Coronavirus: Lessons Learned in South Korea

April 2020

British Chamber of Commerce in Korea
Agenda

1. **COVID-19 Overview**
   1) Global Data
   2) Outbreak in Korea
   3) Outbreak in the UK

2. **Government Response**
   1) 3T: Testing - Tracing - Treating
   2) Financial Rescue Package
   3) Workplace Guideline

3. **Private Sector Response**
   1) Business Impact / Recovery
   2) Financial Response
   3) Best Practices
COVID-19 Overview: Outbreak in Korea

Flattening Trend of COVID-19 in Korea

COVID-19 Overview: Outbreak in Korea

Dec 30, 2019
Cluster of cases of pneumonia of unknown origin reported to China National Health Commission

Jan 3, 2020
Raise the alert level to Blue

Jan 8, 2020
1st case in Thailand

Jan 12, 2020
Named as 2019-nCoV; Whole genome sequence shared with WHO

Jan 22-23, 2020
1st Emergency Committee

Jan 30, 2020
WHO declare PHEIC of COVID19

Feb 1, 2020
1st Wuhan evacuee

Feb 4, 2020
Entry ban on foreigners with travel history to Hubei, China

Feb 7, 2020
COVID-19 test available at private

Feb 19, 2020
Big cluster occur (Shinchonji, Daenam Hospital)

Feb 12, 2020
Expand strict quarantine to HK, Macau

Feb 23, 2020
Raise the alert level to Red

March 5, 2020
Declare a ‘special management region’ in Gyeongsan

Government Response to COVID-19

3T: Testing – Tracing - Treating

Self-Diagnosis Application

Government Response to COVID-19

3T: Testing – Tracing - Treating

COVID-19 Tests per One Million People

Source: Our World in Data
Government Response to COVID-19

3T: Testing – Tracing - Treating

Walk-through Testing Facilities

Government Response to COVID-19: Korea

Financial Rescue Package for Businesses

- $47.5 billion for financial support for businesses and $16 billion for bond market stabilization fund
- Expansion of the corporate tax payment exemption amount in 2020 across all industries except for bar and real estate businesses
- VAT cuts for individual entrepreneurs in manufacturing, wholesale and retail businesses in 2020
- An income tax and corporate tax deduction of 50% in the first half of 2020 to landlords who voluntarily reduce their rent
- Employment retention subsidy up to 90% of business suspension allowance regardless of industry from April to June 2020

## Government Response to COVID-19: Korea
### Workplace Guidelines

- Designate an exclusive division or manager for business maintenance and operation continuity and establish a preparedness and response plan.
- Strengthen workers’ hygiene control and maintain cleaning and disinfection care.
- Prevent the spread of disease within business sites by wearing masks and strengthening control of workers before and after business trips.
- Build a business continuity plan to prepare for a high number of employees taking leave.
- Allow employees to take leave or temporarily close businesses while taking advantage of government subsidy for employee retention.
- Adopt flexible working hours and working from home.

Source: Ministry of Trade, Industry & Energy
Government Response to COVID-19: UK

Financial Rescue Package for Businesses & Workplace Guidelines

- £330 billion for coronavirus business loan package
- 80% of salary for staff in employment, wages up to £2,500 a month
- Deferred VAT payments between 20 March 2020 and 30 June 2020
- Deferred self-assessment payments on account
- Financial support for businesses with sickness absences due to COVID-19 up to 2 weeks
- Adopt flexible working hours and working from home.

Private Sector Response to COVID-19

BCCK Member Companies: Business Impact

- 68.8% Significantly affected
- 25% Moderately affected
- Slightly affected
- Not affected

Source: BCCK COVID-19 Business Impact Survey 2020
Private Sector Response to COVID-19

BCCK Member Companies: Business Impact

- Reduced revenue significantly (10% or more) (31.3%)
- Reduced revenue slightly (less than 10%) (12.5%)
- Reduced profit significantly (10% or more) (50%)
- Reduced profit slightly (less than 10%)
- Increase profit or revenue
- Does not apply to my company

Source: BCCK COVID-19 Business Impact Survey 2020
Private Sector Response to COVID-19

BCCK Member Companies: Business Impact

Aspects of Business Being Affected by COVID-19 Outbreak

- Travel: 68.8%
- Financial/Reduced Cash Flows: 62.5%
- Human Resources: 56.3%
- Supply chain/Manufacturing/Service Delivery: 37.5%
- Most or All of the above: 12.5%
- No Impact: 0%

Source: BCCK COVID-19 Business Impact Survey 2020
Private Sector Response to COVID-19
BCCK Member Companies: Business Recovery

Expected Time to Recover from COVID-19 Outbreak

- 37.5% Within 3 months
- 18.8% Within 6 months
- 18.8% Within 9 months
- 12.5% Within a year
- 12.5% Longer than a year
- 0% Too soon to tell

Source: BCCK COVID-19 Business Impact Survey 2020
Private Sector Response to COVID-19

BCCK Member Companies: Financial Response

Measures Taken to Offset Financial Impact from COVID-19

- Cut unnecessary costs: 87.5%
- Adjusted 2020 budgets: 75.0%
- Hiring Freeze: 62.5%
- Looking for financial support from government: 37.5%
- Suspend production: 18.8%
- Finding alternative sources of supply: 12.5%
- Taking no measures to offset financial impact: 7.1%

Source: BCCK COVID-19 Business Impact Survey 2020
<table>
<thead>
<tr>
<th>Best Practice</th>
<th>Details</th>
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<tbody>
<tr>
<td>Daily check-in calls within teams at start and end of day when remote working</td>
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<tr>
<td>Split up teams and rotate for remote working</td>
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<td>Social distancing protocols in the workplace</td>
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<td>Initial supply of masks to staff &amp; clients</td>
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<td>Focus on mission &amp; brand value</td>
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<td>HR onboarding process through Skype &amp; Webinars</td>
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<td>Reinvent event experiences for product launches</td>
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<td>Limit meetings with external guests</td>
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<td>Temperature checks at every entrance</td>
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<tr>
<td>Disinfect office areas on a daily basis</td>
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Source: BCCK COVID-19 Business Impact Survey 2020