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The Economic Impact of Covid-19 on Small and Medium Enterprises in District Swat

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Abstract: The present study was undertaken for measuring the economic impact of the COVID-19 on Small and Medium Enterprises (SME's) with reference to District Swat. The Primary data was collected from all of the Tehsils of District Swat using a structured questionnaire. For this purpose a sample of 86 SMEs (20%) from all the manufacturing as well as services sector was selected. The collected data was analyzed using descriptive statistics for selected variables through SPSS. According to the findings, majority of the enterprises faced financial issues for retaining their businesses after COVID-19 lockdown. Majority of the SMEs are owned by moderate level of educated people lacking business education and professionalism. Moreover, during COVID-19 SMEs were negatively affected in term of revenues, expenses and profit. In addition, SMEs were also having debt issues which elevated due to COVID-19 lockdown, resulting in taking loans through traditional mechanism to retain their businesses. Government relief programme was also believed as not sustainable/satisfactory by the significant portion during this period. While humanitarian support from landlords in term of rents waive-off was appreciated. Keeping in view its potential, this sector needs to be boosted through professional trainings on financial, management, leadership and other soft skills training program. Furthermore, relief by government support in term additional relief package and free interest loans are recommended.

Keywords: SMEs, COVID-19, Debt, Swat, Humanitarian support

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INTRODUCTION

Small and Medium Enterprises (SMEs) play an important role in the creation of jobs, subsequently resulting in the country's development. According to World Bank, SMEs account for 90% of the business and provide 50% of the jobs worldwide. In an emerging economy, formal SMEs contribute 40% of the GDP in the national income. As indicated by World Bank estimation, 600 million jobs will be required by 2030 to retain the developing worldwide workforce. According to the United States International Trade Commission (2012), the contribution of SMEs to the American economy varies from 50% to 70% of the GDP through employment Creation and Self-dependency. SMEs are considered an important sector in developing countries which not only help in employment opportunities but poverty reduction as well. Formal SMEs are accounted for 16% of the GDP in developing countries and 51% in developed countries, while informal SMEs account for 13% of the GDP in developed countries and 47% in developing countries (Business Recorder, 2017).

Pakistan's economy is based on SMEs, as it is believed that 90% of the businesses comprise Small and Medium Enterprises (Chughtai & Alam, 2014; Saeed et al., 2015). These SMEs generate the bulk of employment opportunities and play a significant role in boosting economic growth, thereby contributing 40% to the GDP

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(SMEDA). It is also believed that such employment opportunities significantly contribute to poverty reduction (Saeed, Khan, Qadir, & Din, 2007; Zafar et al., 2019).

There are no single criteria for defining SMEs; rather, it is based on various conditions, such as the number of employees, output capacity, and total assets (Khushnud & Qingjie, 2020; Cunningham & Rowley, 2008; Rahman, Saeed, & Batool, 2019). In France, an organization with less than 500 employees is considered SME, whereas in Germany considered 100 employees. Moreover, some countries define SMEs based on sector or type of enterprises; in Japan, manufacturing, mining, and construction sectors having less than 300 employees or a value of capital which is less than 100 million Yen are considered SMEs (Boonvut, 2017; Dar et al. 2017; Saeed et al., 2017). Unlike in other countries, in Pakistan, the definition of SMEs varies. The State Bank of Pakistan (SBP), SME bank, Pakistan Bureau of Statistics (PBS), and SMEDA have been defined differently, as presented in table 1.

