

Krakow City Office
Department of Entrepreneurship and Innovation

Survey summary report

Aid solutions for Krakow's entrepreneurs during the pandemic

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Introduction

The City of Krakow is actively monitoring the situation of Krakow entrepreneurs in connection with the coronavirus (COVID-19), striving to minimize the perceived economic effects of the pandemic. This report is the second analysis of the survey series conducted by the Municipal Office of Krakow. It's task is to determine how the COVID-19 pandemic affects Krakow's enterprises. The first survey was completed in May of this year.¹ The activities are primarily used to determine to what extent the support and aid measures taken so far by the City of Krakow meet the objectives for which they were implemented.

The questionnaire was developed only in an electronic version - distribution took place through information services of the Municipal Office of Krakow, social media and external partners. The survey was published on June 8, and the data itself were being collected until July 5, 2020 inclusively. Overall, 117 respondents took part in the reported survey.

The survey structure consisted of 6 parts designed as follows:

- Part one - obtaining information on the degree of familiarization among entrepreneurs of the forms of support offered by the Municipal Office of Krakow ,
- Part two - enabling the assessment of the degree of interest of entrepreneurs in the available external forms of support that they have used,
- Part three - assessing the impact of the pandemic on business operations,
- Part four - indicating general information regarding the conducted business activities and how a given company operated during the pandemic,
- Part five - determining areas of the city affected by the crisis,
- Part six - a detailed approximation of the situation of microenterprises in Krakow.

One of the objectives of the survey was to assess the adequacy of the aid offered by the City in relation to the occurrence of the pandemic and its verification. The assessment of the interest of local entrepreneurs in support solutions provided by non-municipal institutions also turned out to be worth noting. The survey also contributed to familiarizing a wider group of entrepreneurs with the forms of support available in the city, which provides for its significant informative value.

¹ https://business.krakow.pl/miejskie_wsparcie/240056,artykul,analizy_i_raporty.html

I: General information o the business profile of the surveyed companies

This chapter contains a set of selected responses showing the size structure of enterprises and the basic scope of the conducted activities. Such an analysis enables the identification of the most endangered and vulnerable branches of the economy.

In view of the received responses, the highest score (25.64%) comes from companies related to accommodation and catering services followed by service activities (24.7%). The third place is taken by enterprises specializing in conducting activities related to arts, entertainment and recreation (7.69%). A detailed distribution of responses, taking the size structure of companies into account, is presented in the table below.

Table 1 Business profile of the surveyed companies, broken down by size structure

Sector name	Micro-enterprises	Small companies	Large and medium-sized companies
construction	3,19%	5,26%	-
financial and insurance activities	4,26%	-	25,00%
professional scientific and technical activities	3,19%	-	-
business administration and support activities	7,45%	-	-
arts, entertainment and recreation	9,57%	-	-
accommodation, and food service activities	25,53%	31,58%	-
education	6,38%	5,26%	-
wholesale and retail trade	8,51%	10,53%	-
information and communication	4,26%	10,53%	-
healthcare and social assistance	1,06%	-	-
organization and exterritorial teams	1,06%	-	-
other service activities	18,09%	-	-
agriculture, hunting and management	1,06%	-	-
transport and warehouse management	6,38%	-	-
other service activities	-	21,05%	25,00%
industrial processing	-	10,53%	25,00%
agriculture, hunting and management	-	5,26%	-
production and supply of electricity	-	-	25,00%

The size structure of the companies participating in the survey reflects the profile of Krakow entrepreneurs, where the largest percentage covers micro-enterprises employing up to 9 people (80%) and small companies (16%).

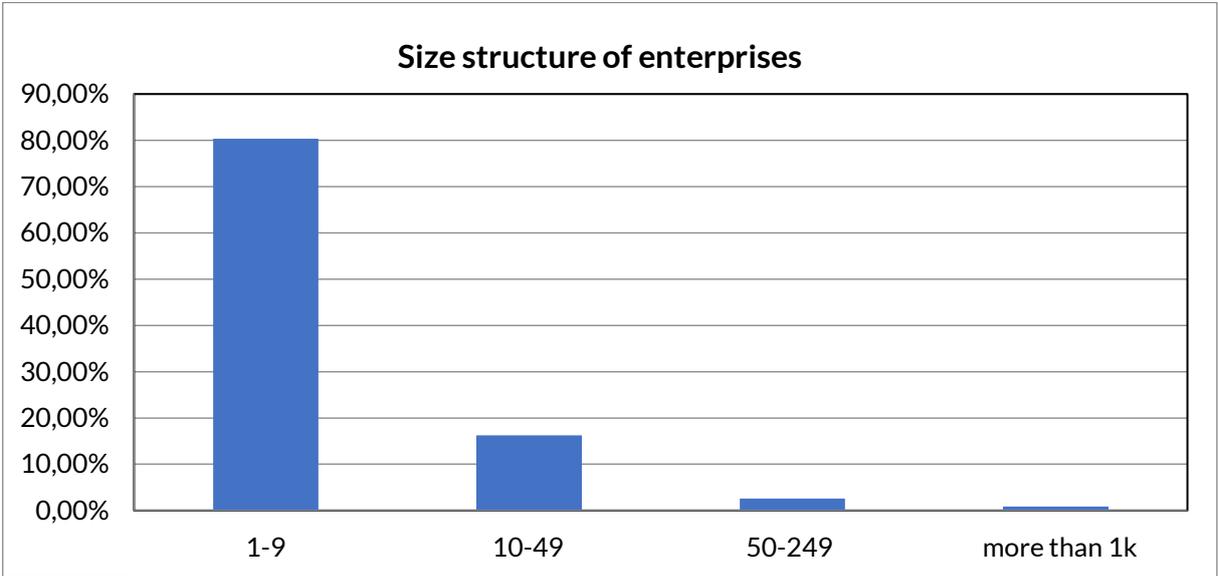


Figure 1 Size structure of enterprises participating in the survey

II: Support for entrepreneurs during the pandemic

This chapter presents a collection of responses from respondents who commented on the forms of support offered both by the City of Krakow and external institutions. The prepared set of questions was aimed at making an objective assessment of the knowledge of entrepreneurs regarding the possibility of using various forms of aid and indicating which tools they have used so far. The questions also had an informative and educational value, thus broadening the knowledge of entrepreneurs about the possible forms of support.

II.1: Municipal forms of support

In order to counteract the negative consequences of the COVID-19 pandemic, which largely impacted Krakow's enterprises, Krakow undertook a number of support and aid measures. The activities are aimed at entrepreneurs (micro, small, medium and large) suffering the consequences of the economic slowdown caused by the pandemic

The main aid initiative of the City of Krakow is the Pause Program. Krakow did not remain idle and therefore, within its capabilities and competences, introduced a number of reliefs and facilities to help entrepreneurs and protect jobs as much as possible. Supporting

solutions were aggregated in regulation No. 910/2020 of the Mayor of the City of Krakow of April 16, 2020.

Question No. 1: Have you heard about the PAUSE Program introduced by the City of Krakow to help entrepreneurs during the pandemic?

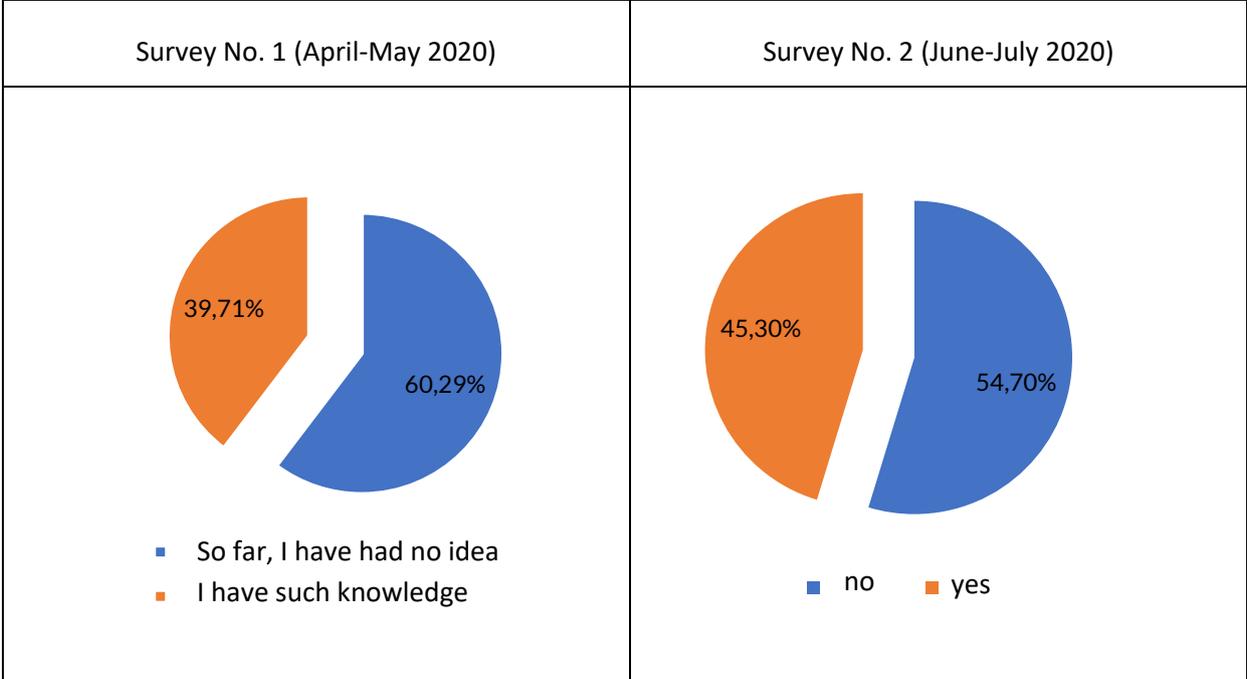


Figure 2 Awareness of entrepreneurs regarding the PAUSE program of the Municipal Office of Krakow

Among the municipal initiatives supporting people running a business in Krakow, one should also indicate the establishment of Crisis Advisory Points (PDK)². PDK consultants provide information on existing aid solutions, addressed both to entrepreneurs, non-governmental organizations and residents, offered by the City, as well as implemented by voivodship and government institutions (the so-called anti-crisis shields). You can also obtain information on receiving financial support from regional EU funds through the PDK.

² See more at: https://business.krakow.pl/239500,artykul,miejskie_wsparcie.html

Question No. 2: Have you heard about the city's Crisis Advisory Points?

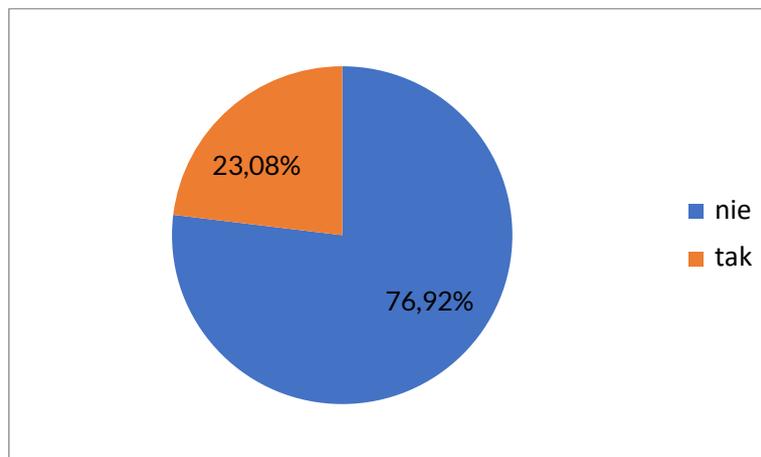


Figure 3 Knowledge of entrepreneurs regarding the operation of Crisis Advisory Points

Question No. 3: I have used / plan to use the following forms offered by the City of Krakow:

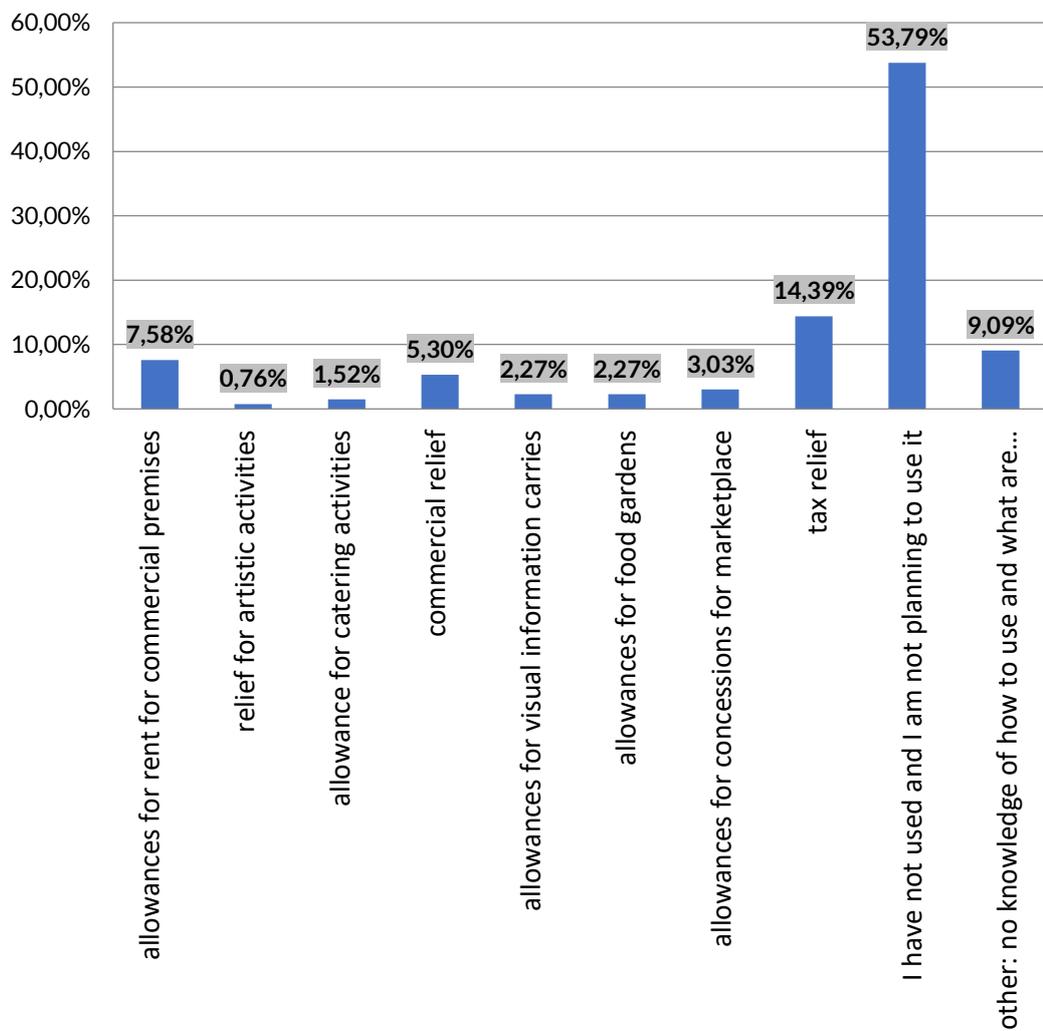


Figure 4 Declaration of entrepreneurs regarding the intentions and use of municipal support

The responses show that entrepreneurs most often take advantage of tax reliefs (14.39%), allowances for rent for commercial premises (7.58%) and commercial reliefs (5.3%). The scope of such answers most likely results from the statutory tax obligation for each entrepreneur. Attention should be focused on the large group (9.09%) who do not know about the forms of support and the possibility of applying for any support in connection with the pandemic in the country.

