machismo". Sexism tends to be more persistent in traditional male sectors such as IT, trade, agriculture and transport. Although society has a positive regard for entrepreneurship, women typically assume the bulk of household responsibilities, effectively limiting their ability

to invest time and effort into business ventures. For many women, the key constraints include: (i) lack of targeted business funding including non-reimbursable grants from government agencies to traditional credit from banks; (ii) high interest rates, lack of appropriate credit products and aversion to indebtedness; (iii) poor access to and lack of suitable financial products and services; and (iv) lack of access to targeted business development services such as mentoring and coaching.

A Impact of Covid-19

The coronavirus pandemic hit Mexico hard,¹⁷⁴ with infection cases escalating rapidly since June (525,733 cases as of 18th August 2020¹⁷⁵). Economic growth tumbled by 18.9% year-on-year over the April to June quarter this year compared to a 1.4% decline in the first quarter due to sharp contractions in the industrial, services and primary sectors.¹⁷⁶ Output in the automotive sector, the backbone of the manufacturing industry, collapsed by 99% in April as plant shut down sent production, new orders and employment to record lows.¹⁷⁷ Social distancing and economic shutdown measures dampened consumer spending, while investment and exports plunged amid sinking global demand.

Our business sectors by vulnerability analysis shows there are nearly twice as many women business owners operating in highly impacted sectors as men (82.7% female vs 49.5% male). Of the 40 economies listed, Mexican women's exposure to the hardest hit business sectors is the highest. In the accommodation & food services sector, there are 4.5 times more women-owned businesses than men (see diagram below). This exposure also puts the livelihoods of many women employees engaged in these sectors at risk. Between middle of March and end of April, 753,000 formal sector jobs have been lost, with tourism-related sector recording the biggest declines. The total job loss over the 7-week period was 9 times greater than in April 2009 when the swine flu pandemic struck with 60,000 people laid off.¹⁷⁸

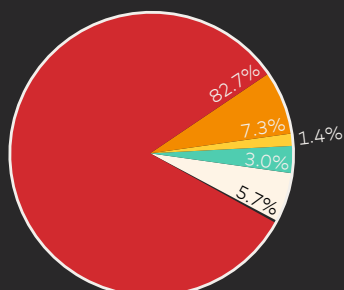
According to INEGI, the public body coordinating the National System of Statistical and Geographical Information for Mexico, women account for more than half (57%) of employees in retailing, while 59% are in the hospitality sector. They also represent nearly 68% of those who work in the health care and social assistance sector. Although this is a low-impact sector, it poses the highest risk of infection.¹⁷⁹

For the 57% of Mexican women who work outside the home in the informal sector where there is no support or social protection, the pandemic is putting their livelihoods at immediate risk as consumers switched spending to only necessities. Due to the lack of flexible labor policies and provisions for childcare following school closure orders and the cessation of the government's subsidized childcare program in 2019,¹⁸⁰ many are struggling with increased burdens of unpaid work borne at home.¹⁸¹

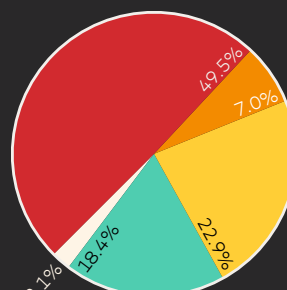


Covid-19 Impact – Business Sectors by Vulnerability in **Mexico**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	28.9%	22.3%
	Accommodation and food services	33.8%	7.5%
	Manufacturing	11.9%	12.5%
	Real estate activities	0.8%	0.5%
	Administrative & support services	2.1%	1.7%
	Professional, scientific and technical	5.0%	4.8%
	Information & communication	0.2%	0.3%
MEDIUM-HIGH	Arts, entertainment & recreation	0.7%	1.3%
	Other service activities	5.7%	2.6%
	Transportation & storage	0.8%	3.1%
MEDIUM	Construction	1.2%	22.6%
	Financial and insurance	0.01%	0.2%
	Mining and quarrying	0.0%	0.1%
LOW-MEDIUM	Primary sectors	3.0%	18.4%
LOW	Human health and social work	4.3%	1.6%
	Education	1.2%	0.3%
	Public administration and defense	0.0%	0.0%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis



