

# COVID-19 EFFECTS ON SMALL BUSINESS

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## ABSTRACT

*This study was aimed to test/evaluate the hits/effects of COVID 19 on the Small and Medium Businesses/projects (SMEs). The SMEs adds/gives country's process of people making, selling, and buying things, it is an income opportunity for the community of people/all good people in the world, and it creates employment opportunities for the youth, women and the whole community of people in the world. COVID 19 has grown into a never-before-seen health, money-based, social, business and the whole cycle of the life. Current sudden start of something bad like disease has extreme money-based results across the globe. To limited spread of this widespread disease the worldwide government should like and respect steps to control/to reduce the spread of the COVID19, through this the government forced by law nightly laws that limit when people can be out on the street, a ban on public events, social distance, and stay at home, the closure of non-extremely important business. This study is limited to SMEs located in Garowe to test/evaluate how the widespread disease was affected the SME's supply and demand, money/money income, the workers and other business operations. The study sent out and used having to do with measuring things with numbers method of research with list of questions and telephone interview for collecting data from selected people who responded. The study found that the supply decreased 38% whereas the demand lowered in number worse 83% as the people who responded of the study confirmed. The income experienced 89% of fall down and pressured that 60% SMEs reduced the working hours. On the other hand 75% of the people who responded confirmed that they are planning or already lay off the workers. Most of the SMEs met decline of cash, the cash receipts from sales (lowered in number/got worse/gotten worse) 72%, also the money owed to you reduced 61% this resulted that 64% SMEs did not cover the operating expenses. The SMEs faced related to managing money worry and depression or bankruptcy/poverty which resulted to trigger huge job losses and the closing of businesses. The COVID 19 has possibly terrible and serious effects/results/suggestions for SMEs; it needs related to managing money help to protect the lives and jobs of people, especially the most capable of being hurt. Finally the study recommends for the SMEs people who are interested in a project or business including the organization of people to help a city or town, government, international partners, banks and other interested parties is a needed to take an extremely important stimulus package to support immediate liquidity challenges and bad effects raised from the containment of COVID 19 and to sustain their existence and developments.*

**Keywords:** Covid-19, Small Business, Economy, Social, Pandemic.

## INTRODUCTION

Most major businesses faced large drops in the number of business owners with the only exception being farm-related. Construction, restaurants, hotels and transportation all faced large declines in the number of business owners due to COVID-19. Test runs that appear or feel close to the real thing show/tell about that the concentrations of female, black, Latinx and Asian businesses in businesses hit hard by the widespread disease added/gave to why losses were higher for these groups than the national average loss. Overall, these first guesses of a number of

hits/effects of COVID-19 on small businesses from the April 2020 CPS point show that losses were spread across groups of different kinds of people and types of business no group was unable to be hurt by bad effects of social distancing policy orders and demand shifts. To guess a number business ownership in the CPS data, I identify all people who own a business as their main job in the survey month based on the class of worker question and monthly labour force recode. The business ownership rate is this way defined as the percentage of the labour force that owns and is actively employed in a business. The main job is defined as the one with the most hours worked during the survey week. So, people who start side businesses will not be counted if they are working more hours on a wage and money paid for working job. In addition to providing information on business ownership, the CPS data include information on described/explained information about the numbers of different kinds of people including male/female status, race, and related to people who enter a country status of the owner. The data also include information on the industry and incorporation status of the business. The fast spread of the virus has worsened an already delicate and breakable money-based situation in Somalia, there are some Small businesses related to time or permanently closed the doors of their business. The business transactions halted after when the sales projection and business plans dragged down and businesses faced uncertain, terrible and upsetting and panic to cover the operating expenses.