A detailed analysis of responses to questions from No. 5 to no. 10 is discussed in subsection "II.2: Institutional forms of support" (see p. 9 and further). Responses to questions from No. 11 to No. 12 are discussed in subchapter "II.3: Adequacy and evaluation of forms of support by entrepreneurs" (see p. 12 and further).

Question No. 13: Have you used the information on municipal support for entrepreneurs available on the website of the Municipal Office of of Krakow (Magiczny Krakow, Business in Krakow)?

The purpose of this inquiry was to check the effectiveness of the information channels which have been used so far for communication with entrepreneurs. It is necessary - in the context of the responses received - to undertake comprehensive promotional activities aimed at increasing the awareness of the activities undertaken by the city not only among entrepreneurs, but also among its residents. Therefore, in parallel to the preparation of this Report, promotional activities are carried out aimed at exposing the city's business internet platform as a source of knowledge. At the same time, we are looking for new tools and methods to reach the largest possible group of entrepreneurs in order to present them with an offer of municipal support.

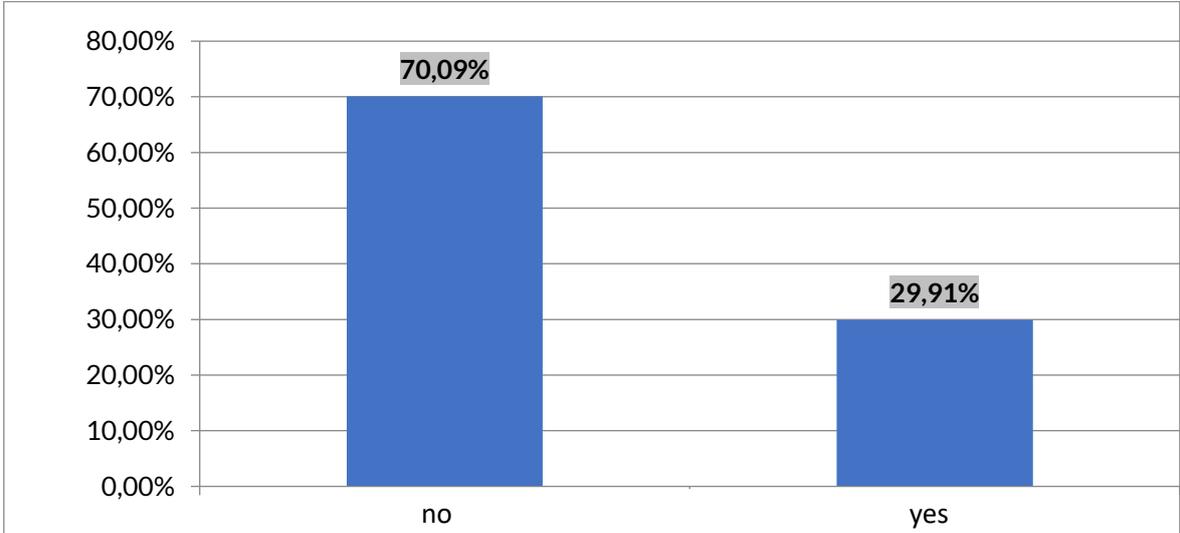


Figure 5 Entrepreneurs' awareness of the available information services of the Municipal Office of Krakow

Reactivation activities include an interactive map service entitled "I am ACTIVE", thanks to which the City actively supports local companies which, despite the difficult situation caused by the pandemic, continue to operate and offer their products and services³.

Question No. 14: Have you taken advantage of the opportunity to join the I am ACTIVE interactive map - a promotion tool for local Krakow entrepreneurs?

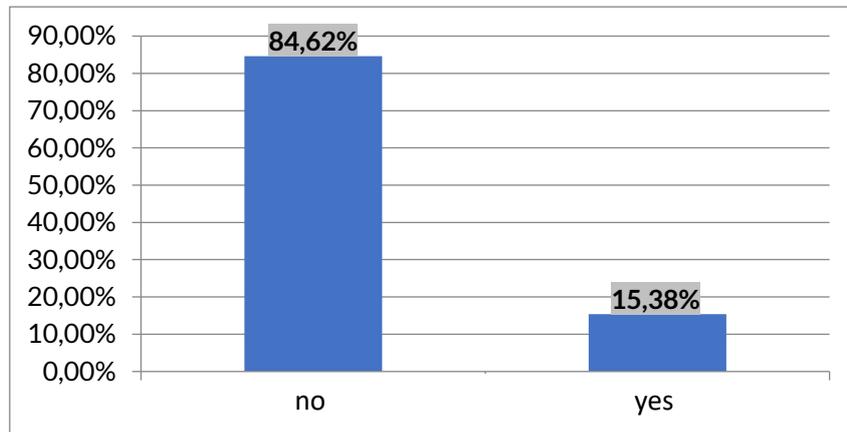


Figure 6 Entrepreneurs' awareness of the functioning of the I am ACTIVE project

The project is in the development phase, also in terms of its dissemination and promotion. We already have the first signals confirming the effectiveness of the tools used - in less than a week from the launch of the new version of the map service, over a thousand people used the information available there. Therefore, it should be expected that in the near future the visibility of the project among residents and entrepreneurs will gradually increase.

II.2: Institutional forms of support

This sub-chapter is a set of responses related to the forms of support offered by institutional entities other than the Municipal Office of Krakow.

Question No. 4: I have used / am planning to use the following forms of aid offered by the Municipal Labor Office (Grodzki Urząd Pracy - GUP)

³ The "I'm ACTIVE" map is available at: <https://jestem-aktywny-umkrakow.hub.arcgis.com>

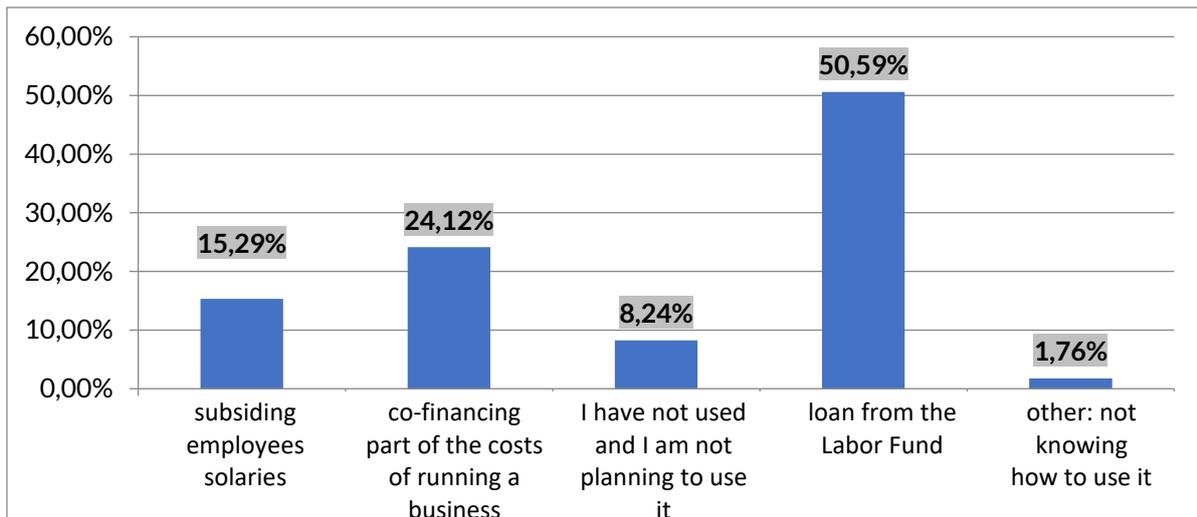


Figure 7 Use of the support offered by the Municipal Labor Office

Question No. 5: I have used / am planning to use the following forms of aid offered by the Social Insurance Institution (Zakład Ubezpieczeń Społecznych - ZUS):

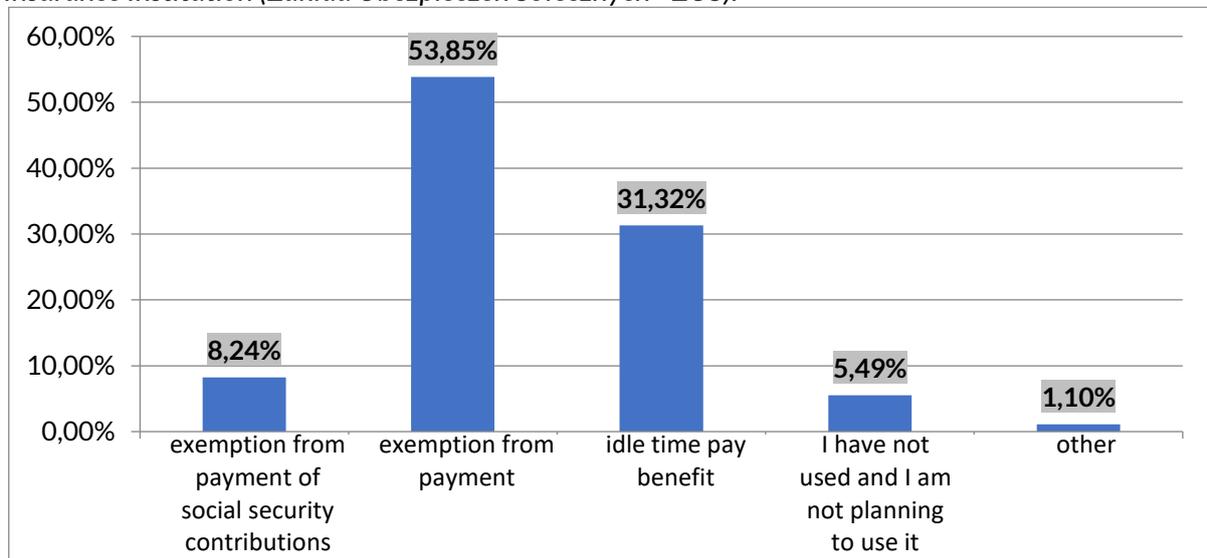


Figure 8 Use of the support offered by ZUS

Question No. 6: I have used / I am planning to use the following forms of aid offered by the Tax Office (Urząd Skarbowy - US)

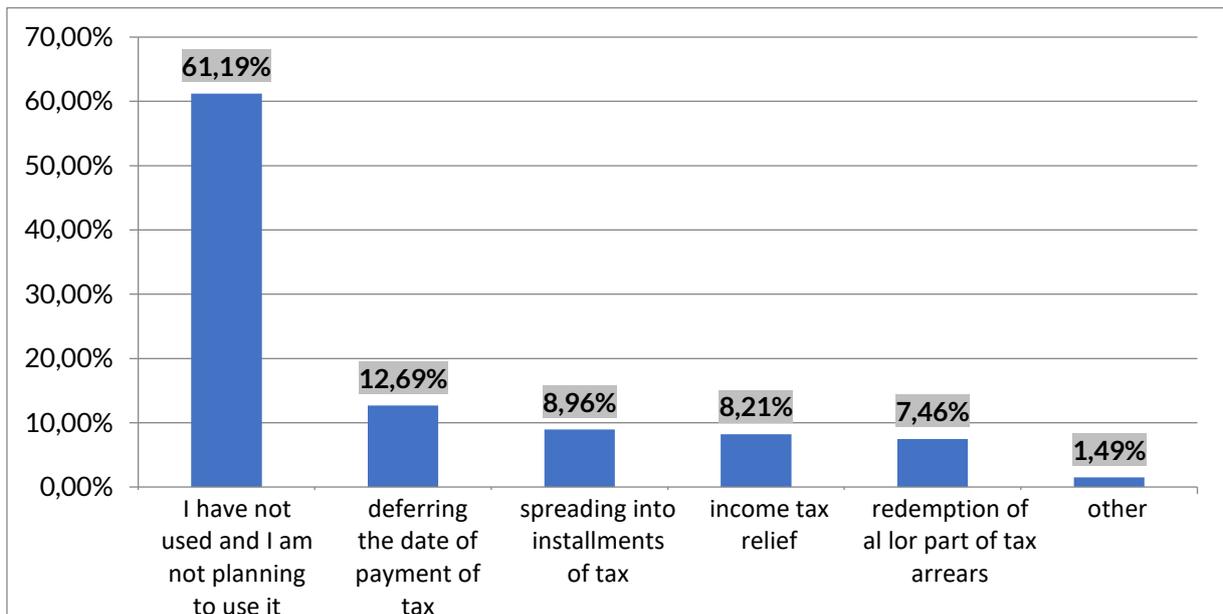


Figure 9 Use of the support offered by the Tax Office

Question No. 7: I have used / am planning to use the following forms of aid offered by the National Development Bank (Bank Gospodarstwa Krajowego - BGK)

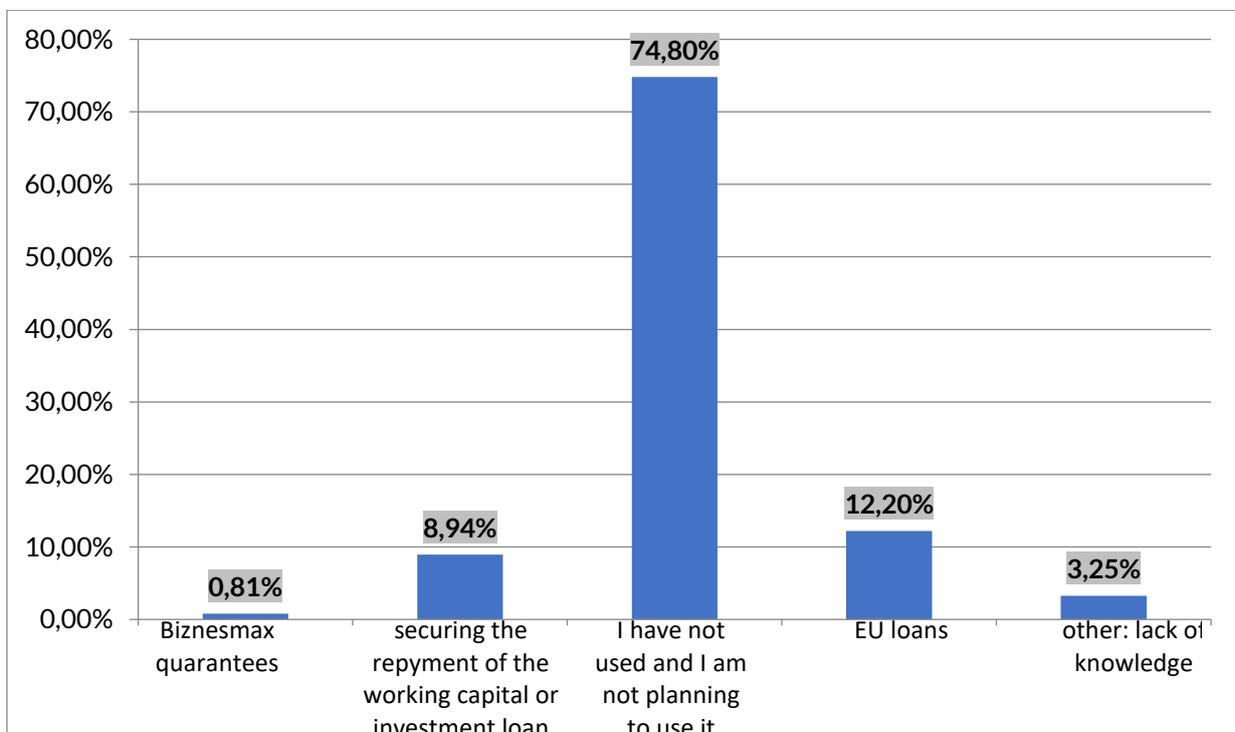


Figure 10 Use of the support offered by BGK

Question No. 8: Have you used / are you planning to use the forms of aid offered by the Malopolska Center for Entrepreneurship (MCP) at the Marshal's Office of the Malopolska Voivodship?

