

# Grappling with Wuhan Coronavirus: Impacts on USCBC Members

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By USCBC Staff

The spread of the novel coronavirus originating from Wuhan, China has continued to accelerate during the Spring Festival holiday creating a public health emergency and causing operational challenges and uncertainty for companies operating in affected areas. The outbreak is expected to continue worsening in the near term, and companies should prepare for staffing and operational challenges, transportation delays, and supply chain disruptions and shortages.

## **Government responses that could affect businesses:**

The Communist Party's Standing Committee has established a leading small group headed by Premier Li Keqiang to coordinate activity in response to the spread of the virus, and provincial governments in China are developing responses that companies should be aware of and plan for accordingly.

### Closures

- **State Council extended the Spring Festival period:** The State Council officially extended the Spring Festival holiday period nationwide, originally scheduled to end on January 30, and now ending on February 2.
- **Additional sub-national work closures:** The Shanghai municipal government and Guangdong and Zhejiang provincial governments announced that local companies are to remain closed through February 9, before reopening on February 10 at the earliest. The Suzhou municipal government (among others in Jiangsu province), announced requirements that companies remain closed through February 8, before reopening on February 9. USCBC expects that other local governments across China will continue to respond with similar announcements over the coming days.

## Travel restrictions

- **Quarantine zones:** Cities across China have established varying levels of quarantine, with Wuhan—and Hubei province writ large—taking the most precautions. Many USCBC members have established restrictions on staff business travel to and from Hubei province, including self-quarantine for a period of time upon return from the area.
- **Certain inter-provincial/city travel:** For company staff traveling between cities and provinces, whether on holiday or for business travel, the potential for delays and disruptions is high. Jiangsu and Shandong have restricted inter-provincial passenger trains and passenger buses from entering and/or exiting their provinces, and more could follow suit.

## Compensation

- **Pay and worker's rights during the health crisis:** China's Ministry of Human Resources and Social Security published guidance on January 24 reinforcing labor laws that any personnel infected by the Wuhan coronavirus, or suspected of being infected, and unable to work are to receive their normal compensation. The provincial governments of Qingdao and other cities have indicated that employees required to work over the holiday/closure periods are to be compensated at no less than 200% of their normal compensation.

## **What can companies do?**

Foreign companies, including many USCBC members, have begun taking actions to prepare for ongoing staff, supply chain, and strategic planning difficulties.

- **CSR and donations:** A number of domestic and foreign companies have donated money and supplies to organizations in China. USCBC is in contact with the Chinese Embassy in Washington and authorities in China and can assist companies regarding support efforts. Contact [ggonzalezmicklin@uschina.org](mailto:ggonzalezmicklin@uschina.org) for more information.
- **Make plans for staff:** Multiple USCBC members report that their China operations have been preparing for the virus spread by:
  - encouraging staff to take work devices home to enable remote work and continued operations when feasible,
  - purchasing virus spread prevention materials (such as masks, gloves, and hand sanitizer) for office staff,
  - disseminating to employees government- or multilateral institution-sanctioned hygienic best practices,
  - limiting business travel to China to “essential business” approved by the global leadership teams,
  - restricting business travel to Wuhan,
  - extending absentee leave for employees that have left China (without impact to compensation),

- limiting or canceling meetings with external stakeholders,
- limiting or canceling public events and gatherings, and
- requesting staff returning from trips to China to sequester themselves and work remotely for a period of time before entering work facilities.
- **Be in contact with US authorities:** in conversations with USCBC, the US government has emphasized its ability and preparedness to engage with concerned citizens about the coronavirus and the situation in Wuhan. Companies with questions should reach out directly to [BeijingACS@state.gov](mailto:BeijingACS@state.gov) or +86 (010) 8531-4000. Government travel advisories can be found [here](#).

## What comes next?

Amidst continued uncertainty, companies should expect ongoing disruptions to normal business operations for the foreseeable future. Executive travel to China, large-scale events and gatherings, and long-term projects should be planned with contingencies in mind.

- **Canceling public gatherings?:** Some organizations and the Chinese government have [begun canceling](#) planned gatherings and public events in China for the month of February. It is unclear if this will officially become a broader trend, though we expect individuals and organizations to informally limit public gatherings.
- **Executive travel to China:** March tends to be an important month on the calendar for global executive travel to China, with the China Development Forum and Boao Forum for Asia both set to occur at the end of the month. It is not yet clear if concerns about the spread of the virus will ultimately impact these two major events, though always a possibility.

