The Economic Impact of Covid-19: A Study of Small and Medium Entrepreneurs in Khyber Pakhtunkhwa, Pakistan

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Abstract

This research study focused on the economic impact of covid-19 on small and medium entrepreneurs. This research study was conducted in seven districts of Khyber Pakhtunkhwa where 350 samples were randomly selected from seven districts. From each district 50 samples were selected including 25 small and 25 medium entrepreneurs. Entrepreneurs from auto, hoteling, grocery, fresh food and garments industries were focused on for data collection. In this research study, mean values were calculated to know the economic impact of covid-19 lock down on small and medium entrepreneurs. The results showed that stay-at-home policy inflicted huge economic cost both on small and medium entrepreneurs in Khyber Pakhtunkhwa. On average a small entrepreneur in Khyber Pakhtunkhwa lost US $1552.8 per day while every medium entrepreneur lost US $13084.2 per day in the garments industry during covid-19 lock down. Similarly, per day average cost of a small entrepreneur in Khyber Pakhtunkhwa was US $898.7 while that of the medium entrepreneur was US $6140.65 during covid-19 lock down. This financial lost/cost did not include any past or current liabilities rather it was derived from the sale and purchase data collected from the local entrepreneurs in Khyber Pakhtunkhwa.

Keywords: Covid-19 lockdown; economic impact; small entrepreneurs; medium entrepreneurs.

JEL Classification: O1, O2

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1.   Introduction

The outbreak of novel coronavirus disease, covid-19, severely affected the lives of individuals, and economic activities worldwide at the regional, national and international levels. It was declared as a global pandemic on the 11th of March 2020 by WHO. It was first reported in December 2019 at Wuhan, Mainland China and spread worldwide in few months. In Pakistan, the first case of COVID-19 was confirmed on 25 February 2020 and the number reached more than 10,000 in less than a month. Many states adopted the policy of lock down, imposed restrictions on air travelling and sealed their borders to curb further spread of this virus (Thunström et al., 2020). These measures resulted in economic repercussions that are expected to result in the worst recession since the great depression of the 1930s (Hevia & Neumeyer, 2020). Pandemics are not known only for the loss of human lives but also for the glooming global economy.

According to the Government of Pakistan Coronavirus Tracker, the country has witnessed more than 940,000 cases of covid-19 so far, along with 21,689 deaths. Although the loss of lives was tragic but massive financial consequences of this pandemic were out-reaching. A report by United Nations Conference on Trade and Development (UNCTAD) also highlighted that Pakistan would experience more challenges by the global pandemic of covid-19 (UNCTAD, 2020). Like other countries to curtail the spread of covid-19, Pakistan also adopted stay-at-home policy every single activity was closed. Pakistan being a developing country has been facing economic challenges including poverty, unemployment, inflation, food insecurity which aggravated with the covid-19 pandemic. Economic shocks caused by the lockdowns badly affected the small and medium enterprises (Aderemi et al., 2020; Iwuoha et al., 2021; Kalogiannidis, 2020; Rathore & Khanna, 2020; Robinson & Kengatharan, 2020).

Although every enterprise faced a variety of challenges due to changes in demand and supply, shortage of raw material, supply chain disruption, restrictions of import and export, and many others during the nation-wide lockdown. But small and medium enterprises (SMEs) remained the chief sufferers of the covid-19 outbreak in Pakistan. These enterprises are the significant drivers of economic growth especially in developing and emerging economies (Abdullah & Othman, 2019) and any positive or negative impact on these entrepreneurs result in either positive or negative impact on the overall economy. Though the national enterprises in Pakistan are mainly comprised of the micro, small, and medium (MSMEs), and contribute over 30 per cent to the country's GDP (Dar et al., 2017), however, they are highly vulnerable to economic shocks like the one caused by covid-19. Usually, the SMEs have a limited number of customers and stock and follow a routine business transaction. Therefore, these entrepreneurs faced negative spillovers from the lockdown and lost their sustainability sources.

In addition, these businesses already lacked innovation in production, high investment in government securities, high transaction efficiency, satisfactory business plans, accounting, financial competition and awareness, modern technological development and adaptability, and even faced energy crisis, lack of infrastructure, rising unemployment which made them more susceptible to failure (Baker et al., 2020). Many businesses shut down due to the unavailability of inputs or a decline in demand for the product. SMEs could not meet their financial needs and lack of capital was a common problem faced by small businesses. Similarly,(Shah et al., 2020) highlighted poverty as a serious threat to small business owners during the pandemic and lockdown. They call it one of the reasons for SMEs failure to afford prolonged isolation during a pandemic. While Yi Lu et al. (2020) revealed that most of the SMEs besides lack of revenue and capital were unable to operate due to the inability of employees to return to work. Delay in resuming their work resulted in unprecedented pressure on the survival of many SMEs. It made the recovery from the economic disaster very hard for them.