B Response to Covid-19

Results from the MIWE 2020 report shows the underlying entrepreneurial supporting conditions in Mexico to be weak, especially in terms of ease of doing business and support for SMEs. The economic and financial fallout of the Covid-19 pandemic has prompted the government and central bank to implement some degree of economic relief:

Borrowing Costs: Reduction in overnight interbank interest rate by 50 basis points to 5.50%, the lowest since November 2016

Debt Finance: Capital buffer safeguards. Bank of Mexico channeled MXN 50 billion to support active transactions of commercial & development banks to boost liquidity and capacity to grant credits

Financial Support: Partial or total deferral of capital and/or interest payment for up to 4 months

New Lending: Good-faith loans of up to MXN 25,000 with interest rate of 6.5% for 500,00 informal micro-enterprises owned by low-income families

SME Support: Government allocate 25 billion MXN (USD 1 billion) to support SMEs in both formal and informal sectors

Employment Support: The National Institute for Workers' Housing (INFONAVIT) will cover up to 3 months of credit payments for workers who become unemployed. This extension will continue up to 6 months without additional charges.

C Implication for Women Business Owners & Entrepreneurs

The outlook ahead for the business and entrepreneurial landscape is poor.

The risk of infection remains acutely high, with cases tripling since restrictions were eased in June.



Indonesia

As a lower middle income and developing economy, Indonesian women's progress academically and financially is commendable. Positive cultural perception of entrepreneurship where success through personal effort and innovativeness and risk taking are well regarded continue to drive women's inclination towards entrepreneurship. Here, women and men are both equally driven (14% activity rate). Compared to their regional peers, Indonesian women's engagement in entrepreneurship surpasses all except Philippines and Vietnam (both 27% female entrepreneurial activity rate). This has been supported by effective government business programs, fairly developed physical infrastructure and strong SME support.





A Economic Impact of Covid-19

The outbreak of Covid-19 hit the economy severely, with GDP plunging -5.3% on an annual basis over the April to June quarter, the first contraction since 1999.¹⁸² Large-scale social distancing and containment measures (locally referred to as PSBB) introduced in March brought economic activity to a near complete halt. On 10 April, nearly 30 million

people in the capital and surrounding cities were sent into movement restriction orders ahead of the May Eid al-Fitr celebrations in May. As of August 26, the virus transmission rate remains high following the government's easing of restrictions in June with no sign of a flattening curve.¹⁸³

B Impact of Crisis on Women Business Owners

Our business sectors by vulnerability analysis of Indonesia reveal a greater proportion of women business owners operating in highly impacted sectors (71.1% females vs 59.1% males). Of the total female-owned businesses, more than half (54.3%) operate in the wholesale & retail trade sector compared to 40.8% for male, while 16.8% are in manufacturing compared to 18.4% for male. Retail sales contracted by 4.5% year-on-year in March, the sharpest drop since September 2011 on plunging sales of clothing, motor vehicles, fuel, cultural & recreation, and information & communication equipment.¹⁸⁴ The latest monthly data from IHS Markit Manufacturing PMI for April 2020 showed Indonesia's manufacturing output declining the most among ASEAN peers to a fresh series low (since April 2011). The survey also showed business confidence slipping further in April amid lingering uncertainties regarding the Covid-19 outbreak.¹⁸⁵

Impact on Operations

A recent survey by the *International Labor Organization (ILO)* of 571 companies in April 2020 showed 2 out of every 3 companies in Indonesia had suspended their operations temporarily or permanently. Furthermore, 90% of respondents experienced financial problems requiring urgent funding support, while more than a quarter reported losing more than half of their income.¹⁸⁶ According to the *Cooperatives and Small and Medium Enterprises Ministry*, as of mid-April, 37,000 SMEs had reached out to the government seeking assistance due to the virus outbreak. More than half (56%) are related to declining sales, 22% to lack of funding, 15% to goods distribution and 4% to shortage of raw materials.¹⁸⁷