Table 1: Definition of SMEs in Pakistan

Institution	Enterprise Category	Nature of Business	Number of Employees	Capital Value (PKR Million)
SMEDA	Small Scale	Production Sector	Up to 36	Up to 20
	Medium Scale	Production Sector	Up to 36	Up to 20
SME Bank	Small Scale	Service Sector	N/A	Less than 100
	Medium Scale	Service Sector	N/A	More than 100
Federal Bureau of Statistics	Small Scale	Service Sector	Less than 10	N/A
	Medium Scale	Service Sector	N/A	N/A
SBP	Small Scale	Service Sector	Less than 250	Less than 100
	Medium Scale	Service Sector	Less than 250	Less than 100

(Source: SBP, PBS, SME bank and SMEDA)

The rapid spread of the COVID-19 virus since February 2019 has brought uncertainty to economic activity, resulting in most countries placing a partial lockdown. The closing of non-essential businesses has resulted in a significant impact on the business sector. In Pakistan, the inflation rate between March and July 2019 had increased to 11.8 from 6.8, while the current account deficit contracted to 1.0% of GDP in Feb-July FY2020 from 3.5% in the same period in FY2019 due to a decline in imports by 17.5% (IBRD, 2020).

Ganaie and Zafar (2020) explain that most enterprises experienced a reduction in operations during the lockdown, while 23% of enterprises reported a complete loss in export orders. Similarly, the enterprises also reported disruption in the supply chain the majority of the firms fired an excessive number of employees. Along that, almost all enterprises reported financial issues.

Considering the above discussion, this study attempts to find the economic impact of COVID-19 on small and medium enterprises (SMEs) in district Swat. Furthermore, the effectiveness of government relief programs on small and medium enterprises (SMEs)is also considered.

REVIEW OF LITERATURE

Aftab et al. (2021) investigated the impact of COVID-19 on small and medium enterprises in Pakistan. The survey used primary data with descriptive statistics for the analysis. The primary focus was to provide policy recommendations from an unexpected change of COVID-19 on businesses. Results suggest a significant effect of COVID-19 on SMEs in Pakistan in the shape of employee lay-off, food shortage, decrease in demand for products and services, and fall in profit and sales of goods. They concluded that there are a few steps to revive SMEs in Pakistan in the shape of Financing Schemes, Youth entrepreneurship loans, financial support to skilled staff, and practical planning for an adverse future. A similar study specifically focusing on the furniture industry of Malaysia is conducted by Ratnasingam et al. (2020). The authors used an online survey, and the data is analyzed through t-tests and averages along with graphical representation. The result of this study stated that in terms of raw material supply during the period of COIVD-19, uncertain supply, unpredictable prices, and quality were affected due to the unplanned activity in the plantation. While considering the workforce, there was a refusal to work, nonappearance, and a low level of productivity of the workforce. Further, the result stated that most SMEs

worked without cash flow, and the financial management was badly affected (Saeed, Khan, Qadir, & Khattak, 2017; Tahir, Rahman, & Saeed, 2019). It was concluded that the furniture industry had been severely affected in financial and supply chain management. Aderemi et al. (2020) also investigated the impact of COVID-19 on small and medium-scale enterprises in Nigeria. The survey included the Pharmaceutical, Restaurants, and Oil & Gas industries. It is concluded that sales, production, and SME contracts were highly affected. Another study by Karim et al. (2021) studied the impact of COVID-19 on SMEs and their restoration in Pakistan. Employee accuracy, Employment Support, and income generation programs, Macroeconomic response to COVID-19, implementation of trade facilitation were considered in the study. Following inductive and deductive approaches, the findings suggest that employee information on SMEs accuracy, Macroeconomic response and employment support, and income generation had a significant positive impact on firm performance.

