

press release

Mid-sized corporates prioritise operational agility and flexibility in post COVID-19 world

Survey of more than 200 corporate leaders reveal impact of global pandemic

30 July 2020, Kuala Lumpur – Standard Chartered’s mid-sized corporates pulse survey revealed that over 70% of medium enterprises in Asia today prioritise making their operations more agile and flexible to support business growth, compared to before the COVID-19 pandemic. As markets emerge from lockdown restrictions and businesses begin on their road to recovery, the need to ensure resilience in their operating model ranked above the relevance of using technology as a differentiator from competitors (63%) and providing more value-added solutions to customers (61%).

Specific to Malaysia, however, respondents indicated that the need to be more risk-conscious (73%) outweighed that of making their operations more agile and flexible (69%), ahead of the desire to use technology to differentiate from competitors (65%).



Chart 1: In terms of the impact of COVID-19, which of the following elements are more relevant to your company's growth priorities today than before the start of the crisis?

The survey – conducted with decision-makers from more than 200 mid-sized corporates across mainland China, Hong Kong, India, Malaysia and Singapore – also highlighted the vulnerability of these businesses due to COVID-19. Over 60% of the respondents indicated a 20 to 50% reduction in monthly revenues, with more than half of them foreseeing that it will take at least six to 12 months to recover from the disruptive impact and stabilise operations again.

The sentiments were slightly more optimistic in Malaysia, where 50% of respondents indicated a 20 to 50% reduction in monthly revenues, and 62% foreseeing that it will take at least six to 12 months to recover from the impact of COVID-19.

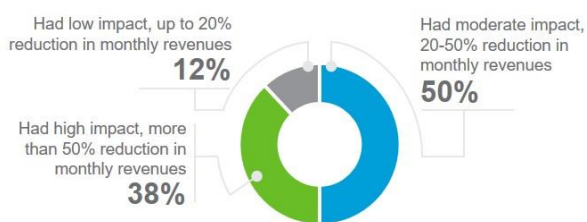


Chart 2: To what extent has your business been impacted by the current COVID-19 crisis?



Chart 3: How long do you foresee it will take your business to recover from the disruptive impact of COVID-19, and attain stable operations again?

“Due to limitations around financing support as well as uncertainties about the end-consumer demand, mid-sized corporates are often more vulnerable to disruptions compared to their larger counterparts,” said Jiten Arora, Global Head of Commercial Banking, Standard Chartered. “Despite these challenges, there is an opportunity for new profitable growth if these businesses can use their size to their advantage and be nimbler in innovating and transforming their ways of working to become more resilient.”

To further support mid-sized corporates in their transition towards resilient growth in the post COVID-19 world, Standard Chartered is developing a series of six points-of-view articles that will offer insights anchored around a four-stage framework of *immediate response*, *preservation and stability*, *preparing for growth* and lastly, the goal of *maintaining resilience and driving profitability*. These articles will focus on potential issues and challenges faced by mid-sized corporates as reflected from the survey, including regulatory, finance and working capital management, manufacturing and supply chain as well as driving efficiencies through digitalisation.

Jiten added: “In order for mid-sized corporates to weather this crisis, and more importantly prepare for the future ones to come, they need to first change their mindset to view building resilience as an investment that will deliver sustainable growth and profitability in the longer term,

rather than a cost. We hope that these points-of-view articles can be a useful starting point for these businesses in their ongoing journey towards achieving resilient growth.”

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Note to Editors

Commissioned by Standard Chartered and prepared by PwC, ***The Road to Resilient Growth: Points-of-View Series for Mid-Corporates*** feature six opinion articles focused on action-oriented insights anchored on a four-stage framework of *Immediate response, Preservation and stability, Preparing for growth* and *Maintaining resilience and driving profitability*. To gain insights on how medium enterprises in Asia are impacted by COVID-19, Standard Chartered also conducted a pulse survey of 205 corporate leaders from mid-sized corporates with annual revenue of between USD100 million to 500 million across mainland China, Hong Kong, India, Malaysia and Singapore. The first insights piece, which sets the foundation for mid-sized corporates to understand how the disruption and change caused by COVID-19 is bringing about a shift towards resilient growth, is available on <https://www.sc.com/en/banking/banking-for-companies/ccib/commercial-banking/>.

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