Covid-19 Impact – Business Sectors by Vulnerability in Indonesia



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade Manufacturing	54.3% 16.8%	40.8% 18.4%
MEDIUM	Construction	0.2%	11.5%
LOW-MEDIUM	Primary sectors	16.1%	23.2%
LOW	Public administration, community, social and other services and activities	12.2%	4.0%
	Mining and quarrying; electricity, gas and water supply	0.4%	2.1%
	Others	0.0%	0.0%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

Impact on Women Business Owners

Results from a survey by WEConnect International conducted on April 10, 2020 with 96 women business owners in Asia and Australia (of which 15 were located in Indonesia) revealed that while 70% were able to switch to videoconferencing to reach out to customers, nearly half (49%) lost customers while 42% reported lower productivity. Other challenges included lack of access to raw materials due to supply chain disruptions, inability to fulfil client needs, lack of business guidance, and reduced time dedicated to business due to increased family/household responsibilities. In addition, nearly one quarter (24%) had to decrease their employees'

hours due to declining revenue, while 35% reported employees were unable to work remotely due to lack of technology and internet access. Of the 91% that reported a significant decline in sales or revenue over the period of January to March 2020, nearly one quarter (23%) reported a complete drop in sales while 16% reported a significant decline of between 71% to 99%. Looking ahead, 88% anticipate sales performance to decline between April and July, 53% expect declines of more than half, while 16% forecast sales to stop completely. More than two-thirds (68%) reported need of support with employee wages and tax relief.¹⁸⁸

SME Support Measures

The government has announced plans to spend Rp 405 trillion of additional state expenditure to fund health care, social spending, and business recovery programs. Of this, IDR 103 billion will be allocated to tourism marketing & promotion and IDR 72 billion to social media influencers to promote the economy's tourist hotspots. To ease the financial burdens of SMEs, various measures were also extended, including: (i) capital buffer safeguards requirements on banks; (ii) reduction in the 7-day Reverse Repo Rate by 25 bps to 4.5%; (iii) relaxation of import and export restrictions and prohibitions on certain goods; (iv) import tax payment deferment for businesses in 19 manufacturing industries for next 6 months; (v) easing of rules for loan restructuring; (vi) reduction in corporate tax by 30%; (vii) suspension of hotel and restaurant tax in Bali and 9 other tourist destination for next 6 months, and (viii) expedition of tax refunds to increase businesses' cash at hand, among others.¹⁸⁹

How Women are Adapting to New World of Work

ILO's report, "Enterprise Life is Almost Out, Work Is More Threatened" reported companies resorting to diversification of products or transiting into online businesses due to the distancing requirements.¹⁹¹ WEConnect's April Survey of businesses in Asia & Australia revealed that in spite of the challenges and heightened uncertainties, nearly two-thirds (63%) of women business owners impacted by the Covid-19 crisis are using the opportunity to optimize or reposition their business. Specifically, 63% reported identifying and slashing unnecessary expenses; 56% are growing an area of business in response to local or global needs; 38% have shifted to a digital platform; 35% are creating a new business line in response to local or global needs; 36% identified new business opportunities, 13% launched a new product or service early; 13% experienced an increase in demand of products or services, and 12% found clients wanting to finish projects more swiftly.¹⁹¹



C Impact on Labor Economy & Women Workers

To date, although support has been extended to SMEs in the form of tax relief and easing of loans and borrowing costs, little to zero aid has been given to businesses to assist with employment matters such as wage subsidies or paid leave. By 11 April, 1.2 million Indonesian workers from 74,439 companies in both the formal and informal sectors had been furloughed or laid off.¹⁹² In early May, total job loss had amounted to over 2.8 million,¹⁹³ with no entitlement to severance pay. Meanwhile, 8.4 million people had signed up for the Pre-Employment Card program that allows job seekers to join online

courses at no cost. They are also entitled to receive a monthly stipend of IDR 600,000 (USD40) for 4 months.¹⁹⁴