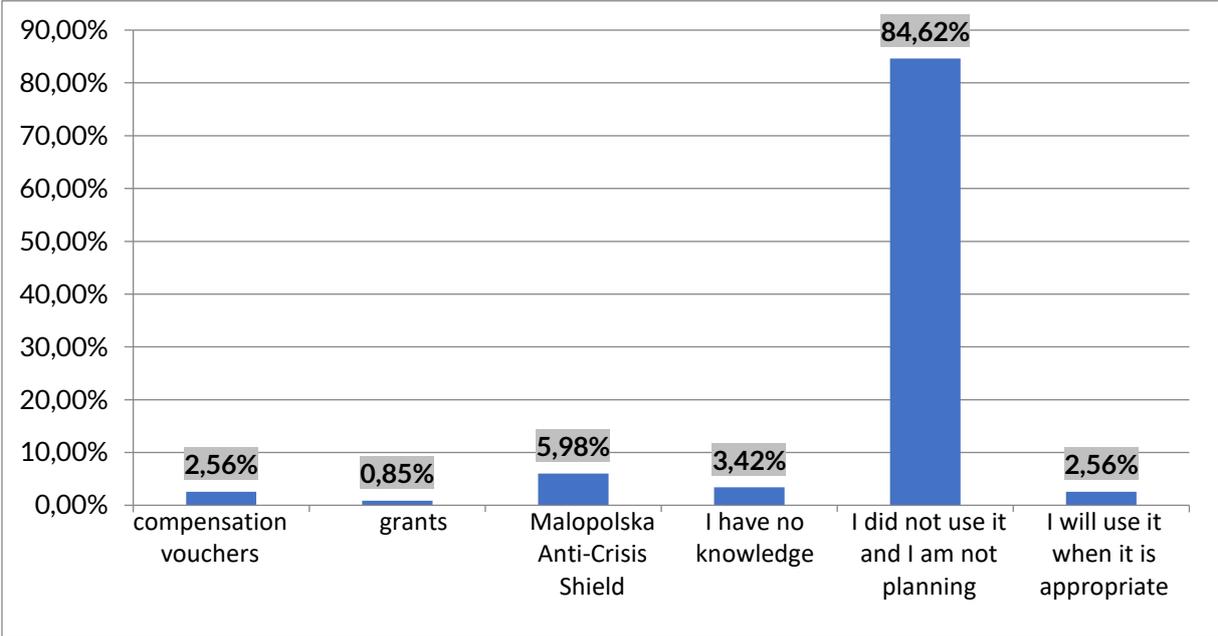


Figure 11 use of support offered by the Marshal's Office of the Malopolska Voivodship

Question No. 9: Have you used / are you planning to use the forms of aid offered by the Polish Development Fund (PFR)?

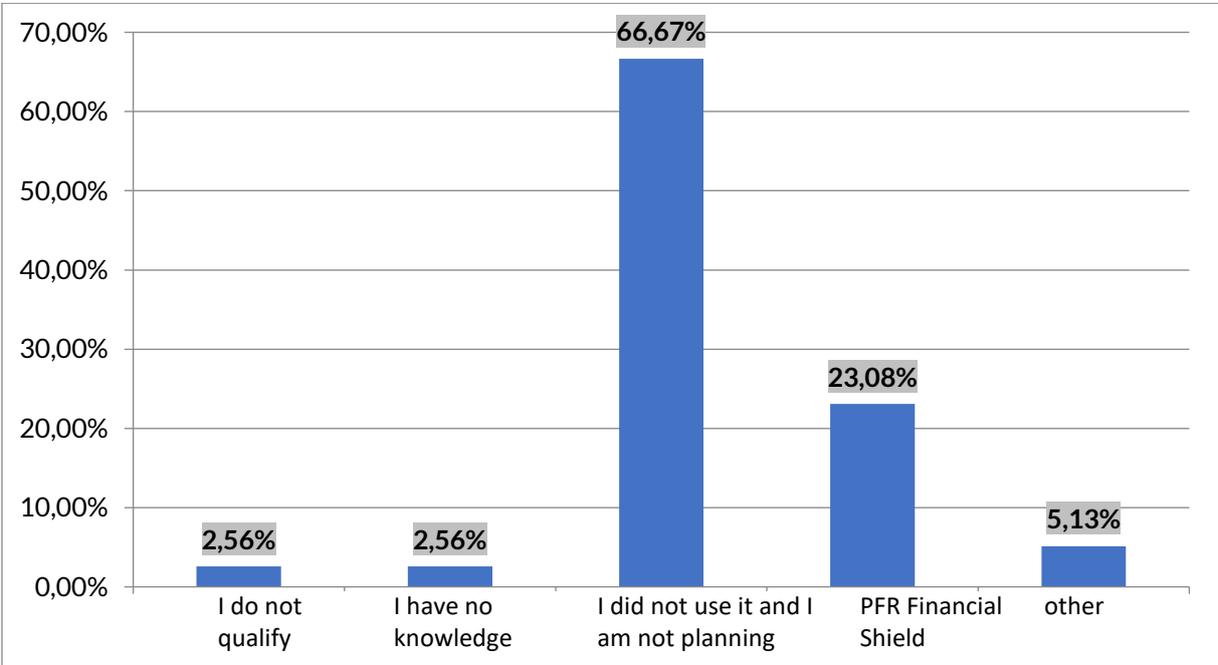


Figure 12 Use of support offered by the PFR

Question No. 10: Have you used / are you planning to use the forms of aid offered by the Polish Agency for Enterprise Development (PARP)?

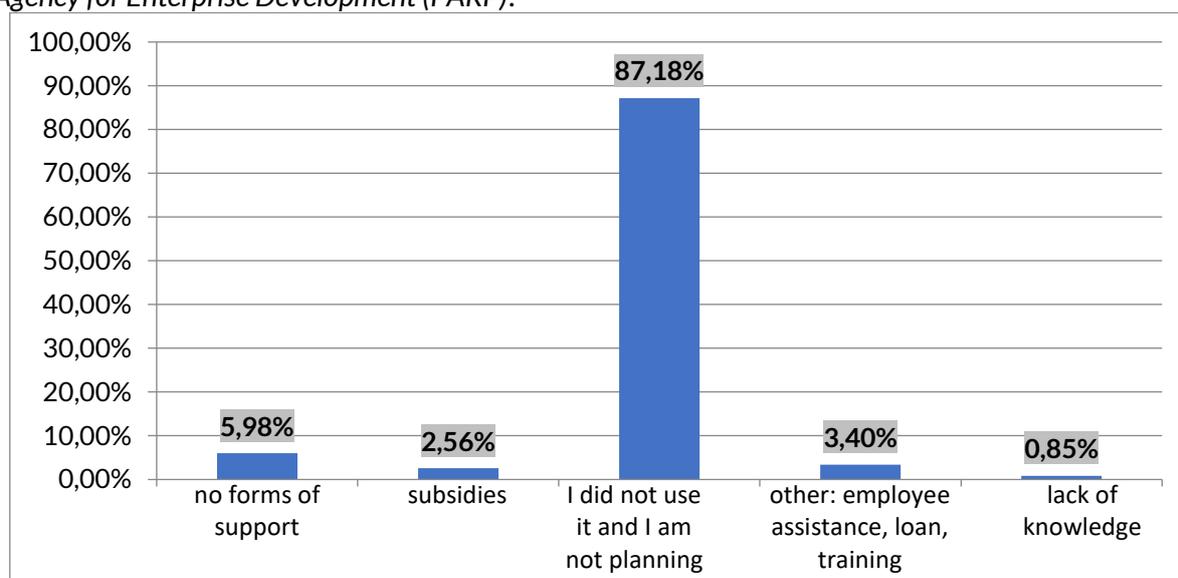


Figure 13 Use of support offered by the PARP

Undoubtedly, the positive feedback obtained thanks to the survey is the fact that the vast majority of respondents have knowledge about the functioning of aid programs. Entrepreneurs most often used the offer of the Social Insurance Institution (ZUS) and the Municipal Labor Office (GUP). Contributions to the Social Insurance Institution are by far the greatest burden for entrepreneurs. In the era of a pandemic and reduced revenues, companies were looking in particular for low, quick and non-repayable forms of financing. Micro-loans were an excellent response to the situation and the needs of entrepreneurs. It should be borne in mind that the specificity and scale of business activities did not always enable entrepreneurs to take advantage of the aid offer of individual institutions.

II.3 Adequacy and assessment of the forms of support by entrepreneurs

The survey contained a block of questions assessing the impact of various forms of support on the continuation of business activities. Entrepreneurs evaluated the support on a 4-stage scale.

Question No. 11: How do you assess the impact of the available forms of support on the continuation of your business in the coming months?

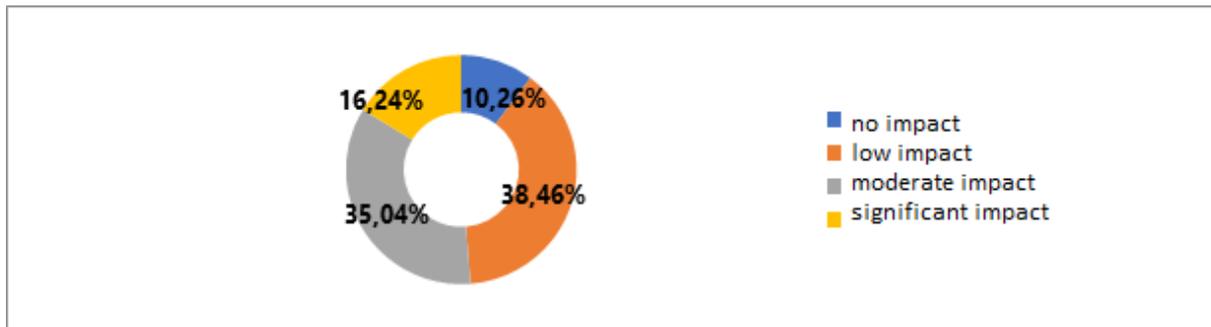


Figure 14 Assessment of forms of support for businesses in Krakow

Voices of entrepreneurs regarding the offered forms of support are divided, however, more than half of the respondents believe that they had a moderate or significant influence on the further operation of their businesses. The aid available was of greatest importance for a group of entrepreneurs from the services industry. In their opinion, the support offered had a significant impact on the further running of their business. On the other hand, companies in the accommodation and food service sector are experiencing the most difficult times, assessing that the aid package is of little or no importance for their future.

Question No. 12: Which source of support was most helpful for you: (select up to three items)

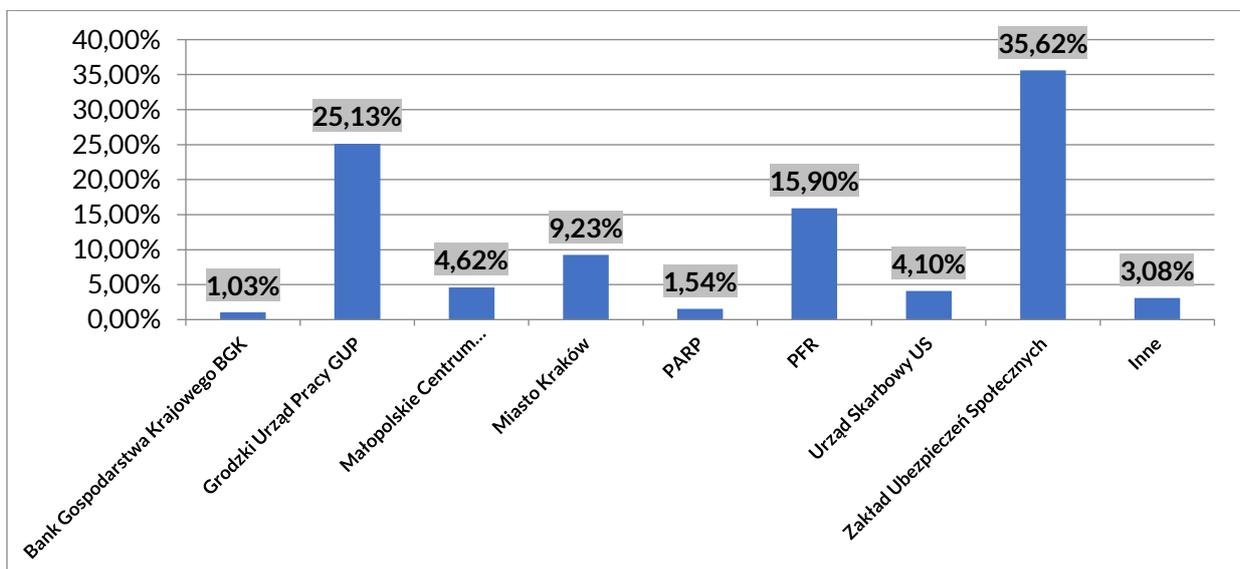
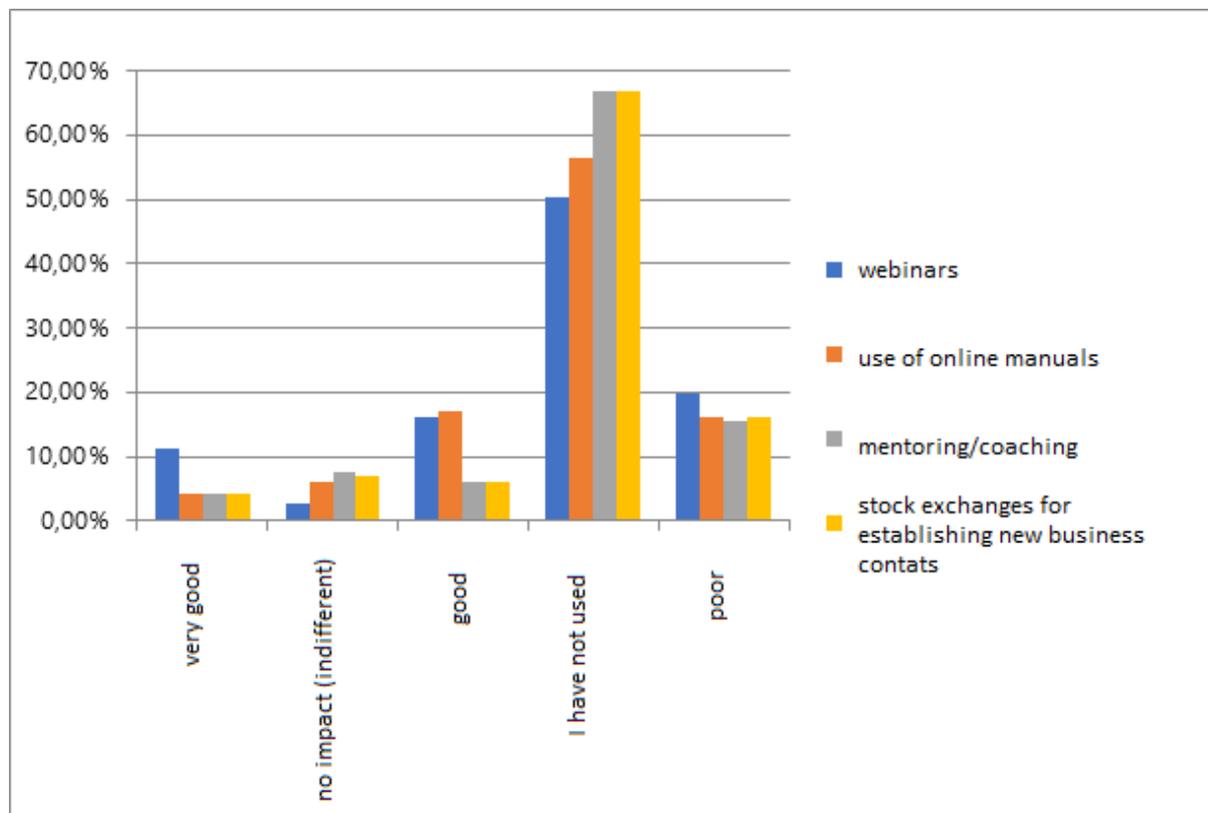


