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COVID-19 Situation Briefing

Australian Chamber of Commerce

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▶ COVID-19 China situation update

As of 02-20: over 74,000 confirmed cases; over 2,100 deaths

▸ 98% of global cases in China; 86% of those are in Hubei province

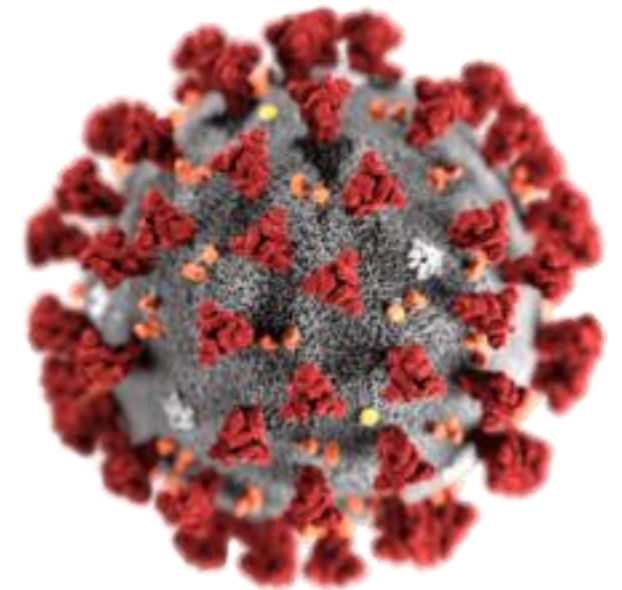**Over half the population is under some form of quarantine**

▸ majority of Hubei province still on lock-down (~50mln people)

▸ mandatory 14-day quarantine for returning to most cities

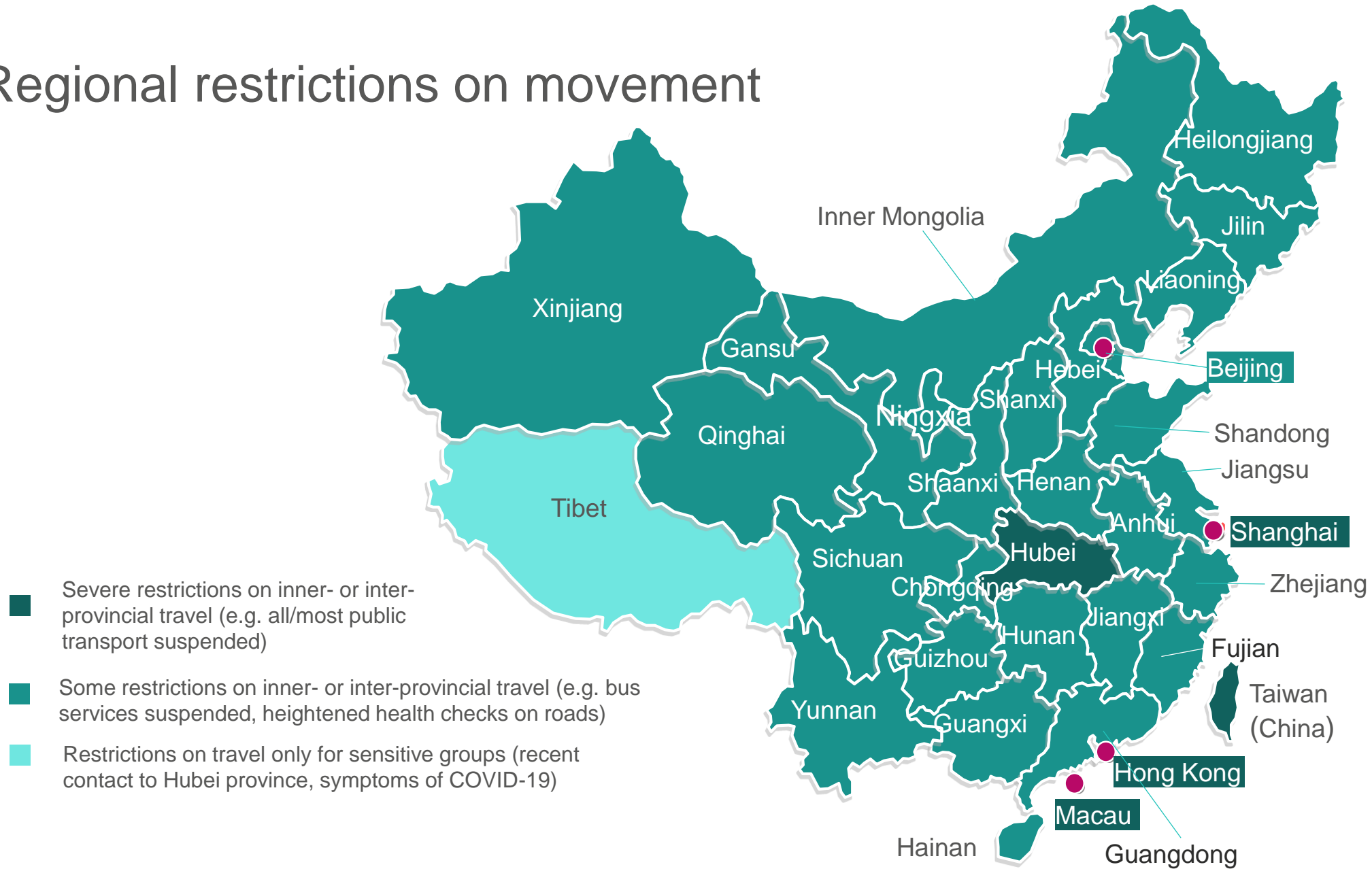**Some resistance from local government officials to open quickly …**