Specifically, in the case of Pakistan, Hashim and Fayyaz (2020) suggest that government can provide better employment opportunities with the support of small-scale enterprises. It is believed that SMEs can create more employment and eventually increase the income level of the labor force. With a primary focus on microfinance, Idrees et al. (2022) examined its relationship with small and medium enterprises growth. It is concluded that microfinance positively affects small and medium enterprises' growth. Syed et al. (2012) state that SMEs are the largest economic sector in Pakistan, with a vast contribution to Pakistan's economy. Zafar et al. (2018) also examined the role of Small and Medium Enterprises on poverty reduction in developing countries while considering Pakistan as a case study. They used secondary data for the year 2001 to 2017 from WDI (World Development Indicators) to estimate the relationship between SMEs and poverty reduction through the Simple Linear Regression Model. The results showed that SMEs are negatively and significantly associated with poverty. Human capital significantly reduced poverty in Pakistan. It is believed that as human capital increases, it lowers the growth rate of poverty (Younas, Saeed, Qadir, & Khan, 2015). SMEs generate employment opportunities that contribute to poverty alleviation in the economy of Pakistan. Focusing on the marble industry, Haddad et al. (2019) conducted a study of district swat for the role of Small and Medium Enterprises (SMEs) in job creation and poverty reduction. Chughtai & Alam (2014) believe that the improvement in the process of innovation will help to increase the growth of SMEs and economic development by large. Similarly, Subhan et al. (2014) examined the impact of process innovation in small and medium enterprises on the economic development of Pakistan. The time series of secondary data was collected from the year 1980 to 2013. The results indicated high technology exports are positively correlated with the share of Small and Medium enterprises in GDP. This means the betterment of the SME sector will lead to GDP growth. Public expenditure on education has also significantly impacted SMEs in GDP. Batool and Zulfiqar (2011) studied the performance and structure of small and medium-scale enterprises in terms of productivity and employment in the case of Pakistan. They concluded that SMEs are a useful source for generating employment. Due to the high population, there is huge unemployment; thus, SMEs can play a significant role in polishing labor skills. Other studies, such as Shaikh et al. (2011) investigated the impact of SMEs on economic development in rural development. Zeb and Ihsan (2020) examined the impact of innovation and entrepreneurship on the entrepreneurial performance of women-owned small and medium enterprises in Pakistan. Haleem et al. (2019) investigated the barriers to SMEs' growth and to find out the issues faced by the manufacturing sectors of SMEs in Khyber Pakhtunkhwa, Pakistan. Ali (2013) examined the impact of small and medium enterprises on poverty reduction and the economy of Pakistan from 1972-2008. Sherazi et al. (2013) investigated the obstacles faced by SMEs in Pakistan. Shafi et al. (2020) studied the impact of the COVID-19 pandemic on micro and medium enterprises in Pakistan. Bartik et al. (2020) explored the impact of COVID-19 on small businesses in the United States. Beraha and Duricin (2020) studied the impact of the COVID-19 crisis on Medium-Sized enterprises in Serbia. Lu et al. (2020) studied the perceived impact of the COVID-19 epidemic on the Chinese economy in a case study in the Sichuan Province of China.

METHODS AND TECHNIQUES

The methodology is the process of methods, techniques, and procedures for collecting data, analyzing data, and testing data through different statistical methods. Descriptive statistics and Frequency is used to analyze the result. In district Swat, there are about 430 SMEs, which include Manufacturing, Service, and retail trade (Haddad et al., 2019). A total of 20% of the population is studied as a sample using a simple random sampling technique.

This study adopted the methodology for data collection through a well-structured and detailed questionnaire

from Haddad et al. (2019). Random sampling techniques were adopted in District Swat. Data were collected from all of the tehsils of district Swat, which are Tehsil Babuzai, Tehsil Charbagh, Tehsil Kabal, Tehsil Matta, Tehsil Behrain, Tehsil Khwazakhela, and Tehsil Barikot. The total sample size is 86 for this study which addressed 20% of the total population of the selected enterprises. For data analysis, SPSS has been used.

Table 2: Descriptive statistics

	Manufacturing Sector	Services Sectors
Tehsils	Marble Industry & Furniture Industry	Hotels & Restaurant
Tehsil Babuzai	10	05
Tehsil Barikot	12	-
Tehsil Kabal	09	01
Tehsil Matta	10	01
Tehsil Khwazakhela	10	01
Tehsil Behrain	03	10
Tehsil Charbagh	14	-
Total	68	18

RESULTS AND DISCUSSION

This section summarizes the results and discussion based on the questionnaire data. The first section covers the demographic variables of enterprises which are discussed and presented in the tables. At the same time, other related information about COVID-19 effects is discussed in the later part.