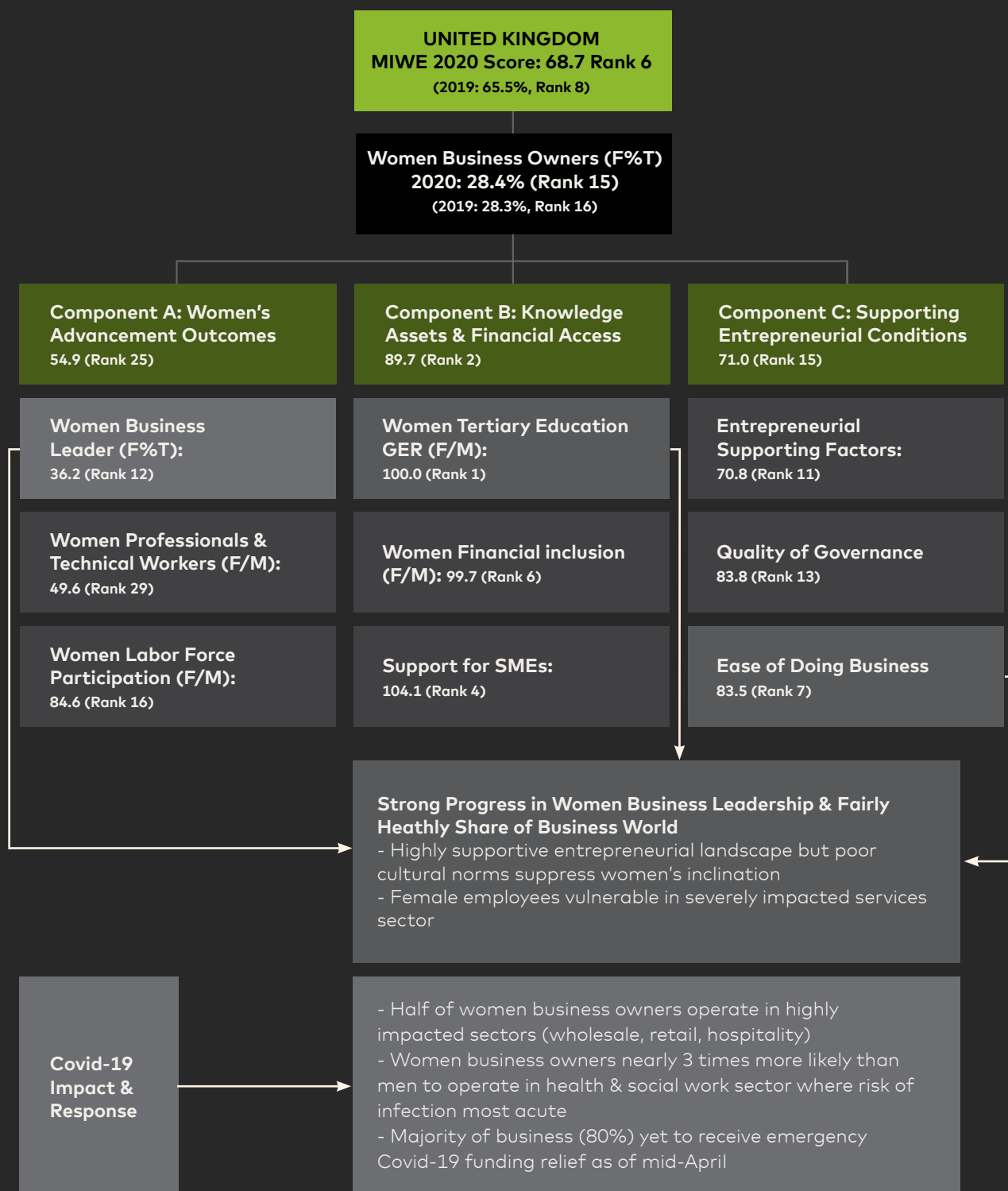
As of 2019, the rate of women's participation in the workforce was 53%, a stark contrast to men's participation rate at 82%.¹⁹⁵ Although women are equally as likely as their counterparts to enroll in tertiary education, gender inequality still persists, medically, academically, economically, socially and financially.



