

Telecommunication and Electronic Industry amidst COVID-19

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COVID-19 outbreak is travelling around the globe, leaving a trail of doom and destruction in its way. This report analyses the reverberation of local telecom industry and impingement of pandemic on global electronic industry.

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Section:1: Pakistan Telecommunication Industry: Being the Trailblazer

The telecom industry, might see a substantial drop in the number of new subscribers due to the virus outbreak. As no new sims are being bought in some parts of the world. But at the same time, it is playing a major role in the health and other sectors.

Despite the fact that telecom industry in Pakistan suffered around 10 to 12 % loss, amounting to billions of rupees during the first three weeks due to countrywide Covid-19 lockdown. With the major loss seen in the landline and mobile voice traffic, which



ZONG 4G
A NEW DREAM

Zong's gambit in the time of COVID-19

Zong's Chief Regulatory Officer (CRO) donated Rs 7 million to the Prime minister corona relief fund.

Zong also provided free unlimited connectivity to the National Disaster Management Authority (NDMA) and the National Institute of Health (NIH), to ensure that front-line workers remain seamlessly connected amid pandemic.

As a part of COVID-19 response, the company also facilitated Government of KP by providing unlimited voice and data connectivity and free tele-doctor helpline.

received a sharp decline of 15-18% due to business lockdown.

However,

telecom industry provided almost Rs1.4 billion relief to the public in the form of free data, voice, balance sharing, free WhatsApp and waiver of transaction fee on mobile financial service. PTCL announced Rs 1.9 billion towards Prime minister's coronavirus relief support efforts.

This initiative is meant to help people across the country to stay connected by providing

access to facilities, mainly food and healthcare, to the most vulnerable communities. PTCL Group also introduced various offers to facilitate people during this pandemic. Both PTCL and Ufone provided free calls on Coronavirus Helplines including Ufone's collaboration with Pakistan Red Crescent's toll-free Helpline 1030, where over 38,000 calls were answered and over 12,000 volunteers across the country were registered.

In Pakistan, COVID-19 has spread awareness among people regarding E-finance and digital banking. The number of internet subscribers is increasing in the country as telecom companies are providing easy and cheap internet packages.

U Microfinance Bank deferred loan payments for nearly 100,000 microloan customers.

Further, the telecommunication industry also launched targeted social media campaign designed to provide an impression. On an average spending per operator stands at Rs350 million each on such initiatives for customer facilitation.

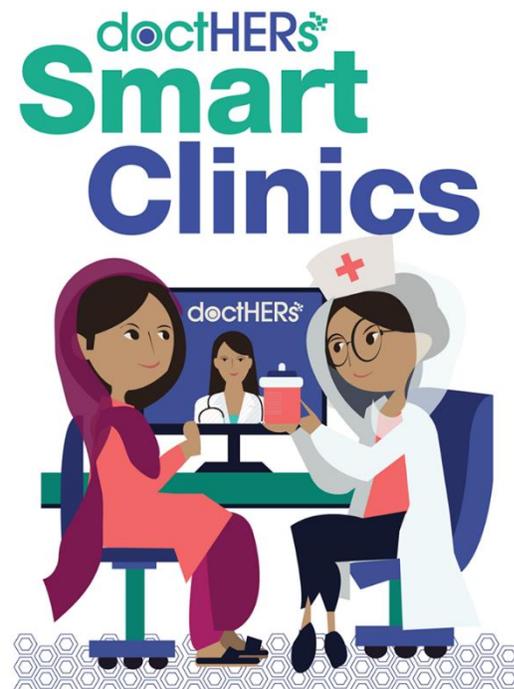
With timely campaigns and relief packages being announced by Telecom industry, it briefed top government officials for getting support from government in the wake of pandemic. While profits are plunging in Pakistan, there is another side to picture, if we see things at the grass root level, telecommunication is playing role in health sector. Telehealth is a medical service which is provided without the physical presence of doctors and nurses. Telehealth is also known as telemedicine.

Telemedicine:

Pakistan, as the developing country, is facing severe health crisis. Since hospitals are receiving a huge influx of patients due to infection, a large proportion of citizens are transiting to telemedicine.

With the ongoing pandemic in 21st century, doctors and patients must be competent with the use of technology. This had led to the proper use of telemedicine to facilitate communication between doctors and patients.

Many organizations have offered telemedicine services and is changing the trend for going to hospital for minor diseases like stomach pain. People have also recognized the significance of telemedicine in playing a role of



delivering high-quality healthcare in Pakistan. DoctHER is a digital platform and a wise initiative amidst pandemic that is meeting the needs of health consumers through technology.