Demographic information of the Respondents

Classification based on the age of the respondents: The age of respondents is organized into 4 categories age between 21 to 25 years, 26 to 45 years, 46 to 55 years, and Above 55 years which are shown in table 3.

Table 3: Age of the respondents

Age Group	Frequency	Percent
21-25	26	30.2
26-45	24	27.9
46-55	34	39.5
Above 55	2	2.3
Total	86	100

Source: Author's calculations

Classification based on the duration of services of the enterprises: All the sample respondents are divided into three categories, as in table 4. The first category shows enterprises with 1 to 5 years of services in the market, the second category consists of between 6 to 10 years of services, while the last category shows all above 10 years of services in the market.

Table 4: Years of services of the enterprises

Years of Service	Frequency	Percent
1-6	40	46.5
6-10	24	27.9
Above 10	22	25.9
Total	86	100

Source: Author's calculations

Classification based on the type of enterprises: SMEs have different types, such as Manufacturing, Service, and retail trade. Most of the SMEs for this study were from the Manufacturing and services sectors. Table 5 shows the services sector as well as the manufacturing sector. The first category consists of Services having 18 out of 86

enterprises, and their percentage is 20.9 of entire enterprises. The second category shows the manufacturing sector, which is 64 out of 86 enterprises with 79.1.

Table 5: Type of the enterprises

Type of Enterprise	Frequency	Percent
Services Sector	18	20.6
Manufacturing Sector	68	79.4
Total	86	100

Source: Author's calculations

Classification based on the qualification of respondents: In this section, the level of education of the respondents is discussed and mentioned in table 6 below. Samples of respondents' education are divided into five categories such as Master's, Bachelor's, Intermediate, Matric, and primary level.

Table 6: Qualification of the respondents

Qualification of the Respondents	Frequency	Percent
Bachelor's	12	14.0
Master	4	4.7
Matric	36	41.9
Intermediate	28	32.6
Primary	6	7.0
Total	86	100

Source: Author's calculations

Job status of the respondents: The job status of the respondents is divided into three main categories, which consist of a manager, owner, and owner plus manager. The first category shows the manager, the second shows the owner, and the third shows the manager plus the owner.

Table 7: Job status of the respondents

Job Status	Frequency	Percent
Manager	14	16.3
Owner	8	9.3
Manager and Owner	64	74.4
Total	86	100

Source: Author's calculations

Job experience of the respondents: Classification based on respondents' job experience is shown in table 8, divided into four categories. The first category comprises respondents having 1 year of experience in a particular field; the second category shows job experience between 2 to 5 years, the third category shows 5 to 10 years, and the last category shows experience of more than 10 years. Table 4.6 shows that most of the respondents have more experience in their respective fields of industry.

Table 8: Job Experience of the Respondents

Job Experience	Frequency	Percent
Up to 1 Year	2	2.3
2-5 Years	16	18.6
5-10 Years	24	27.9
Above 10 Years	44	51.2
Total	86	100

Source: Author's calculations

Classification based on job satisfaction in terms of income of the respondents before COVID-19: This section explains the respondent's feedback about their level of satisfaction in terms of income or salary before COVID-19. The majority of the respondents marked satisfactory in terms of income before COVID-19.

Table 9: Job satisfaction in terms of income before COVID-19

Job Satisfaction (Income) before COVID-19	Frequency	Percent
Yes	82	95.3
No	4	4.7
Total	86	100

Source: Author's calculations

Classification based on needs fulfillment before COVID-19: In this section needs of the respondents were recorded in terms of Yes or No questions. Most respondents were satisfied that their basic needs were fulfilled before COVID-19.

Table 10: Needs fulfilment before COVID-19

Needs Fulfillment	Frequency	Percent
Yes	80	93.0
No	6	7.0
Total	86	100

Source: Author's calculations

Enterprises fulfill their expenses before COVID-19: The below table shows the results of the enterprises fulfilling their expenses. The analysis shows that 84 out of 86 enterprises fulfilled their expenses from their sources before COVID-19.

