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Weathering the COVID-19 storm

THE IMPACT of the coronavirus disease 2019 (COVID-19) on the society and economy has been severe. As of January 2021, the virus has infected more than 100 million worldwide and claimed the lives of around two million. Moreover, economies around the world have been hard hit as lockdowns imposed by governments to curb the spread of the virus have constrained economic activity.

The Philippines, which was tagged previously as a darling of Asia, saw its economy contract by 9.5% in 2020 – the worst annual contraction in its history. To put it into perspective, this surpassed -0.5% seen in 1998 amid the Asian financial crisis, as well as -7% in 1984 and -6.9% in 1985 – near the end of the Marcos regime.

The labor market was also severely affected as firms were forced to lay off workers. The government's latest jobs data showed unemployment averaging double-digits in 2020, peaking around the second quarter with the jobless rate reaching a record 17.6%, the highest since the adoption of a new unemployment definition in 2005. The labor situation is made worse as not only people were out of jobs, many of them gave up on looking for one. As of October 2020, the labor force participation rate is 58.7%, lower than the 61.4% in the same month in 2019.

Analysts and the government's economic managers believe the worst is over. Still, they expect GDP to recover to its pre-pandemic level as early as the first half of 2022.

In these rather inauspicious circumstances, the financial data provided in this edition of the *Top 1000* do not yet reflect the impact of COVID-19. Still, it provides us a hint at losses to come for these firms given their sheer size and the nature of their businesses. A look at public disclosures for 2020 shows that conglomerates were not spared, how much more those in sectors that were heavily affected by community lockdowns.

Nevertheless, the stories featured in this edition center on COVID-19 as the overarching theme. The banner story covers how COVID-19 has radically changed business "ecosystems." The second feature story discusses the impact of the pandemic on the world of work. The third article delves on outlook on the domestic economy and financial markets. The fourth discusses how small businesses coped with the health and economic crisis.

One article shows crisis management tips from consultancy firms and senior executives to business owners, while another discusses how local government units have been assisting businesses in the time of COVID-19. The last article focuses on how the public and private sector can facilitate recovery following the spike in unemployment and crunch in economic output in 2020.

What follows are stories of the country's top corporates shown through text and numbers in the edition's mainstay tables. We hope the information provided in this report would prove useful to the reader. □

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