Figure 15 Most helpful sources of support

Addressing the following question to entrepreneurs (question No. 15) resulted from the creation of a wide range of support possibilities, both financial and in the form of free benefits aimed at increasing knowledge and developing skills useful to entrepreneurs in times of crisis. In addition to the offered solutions, including tax reliefs or the possibility of obtaining deferred tax payment, Krakow entrepreneurs could, for example, use a package of webinars provided by private entities, where they received the assistance from experts advising on the acquisition of new sales channels. Due to the need for maintaining social distance, this assistance mainly took the form of remote access via the Internet. For many, information on the adaptation of business activities to the requirements of the sanitary regime imposed by the national authorities turned out to be noteworthy.

Question No. 15: Have you participated in any of the forms of aid / support indicated below? Please indicate how you assess the impact of the activities on your business



Rysunek 1 Wpływ wybranych form wsparcia na biznes

More than half of the respondents did not use any forms of support other than financial. Bearing this in mind, it can be concluded that during the pandemic, entrepreneurs focused their activities mainly on obtaining specific financial aid to survive the most difficult times.

Question No. 16: What, in your opinion, is the greatest difficulty in receiving/ accessing aid for entrepreneurs? Select up to three items

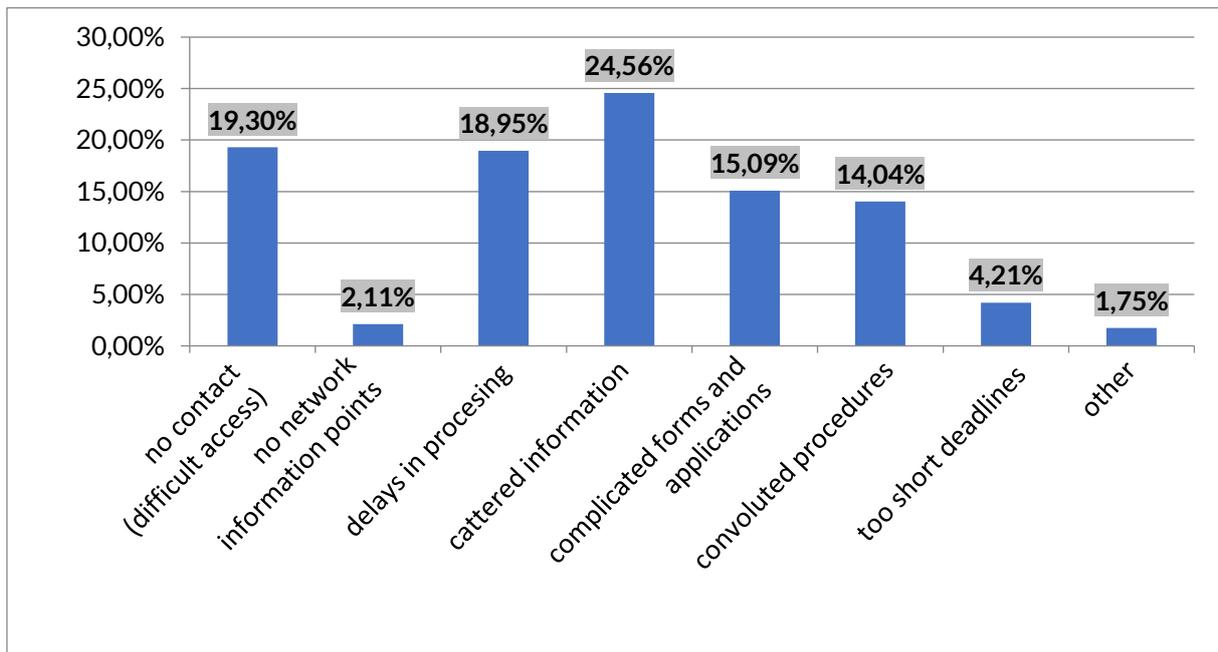


Figure 17 Barriers to actively seeking support

By far the greatest barriers to actively seeking support are scattered information (24.56%) and the lack of contact or difficult access (19.3%) to seek information.

III: Impact of the epidemic on running a business

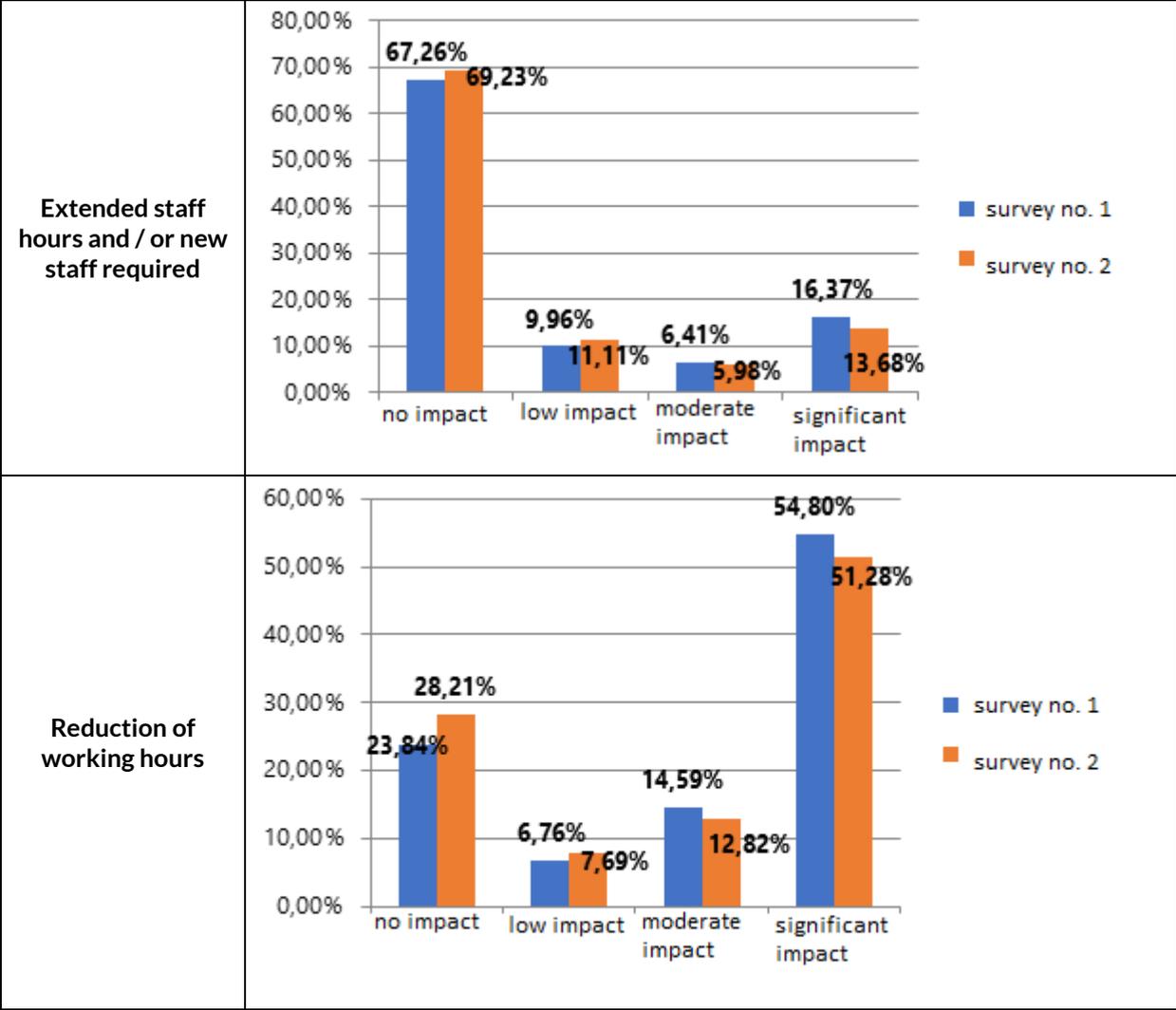
The discussed part of the survey consisted of a block of multi-variant, single-choice questions aimed at determining how the state of the epidemic in the country affected the running of the company. The obtained responses were compared with the data from the questionnaire 1: The impact of the nationwide state of the epidemic on running a business in Krakow⁴, the results of which were published in May this year. In this way, it is possible to assess how much individual factors have changed over the last two months.

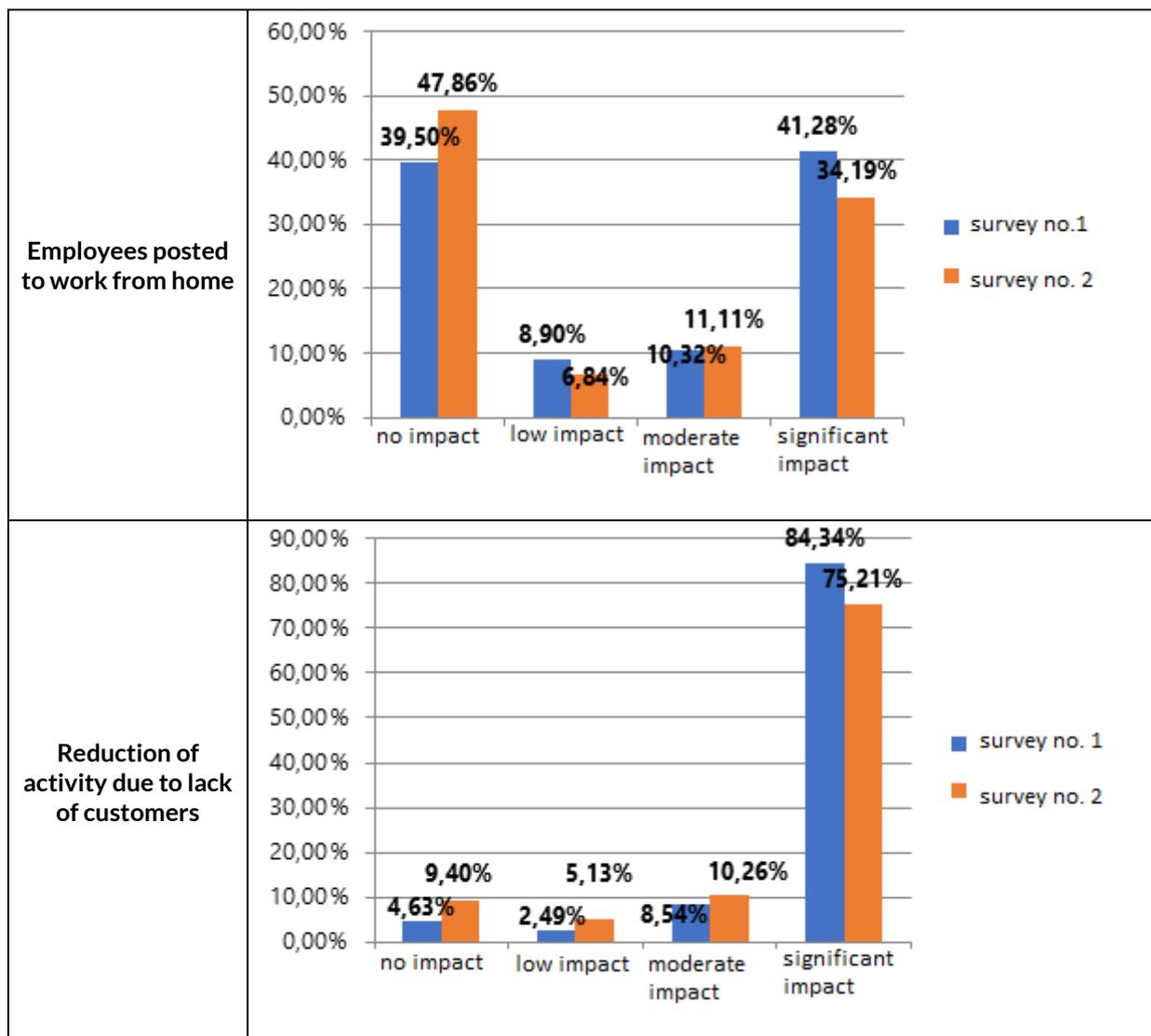
The responses obtained show that the negative trends in the functioning of companies, which were noticeable in the first questionnaire, slowed down after the unfreezed economy. The pandemic still has a significant impact on entrepreneurs operating, but it is worth mentioning that there is a slow stabilization in this area, and the inconvenience faced by companies is assessed as less burdensome.