Table 11: Enterprise fulfill its expenses before COVID-19

Enterprise Fulfill its expenses	Frequency	Percent
Yes	84	97.7
No	2	2.3
Total	86	100

Source: Author's calculations

Number of employees before COVID-19: The table shows the number of employees before the COVID-19 lockdown. Table 12 is divided into four categories. Employees between 1 to 10, 11 to 20, 21 to 30, and above 30. Most SMEs have employees between 1 to 10 and comprise about 60 percent of the total sample.

Table 12: No. of employees before COVID-19

No. of Employees before COVID-19	Frequency	Percent
1-10 Employees	52	60.5
11-20 Employees	18	20.9
21-30 Employees	6	7.0
Above 30 Employees	10	11.6
Total	86	100

Source: Author's calculations

Number of employees after COVID-19: Table 13 shows the number of employees after the COVID-19 lockdown period. Results show a slight change in the number of employees after COVID-19.

Table 13: No of employees after COVID-19

No. of Employees after COVID-19	Frequency	Percent
1-10 Employees	60	69.8
11-20 Employees	16	18.6
21-30 Employees	4	4.7
Above 30 Employees	6	7.0
Total	86	100

Source: Author's calculations

Change in employees before and after the COVID-19 lockdown: The table below 14 indicate pre and post-comparison in term of employees and shows a very negligible change.

Table 14: Change in No. of employees before and after COVID-19 lockdown

Change in No. of Employees before and after COVID-19	Frequency Before	Percent Before	Frequency After	Percent After
1-10 Employees	52	60.5	60	69.8
11-20 Employees	18	20.9	16	18.6
21-30 Employees	6	7.0	4	4.7
Above 30 Employees	10	11.6	6	7.0
Total	86	100	86	100

Source: Author's calculations

Lay-off employees during COVID-19: Table 15 shows the results of the lay-off of employees during the COVID-19 period due to low demand for products. Almost half of the respondents marked yes for lay-off during the COVID-19 period.

Table 15: Lay-off employees

Lay off Employees	Frequency	Percent
Yes	44	51.2
No	42	48.8
Total	86	100

Source: Author's calculations

Total number of lay-off employees: This section explains the number of employees who remained lay-off during the COVID-19 period. Almost 50 percent of the respondents marked No Lay-off during the lockdown, while only 2 SMEs laid off above 16 employees.

Table 16: Total lay-off employees

Total Lay off	Frequency	Percent
No "Lay-off"	42	48.8
1-5 Employees	38	44.2
6-10 Employees	4	4.7
Above 16 Employees	2	2.3
Total	86	100

Source: Author's calculations

Maximum salary of the employees before COVID-19: The following table shows the maximum salary of the respondents before the COVID-19 lockdown period. A major portion of the respondents was getting salaries between 15 to 30 thousand before the COVID-19 lockdown period.

Table 17: Maximum salary before COVID-19

Maximum Salary before COVID-19	Frequency	Percentage
15000-30000	64	74.4
30001-45000	18	20.9
45001-60000	2	2.3
Above 60001	2	2.3
Total	86	100.0

Source: Author's calculations

Maximum salary of the employees after COVID-19: Table 18 shows the maximum salary of employees after the COVID-19 lockdown period. This table shows that, on average, employees' salaries decreased after the COVID-19 period due to the market recession.

Table 18: Maximum salary of the employees after COVID-19

Maximum Salary after COVID-19	Frequency	Percent
12000-24000	30	34.9
24001-36000	46	53.5
36001-48000	6	7.0
Above 48001	4	4.7
Total	86	100

Source: Author's calculations

Minimum salary of the employees before COVID-19: Table 19 shows the minimum salary of employees before the COVID-19 lockdown period, and most of the employees were getting salaries below 15 thousand during this period.