A customer can connect via four different channels

- (i) A phone-based call-in center accessible via designated phone number
- (ii) Incoming messages to doctHERs Facebook page
- (iii) Skilled nurses deployed in SMART telemedicine clinics
- (iv) Female health workers present in 16 districts in across more than 3,000 villages and towns in Pakistan

Jazz Pakistan

Jazz used its resources and expertise by contributing to the efforts of the government, health authorities and medical institutes. The company announced PKR 1.2 billion relief package in support of the country's fight against Covid-19.

Jazz also launched a “zehni sehat” helpline to help people cope with mental illness arising due to ongoing pandemic and lockdown.



Zehni Sehat Helpline

Jazz Pakistan mobile operator, the Ministers Delivery Unit, Punjab Health Department and Mind Organization, a non-profit mental health care provider, have come together to launch a Covid-19 mental wellbeing helpline called “Zehni Sehat Helpline”. This helpline has been set up by Jazz Business and is a free consultation for all callers. This will help the people, who are facing mental

Many other telecom operators like Telenor contributed PKR 50 Million to the Prime Minister Relief Fund to fight the ongoing pandemic in the country.



Ufone Pakistan and Pakistan Telecommunication (PTCL) donated Rs.100 million to the Prime Minister's COVID-19 Pandemic Relief Fund 2020.

Section:2: Telecommunication being the Torch Bearer around the World

In Pakistan, the trend of using cloud-based solutions among companies is picking up pace amid the pandemic. According to SAP Pakistan Managing Director, the Utilization of cloud-based computing is 10x higher than it was 3 years ago in Pakistan. The usage of technology has changed the post COVID-19 scenario. Pakistani companies, from automakers to small companies, are now more willing to use tech-based solutions. Many of the organizations were already using SAP software. But the trend is now on the rise among the HR based companies too. SAP is also helping government of Pakistan to deal with on-going infection by sending doctors to the most affected areas.

- Africa is using digital finance as a means to stem the spread of COVID-19. The country's largest teleco Safaricom, implemented a fee-waiver on East Africa's leading mobile-money product, **Mpesa**, to reduce the physical exchange of currency in response to COVID-19. The company announced that all person-to-person (P2P) transactions under 1,000 Kenyan Schillings (\approx \$10) would be free for three months.
- **Comcast**, an American cable giant, is offering free access to its Xfinity hot spots for everyone, including non-subscribers, for the 60 days. It's also providing unlimited data to its customers for no extra charge and is not disconnecting internet service or charging late fees for customers who say they can't pay their bills. The company is also providing 60 days of free basic internet service to new customers.

Cognitive assistants and self-service tools are helping agencies to provide services in helping citizens maintain their physical and mental health. For example, government agencies in Czech Republic, Poland, Greece, Spain, UK and cities across the United States quickly deployed virtual agents using IBM Watson Assistant for Citizens to help answer citizens' questions about COVID-19. In addition, mobility tools and infrastructure can aid and ease the intensifying strain on citizen services, coupled with a reduced workforce capacity resulting from work-from-home

hurdles and citizen movement restriction. IBM is providing mobility tools to help cities and states to support both government workers and students who have been sent to work from home. Cognitive analytics can be applied which can help governments about day to day happenings and to match resources to demand. For example, they can use resources such as this AI-powered online map that tracks the spread of U.S. COVID-19 cases down to a county level from IBM and The Weather Company.

Section:3: COVID-19 halting Telco Partnerships and Businesses

There lies a risk that the COVID-19 will affect the potential of companies in business partnerships, exchanging ideas, acquiring manufacturing materials and finished goods being delivered to consumers.

Many cornerstone events were cancelled which otherwise would have brought connectivity in industry as it brings the most notable and innovative companies together in the network space to share innovations and forge business partnerships. Due to this pandemic tech companies have canceled about 12 high-profile conferences so far which caused an estimated economic loss of about \$1 billion amid infection concerns.

Following conferences were cancelled:

1. Barcelona's Mobile World Congress
2. Facebook's Global Marketing Summit
3. F8 conference
4. Google Cloud Next
5. Google I/O
6. Okta's Oktane
7. IBM's Think
8. Workday canceled its internal sales conference
9. Collision tech conference
10. Y-Combinator Demo Day
11. Game Developers Conference
12. Austin's South by Southwest.

The initial outbreak of the coronavirus in China disrupted supply chains globally. The consumer technology and telecommunications industries continue to be impacted by novel coronavirus.

