Coronavirus & Your Business in Asia

WEBINAR - February 25th, 2020

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Presenters

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AGENDA

I. Introduction

II. Situation on the Ground
   • China
   • Rest of Asia

III. Tips for Association Business Continuity

IV. Q&A
Local Health Official Recommendations

- **China**

- **Hong Kong**

- **Taiwan**
  - https://www.cdc.gov.tw/En

- **Singapore**

- **Japan**
  - https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/newpage_00032.htm!

- **Republic of Korea**

- **Australia**

- **New Zealand**

- **WHO Travel Guidelines during COVID-19**
  - https://youtu.be/0KBvReECRrl
Temperature Scanning

- Has been around since SARS (2003)
- Been effective, even for MERS, Bird Flu
- Most airports in Asia
- SARS raised the preparedness of many countries in Asia
Impact on Meetings & Events Industry (Feb 19th)

International Association Meetings’ Cancelations or Postponements because of COVID-19

ICCA Data: Meetings affected by COVID-19

- Among 1,065 meetings in the ICCA Association Database currently scheduled in Asia Pacific for 2020, 44 meetings (4.1%) have been affected by COVID-19.
- Outside Asia Pacific, two meetings in Europe and one in Africa are postponed.

Source: ICCA Data 20 January

ICCA collected association statements on upcoming events
https://www.iccaworld.org/covid-19/ahpg.cfm?spgid=547

Corporate Event Cancelations or Postponements because of COVID-19

With Top ICT key players’ withdrawals, the Mobile World Congress 2020 was canceled because of the coronavirus outbreak.

Huawei developer conference HDC. Cloud 2020, which was planned to take place in Shenzhen in February, has been pushed back to March in online format, according to the event’s website. Last year, over five thousands people joined the event.

IBM said that it will not attend the annual RSA cybersecurity conference in San Francisco later February. The company was a platinum sponsor at the show.

Facebook canceled its 5,000-person Global Marketing Summit, which was scheduled to take place in March in San Francisco.

Governments are Taking Actions

- The Ministry of Finance and State Taxation Administration unveiled three key documents related to corporate income tax, value-added tax, and individual income tax.
- Singapore Tourism Board (STB) said it will waive licence fees for hotels and will cover up to 50% of third-party professional cleaning fees.
- The government of Indonesia is encouraging all related stakeholders to provide incentives to airlines.

Hilton has closed about 150 hotels in China. A $10 million to $20 million drop on EBITDA due to the crisis is estimated.
Current Status - China

- 80% workers have returned to work
- Mandatory Quarantine Methods
- Travel not Encouraged & Tour Groups Banned
- Government’s Support and Policy
Business Impact in China

- Significant reduction in domestic and foreign air travel
- Consumer demand down
- Live events for first half 2020 postponed or cancelled
- Move to online communication
- Online events and social media are active

**Impacted industries**

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<th>TOURISM/HOSPITALITY</th>
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<td>LUXURY</td>
<td>ONLINE EDUCATION</td>
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Business Sector Impact - Supply Chain Disruption

Sector Losses Since Feb 17th

Healthcare 2.8%
Communication services 5.8%
Utilities 5.9%
Consumer staples 6.9%
Information technology 7.4%
Financials 7.5%
Industrials 8.7%
Materials 8.8%
Consumer discretionary 9.7%
Real estate 10.1%
Energy 11.5%
Business Impact - Rest of Asia

**PHASE 1** (China had a problem)
- Everything with Mainland Chinese participation:
  - Postponed cancelled or continues but affected

**PHASE 2** (Some small cases around but not concerning)
- Negative travel recommendations throughout companies
  - Move to online or postponed
  - Fear of getting "stuck"

**PHASE 3** (Risk factor increased to High Level)
- Local restrictions recommended
  - Business slows down everywhere
  - BCP processes start being activated
Impact on Daily Association Business - INTERNAL

- Working in 2 batches. One batch works from home and we rotate
- Twice Daily Temperature Check
- Weekly industrial office cleaning (fumigation)
- Reporting all travel (personal and work)
- Remove all unnecessary travel and meetings – Move to Video conferencing
- Action plan for any possible case – Allocated room and next steps process
- Preparedness for budget edits, reforecasting all revenues (best case, worst case)
- Liaise with required Government Industry
- All contracts are reviewed for risks
- Hire Freeze – Replacements for approval by CEO
- Reduce all spending (birthdays)