Vast majority of entrepreneurs declare that the current extraordinary situation does not affect the decision to extend the working time of staff (an increase by 2 percentage points

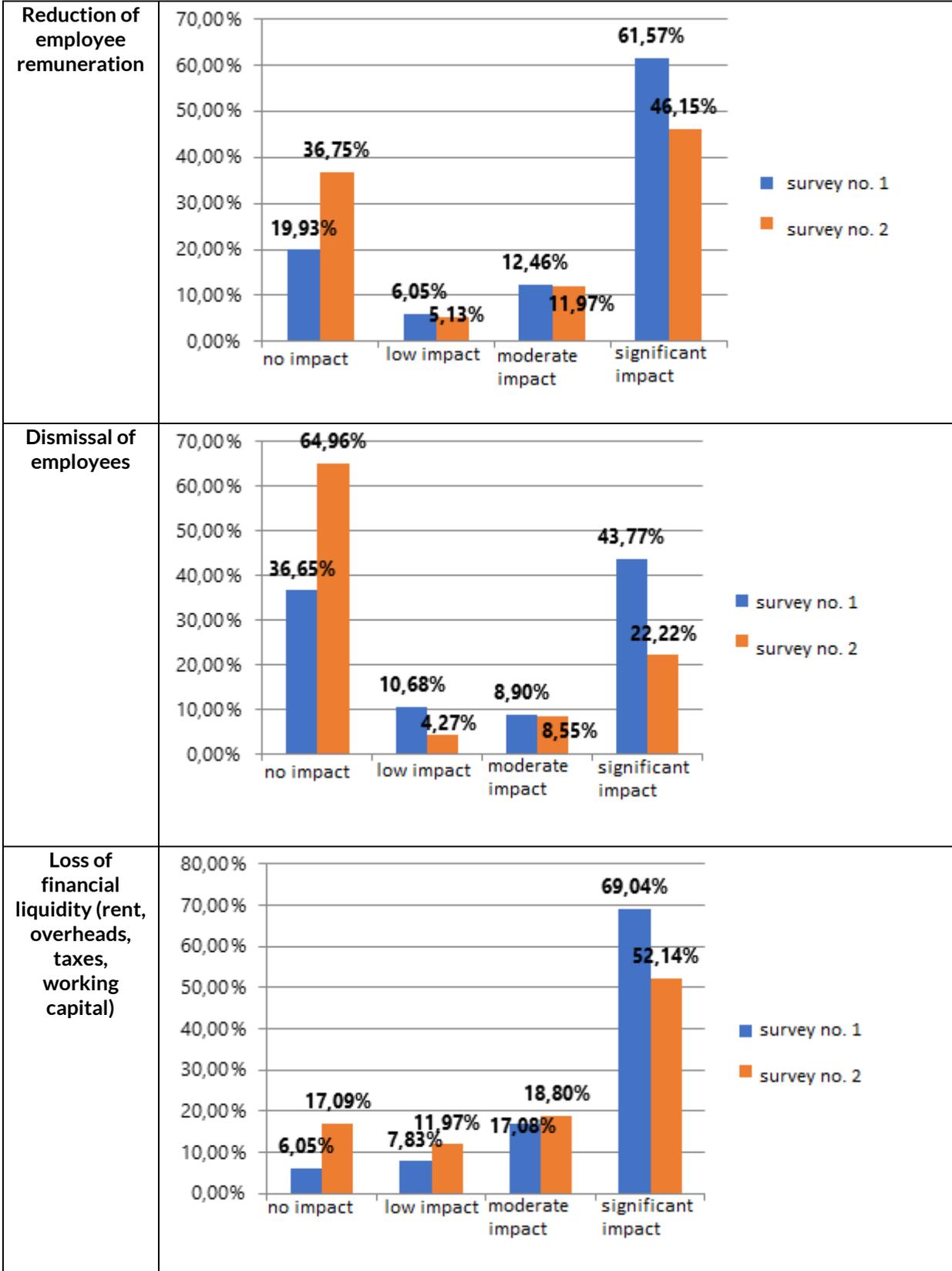
⁴ Distribution of responses in particular Districts of the City of Krakow : [//business.krakow.pl/raporty_i_analazy/237658,1873,komunikat,2020.html](http://business.krakow.pl/raporty_i_analazy/237658,1873,komunikat,2020.html)

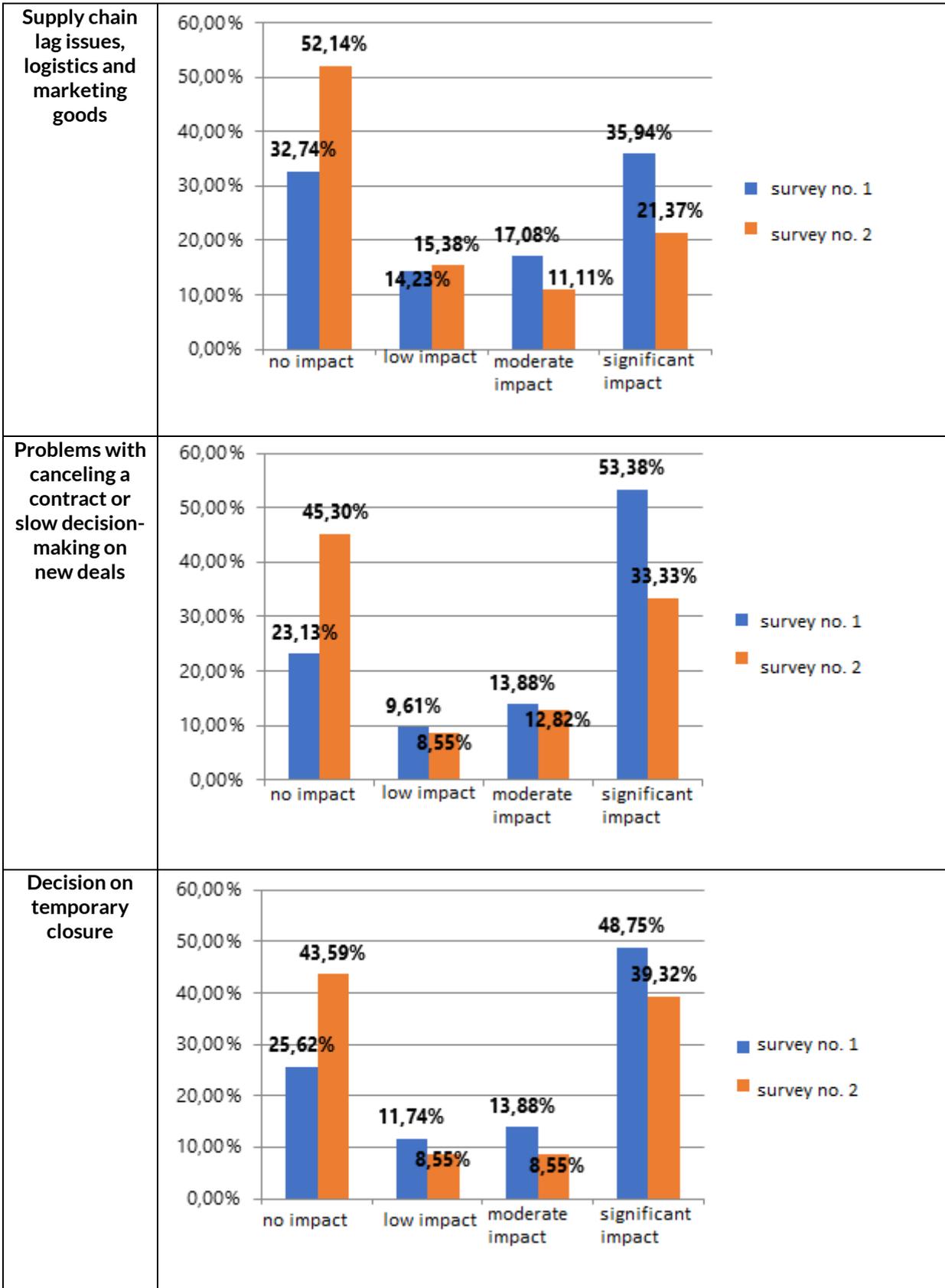
in relation to questionnaire 1). A noticeable percentage (13.6%) indicates that this impact is considered significant. What is more, the existing situation still forces employers to reduce working hours. On average, about 70% of employers assessed (moderate and significant impact) that it is necessary to shorten working hours. Employers still see the need for posting employees to work from home. The submitted responses show that on average more than half of the employees were compulsorily assigned to work remotely. A smaller number of entrepreneurs believe that they are forced (or will be forced in the near future) to reduce the scope of services / products provided as part of their activities due to the lack of customers.





Entrepreneurs judge that in this situation there is a need for reducing the remuneration of the staff. The most difficult situation is recorded among micro-entrepreneurs. The results of the second questionnaire clearly indicate that most companies will not decide to lay off workers. They also declare, to a greater extent than in questionnaire 1, that there is no need for reducing the salaries of their employees. The loss of financial liquidity in July is not as severe as it was in May. Krakow entrepreneurs are still facing the problem of canceling numerous contracts concluded with clients and the slowing down of the process of acquiring and entering into new business contracts, which directly translates into their financial condition.





It is worth pointing out that closing a company or (even temporarily) stopping production should be treated as a black scenario that always adversely affects the local

community. Less than half of the surveyed entrepreneurs assessed that the current epidemiological situation will significantly contribute to the closure of businesses in Krakow in the coming time. This information should be perceived as an increase in optimistic moods among entrepreneurs, comparing the responses to the questionnaire. 1, where the possibility of closing the company was predicted by approx. 70% of the respondents.

Question 20: How much income loss do you anticipate due to this situation? Determine the expected loss in 2020.

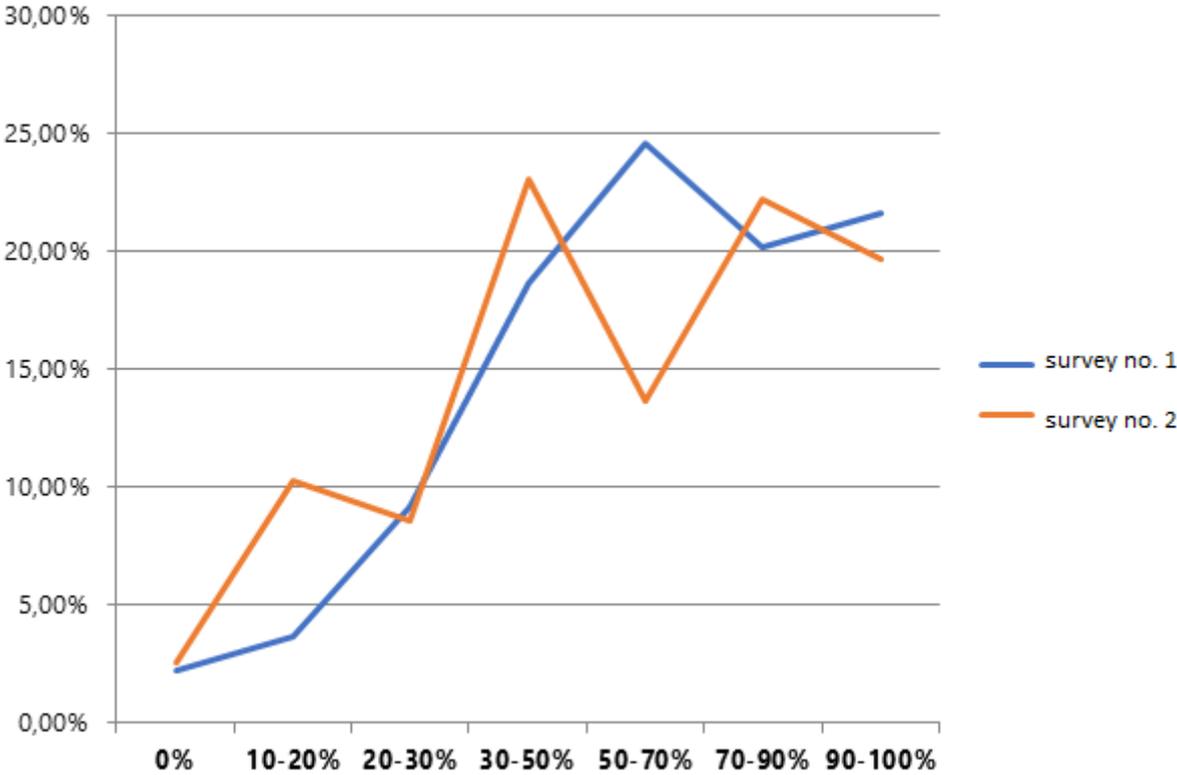


Figure 18 Expected decrease in entrepreneurs' income

The figure above shows the curves of the decline in the income of entrepreneurs based on the responses of entrepreneurs included in questionnaire 1 and questionnaire 2. Economic changes still affect the ability to earn income, but the trend has become more optimistic. Initially, a large drop in income was declared by the greatest number among the surveyed entrepreneurs at the level of 50-70% (currently most respondents are encountering a decrease of 30-50%).

IV: Analysis of the results taking into account the division into sectors of the national economy

Analizy przedstawione w tej części raportu, wykonane zostały przy wykorzystaniu programu INSIGHT ESRI. Interpretacji poddano jedynie odpowiedzi, w których przedsiębiorcy zadeklarowali znaczący wpływ danego czynnika na prowadzenie biznesu w Krakowie. Uwzględniając podział na sektory gospodarki narodowej możliwe było przedstawienie poniższych wniosków. Więcej informacji uwzględniającej podział na profil działalności gospodarczej respondentów oraz z wyszczególnieniem ich struktury wielkościowej odnaleźć można w tabeli nr 1. (patrz strona nr 4).

