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COVID-19: NSW BUSINESS CONFIDENCE CRASHES

Businesses are scrambling to make rapid changes to adapt and survive the economic impact of COVID-19, according to the latest quarterly *Business Conditions Survey*, released by the state's peak business organisation, **Business NSW**.

The special COVID-19 edition of the [survey](#), which attracted almost 2,000 respondents from every part of the state, clearly shows the nature and extent of the impact that multiple economic shocks have had on the NSW economy over the first quarter of 2020.

"The responses from business owners across the State are no surprise, but at the same time make for very sober reading," said Business NSW Chief Executive Stephen Cartwright.

"The survey shows the transition from early-phase impacts relating to supply chain interruptions and reduced overseas visitor arrivals to the full-scale economic crisis we are now seeing," Mr Cartwright said.

"Business conditions have deteriorated rapidly. There was a doubling of COVID-19-related revenue losses reported by respondents between weeks one and two of the survey period.

"Businesses have had to enter hibernation with significant adjustments to staffing levels and capital spending, and it's clearly the case that some won't make it through to the other side.

"The impact of COVID-19 on confidence is most apparent when examining business expectations for the next quarter where confidence has fallen at an unprecedented rate.

"While it is clear that COVID-19 represents the most significant threat to the economy, some regions and industries have also been acutely impacted by other factors, such as bushfires and drought, which have had a concentrated impact in some parts of NSW.

"Businesses in the Capital Far South and New England areas were also severely affected by the 2020 bushfires and drought, and have now been hit with this pandemic.

"To date, the business impacts of COVID-19 are, so far, more severe in metro areas. The staffing and capital spending indicators have fallen sharply suggesting businesses are no longer investing and are in the process of reducing staffing costs.

"All of these trends are consistent with what has been observed through **Business NSW's** daily engagement with businesses over the past several weeks and why it's so important that every tier of government do all that is possible to keep businesses in operation and staff employed.

"When given the all clear to resume normal business operations, we need to be in the best possible position to do that as quickly as possible," Mr Cartwright said.

About Business NSW

Formerly the NSW Business Chamber, *Business NSW* is the peak policy and advocacy body which has been representing businesses in NSW since 1826.

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