- Plan B: reduce staffing to 4 days/w (20% cut) up to retrenchments
Impact on Daily Association Business - EXTERNAL

- Halt all gatherings and meetings → postpone or cancel
  - Cancelling is the most expensive option
  - Negotiate with partners
  - Ensure you can return immediately
  - Communicate often and share support to affected members
  - Have your local people/reps become very active in meeting with partners
- Members cannot keep up with CPE accreditation due to cancelled events
  - Consider how to address accreditation issues
- Drive alternative solutions – e-learning → use opportunity to invest in digital
- Be THE VOICE of the industry

- Pro-active agenda (see later slide)
Tips on Association Business Continuity
The Business Opportunity in this Crisis & Beyond

FOCUS POINTS: How to increase your member value in hard times

- **Support** the industry or profession
- Increase your **communications** with members and within sector
- Look at ways to represent and **highlight the impacts** with Governments
- Provide industry **impact forecasts** based on member data
  - Update periodically
- Reach out to peer industries and **start a dialog** of joint actions
  - Working in unity eases the load, and creates new opportunities
- **Work together** as an industry
  - Develop working groups (online) to produce recommendation
  - Share best practices
- Do not **UNDERESTIMATE** the impact
- Prepare for the **rebound**, and re-establish quickly
Recommended Actions for next 6 Months

- **Upcoming Events**
  - Keep *frequent communication* with your local stakeholders
  - Monitor and follow WHO guidance and country’s regulation
  - Survey your attendees and be *transparent*
  - Make decision on *Cancellation or Delay*
  - Prepare for *stricter quarantine* requirement for live events after the outbreak
  - **Prepare well** for rebounding business
  - **Live stream** sessions

- **Marketing**
  - Use *LOCAL social media platforms* to have ongoing engagement with event customers
  - Write stories about your local members
  - **PR activities** to show your expertise, value and support to the region (local Media, interviews with local members)
  - Promote and **sell online learning products** (local teaching platform that are unique and different from theirs)

- **Products/offerings**
  - Develop **special offerings** to the region
  - Develop content related to the hot topics

- **Review Strategy and Plan**
  - Reconsider your product strategy, marketing plan as people may have **new needs** after the outbreak (new learning habit, job/life value proposition, emerging industries)
Questions Raised by Webinar Registrants

➢ "We have events in Asia between now and June. What are other organizations doing? Are they still moving forward with sending faculty/staff to already planned meetings in Asia Pacific? Are they giving options to opt out of travel? Imposing staff travel restrictions? Planning for alternative means of participation (virtual lectures, etc.)?"

➢ "What are the experts saying about possible timing and timing impact?"

➢ "How are conferences dealing with cancellations/postponements? What's a reasonable timeline for postponing if not cancelling?"

➢ "What is the onsite reality of the people in APAC countries?"

➢ "We are interested in providing strategic analysis, assessment for our members, exhibitors, and other constituencies through a webinar featuring panelists who can address industry manufacturing impacts. Do you have suggestions/resources for this?"
Questions Raised by Webinar Registrants

➢ "Likely timeline for return to normal? How much will fear play in decisions about travel and attending conferences?"

➢ "Is there any guidance for travel to Japan?"

➢ "What anticipatory measures can be done to manage speaker’s perception of the coronavirus for international conferences in the Asia Pacific?"

➢ "How is the region coping with the cancelling of hotel contracts - are they happy to have clients rebook or cancel the contract with no penalties?"

➢ "We have two meetings that will be affected by the virus. We see many delegates attend our Annual Meeting that takes place in Quebec CA this April, and are holding a conference in Shanghai this November, where delegates will travel in from dozens of countries."

➢ "What measures have the respective Asian nations put in place to ensure those people leaving the country are safe for travel and pose minimal risk once outside of their country? What official notifications have gone out among Asian nations to communicate accurate mortality and documented case numbers? How can we trust the information that we are receiving from abroad?"
THANK YOU!

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