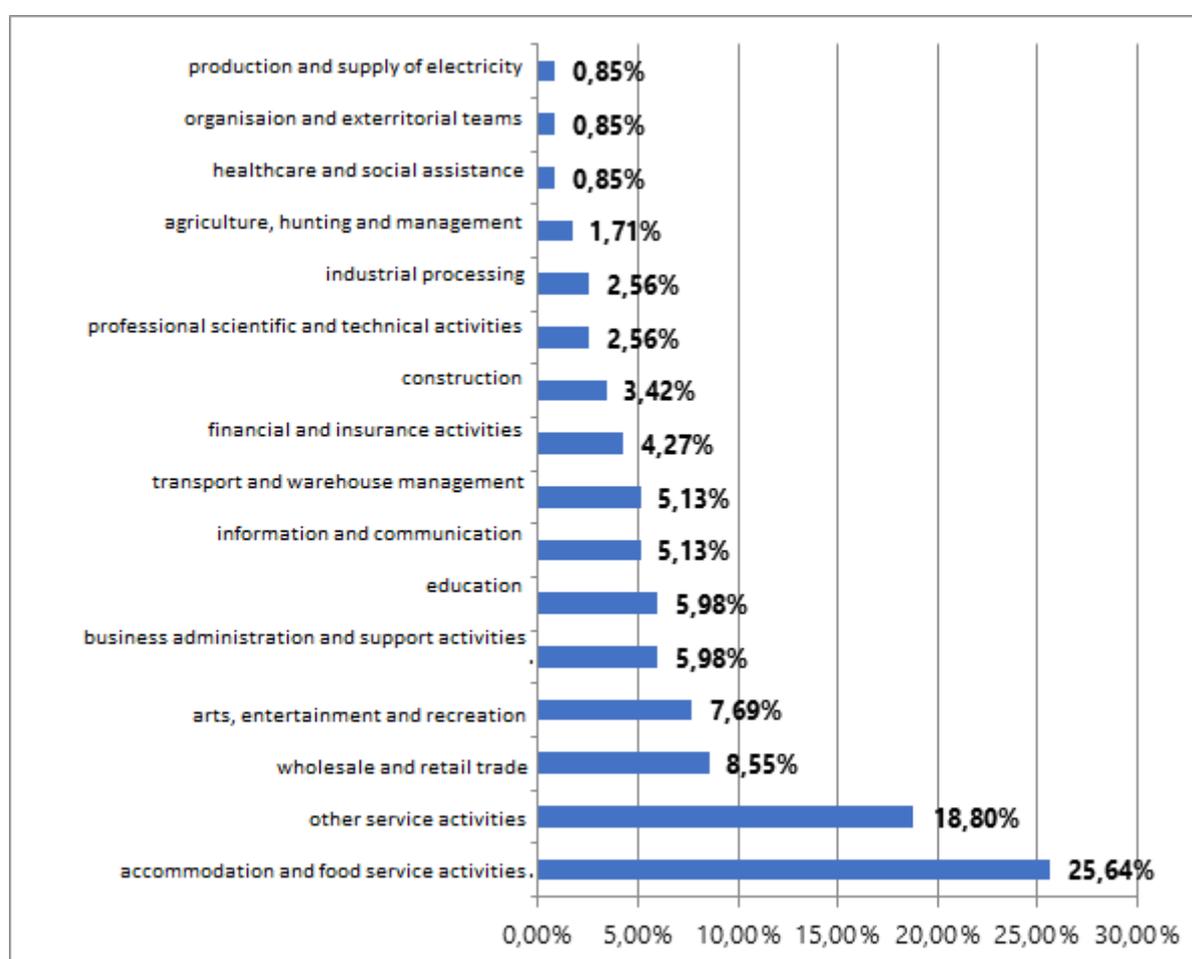


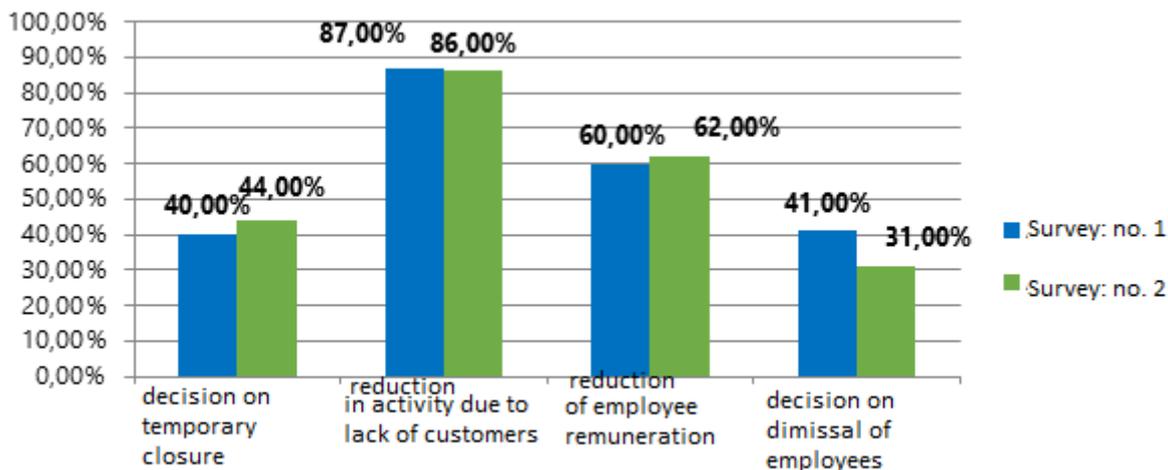
Figure 19 Number of respondents broken down by the sector of economic activity

Analysis of companies from the service sector: The analysis included companies from 2 leading sectors: other service activities and activities in the field of administration services and supporting activities. The companies jointly constitute 24% of all companies participating in the survey.

Industries included in the service activity

Activities of commercial organizations and employers
Activities of professional organizations
Activities of trade unions
Activities of religious organizations
Activities of political organizations
Activities of other membership organizations not elsewhere classified
Repair and maintenance of computers and peripherals
Repair and maintenance of (tele) communication equipment
Repair and maintenance of consumer electronic equipment
Repair and maintenance of household appliances as well as home and garden equipment
Repair of shoes and leather goods
Repair and maintenance of furniture and home appliances
Repair of clocks, watches and jewelry
Repair of other personal and household goods
Washing and cleaning of textiles and fur
Hairdressing and other cosmetic procedures
Funerals and related activities
Service activities related to the improvement of physical condition
Other service activities not elsewhere classified
Rent and lease
Employment activities
Activities of tourism organizers
Detective and security activities
Service activities related to the maintenance of order in buildings
Activities related to administrative office support and other business support activities.

- companies involved in service activities constitute 24% of all companies participating in the survey.
- 82% of companies from the service sector are micro-enterprises and 13% are small companies,
- almost 45% of companies believe that the current situation significantly influences their decision about the temporary closure of the company,
- 86% anticipate the need for making a decision to reduce the activity due to a lack of customers,
- almost 62% of entrepreneurs predict that they will be forced to decide to reduce the remuneration of employees,
- over 31% of companies will decide to lay off employees.



Rysunek 2 Wpływ epidemii na firmy z sektora usług

Analiza firm z sektora działalności związanej z zakwaterowaniem i usługami gastronomicznymi:

Industries included in the accommodation and food service activities
Hotels and similar accommodation
Tourist accommodation facilities and short-term accommodation
Camping sites (including motorhomes) and campsites
Other accommodation
Restaurants and other permanent catering establishments
Mobile catering establishments
Preparation and delivery of food for external recipients (catering)
Other catering service activities
Preparation and serving of beverages

- companies involved in the accommodation business account for over 25% of all companies participating in the survey.
- 80% of the accommodation sector companies are micro-enterprises and 20% are small businesses
- almost 60% of companies believe that the current situation significantly influences the decision to temporarily close the company,
- 96% of entrepreneurs predict that they will be forced to decide to reduce their activities due to a lack of customers,
- almost 66% are considering making a decision to reduce the remuneration of employees,
- more than 36% of companies will decide to dismiss employees.

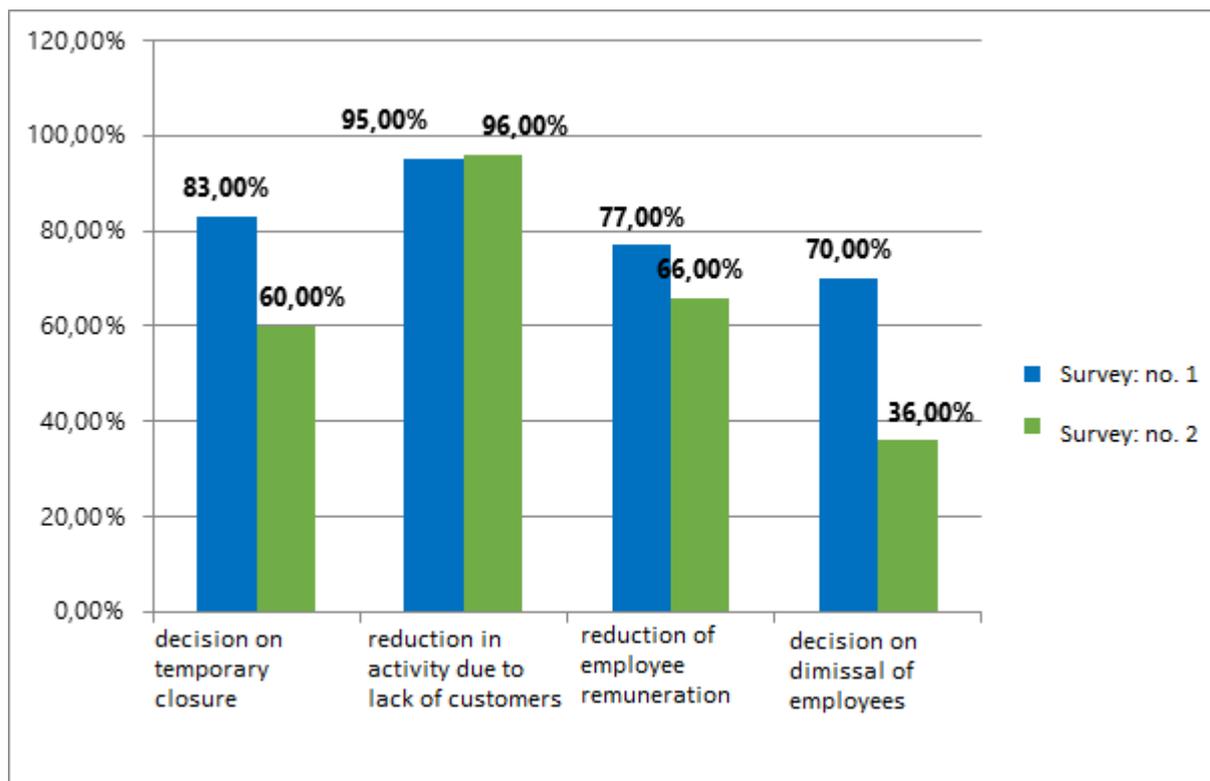


Figure 21 Impact of the epidemic on firms in the lodging and food service sectors

Analysis of companies from the sector of activities related to culture, entertainment and recreation:

Industries included in the activities related to culture, entertainment and recreation
Activities related to staging artistic performances
Activities supporting the staging of artistic performances
Artistic and literary creative activity
Activities of cultural facilities
Library activity
Archives activity
Museums activity
Operation of historic sites and buildings and similar tourist attractions
Activities of botanical and zoological gardens as well as nature protection areas and objects
Activities related to games of chance and betting
Activities of sports facilities
Activities of sports clubs
Activities of facilities to improve physical condition
Other sports related activities
Activities of amusement parks and amusement parks
Other entertainment and recreational activities

- companies operating in industries related to culture, entertainment and recreation account for over 7% of all companies participating in the survey.
- 100% of companies from this sector are micro-enterprises,
- almost 42% of companies believe that the current situation will force them to decide to temporarily close the company,

- 88% predict that they will decide to reduce their activities due to a lack of customers,
- almost 44% believe that it will be necessary to reduce the remuneration of employees, more than 11% of companies will decide to lay off employees.

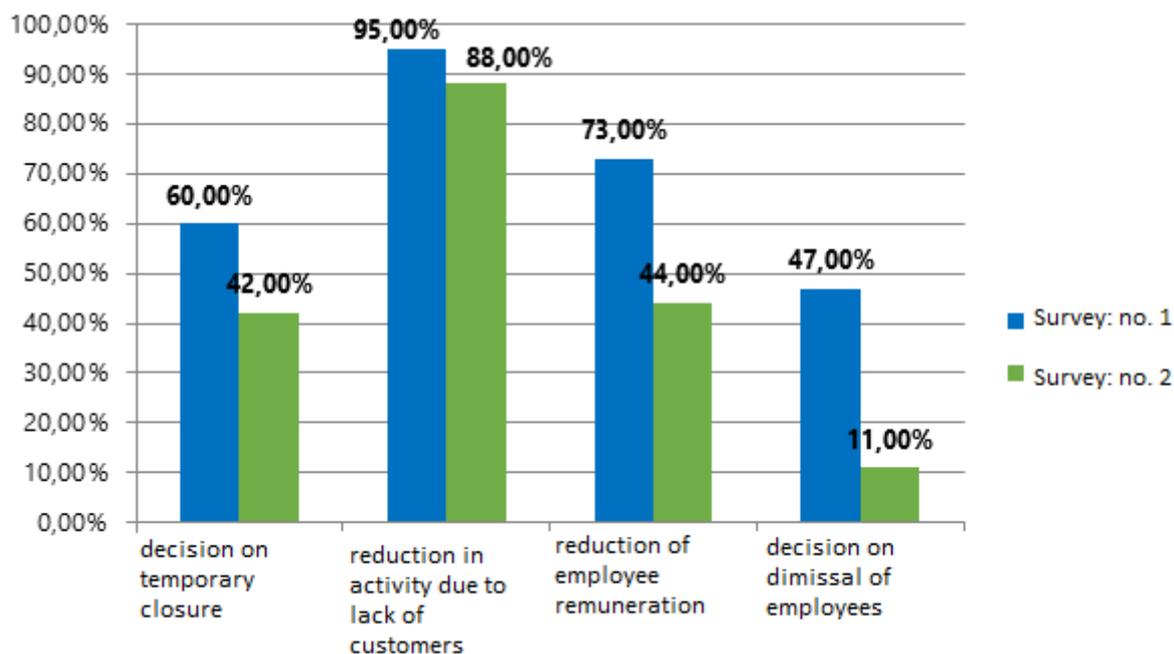


Figure 22 Impact of the epidemic on companies in the arts, entertainment and recreation sector

Analysis of companies from the wholesale and retail trade sector:

Industries included in the activity of wholesale and retail trade
Wholesale and retail trade in motor vehicles; repair of motor vehicles
Wholesale trade, except of motor vehicles
Retail trade, except motor vehicle retail

- companies operating in the trade sector constitute almost 9% of all companies participating in the survey.
- 80% of companies from the wholesale and retail sector are micro-enterprises and 20% are small companies,
- almost 40% of companies believe that the current situation significantly influences the decision to temporarily close the company,
- 70% predict that they will be forced to decide to reduce their activities due to a lack of customers,
- almost 20% plan to reduce the salaries of employees,
- more than 10% of companies will decide to lay off employees.

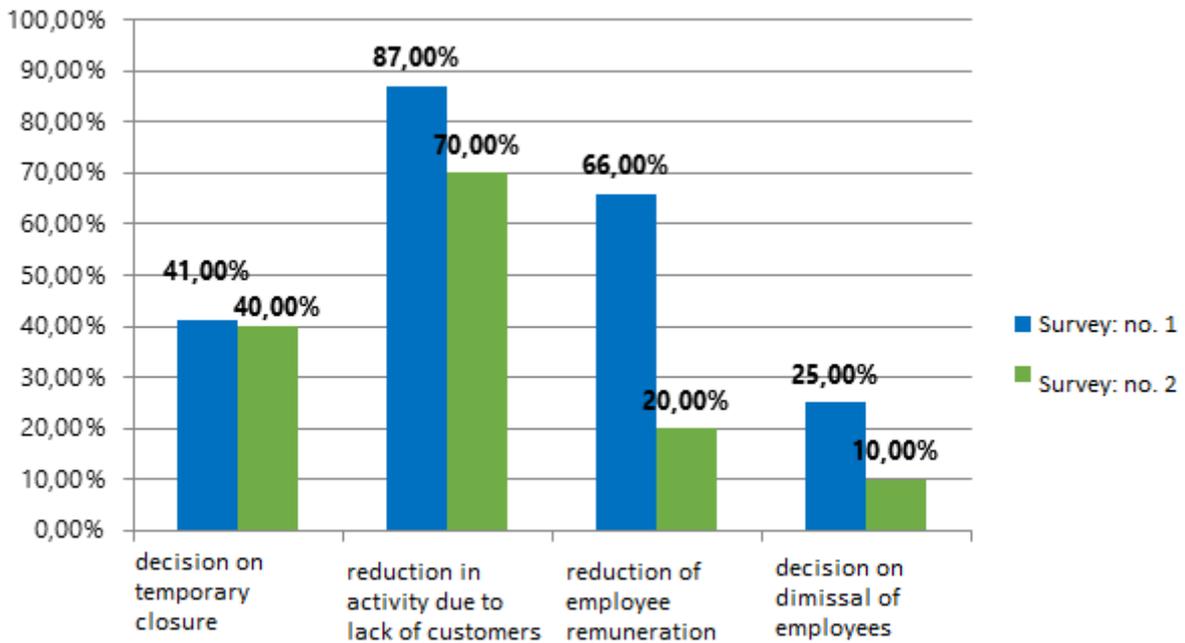


Figure 23 Impact of the epidemic on companies in the wholesale and retail sectors

Analysis of companies from the sector of professional, scientific and technical activity:

Industries included in the professional, scientific and technical activities
Legal, accounting and tax advisory activities
Activities of central companies; management consultancy
Architectural and engineering activities: technical research and analysis
Research and development work
Advertising, market and public opinion research
Other professional, scientific and technical activities
Veterinary activities

- companies involved in this activity constitute almost 2% of all companies participating in the survey.
- all companies in the sector dealing with professional, scientific and technical activities are micro-enterprises,
- 33% predict that they will decide to reduce their activities due to a lack of customers,
- almost 66% see the need for reducing the remuneration of employees.

