

## Small businesses better-placed to recover from the economic impacts of COVID-19, survey finds

11 May 2020

For immediate release

Jakarta, Indonesia

With many of Indonesia's small businesses reporting both reasonably strong finances and usage of digital technology in 2019, they are better placed than many other small businesses across the Asia Pacific region to manage through the COVID-19 crisis, according to a recent survey by CPA Australia, one of the world's largest accounting bodies.

While the survey was conducted prior to the global COVID-19 pandemic, CPA Australia's Asia-Pacific Small Business Survey 2019-20 found that many Indonesian small businesses entered the current crisis with healthy finance, with nearly nine-in-ten reporting that they grew in 2019, the second highest proportion of the 11 markets surveyed. Further, just over one third of Indonesia's small businesses grew strongly, the best result of all the markets surveyed.

With online sales already an important part of many of Indonesia's small businesses, over 60 per cent generated more than 10 per cent of their revenue through online sales in 2019. These businesses are arguably better placed than small businesses in neighbouring jurisdictions to respond to changes in consumer behaviour driven by movement restrictions imposed to control the spread of COVID-19.

CPA Australia's General Manager of External Affairs, Mr Paul Drum warned that while the results from the 2019 survey were positive for many small businesses in Indonesia, past performance is no guarantee of future success. The full economic and social effects of the pandemic are yet to be felt, as it is uncertain how long the COVID-19 restrictions will be applied and how the economy responds.

The recent extension of COVID-19 restrictions on businesses, workplaces, houses of worship, and entertainment venues in Jakarta, West Java and neighbouring Banten province mean only essential services can remain open.

"As with any crisis of this magnitude, small businesses have little margin for error. Prudent management, focusing on the changing needs of customers and even greater adoption of technology – rather than good fortune – will be essential to business recovery and ongoing future success.

"The business you had before this pandemic hit will not be the same as the business you have after the pandemic abates and economic activity picks up again. Small business owners face the challenge of adapting their businesses to 'a new normal' at a time when finances may be tight, although stimulus measures by the government are easing that particular challenge," Drum said.

The top five factors that had a positive influence on Indonesia's small businesses were:

- Improved customer satisfaction
- Customer loyalty
- Improved business strategy
- Cost control, and
- E-commerce.



“Our survey results continue to show that year after year, through both good times and bad times such as these, businesses with a focus on their customers, technology and strategy are much more likely to grow strongly than other businesses.

“While it is wise to focus on cash flow and financial health at this time, businesses should also be looking to how they can meet the fast-changing needs of customers, especially through increasing online sales,” Drum said.

CPA Australia has the following suggestions for small business in this difficult period:

- Focus on improving cash flow and your financial health
- Utilise technology and online sales to meet changing consumer behaviour
- Capitalise on your existing pool of loyal customers
- Dedicate any spare time you may have to developing and implementing a recovery plan, and learning about industry trends and emerging technologies and how they can be applied to your business
- Ask staff with any downtime to undertake training so they are better skilled to meet the recovery needs of your business
- If you are in a relatively strong financial position, look for opportunities in the recovery
- Seek professional advice.

-ENDS-

### **Key statistics for Indonesia from the small business survey**

<https://www.cpaaustralia.com.au/-/media/corporate/allfiles/document/professional-resources/business-management/small-business-survey/small-business-survey-2019-market-summary-indonesia.pdf?la=en&rev=aba6a5d5508f4fa7acd59e3797ea2ef9>

### **PowerPoint presentation of survey results**

*Available on request*

### **Other CPA Australia resources to assist Indonesia’s small businesses manage through COVID-19**

- [CPA Australia’s checklist on managing through COVID-19](#)

### **About the CPA Australia Asia-Pacific Small Business Survey**

The CPA Australia Asia-Pacific Small Business Survey provides annual insights into the views of small businesses across the region and forms part of a longitudinal study that began in 2009. The 11<sup>th</sup> CPA Australia annual survey comprised extensive surveying of 4,193 small business operators in eleven markets, including Indonesia, Australia, Hong Kong, India, Malaysia, Mainland China, New Zealand, Philippines, Singapore, Taiwan and Vietnam. The survey was conducted between 18 November and 12 December 2019 prior to the COVID-19 pandemic.

### **About CPA Australia**

CPA Australia is one of the world's largest accounting bodies, with more than 165,000 members working in 100 countries and regions and supported by 19 offices globally. Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, industries, academia and the community. Visit [cpaaustralia.com.au](http://cpaaustralia.com.au)



**Media contact:** Vanessa Richards on +61 400 395 559 or [vanessa.richards@cpaustralia.com.au](mailto:vanessa.richards@cpaustralia.com.au)