▸ Will take 3-4 weeks to get factories open, but even then on skeleton crews

Outside of China/Hong Kong, cases reported in 27 countries

◆ Singapore, Thailand, South Korea, Japan, Malaysia, Taiwan, Germany, Australia, Vietnam, US, France all reporting >10 cases

◆ Singapore moved to Pandemic alert level "orange" implementing increased monitoring and encouraging some social distancing

▶ Regional restrictions on movement

Severe restrictions on inner- or inter-provincial travel (e.g. all/most public transport suspended)

Some restrictions on inner- or inter-provincial travel (e.g. bus services suspended, heightened health checks on roads)

Restrictions on travel only for sensitive groups (recent contact to Hubei province, symptoms of COVID-19)

▶Business impact analysis

Still do not have a good handle on the epidemiology of COVID-19

▸ predictions range from fading end of February to going global through 2021 … so very hard to predict

▸ important in our scenario planning to consider a worst (or next-to-worst) case as being at least somewhat credible.

Supply chain impacts will be both local and global

▸ can we even open our facilities?

▸ lack of consistency in suppliers and logistics … not all will recover at the same pace

▸ how are we communicating with suppliers and customers?

Widespread tensions within/between national and local authorities

▸ very confusing/inconsistent instructions; challenge of getting caught in the middle

Don't expect to come out of this until June at the earliest

▸ you will most likely be actively managing this until March or even April

What are companies focusing on?

Information and insight to fight the "info-demic" they're caught in the middle of

▸ need "headlights" to see where the authorities are going; where are they becoming conservative?

▸ coordination and filtering out the noise in order to make good decisions

Crisis planning with detailed scenarios based on your company and situation

▸ there's not a one-size-fits-all in scenario planning and risk mitigation

▸ including continued business disruption, employee complaints, evacuation, etc.

Supply chain

▸ assessing suppliers' compliance with local regulations (need local information)

▸ force majeure must be factored in, early stakeholder engagement is critical

Demonstrating duty-of-care for employees and surrounding community

▸ understanding requirements can be very difficult

▸ need your procedures well-documented (in English and Chinese) for the authorities

Plan for recovery

▸ plan for growth again!

▸ what will the market look like; where will your competition be; what regulations will the authorities be enforcing; which part of your market will recover first

▶ Contact

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