United Kingdom

With an overall MIWE 2020 ranking of 6, women in United Kingdom are strongly placed. This has been driven by their advancement in the academic, financial and corporate/workplace setting as business leaders and professionals. With a 28.4% share of the business world, they are supported by highly conducive and enabling underlying entrepreneurial conditions and good governance. Here, the ease of doing business is high and women tend to be less marginalized in terms of financial inclusion compared to regional peers in Turkey, Denmark, Germany, Hungary, Italy, Poland, Portugal and Spain. However, they continue to face constraints due to less positive sociocultural perception of entrepreneurship, especially with regard to personal success, taking initiative and business risks, and innovation. These barriers continue to suppress women's inclination towards entrepreneurship – only 7% of working age females are engaged in some form of entrepreneurial activity compared to 11.7% for men.





A Impact of Covid-19 on Women in Business

The outbreak of Covid-19 has hit the economy of United Kingdom harshly. Gross domestic product plunged by 21.7% over the April to June quarter on an annual basis compared to a decline of 1.7% the preceding quarter.¹⁹⁶ This was the most severe decline as nationwide lockdown and social distancing measures forced widescale shuttering of businesses, depressing domestic demand and exports performance. Retail sales in April fell by more than a fifth (-22.6% year-on-year compared to -5.8% in March), the biggest slump on record before rebounding softly in July as the escalation in infection cases eased.¹⁹⁷

The business sectors by vulnerability analysis above revealed that although British women are as likely as men to own businesses in sectors most adversely impacted by the outbreak (56% for both gender), a large proportion of women work in the essential human health & social work sector where

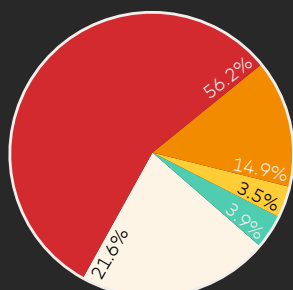
the economic impact is low but risk of exposure and infection is the most acute (15.8% for female vs 5.6% for male). A breakdown of the sectors revealed women business owners to be particularly concentrated in the services sector – the economy's dominant sector. Specifically, the latest survey from IHS Markit/CIPS found the services sector contracted at a record pace in April with 79% of services such as cafes and hairdressers reporting a fall in business activity amid mass shuttering. The decline was the lowest recorded since the series commenced in 1998.¹⁹⁸

Women-led businesses represent less than one-quarter of businesses in the economy's 5 most productive and high value sectors. In general, women entrepreneurs have less capital than men, and are more likely to draw on their private capital and family finances, leaving them particularly vulnerable as a result of the pandemic.¹⁹⁹

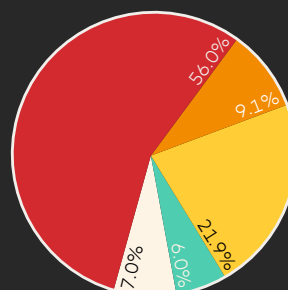


Covid-19 Impact – Business Sectors by Vulnerability in the **United Kingdom**

Women Owned



Male Owned



ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS	% SHARE OF FEMALE	% SHARE OF MALE
HIGH	Wholesale and retail trade	15.7%	15.3%
	Accommodation and food services	15.5%	7.7%
	Manufacturing	4.5%	7.2%
	Real estate activities	1.4%	2.0%
	Administrative & support services	6.3%	5.0%
	Professional, scientific and technical	11.4%	14.3%
	Information & communication	1.3%	4.4%
MEDIUM-HIGH	Arts, entertainment & recreation	0.7%	2.3%
	Other service activities	5.7%	3.5%
	Transportation & storage	0.8%	3.4%
MEDIUM	Construction	1.2%	18.8%
	Financial and insurance	0.01%	3.1%
	Mining and quarrying	0.0%	0.0%
LOW-MEDIUM	Primary sectors	3.9%	6.0%
LOW	Human health and social work	15.8%	5.6%
	Education	5.2%	0.9%
	Public administration and defense	0.5%	0.5%

