



The COVID-19 pandemic is hitting all sectors of the Hong Kong economy.

Businesses adapt to the time of Corona

The global pandemic has forced most of the world into lockdown. Hong Kong business leaders reveal how they are coping, and adapting, to the new environment.

It's a whole new world out there in 2020, and a whole new Hong Kong business environment. The protests and social unrest of last year are no longer top of mind for most of the city and its economy. That mantle has been taken by the new severe acute respiratory syndrome coronavirus 2, which causes the highly dangerous coronavirus disease, or COVID-19.

In 2020, Hongkongers are focused on facemasks, handwashing, and social distancing as they work to “flatten the curve” of infection across the SAR.

Hong Kong is handling the pandemic well, at least comparative to many other countries and markets. As of the end of March, its government had not been forced to enact the strict lockdowns that have been a key pillar of public responses in Italy, the UK, the US, and Australia.

Still, that might be on the cards as this issue of *Hong Kong Business* goes to print. On April 2, the Hong Kong government ordered all pubs and bars

to close for two weeks—with many analysts expecting a longer and wider lockdown will be announced soon.

Businesses are obviously being impacted, with the nature of those impacts being wide and varied. Clearly, airlines, hospitality, and retail businesses have each suffered a huge drop in demand as customers choose, or are forced to stay away—and there have been thousands of jobs lost in these sectors. Hong Kong's unemployment rate hit a nine-year high in February, at 3.7%, but even the most optimistic forecasts see that growing even further in the months ahead.

Other sectors are facing issues around getting workers to the places they need to be, and ensuring their health and safety in this new regime of avoiding human contact and close interaction. Many technology and office-based businesses have been forced to move to work-from-home arrangements for the majority of their remaining staff.

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Meanwhile, essential service providers, including hospitals and healthcare providers, transport and logistics, and even supermarkets are all making do with the resources they have available to them in the best possible way.

View from the top

Hong Kong Business spoke to seven prominent leaders, from a broad range of sectors operating in the Hong Kong market. We asked each about how their organisations had fared over the tumultuous first quarter of 2020, and the specific challenges being faced as well as the solutions being developed.

Their responses show a strong level of resilience across the business community here. For some, it has been the chance to test out some business continuity processes developed for this very situation, whilst others have adapted as the pandemic escalated, creating some new case studies in innovation and ingenuity. These are their stories.

Robert Walters Hong Kong



Ricky Mui
Managing Director

How has the COVID-19 pandemic affected your company's operations?

Our company has always had a business continuity policy in place supported by our various departments, which we have also started implementing since the pandemic outbreak. This means we can smoothly change our operations from onsite to remote working in a short period of time to ensure minimal impact to our operations.

We also communicated with our clients and candidates immediately, and on a regular basis, to ensure they are well supported at all times.

Robert Walters is a global business and when the pandemic

has made a global impact, some of our overseas offices have also implemented their business continuity plan. However, this does not cause much issue to our collaboration and communication since our group has always been a technology-led business.

What changes have you had to make with regards to staffing?

Thanks to technology, all our consultants are equipped with devices to allow them to work remotely. This has also minimised the impact to our business, by allowing us to interview candidates and contact clients over the phone or other virtual meeting and video conferencing platforms such as Skype, Zoom, and Webex.

Apart from the working from home option, we have also split our staff into two teams, and they can choose to come to work on a roster basis. Our HR team also ensures we don't over reach a certain number of staff in the office at one time.

What measures have you implemented to help customers?

Recruitment is very human oriented, and social distancing is causing much disturbance on some of our customers' recruitment process. We've advised them on the latest technology available, and helped them in conducting first-round interviews over video conferencing tools, such as Webex, Skype, and Zoom.

What has been the effect from a revenue and cost standpoint?

We have always been a fiscally responsible organisation and therefore the immediate effect on cost has been manageable, however, it is likely that plans for future initiatives may need to be reassessed. However, we are also expecting cost savings through working from home rather than operating a full CBD office.

Holman Fenwick Willan



Patrick Yeung,
Hong Kong Office Head

How has the COVID-19 pandemic affected your company's operations?

We are continually monitoring the developing Covid-19 outbreak and implementing contingency plans to protect our colleagues, clients, and everyone in the HFW community.

We have systems in place to allow remote working across our international network, and we continue to be available for our clients during this difficult time. Our lawyers are working with clients across our sectors and international network to help them minimise the impact of the coronavirus on their business—and to prepare for what's next.

What changes have you had to make with regards to staffing?

We have followed the Hong Kong Government's direction and implemented work from home arrangements and flexible working hours to limit the number of staff in the office, and avoid staff traveling during peak hour. For those in the office, we provide face masks, hand sanitiser, and distancing measures.

The changes we have made are designed to maintain business-as-usual operations at HFW, while whilst at the same time safeguard our clients, staff, and their families.

What measures have you implemented to help customers?

Client care is critical to us and we very quickly created a dedicated COVID-19 website hub with a host of information available, including briefings and articles that provide the latest advice on the issues our clients are facing.

We quickly assembled a COVID-19 Leads group that includes HFW Industry Leaders who draw expert insight on the latest legal and commercial developments surrounding COVID-19.

With the majority of physical events being cancelled we have moved our events online in the form of webinars. This enables us to continue to share our knowledge and stay connected with our clients.

What has been the effect from a revenue and cost standpoint?

Our financial performance has remained relatively stable and many of our service areas are extremely busy, working alongside our clients to mitigate risks and advise on current and future strategy plans. We recognise the extreme challenges our clients are facing and we are committed to working shoulder to shoulder with them.

Mazars



Stephen Weatherseed
Managing Director

How has the COVID-19 pandemic affected your company's operations?