Table 19: Minimum salary of the employees before COVID- 19

Minimum Salary before COVID-19	Frequency	Percent
3000-9000	28	32.6
9001-15000	52	60.5
15001-21000	4	4.7
Above 21001	2	2.3
Total	86	100

Source: Author's calculations

Minimum salary of the employees after COVID-19: Table 20 shows the minimum salary of employees after the COVID-19 lockdown period. The result shows a slight downward trend in salaries after COVID-19 Breakdown.

Table 20: Minimum salary of the employees after COVID-19

Minimum Salary after COVID-19	Frequency	Percent
3000-6000	12	14.0
6001-9000	12	14.0
9001-15000	56	65.1
15001-18000	4	4.7
Above 18001	2	2.3
Total	86	100

Source: Author's calculations

Profit of the enterprises before COVID-19: Table 21 bifurcated the profit margin in various slabs. Most of SMEs fall to a profit level below Rs 100,000 before the COVID-19 lockdown period.

Table 21: Profit of the enterprise before COVID-19

Profit of the Enterprise before COVID-19	Frequency	Percent
Below 100000	50	58.1
100001-200000	28	32.6
200001-300000	4	4.7
Above 300001	4	4.7
Total	86	100

Source: Author's calculations

Profit of the enterprises after COVID-19: Table 22 depicts the profit margin of SMEs after COVID-19. Results show that the profit level of SMEs significantly decreased after the COVID-19 lockdown period.

Table 22: Profit of the enterprise before COVID-19

Profit of the Enterprise after COVID-19	Frequency	Percentage
0	4	4.7
Below 100000	68	79.1
100001-200000	8	9.3
200001-300000	2	2.3
Above 300001	4	4.7
Total	86	100.0

Source: Author's calculations

Change in profit before and after COVID-19 lockdown: This section compares the results of tables 23 shows a significant decrease in the profit level of SMEs after the COVID-19 lockdown period.

Table 23: Change in profit before and after COVID-19 lockdown

Change in Profit	Frequency	Percent	Frequency	Percent
	Before	Before	After	After
0	0	0.00	4	4.7
Below 100000	50	58.1	64	79.1
100001-200000	28	32.6	8	9.3
200001-300000	4	4.7	2	2.3
Above 300001	4	4.7	4	4.7
Total	86	100	86	100

Source: Author's calculations

Monthly expenses before COVID-19: Table 24 depicts the monthly expenses of SMEs before the COVID-19 lockdown period. A total of 14 SMEs had monthly expenses below Rs.100,000, and 26 SMEs were having expenses above Rs. 400,000

Table 24: Monthly expenses of enterprises before COVID-19 lockdown

Profit of the Enterprise after COVID-19	Frequency	Percentage
Monthly Expenses before COVID-19	Frequency	Percent
Below 100000	14	16.3
100001- 200000	28	32.6
200001- 300000	14	16.3
300001- 400000	4	4.7
Above 400001	26	30.2
Total	86	100

Source: Author's calculations

Monthly expenses after COVID-19: Following table 25 shows a significant decrease in monthly expenses of SMEs after the COVID-19 lockdown period.

Table 25: Monthly expenses of the enterprises after COVID-19 Lockdown

Monthly Expenses after COVID-19	Frequency	Percent
Below 100000	10	11.6
100001-200000	24	27.9
200001-300000	8	9.3
300001-400000	6	7.0
Above 400001	38	44.5
Total	86	100

Source: Author's calculations

Change in monthly expenses before and after COVID-19 lockdown: The table 26 compares the before and after the COVID-19 lockdown period monthly expenses of SMEs. It shows a considerable downturn effect of COVID-19 on the expenses of SMEs.

Table 26: Change in monthly expenses before and after COVID-19 Lockdown

Change in Monthly income before and after Lockdown	Frequency Before	Percent Before	Frequency After	Percent After
Below 100000	14	16.3	10	11.6
100001-200000	28	32.6	24	27.9
200001-300000	14	16.3	8	9.3
300001-400000	4	4.7	6	7.0
Above 400001	26	30.2	38	44.5
Total	86	100.0	86	100.0

Source: Author's calculations

Classification Based on Revenue of Enterprises Before and After COVID-19

This section summarizes the results of revenue generation of SMEs before and after the COVID-19 lockdown period.