The main objective of this study is to enquire the economic impact of covid-19 pandemic on small and medium enterprises of Khyber Pakhtunkhwa. The study intends to reveal the cost incurred to these enterprises due to the covid-19 pandemic. This cost means an average loss incurred to a small or medium entrepreneur in Khyber Pakhtunkhwa during covid-19 pandemic.

2.   Literature Review

In Pakistan, not all SMEs were able to survive amid covid-19 pandemic. Many of the SMEs faced a decline in income by 50 per cent, along with job risks (Javed & Ayaz, 2020). Shafi et al. (2020) also founded in their study that covid-19 severely affected the SMEs in Pakistan as compared to large enterprises. They identified financial issues, supply chain disruption, decrease in demand, reduction in sales and profit as the main challenges faced by their sample enterprises. Although financial support was provided to many sectors of the economy, however, there had been no policy adopted by the government of Pakistan to support small businesses (Shah et al., 2020). Before going into the details of reviewing the relevant literature, it is necessary to clearly define small and medium entrepreneurs.

2.1   Defining SMEs

Since, this research study applied quantitative research method of measuring the impact of covid-19 on small and medium entrepreneurs, therefore, the quantitative definition of small and medium entrepreneurs is adopted. Some economists define small and medium enterprises on the basis of staff employed by these enterprises while others define them on the basis of financial liabilities (OECD, 2004; Hatten, 2011; Carter & Jones-Evans, 2006). The primitive among these definitions is the Bolton Report, wherein small and medium

enterprises were defined both qualitatively and quantitatively. Qualitative definition of the small and medium enterprises is based on certain principles such as the unification of property ownership and management, the personal principle and leadership (Loecher, 2000). These principles are also incorporated in the European Commission (2003) criteria of measuring and defining SMEs. The principle of property ownership and management means that the manager of business is also the owner of the enterprise with greater autonomy in making decisions. The personal principle and leadership mean that the company manager performs a central role in leading the entire setup. These principles are also mentioned in the Bolton Report of 1971 (Stokes & Wilsons, 2010). On the other hand, the quantitative definition of SMEs is based on a different criterion. This criterion keeps on changing with the passage of time and specifically differ from country to country. The following table shows the European Commission criteria for differentiating small and medium enterprises.

Table 1
Defining SMEs by European Union Standard

Enterprise Category	Headcount	Annual Turnover in €	Balance Sheet in €
Micro	< 10	< 2 Million	< 2 Million
Small	< 50	< 10 Million	< 10 Million
Medium	< 250	< 50 Million	< 50 Million

Source: European Commission (2005)

The above table (table-1) explains the criteria of differentiating micro, small and medium enterprises by the number of employees and annual turnover in millions of Euros, however, this standard is adaptable to the European Community where majority of the states have a high economic growth rate and they have crossed the transition stage. In the developing countries, this standard is not adaptable because of the prevailing economic uncertainties.

In Pakistan, SME Bank defines small and medium enterprises on the basis of number of employees and ownership of productive assets. The State Bank of Pakistan defines SMEs on the basis of nature of business, number of employees and the worth of capital invested. The Pakistan Bureau of Statistics considers only the number of employees while measuring small and medium enterprises (Hashmi et al., 2017). In this study, we focus more on the principle of ownership and management, the number of employees and the worth of capital invested/annual turnover as the criteria for measuring small and medium enterprises.

2.2   *Global Disruption Caused by Covid-19*

Every single state was negatively affected by the outbreak of covid-19. The implications were even worst for the small and medium entrepreneurs both in the developed

and developing countries. Labor force shortages, demand shrinking and supply of raw material disrupted by the covid-19 lock down (Yi Lu et al., 2020). They further argued that covid-19 outbreak had severe impacts on small and medium entrepreneurs. In the first month of covid-19 lockdown many small entrepreneurs ceased to operate in the market while in the forthcoming months of lockdown many both small and medium firms were closed (Fairlie, 2020). Some of the entrepreneurs could not sustain their functionality due to extra cost of production and no demand. Extra cost of production was due to shortage of labor force while an abrupt decline in demand was due to lockdown policy adopted by states.