Like most businesses in Hong Kong we have followed the Government instructions to civil servants and encouraged work from home, and of course banned all travel out of Hong Kong. Staff with family members who have arrived from overseas have also been required to be self-quarantined. And all international meetings, seminars and conferences have been cancelled until at least September 2020.

All of this, plus the disruption to our clients' own operations, has made our working life more hectic, more

stressed, and less productive. Nevertheless we have been able to meet our deadlines and continue working with our clients.

What measures have you implemented to help your customers?

The most practical has been in communicating online rather than in person, and this has included accessing documents and other information online too. We are communicating closely with our clients to help them navigate the challenges, to understand and to plan ahead, especially when it comes to cash management at this time.

Could you share with us your future plans amidst this pandemic?

It is difficult to plan ahead when we really do not yet have visibility of when the global lockdown will finish, or even when travel to and from Mainland China will be re-established. All we can do is plan a few months ahead, and keep abreast of developments locally, in China, in Asia and globally, and be ready to react. We are planning longer term with an assumption that a "new normal" will be established within the next 12-18 months, and our thinking is that we expect Mazars' strong growth globally to continue.

Michael Page



Anthony Thompson
Regional Managing Director

How has the COVID-19 pandemic affected your company's operations?

Across the APAC region we have seen an impact in almost all markets but at different times. In recent weeks we have seen impacts increase in HK and Singapore along with Japan, India and our other offices in Southeast Asia. As with our China experience there is certainly an impact in the level of hiring activity and in the willingness of clients and candidates to make recruitment decisions.

There is still considerable recruitment activity however, and in certain sectors, we have seen a surge in hiring.

What changes have you had to make with regards to staffing?

We have not made any material changes to staffing numbers in Asia however we have had to adapt to considerable differences in working arrangements.

During February in China and recently in other parts of the region, we have had a large percentage of our people operating from home some or all of the time. Fortunately our technology allows us to operate remotely in a very effective fashion both in individual markets and across the region.

This has not been without its challenges but overall we have managed to be more productive than we had anticipated.

What measures have you implemented to help your customers?

As much useful communication as possible. This has been through phone calls and social media, one on one and through broader communication. The nature of our business means that we are able to quickly understand how a wide variety of companies and people are dealing with the situation, and we have endeavoured to share this feedback as much as we can. In China we have conducted several webinars with hundreds of customers dialling in.

What has been the effect from a revenue and cost standpoint?

Such circumstances do have an impact on short-term results but thus far there has still been meaningful levels of activity, and therefore revenue. We have endeavoured to eliminate non-essential costs, and clearly travel throughout the region has been reduced significantly.

Jetstar Asia



Bara Pasupathi
CEO

What has been the effect from a revenue and cost standpoint?

The impact of this pandemic is delivering the single biggest shock the aviation industry has ever faced. At Jetstar Asia we are working hard to contain the impact as much as possible and are focused on protecting jobs, preserving cash and reducing costs.

Cost containment initiatives include salary cuts for the senior leadership team and I, as the CEO, will not be taking salary during this suspension period. We are asking our people to take paid and unpaid leave, in addition to

cancelling annual bonuses. To reduce costs, we are looking to innovate, challenge the norms and embark on new ways of working across all business segments.

How has the COVID-19 pandemic affected your company's operations?

As a result of new government border measures across multiple jurisdictions and the subsequent fall in travel demand, Jetstar Asia made the decision to temporarily suspend all services for an initial period of three weeks, from 23 March to at least 15 April. This represents the temporary grounding of all Jetstar Asia's 18 A320 aircraft.

What changes have you had to make with regards to staffing?

To support our dedicated and talented crew during the temporary suspension of our flights, we have been working with government agencies to find temporary job opportunities as part of the public response. To date, more than one third of our Singapore-based crew have taken up contract positions for a period of one to six months.

What measures have you implemented to help your customers?

We understand this impacts our customers and we apologise for any inconvenience caused. For any Jetstar Asia customer affected by this suspension we will give a full refund in the form of a travel credit voucher to anyone with an existing Jetstar Asia booking for travel between 15 March and 30 April.

BDO



Clement Chan, Managing Director of Assurance, and
Johnson Kong, Managing Director of Non-Assurance

How has the COVID-19 pandemic affected your company's operations?

COVID-19 has affected our company's operation in many different and significant ways. In normal times, a big part of our work needs to be performed at our clients' workplaces, but the travel restrictions have made that almost impossible. In addition most of our work needs to be performed by teams of different levels of staff on a project basis.

As you can imagine, social distancing and quarantine requirements make our normal work arrangement almost impossible in terms of execution.

What changes have you had to make with regards to staffing?

We are relying heavily on digitisation and IT. We need to change all our meetings into video conferencing. On the part of the work that we can perform offsite, we have asked our clients to transmit the required information to us electronically so that we can perform the work in our office. As for the part that we need to perform onsite, we are having to rely on staff sent by our network firms on the ground.

What measures have you implemented to help customers?

We have encouraged our clients to shift to virtual meetings and to use our portals in transmitting important information timely for our work. These alternative measures make our delivery of work still possible under these extremely adverse and difficult circumstances caused by lockdowns and other forms of travel restrictions.

What has been the effect from a revenue and cost standpoint?

We have tried our best to keep our production line going, so that our normal operation could still function and hopefully will sustain our normal cash flow. The effect on our costs has been a mix, as we have savings on the travelling costs which are somehow offset by additional costs such as IT hardware, sanitary and health-related accessories, and subcontracting costs.

Could you share with us your future plans beyond the pandemic?

The fact that we can still largely cope with the work requirements through no traveling, work from home, flexi-hours, exchange and sharing of information through portals, teleconferencing, etc. will provide us with good experience to fine tune our entire mode of operation when the pandemic is over.