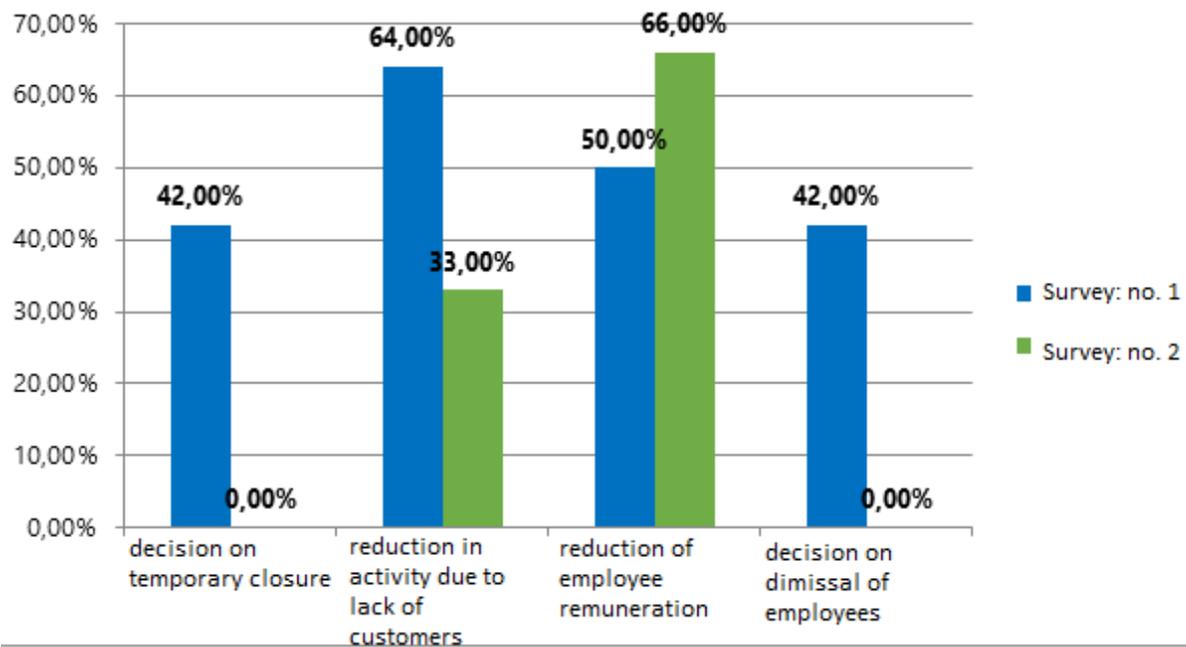


Figure 24 Impact of the epidemic on companies in the professional, scientific and technical sector

Loss of financial liquidity - comparison of data in districts

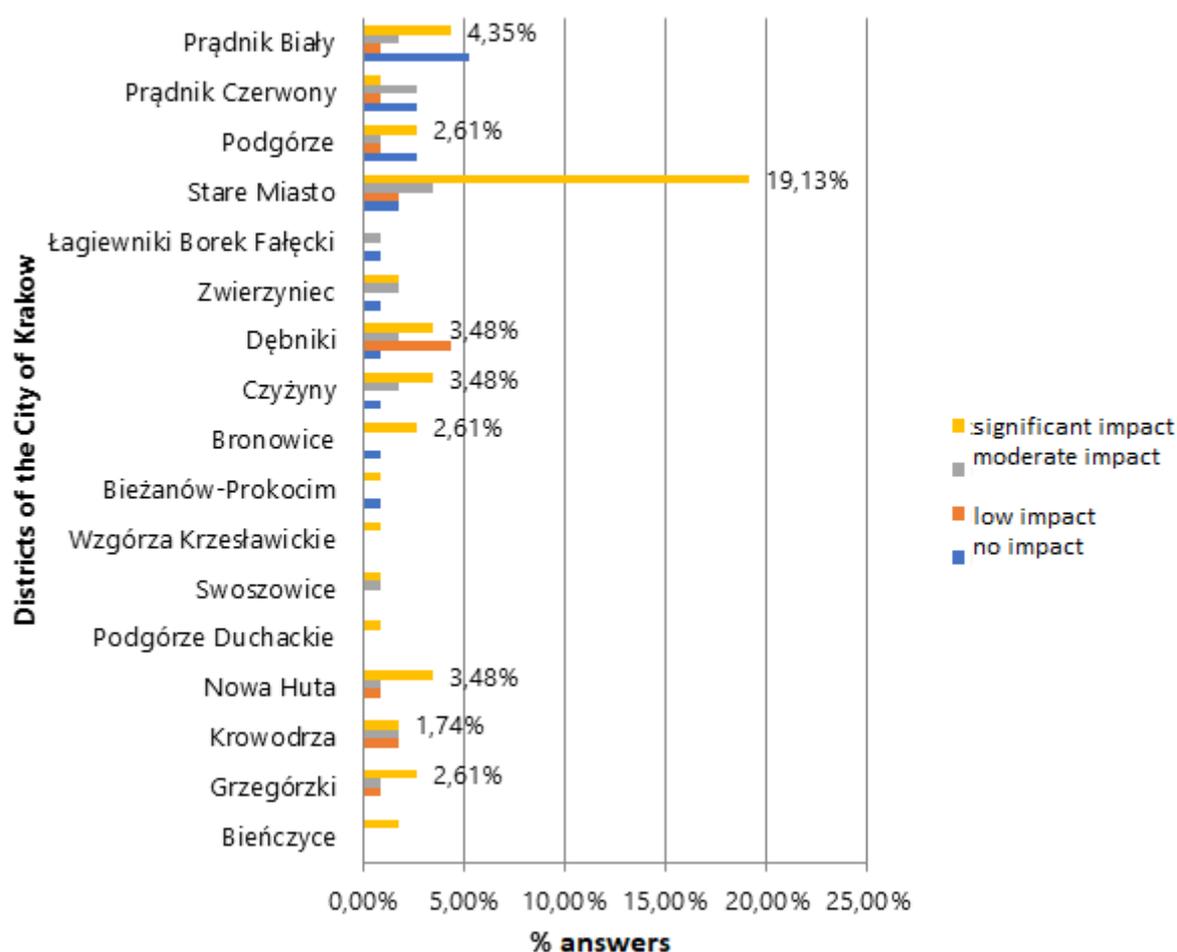


Figure 26 Loss of financial liquidity - comparison of data in districts

Redundancies are another indicator showing the negative impact of the epidemic on the socio-economic situation of the city. 70% of all respondents stated that the current situation had little or no impact on the layoffs of employees, while less than 1/3 said they were considering such a solution. The most negative trend is also visible among entrepreneurs operating in the Old Town, where the largest number of companies from the tourism and catering industry is located. It can be noticed that entrepreneurs, despite problems with financial liquidity, do not decide to lay off employees. For comparison, in the Old Town as many as 19% experience temporary liquidity problems, however more than half of them admit that this does not affect the decision on layoffs.

Dismissals of employees - comparison of data in districts

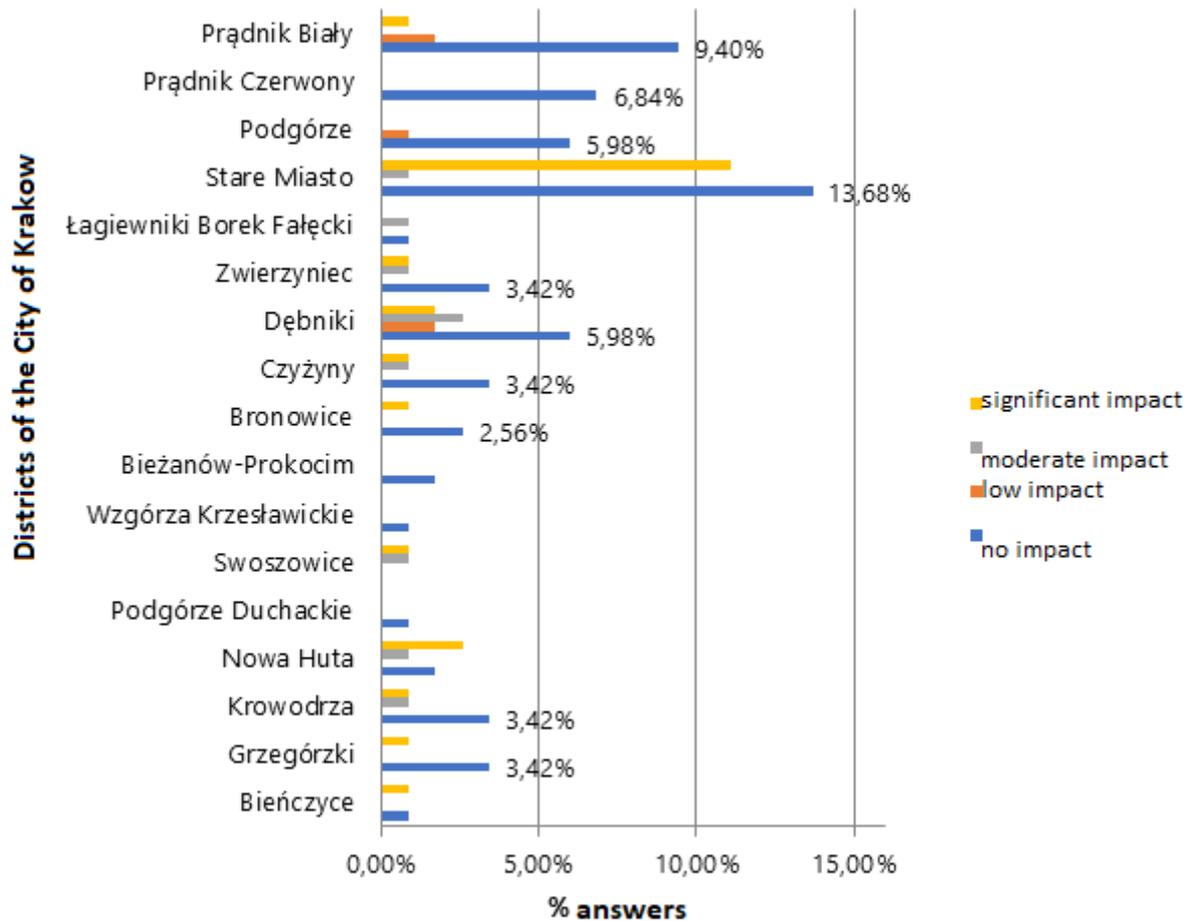


Figure 27 Dismissal of employees - comparison of data in districts

The least expected indicator, with generally the greatest impact on the local economy, relates to decisions to temporarily close a business. Almost 40% of all surveyed entrepreneurs face the real risk of closing their businesses. With regard to the Old Town, this situation is the least optimistic.

The most difficult overall economic situation is felt in the Old Town district, where the greatest number of responses came from and the largest number of companies in the tourism and catering industry, the most affected by the pandemic. In addition, companies located in this district face a significant reduction in financial liquidity to the greatest extent, and more than 15% of entrepreneurs from the Old Town are considering making a decision to temporarily close their business.

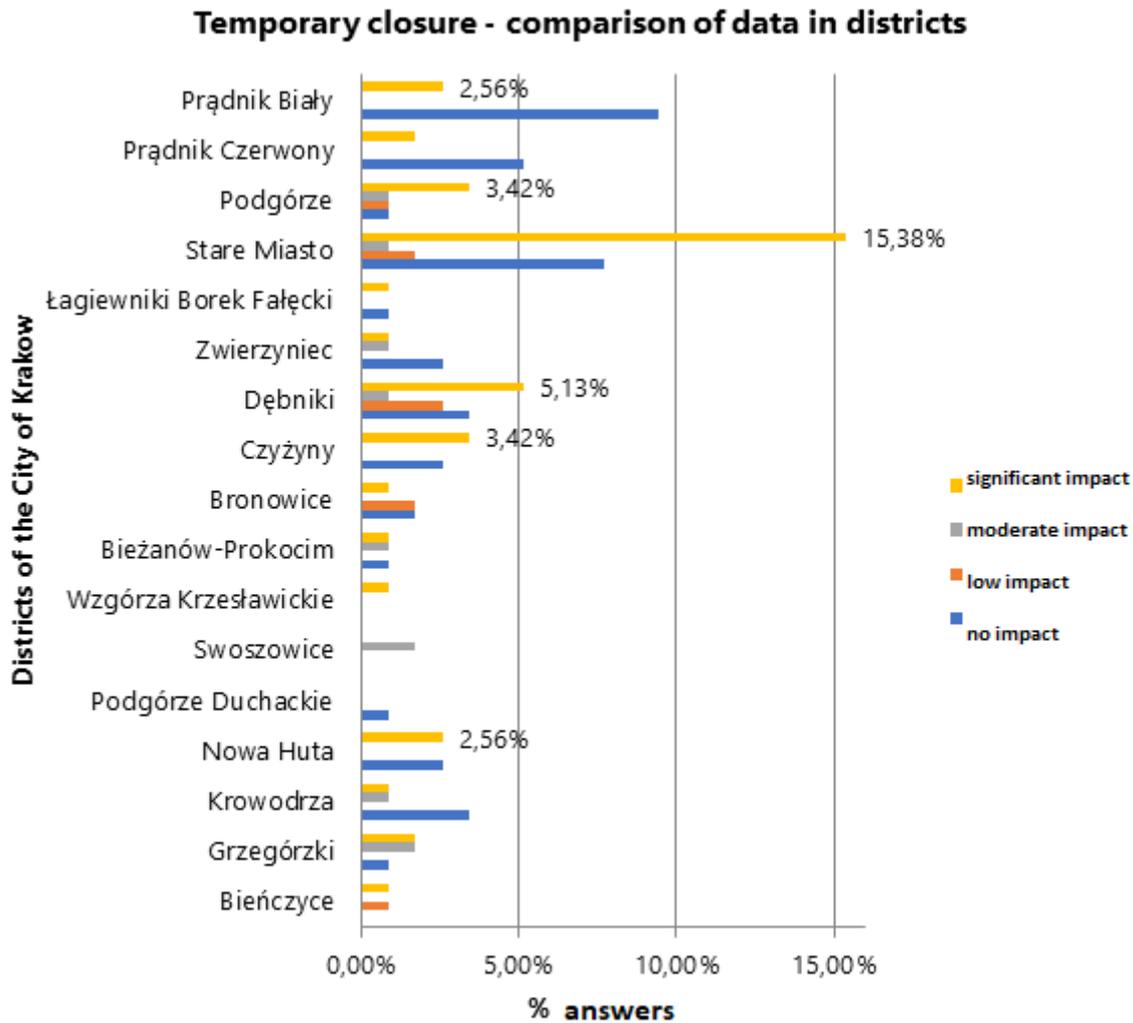


Figure 28 Temporary closure - comparison of data in districts

VI: Situation of micro-enterprises

Almost 80% of all respondents participating in the survey are micro-entrepreneurs employing up to 9 people. Among them, among others 25% of the companies are involved in accommodation related activities and 25% in service activities.