Source: ILO, 2016-2018, Mastercard 2020 In-House Analysis

B Support for SMEs

Although the government has rendered various SME support measures to ease the burden for businesses, the damage is profound. For instance, as of mid-April only GBP 1.1 billion of Covid-19 bailout loans have been issued to small firms nationwide. Furthermore, only 1 in 5 businesses

who have formally applied for government-backed loans have been granted emergency funding during the lockdown period, raising concerns that the relief measures are not being dispersed swiftly enough to support struggling firms.²⁰⁰

Some of the SME support measures rendered include:²⁰¹

- **Business Cost/Grants:** Eligible small businesses can receive a one-off grant of GBP 3,000 to help meet ongoing business costs
- **Credit Guarantees:** GBP 330 billion of guaranteed loans for supporting business to access finance
- **Ease in Lending:** Coronavirus Business Interruption Loan Scheme, loan of up to GBP 5 million, with the government covering up to 80% of any losses with no fees
- **New Lending:** For very small businesses, unconditional cash grant of GBP 3,000. Big loan scheme for employers
- **Employment Support:** The UK provides business interruption loans which allows businesses to recover 2 weeks of sick pay due to Covid-19 for business with less than 250 employees
- **Wage Subsidies:** The cost of providing 14 days of Statutory Sick Pay per employee will be refunded by the government in full
- **Support for Informal or Self-employed:** The Universal Credit standard allowance will increase by GBP 1,000 for the next 12 months

C Impact of Covid-19 on Women Employees

Like many economies, the impact of the pandemic and resultant economic downswing has been particularly punishing for women. According to the ILO, lower-paid, female, and young workers are 7 times more likely to work in sectors that have shuttered due to efforts to contain the spread of the virus.

The real impact of the pandemic on the United Kingdom's workforce was likely much more accurately reflected in April, given nationwide lockdown measures were only imposed in late-March. Preliminary data for April shows declines in employment and wages compared to a year ago, with the number of social benefit claims rising almost 70% to 2.1 million in the same month. As of May, one third of the British workforce are receiving

government wage subsidies, with more than 8 million protected on the Treasury furlough scheme and more than 2 million self-employed people claiming grants for lost profits.²⁰² The gravity of the situation has prompted the government to extend the furlough scheme until the end of March 2020.²⁰³

Although the unemployment rate fell to 3.9% in the first 3 months to March 2020 from 4% the previous quarter, the forecast for the June quarter is much more pessimistic with the jobless rate expected to rise to over 8% before easing to 7.5% by the final quarter.²⁰⁴ Looking ahead, the pace of re-hiring for the rest of the year will remain subdued given lingering uncertainties over the risk of renewed lockdowns if a second wave of infection occur as the economy gradually reopens.²⁰⁵

D Long Term Repercussions of the Pandemic

According to Begbies Traynor, the economy's largest professional services consultancy, Q1 2020 registered the largest quarterly increase in the number of businesses in significant financial distress since the end of 2017. Of the 509,000 firms red-flagged as distressed, nearly all (504,000) are SMEs. With most of these small businesses struggling to access the new government support measures,

many will likely run out of reserves. According to the consultancy, the number of insolvency cases is expected to increase as the year progresses.²⁰⁶ With the mandatory employer contributions to the Coronavirus Job Retention Scheme (CJRS) commencing in August, this will exert more pressure on businesses and employment prospects.²⁰⁷