Section:4: Impact on Electronic Industry

The production facilities of the electronics parts have been halted owing to the logistics slowdown and unavailability of the workforce across the globe. On the other hand, various e-commerce companies all across the globe have discontinued the delivery of non-essential items (including

most of the electronics products), which is affecting the electronics industry. Prices of televisions, air-conditioners, refrigerators and some smartphone models are set to go up as manufacturers grapple with a shortage of components and finished products imported from **Covid-19**-hit China.

According to United Nations COMTRADE database on international trade¹, Pakistan imported about \$4.2bn of electrical and electronic equipment in 2019. Pakistan being a huge importer of electronics, smartphones and home appliances, might face shortages in coming months, as the demand for consumer technology will spike.

Samsung

Samsung, South Korean conglomerate, reported that Samsung electronics shares fell 0.3% at the start of this year. Samsung chip business posted its first quarter operating profit of 3.99 trillion won, which is down 3% from last year. while, a senior analyst, park sung joon, also informed a decline in earnings for mobile phones, home appliances and television. Samsung, a competitor of Huawei and Apple Inc., an overall decline in company's profit this year would be mainly due to coronavirus related slump sales of their products.

Detroit three and other auto makers halts production

Some of the major companies in the electronics companies to get affected due to COVID-19 include

Apple Inc.

Canon Inc.

GoPro Inc.

Hitachi Ltd.

Huawei Technologies Co. Ltd.

LG Electronics Inc.

Nikon Corp.

Panasonic Corp.

Samsung Electronics Co. Ltd.

Toshiba Corp



¹ Retrieved from <https://tradingeconomics.com/pakistan/imports-by-category>

Automakers have also resisted closing factories largely because they book revenue when vehicles are shipped from factories to dealerships. Without production, revenue dries up quickly Ford, Fiat

Chrysler,
General
Motors,
Honda, and
Toyota
reported
shutdown of
all factories in
the north
American
region, citing



concerns for employees working in close quarters and building automobiles. The world's 5th largest automaker, Hyundai, suspended operations in its plants due to disruptions in the supply of parts resulting from the coronavirus outbreak in China. Hyundai has plants worldwide, but has been hampered by the fact that it gets many of its parts from China. Both Hyundai and Nissan also have announced production suspension in South Korean and American plants after workers tested positive for coronavirus and due to the delay of the electronics parts. Coronavirus has ruthlessly affected the global supply chains.



Apple

Apple experienced shortages on its iPhone supply as a result of the company's primary manufacturer, Foxconn, shutting down much of its production in China. Moreover, its share price dropped as it warned its investors that it won't be able to meet its second-quarter financial guidance because of the outbreak disrupting production of iPhones.

Xiaomi

For instance, R&D operations at Xiaomi and Mediatek have been suspended, causing a delay in the release of their new products. Moreover, the delay in 5G infrastructure build-out, limited smartphone replacement demand, and postponed work resumption at fabs will collectively decrease the shipment of Chinese 5G smartphones. Similarly, T-Mobile closed about 80% of its stores. They temporarily closed indoor mall stores, only leaving a critical mass of 20% stores open for providing important customer services.



Panasonic India and South Asia President CEO Manish Sharma reported that appliances and consumer electronics industry might see 50 % decline in sales in April-June due to the ongoing lockdowns. He commented that there was decline of 35% in sales in March 2020 alone.

The outbreak made a relatively huge impact on smartphone industry as the smartphone supply chain is highly labor-intensive. 1Q20 smartphone production is projected to decline by 12% YoY, making it the quarter with the lowest output within the past five years. Parts in the upstream supply chain, including passive components and camera modules, are also showing shortages, which can potentially continue to negatively affect smartphone production in 2Q20.

Moreover, before lockdown, in February and March, the appliances and consumer electronics industry faced shortage of components, which were primarily imported from China, thus putting a pressure on supply side and impacting production.



Notable brands including Oppo, Vivo, LG, Realme and Oneplus has also halted their production due to coronavirus.

Section:5: Steps to consider to mitigate coronavirus affects

1. Determine which employees can work remotely without compromising productivity.
2. Prioritize cybersafe remote technology capabilities to transition workers to remote work while maintaining productivity.
3. Assure the safety of employees who need to continue working on-site by continually updating and communicating risk-mitigation guidelines.
4. Reviewing HR policies to ensure that they are appropriate in the current environment.
5. Identify customers most likely to get affected by COVID-19 and determine how best to support them for example, by providing flexible payment options or eliminating bandwidth caps.
6. Ensure that your policies protect both customer and commercial interests through accommodating plan changes.
7. Proactive, data-driven crisis response can shape stakeholder attitudes far into the future.

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