Supply chain disruption was caused everywhere in the world, particularly where the states opted to stay-at-home policy. But supply chain disruption was preceded by decline in demand due to general lockdown. Meyer et al. (2022) argued that supply chain disruption was not that much severe than demand shrinking. Demand shrinking brought the revenue graph of the firms to the bottom which negatively affected the entire entrepreneurial processes, including wages to the workers, payment to suppliers and financing of new orders and further investment. Some researchers believed that demand shrinking was a dominant factor in explaining the impact of covid-19 lockdown on local entrepreneurs (Hassan et al., 2020; Bartik et al., 2020). Others believed covid-19 lockdown a supply shock (Candia et al., 2020; Dietrich et al., 2022). Supply shock preceded demand shrinking or demand shrinking preceded supply disruption but both were the major factors that affected the small and medium entrepreneurs negatively. These two factors were dominant in the European, Americana and Asian markets with far reaching impacts on small and medium entrepreneurs.

2.3   *Implications for SMEs in Pakistan*

According to the United Nations Conference on Trade and Development (2020a) Pakistan was one of those developing countries that was highly affected by the covid-19 pandemic. The chief sufferers were the small and medium entrepreneurs. The main factors that resulted in the downfall of the business sector were supply disruption, demand shrinking, shortage of labor force, high transportation cost and unavailability of raw material caused by the adoption of stay-at-home policy by the government. Many firms quit the market because of low demand and supply shortage. Further investment was ceased due to huge uncertainty in the local and global markets. According to Junaidi (2020) Pakistan lost one third of its revenue which negatively affected the GDP growth. Exports declined by an estimated 50% due to the covid-19 pandemic. There was high probability of economic recession in the country and it was warned by many economists (Naqvi, 2020). An estimated 1.3% decrease was expected in the GDP growth rate (World Bank, 2020b). This decrease was expected to reach 2.2% if the same situation prolonged.

Poverty is an everlasting economic factor that has made millions of people vulnerable to such pandemics. According to Hussain (2020) in Pakistan an estimated 5 million people live below the subsistence level. Majority of them are unskilled workers including farmers, factory workers, transport workers, waste recyclers and construction workers. These unskilled workers are highly vulnerable to pandemics and other economic uncertainties. In addition, almost 35% of the total national employment consists of small entrepreneurs who rely on their businesses for survival (Sohail, 2019). These businessmen are street hawkers, shopkeepers, vender's etcetera who remain in hand-to-mouth situation and whenever disasters like covid-19 pandemic come they are the chief sufferers.

In Pakistan, since the working force consisted of unskilled laborers, therefore, they were highly affected by the stay-at-home policy. The unemployment rate in 2017-18 was 5.8% but due to covid-19 pandemic this rate increased to 8.1% during 2020-21 (Ibid). In addition to increase in unemployment and inflation rate, foreign exchange market was also negatively affected by the covid-19 pandemic. According to World Bank (2020b) Pakistan's exchange rate devalued by 7.3%. This exchange rate devaluation resulted in price hike in the local market that highly discouraged further investment. This problem got even worst when prolonged because the short run impact was supply-centered but the long run impact was more demand. Supply side impact was not as severe as demand side impact because decline in demand also resulted in decline in investment which highly distorted the local market.

3.   Research Methodology

In this research study, quantitative research method was applied because quantitative research method was comparatively a scientific method that applied statistical tools to identify and measure the variables more accurately (Eyisi, 2016). The target area for conducting this study was Khyber Pakhtunkhwa divided into seven districts, including district Swat, Mardan, Peshawar, Nowshera, Haripur, Abbottabad and Mansehra. These districts were selected for this study because business activities in these cities were highly affected by the covid-19. Moreover, majority of the small and medium entrepreneurs were situated in these cities. The target population was number of business owners/investors or managers who are called the entrepreneurs. Only small and medium entrepreneurs were selected for this study and the criterion for measuring small and medium entrepreneurs was based upon the principles of ownership, number of employees and annual turnover. The data was collected through predefined questionnaire. The questionnaire was designed in line with the objectives of the research study. Questionnaire was an efficient way of collecting information on specific variables/indicators (Roopa & Rani, 2017). In questionnaire everything was clarified in line with the objectives of the research study. In social sciences, questionnaire is one of the fundamental tools that instills the basic concepts of the researcher. In predefined questionnaire, every respondent tries to keep his perceptions limited to the questions included in the questionnaire. Since, this study consisted of 350 samples measuring the economic impact on small and

medium entrepreneurs, therefore, it was comparatively better to design questionnaire and collect the data on the main variables. All the samples were randomly selected and every sample was accessed physically. There were 7 districts selected in Khyber Pakhtunkhwa for this study, where 50 samples were collected from each district.