Micro entrepreneurs gave the following responses in terms of variables significantly affecting the functioning of businesses:

- 80% expect a reduction in activity due to a lack of customers,
- 54% lost financial liquidity,
- 49% intend to reduce employee remuneration
- 41% indicate a decision to temporarily close their business.
- 35% post employees to work from home

- 34% indicate problems with contract cancellation or a slowdown in taking up new contracts,
- 23% are having problems with lagging the supply chain,
- 21% are considering dismissal of employees,
- 14% consider it necessary to extend the working time of staff; at the same time, 57% declare the possibility of shortening working hours.

The obtained responses were compared with the data from questionnaire 1: The impact of the nationwide state of the epidemic on running a business in Krakow ⁵. This way, it is possible to assess changes in the perception of a given situation of microenterprises in the period between May and July this year.

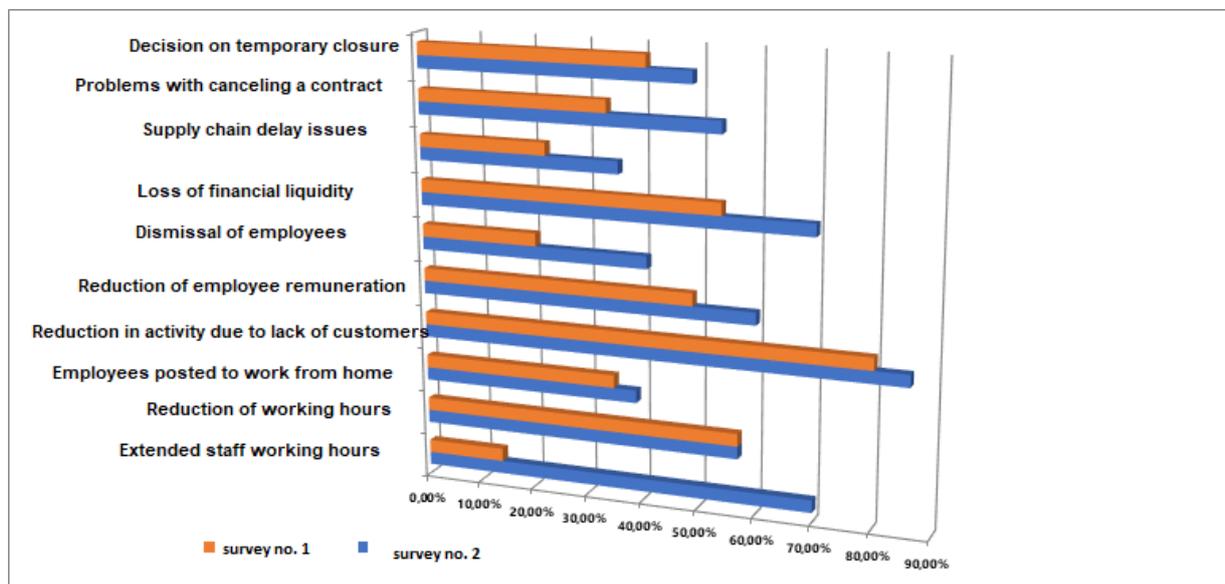


Figure 29 Variables influencing the functioning of companies during the pandemic

The chart above shows the problems and challenges that Krakow companies are still struggling with. The pandemic still has a significant impact on their functioning. It should be pointed out that there is a slow stabilization and the inconveniences faced by entrepreneurs become less burdensome. The greatest changes can be seen in the lack of the need for extending the working time of employees (a decrease by as much as 56 percentage points).

⁵ Survey report 1 available at: https://business.krakow.pl/raporty_i_analizy/237658,1873,komunikat,2020.html

General conclusions

- **Entrepreneurs are still facing the consequences of the epidemic in our country introduced in March 2020.** Similar negative trends indicated in the survey report 1 persist⁶. However, this trend should be interpreted as weakening. The pandemic continues to have a significant impact on how businesses operate. It is worth mentioning, however, that there is a slow stabilization in this area, and the inconveniences faced by companies are less and less onerous. The prolonged period of uncertainty prevailing in local and national enterprises translates into the need for conducting business in a conservative manner in the current period, which reduces the potential risk of bankruptcy in the case of, for example, the inability to provide services directly.
- **The current information channels are not a sufficient guarantee of reaching entrepreneurs with reliable information.** The greatest barrier for entrepreneurs in actively seeking support relates to scattered information and non-obvious access to it. In response to the noticed trend, measures were taken to develop good practices in the area of developing and posting materials published on municipal information platforms. An information campaign addressed to entrepreneurs was also initiated, steps were taken to create an information newsletter addressed to entrepreneurs, which is to regularly provide up-to-date business news.
- **Wholesale and retail trade is the most resilient sector of the national economy to the negative effects of the pandemic.** Companies from this sector have adapted to the changes the fastest and found themselves in the new reality. In the 1st survey, voices from this sector were pessimistic. The second study showed a clear improvement in this part of the economy - trading companies were the first to find new opportunities for communication with customers and distribution channels for their goods. Thus, the rapid and dynamic acclimatization of the wholesale and retail trade industry to the new realities is visible, as well as the growing awareness of both entrepreneurs and consumers of the importance of the e-commerce industry as an obvious path for the development of their own business in the future.
- **Entrepreneurs from the service industry are the most satisfied with the help offered.** In their opinion, the support had a significant positive impact on the further running of the business. On the other hand, the most difficult times are still experienced by companies in the sector of activities related to accommodation and catering services. According to the

⁶ Survey report 1 available at: https://business.krakow.pl/raporty_i_analizy/237658,1873,komunikat,2020.html

respondents conducting business activity in this sector, the aforementioned aid offer should be assessed as aid having little or no influence on their further functioning.

Reactivation activities

In opposition to the negative effects of the COVID-19 pandemic, which largely affected Krakow enterprises, Krakow undertook a number of support and assistance measures. They were aimed in particular at entrepreneurs (micro, small, medium and large) suffering the consequences of the economic slowdown caused by the pandemic, operating (mainly in the tourism industry, cultural activities, sports activities, activities in the field of housing resource management and public benefit activities and volunteering) pursuant to the Act of April 24, 2003). A number of aid tasks have been adopted for implementation, relating to the key areas from the point of view of the city and its inhabitants, including:

- A dedicated [Municipal Information Service](#) launched, aggregating information for Entrepreneurs. The website is constantly being updated
- [Crisis Advisory Points](#) were launched, where entrepreneurs, non-governmental organizations and residents can obtain professional assistance in the field of the functioning urban solutions, available packages financed from regional European funds and support in the process of using the provisions of the so-called anti-crisis shields. Within a few months of the operation of them, as at the end of July 2020, aid was obtained by approx. 250 economic entities.
- The interactive map service [I'm ACTIVE](#) was launched, thanks to which the City of Krakow supports local companies which, despite the difficult situation caused by the epidemic, continue to offer their products and services. Both the location of the entrepreneur and the industry have been marked on the interactive map of Krakow, basic information on the offer of services and products as well as contact details have been indicated. As of the end of July 2020, more than 500 entrepreneurs are marked on the map. The map service is constantly being expanded and updated.
- The [#sightseeKrakow](#) campaign was launched, thanks to which tourists and residents can take advantage of 20% discounts in accommodation and museum facilities, tourist attractions and restaurants.
- A socio-informative campaign ["Be a tourist in your city - sightsee Krakow"](#) was launched, addressed to entrepreneurs, cultural institutions, foundations and associations, and above all to the inhabitants. As part of the campaign, the partners propose to the residents a number of attractions and ideas on how to spend an interesting time in the city and what benefits to use.

- Work on the Business and Innovation Support Program was started, thanks to which we are in regular contact with economic associations gathering entrepreneurs, entities from the modern services sector and startups.
- Participation in numerous events organized in a safe on-line space to reach a wide audience with the message and learn about the needs of the business world, e.g.:
 - *Impact reaction 2020 conected by Krakow (3.06.2020),*
 - *ABSL Digital Forum (16-17.06 2020),*
 - *Meeting of Business Leaders (9.07.2020),*
 - *Economic Development Forum of the Krakow Metropolis (10/07/2020),*
 - *Healthy Clean Cities (22.07.2020).*

The surveyed entrepreneurs indicated problems related to obtaining information on obtaining aid to counteract the negative economic effects of the introduced state of epidemic. This report indicates the need for intensifying promotional activities for the above-mentioned initiatives dedicated to economic entities through:

- Activating communication channels with business entities in the context of current information useful for running a business (newsletter, online meetings, etc.),
- Expansion of contact databases,
- Organizing information and developing good practices with other departments of the Krakow City Office in the field of entrepreneurship and business.
- Ongoing update of the "Business" tab on the main website of the City of Krakow www.krakow.pl
- Providing a tool for aggregating information useful for entrepreneurs and the business world - [Business Support Center](#)

**If you have any comments or opinions regarding this report,
please contact us via the [form](#)**



Set of survey questions

1. Have you heard about the PAUZA Program introduced by the City of Krakow to help entrepreneurs during the epidemic?
 - yes
 - no
2. Have you heard about the city's Emergency Advisory Points?
 - yes
 - yes, I have used the contact via: e-mail, telephone [remove "and" from the survey before I used]
 - no
3. I have used / am planning to use the following forms offered by the City of Krakow:
 - tax relief
 - allowances for concessions for marketplaces
 - allowances for food gardens, road lane occupation
 - allowances for carriages
 - commercial relief
 - allowances for catering activities
 - relief for artistic activities
 - allowances for visual information carriers
 - allowances for rent for commercial premises
 - other (indicate):
 - I have not used / I am not planning to use it
4. I have used / am planning to use the following forms offered by Grodzki Urząd Pracy (GUP):
 - loan from the Labor Fund (micro-loan up to PLN 5,000)
 - co-financing part of the costs of running a business
 - subsidizing employees' salaries
 - other (indicate):
 - I have not used / I am not planning to use it
5. I have used / am planning to use the following forms offered by the Social Insurance Institution (ZUS):
 - exemption from paying social security contributions
 - exemption from payment of social security contributions
 - idle time pay benefit
 - other (indicate):
 - I have not used / I am not planning to use it
6. I have used / am planning to use the following forms offered by the Tax Office (US):
 - deferring the date of payment of tax, tax arrears or interest on unpaid tax advances
 - spreading into installments of tax, tax arrears or interest on unpaid tax advances
 - redemption of all or part of tax arrears
 - income tax relief
 - other (indicate):
 - I have not used / I am not planning to use it
7. I have used / am planning to use the following forms offered by Bank Gospodarstwa Krajowego (BGK):
 - de minimis guarantees for securing the repayment of the working capital or investment loan
 - Biznesmax guarantees
 - credit for technological innovations
 - EU loans
 - other (indicate):
 - I have not used / I am not planning to use it
8. Have you used / are you planning to use the forms offered by the Malopolska Entrepreneurship Centre (MCP) at the Marshal's Office of the Malopolska Region?
 - yes (indicate):
 - no
9. Have you used / are you planning to use the forms offered by the Polish Development Fund (PFR)?
 - yes (indicate):
 - no
10. Have you used / are you planning to use the forms offered by the Polish Agency for Enterprise Development (PARP)?
 - yes (indicate):
 - no
11. How do you assess the impact of the available forms of support on the continuation of your business in the coming months?
 - significant impact,
 - moderate impact
 - low impact
 - no impact
12. Please indicate the source of support that was most helpful to you: (select up to three items)
 - City of Krakow
 - Grodzki Labor Office (GUP)
 - Social Insurance Institution (ZUS)
 - Tax Office (US)
 - Bank Gospodarstwa Krajowego (BGK)
 - Malopolska Entrepreneurship Centre (MCP)
 - Polish Development Fund (PFR)
 - Polish Agency for Enterprise Development (PARP)
 - other (indicate): ...

13. Have you used the information on municipal support for entrepreneurs on the website of the Krakow City Office (Magiczny Krakow, Biznes w Krakow)?

Links: www.krakow.pl, www.business.krakow.pl, /Miejskie Wsparcie

- yes
- no

14. Have you taken advantage of the opportunity to join the interactive map I'm ACTIVE - a promotion tool for local Krakow entrepreneurs?

- yes
- no

15. Have you participated in any of the forms of aid / support indicated below? Please indicate how you assess the impact of these activities on your business:

Webinars	Very good	Good	No impact	Bad	I have not used
Searching for new orders	very good	good	poor	no impact (indifferent)	I have NOT used
Expanding activities to new areas	very good	good	poor	no impact (indifferent)	I have NOT used
Business digitization	very good	good	poor	no impact (indifferent)	I have NOT used
Use of online manuals	very good	good	poor	no impact (indifferent)	I have NOT used
Mentoring/coaching	very good	good	poor	no impact (indifferent)	I have NOT used
Stock exchanges for establishing new business contacts	very good	good	poor	no impact (indifferent)	I have NOT used
Other forms	very good	good	poor	no impact (indifferent)	I have NOT used

16. What, in your opinion, makes it the most difficult to obtain / access assistance for entrepreneurs? Select up to three items

- scattered information
- convoluted procedures
- complicated forms and applications
- too short deadlines
- no contact / difficult access (e.g. telephone line busy)
- no network of information points
- delays in processing applications
- other (indicate):.....

17. In which PKD section is your company classified?

Provide the leading profile of activity according to the classification of the PKD sections. If your company spans several sections, use your main activity to complete the survey.

other (indicate):

- Accommodation and food service activities
- Service activities
- Construction
- Information and communication
- Real estate activities
- Wholesale and retail trade; repair of motor vehicles, including motorcycles
- Professional, scientific and technical activities
- Industrial processing
- Transport and warehouse management
- Water supply; sewerage, waste management and remediation activities
- Production and supply of electricity, gas, steam, hot water and air for air conditioning systems
- Financial and insurance activities

- Business administration and support activities
 - Public administration and national defense; compulsory social security
 - Education
 - Healthcare and social assistance
 - Arts, entertainment and recreation
 - Mining and quarrying
 - Agriculture, hunting and fishing
 - Organizations and extraterritorial teams
18. How many employees work in your company? * Select one option
- 1-9
 - 10-49
 - 50-249
 - 250-999
 - More than 1 thousand
19. How has the state of the epidemic in the country affected your business so far?
(check one answer for each negative factor)
(High impact, Moderate impact, Low impact, No impact)
- Extended staff working hours and / or new staff required *
 - Reduction of working hours *
 - Employees posted to work from home *
 - Reduction in activity due to lack of customers *
 - Reduction of employee remuneration *
 - Dismissal of employees *
 - Loss of financial liquidity (rent, overheads, taxes, working capital) *
 - Supply chain delay issues, logistics and getting goods to market *
 - Problems with canceling a contract or slow decision-making on new deals *
 - Decision on temporary closure *
20. How much decline in income do you anticipate due to this situation? Specify the expected loss in 2020 and enter in%
- 0%
 - 10-20%
 - 20-30%
 - 30-50%
 - 50-70%
 - 70-90%
 - 90-100%
21. What is the zip code of your location? *
- Enter the Krakow zip code: your company's registered office in Krakow, or the location of your business (e.g. office) in Krakow
22. If you leave us your e-mail address, we will be able to inform you about the results of the survey
23. Do you agree to be sent information about municipal initiatives to the e-mail address provided?
- Yes
 - No