

2020-06-23

New Normal: The Challenges the Micro, Small and Medium Entrepreneurs Have to Face Amid the Aftermaths of the COVID-19 Pandemic

Mr. Stanley Au

Chairman: Macao SME Association

Chairman: The Delta Asia Financial Group

The Implications of the COVID-19 Pandemic

At the moment, the world is in chaos. The COVID-19 disease has already created a catastrophe of over 6 million confirmed cases and over 365 thousand deaths globally at the end of May, 2020 and the numbers are still rising rapidly every day. Therefore, it does not need too much imagination to envisage the unprecedented damage done to the world economy and the entire human race. Because of the closing of country borders, the lockdown of states and the shutdown of cities and schools, these disruptions have caused the breakdown of the global supply chains, the distortion of logistics movements, and the cancellation of orders to the factories from the buyers. Furthermore, these consequences have produced hundreds of millions of unemployed people in the workforce worldwide and thus hurting drastically domestic consumption and retail trade. As a result, the world economy has fallen into recession, and possibly into depression if the hazard of this pandemic lasts longer than anticipated. According to UNCTAD forecast, an estimated quarter-on-quarter decline of 27% is expected in the second quarter, while the IMF suggested that global GDP is to contract by 3 percent for the year as well.

New Normal

Under such circumstances, the whole world has been blown off course. In order to protect citizens from virus infection and contagion, most governments mandatorily ordered their citizens to wear masks in public places and adhere to social distancing, and if possible to work from homes instead of offices. Thus, people have learned to use Zoom for communications and conferences, to use online learning instead of letting their children go to schools and be exposed to infection. Because of this abrupt adoption in new lifestyle, it has also brought an unbearable impact on the ways people are doing their businesses. Businessmen have to reach their customers through the dual channels of “online” and “offline” shopping and thus internet platforms and apps are being quickly created. Home deliveries have become very popular and part of our daily life as well. In the same logic, business travels are being cut drastically because people are now used to connect via Zoom instead of face to face meetings in order to save time, travelling risks and expenses. As an aftermath, airline schedules will be reduced considerably, and airfares rising substantially and having a side effect of discouraging ordinary people from travelling for pleasure. Meanwhile, employers have to adjust to the new model of allowing all or part of their staff to work from home. As a matter of fact, individual companies have already empowered some of their employees to work permanently at home.

How to Survive this COVID-19 Pandemic

Besides adapting themselves to the new normal, MSMEs (micro, small and medium entrepreneurs) have to learn to find new niches in marketplaces through innovation and digitalisation in order to survive in this economic turmoil and forgoing some past stale services and business practices. Needless to say, some of the biggest challenges confronting the MSMEs in the retail business today are the drastic drop in the number of visiting customers, the restrictions through social distancing, the shortage of usual staff members to cater to the customers due to quarantine at home and thus a consequential reduction in revenues. In order to overcome this unexpected sudden changes in business environment, the MSMEs have to find ways to suit the customers' needs, for instance, by letting their customers to access them through online platforms, mobile phone apps and home delivery services. For those factory owners who are encountered with problems of order cancellations and shortage of workers, they have to consider such options as cutting costs and increasing productivities by introducing robots and AI automations into their factories. As a matter of fact, many of their newly descended hurdles can easily be overcome by seeking the help of online business models such as the Zoom conference technology, big data and digitalisation. Of course, they should not forget their duty to retrain their staffs and workers to cope with the newly flushed in unorthodox business conditions. There are, in fact, numerous ways to counter the myriad new challenges they are facing every day. They should keep in mind the motto: Our fate is in our own hands. And, it depends entirely on how determined we are to fight this uphill battle through innovative ideas and technological breakthroughs.

The Implementation of U.N. Sustainable Development Goals 17 as a Means to Preserve a Better World after this Devastating COVID-19 Pandemic

The prevailing COVID-19 epidemic has developed rapidly into a pandemic that has devastated mankind and upset drastically our normal lifestyle. As a result of the lockdown of cities and the horrible number of infected patients, the loss of many beloved members in the families, as well as the social distancing, the world's routine orders have been disrupted and people have become self-centred, emotional and usually pessimistic in their futures. Therefore, there is an urgent need that we have to establish a set of new social orders to help maintain the normal social life of mankind, especially for the benefit of our next generation. With foresight, it is indeed timely that through the auspicious of the United Nations in September 2015 Heads of State and Government agreed to set the world on a path towards sustained development through the adoption of the "2030 Agenda for Sustained Development."

These 17 Sustainable Development Goals can be briefly summarised as follows:

1. End of poverty
2. End hunger and secure food security
3. Ensure healthy life and promote well being
4. Ensure inclusive and equitable education
5. Achieve gender equality
6. Sustainable management of water and sanitation for all
7. Provide reliable energy for all
8. Promote sustainable economic growth and employment and decent work for all
9. Build resilient infrastructure and promote industrialisation and innovation

10. Reduce inequality within and among countries
11. Make cities and human settlements safe, resilient and sustainable
12. Ensure sustainable production and consumption patterns
13. Combat climate changes and its impacts
14. Conserve and sustainably use ocean and maritime resources
15. Conserve and protect ecosystems
16. Promote peace, provide access to justice, and build effective, accountable institutions at all levels
17. Implement, strengthen, and revitalise the global partnership for sustainable development.

We, MSMEs, should consider that it is our responsibilities to promote the said UN SDG 17 for the benefit of our well-being and for our next generation so that they may enjoy a better world. We should reckon it as our duties to contribute to the society. By helping all walks of life to understand the implication of these 17 goals and to practise those in our daily life should definitely preserve a well maintained and sustainable ecosystem for this and the next generation.