Revenue of the enterprises before COVID-19: Following table 27 shows the results of revenue generation categories of SMEs. More SMEs were generating revenue above Rs.15 lacs before the COVID-19 lockdown period.

Table 27: Revenue before COVID-19

Revenue Before COVID-19	Frequency	Percentage
Below 500000	18	20.9
500001-1000000	24	27.9
1000001-1500000	8	9.3
Above 1500001	36	41.9
Total	86	100.0

Source: Author's calculations

Revenue of the enterprises after COVID-19: Table 28 shows the revenue generation of SMEs after the COVID-19 lockdown period. It shows that the revenue of almost all SMEs decreased after the COVID-19 period.

Table 28: Revenue after COVID-19 lockdown

Revenue after COVID-19	Frequency	Percent
Below 500000	36	41.9
500001-1000000	22	25.6
1000001-1500000	8	9.3
Above 1500001	20	23.3
Total	86	100.0

Source: Author's calculations

Change in revenue of the enterprise before and after COVID-19 lockdown: To compare the revenue generation of SMEs before and after the lockdown period, table 29 is designed. It shows a considerable decrease in revenue generation of SMEs after the COVID-19 lockdown period.

Table 29: Change in revenue before and after COVID-19 lockdown

Change in Revenue before and after COVID-19	Frequency	Percent	Frequency	Percent
Before Before After After Below 500000	18	20.9	36	41.9
500001-1000000	24	27.9	22	25.6
1000001-1500000	8	9.3	8	9.3
Above 1500001	36	41.9	20	23.3
Total	86	100	86	100

Source: Author's calculations

Closing duration (COVID-19): The government imposed a lockdown from March 15, 2020, till July 15, 2020; during these four (4) months government allowed the construction industry to work; therefore, the marble industry was permitted to open their industries after 1st month of lockdown imposition.
Closing duration (COVID-19) of the enterprises Table 30 shows the lockdown period of SMEs and shows most of the SMEs remained closed for 3 months.

Table 30: Closing duration of SMEs

Closing Duration	Frequency	Percent
1 Month	18	20.9
2 Months	12	14.0
3 Months	36	41.9
Above 4 Months	20	23.3
Total	86	100

Source: Author's calculations

Rent of the building of the enterprises: Following table 31 shows the amount of rent paid by SMEs. Most of the SMEs are paying rent in the range of Rs 10,000 to 40,000, while 2 SMEs were paying no rent because they owned their building.

Table 31: Rent of the building

Rent of the Building	Frequency	Percent
Not Rented	2	2.3
10000-20000	24	27.9
20001-30000	32	37.2
30001-40000	20	23.3
Above 40001	8	9.3
Total	86	100

Source: Author's calculations

Waive off rent to the enterprises during the lockdown period: Table 32 shows the based humanitarian assistance of landlords and businessmen during the COVID-10 period. 40 percent of the SMEs availed of concessions in monthly rent, and about half of the SMEs received no concessions in rent.

Table 32: Concession of rent from owners

Concession of Rent	Frequency	Percent
Own Building	2	2.3
Yes	36	41.9
No	48	55.8
Total	86	100

Source: Author's calculations

Total months wave off by owners: Table 33 shows the wave-off of rent by owners of the building during the COVID-19 lockdown. More of the SMEs received this support for one month from the owner of the building.

Table 33: Total months' rent wave off

Total Month Rent	Frequency	Percent
0	50	58.1
1 Month	30	34.9
2 Months	6	7.0
Total	86	100

Source: Author's calculations

Employees' health infected by COVID-19: This section explains the number of employees infected by COVID-19. Only 4.7 percent of the employees during COVID-19.