Since, the data was collected in quantitative form, therefore, the mean value for every single industry was calculated to measure the impact in terms of financial cost. Measuring the impact of covid-19 lock down in terms of financial cost was comparatively convenient by calculating the mean values for every single industry. Therefore, in this research study, the mean values were calculated and on the basis of these mean values, the cost incurred to every industry due to covid-19 lock down was identified.

The following table shows details of the data distribution.

Table 2
shows data distribution among the selected districts of Khyber Pakhtunkhwa

District	No. of Samples	Small Ent.	Medium Ent.	Sub-Total
Swat	50	25	25	50
Mardan	50	25	25	50
Peshawar	50	25	25	50
Nowshera	50	25	25	50
Haripur	50	25	25	50
Abbottabad	50	25	25	50
Mansehra	50	25	25	50
Total	350	175	175	350

Table-2 shows the data distributed among seven districts of Khyber Pakhtunkhwa. Of 350 samples 175 were small entrepreneurs and 175 were medium entrepreneurs. None of large or big entrepreneurs was selected because this study was mainly focusing on small and medium entrepreneurs. These 07 districts represent Khyber Pakhtunkhwa province and business activities are fast in these cities. Moreover, there was complete lockdown in these districts for months during covid-19 which adversely affected the business community in these cities.

The following table (table-3) shows details of entrepreneurs and the average estimated cost incurred during covid-19 lockdown. The entrepreneurs selected for this research study included auto industry, hoteling, grocery, fresh food and garments. From each district 50 entrepreneurs were selected including small and medium entrepreneurs each. Of 350 samples 175 were small entrepreneurs and 175 were medium entrepreneurs.

Table 3
shows details of small entrepreneurs and the average cost in US dollar

District	Entrepreneur	Industry	Number of Entrepreneurs	Total No. of Ent.	Average Cost/day in US $	Average Cost/m in US $
	Small	Auto	5		472	14160
	Small	Hoteling	5		650	19500
Swat	Small	Fresh Food	5	25	400	1200
	Small	Grocery	5		780	23400
	Small	Garments	5		1200	36000
	Small	Auto	5		720	21600
	Small	Hoteling	5		800	24000
Mardan	Small	Fresh Food	5	25	380	11400
	Small	Grocery	5		790	23700
	Small	Garments	5		1300	39000
	Small	Auto	5		1800	54000
	Small	Hoteling	5		730	21900
Peshawar	Small	Fresh Food	5	25	450	13500
	Small	Grocery	5		800	24000
	Small	Garments	5		2200	66000
	Small	Auto	5		450	13500
	Small	Hoteling	5		600	18000
Nowshera	Small	Fresh Food	5	25	500	15000
	Small	Grocery	5		760	22800
	Small	Garments	5		1700	51000
	Small	Auto	5		400	12000
	Small	Hoteling	5		650	19500
Haripur	Small	Fresh Food	5	25	320	9600
	Small	Grocery	5		742	22260
	Small	Garments	5		870	26100
	Small	Auto	5		640	19200
	Small	Hoteling	5		1780	53400
Abbottabad	Small	Fresh Food	5	25	630	18900
	Small	Grocery	5		1900	57000
	Small	Garments	5		2700	81000
	Small	Auto	5		432	12960
	Small	Hoteling	5		840	25200
Mansehra	Small	Fresh Food	5	25	430	12900
	Small	Grocery	5		740	22200
	Small	Garments	5		900	27000
Total	------	------	175	175	31456	932880

The following table (table 4) shows details of medium entrepreneurs selected for this research study. A total of 175 medium entrepreneurs were selected for this study. From each district 25 medium entrepreneurs were selected from auto, hoteling, grocery, fresh food and garments industries.