Table 34: Employees' health infected by COVID-19

Employees Health Infected	Frequency	Percent
Yes	4	4.7
No	82	95.3
Total	86	100

Source: Author's calculations

Enterprise financial support with COVID-19 infected employees: Table 35 shows that 50 percent of COVID-19-infected employees were supported financially by SMEs.

Table 35: Financial help with infected employees

Financial Help	Frequency	Percentage
Yes	2	50
No	2	50
Total	4	100

Source: Author's calculations

Financial sustainability during lockdown: This section explains how firms sustain their financial position during the lockdown. Most of SMEs took loans to keep their businesses running and pay fixed costs and utility charges.

Table 36: Management of financial status during lockdown

Management of Financial Status	Frequency	Percent
Consume From Saving	32	37.2
Get a Loan From Relatives	54	62.8
Total	86	100

Source: Author's calculations

Financial crunch after lockdown?: Table 37 below indicates the results of the financial crunch after the COVID-19 lockdown. Most of the SMEs recorded the opinion that they had financial issues after the COVID-19 lockdown.

Table 37: Faced financial issues after COVID-19

Faced Financial Issues	Frequency	Percent
Yes	84	97.7
No	2	2.3
Total	86	100

Source: Author's calculations

Management of financial crises after lockdown: Table 38 shows how SMEs managed their financial crises as a result of the COVID-19 lockdown. Most of SMEs take loans to manage their financial position for the smooth running of a business.

Table 38: Management financial issues after COVID-19

Management Financial Issues	Frequency	Percent
Consume From Saving	16	18.6
Get Loan From Relatives	62	72.1
Vendors Bill to Bill	8	9.3
Total	86	100

Source: Author's calculations

Market share after lockdown: Most of the SMEs responded that they had lost market share due to the COVID1-lockdown period.

Table 39: Market share Loss after COVID-19

Market Share Loss after COVID-19	Frequency	Percent
Yes	68	79.1
No	18	20.9
Total	86	100

Source: Author's calculations

Government relief to SMEs: Economic Coordination Committee (ECC) approved Rs.75 billion relief package for small and medium enterprises as well as for unemployed laborers across the country. The government started to pay power bills of small and medium enterprises for three months under the "Chota Karobar Scheme" (Pakistan Today, 2020) to facilitate SMEs. This table shows that about 44 percent of SMEs received relief from the government in various shapes, while the rest didn't receive any assistance from the government.

Table 40: Government relief after or during COVID-19 lockdown

Government Relief After or During COVID-19	Frequency	Percent
Yes	38	44.2
No	48	55.8
Total	86	100

Source: Author's calculations

CONCLUSION

The purpose of this study is to find out the economic impact of the COVID-19 lockdown period on small and medium enterprises located in various tehsils of district swat. This study comprehensively examined the various dimension of COVID-19 effects on SMEs in district swat. For this survey, a well-structured questionnaire was designed using a simple random sampling technique. This survey was conducted on all members who manage the SMEs in the capacity of Manager, Owner, or both.

Most of the SMEs manager or owners have a moderate level of education. They don't have any business/management degrees and lack the skills to cope with crises like the COVID-19 pandemic. Also, most of the SMEs' expenses, revenue, and profits were affected negatively by the COVID-19 lockdown. Most of the SMEs were having debt burdens as a result of the COVID-19 lockdown to manage their businesses as they don't have any business sustainability mechanism model. This is attributed to their traditional business setup. Furthermore, they lack financial management systems to retain their business after crises. It is also evident from the findings that the majority of the respondents are not satisfied with government responses through reliefs or packages they received that were not from the government.

RECOMMENDATION OF STUDY

SMEs are considered the backbone of industry in the modern world. The SME sector may be boosted through professional training in finance, management, leadership, and other soft skills training programs. Furthermore, the government needs to provide additional relief packages to SMEs to retain their business and free interest loans to SMEs affected badly during COVID-19.

LIMITATIONS OF THE STUDY

The present study is based on district swat only. It is further suggested to extend the study to the whole country to analyze the impact on the country as a whole for the macroeconomic use of the model.

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