Table 4

Shows details of medium entrepreneurs and the average cost in US dollars

District	Entrepreneur	Industry	Number of Entrepreneurs	Total No. of Ent.	Average Cost/day in US $	Average Cost/m in US $
	Medium	Auto	5		700	21000
	Medium	Hoteling	5		4400	132000
Swat	Medium	Fresh Food	5	25	1200	36000
	Medium	Grocery	5		3080	92400
	Medium	Garments	5		9000	270000
	Medium	Auto	5		2800	84000
	Medium	Hoteling	5		2700	81000
Mardan	Medium	Fresh Food	5	25	1700	51000
	Medium	Grocery	5		5800	174000
	Medium	Garments	5		8700	261000
	Medium	Auto	5		6050	181500
	Medium	Hoteling	5		5032	150960
Peshawar	Medium	Fresh Food	5	25	7000	210000
	Medium	Grocery	5		8900	267000
	Medium	Garments	5		22000	660000
	Medium	Auto	5		4400	132000
	Medium	Hoteling	5		3000	90000
Nowshera	Medium	Fresh Food	5	25	3900	117000
	Medium	Grocery	5		6070	182100
	Medium	Garments	5		7090	212700
	Medium	Auto	5		3060	91800
	Medium	Hoteling	5		4500	135000
Haripur	Medium	Fresh Food	5	25	3100	93000
	Medium	Grocery	5		7001	210030
	Medium	Garments	5		12000	360000
	Medium	Auto	5		3070	92100
	Medium	Hoteling	5		7000	210000
Abbottabad	Medium	Fresh Food	5	25	2700	81000
	Medium	Grocery	5		7890	236700
	Medium	Garments	5		19800	594000
	Medium	Auto	5		3200	96000
	Medium	Hoteling	5		5080	152400
Mansehra	Medium	Fresh Food	5	25	3200	96000
	Medium	Grocery	5		6800	204000
	Medium	Garments	5		13000	390000
Total	-------	-------	175	175	214923	6447690

4.   Results and Discussion

In this research study, the cost incurred due to covid-19 lock down was presented in averages. Every entrepreneur's per month cost was calculated from its per day cost and the three months cost was also calculated from one day cost. The data was collected from auto industry, hoteling industry, grocery, fresh food and garments industries. The findings of this research study reflected these five industries only. Every single entrepreneur was negatively affected by the covid-19 lock down. On average every small entrepreneur in Khyber Pakhtunkhwa lost US $1552.8 per day in the garments industry while every medium entrepreneur lost US $13084.2 per day during covid-19 lock down. Similarly, per day average cost of a small entrepreneur in Khyber Pakhtunkhwa was US $898.7 while that of the medium entrepreneur was US $6140.65 during covid-19 lock down. This financial loss/cost did not include any past of current liabilities rather it was derived from the sale and purchase data collected from the local entrepreneurs. Every single entrepreneur suffered an immediate decrease in sale due to covid-19 and an immediate stoppage due to lock down. Many entrepreneurs left the market and ceased to operate because of huge financial loss, however, in this research study only those entrepreneurs were interviewed who continued to operate and they sustained their position in market after lock-down was lifted.

Covid-19 lock-down was an emergency situation and the government had no other option to curtail the movement of people except lock-down. This restriction on the movement of people compelled almost all small and medium entrepreneurs closed their businesses. The supply chain was broken due to immediate stoppage of sale. Goods that were already displayed for sale were perished especially in the fresh food industry. Demand for goods and services abruptly declined. Many firms due to huge losses quit the market and permanently ceased their operations. The target area of this study was highly focused for lock-down because these cities were comparatively more congested. This lock-down continued for almost three months in the first phase which brought an immediate disruption in the business sector.

In this research study, it was founded that on average a small entrepreneur lost US $ 472 per day in the auto industry while a medium entrepreneur lost US $ 700 per day. In hoteling industry, on average a small entrepreneur lost US $ 650 per day while a medium entrepreneur lost US $ 4400 per day. In fresh food industry, on average a small entrepreneur lost US $ 400 per day while a medium entrepreneur lost US $ 1200 per day during covid-19 lock-down. In grocery, on average a small entrepreneur lost US $ 780 per day while a medium entrepreneur lost US $ 3080 per day during covid-19 lock-down. In garments industry, on average a small entrepreneur lost US $ 1200 per day while a medium entrepreneur lost US $ 9000 per day. In this research study, the average cost was calculated from 05 small or medium entrepreneurs in a specific industry in each district and from this cost average per month cost was calculated.

The garments industry in Khyber Pakhtunkhwa was chiefly suffered by the covid-19 lock-down. As compared to other industries, the garments industry is very much expansive in operation and many big and medium firms operate usually in Peshawar and Abbottabad. Peshawar and Abbottabad remained the hub of these entrepreneurs. In Peshawar, many popular brands such as R-Sheen, Khadi, Bareeze, Junaid Jamshed, Maria B. and Nishat Linen on average lost US $ 22000 per day due to covid-19 lock-down. Similarly, the same brands lost on average US $ 19800 per day in Abbottabad due to covid-19 lock-down. These brands are very mush popular among the people and mostly in winter season they are overwhelmed with people. Comparatively the garments industry has a high impact on the economic growth of a country and in this research study the garments industry suffered the most during covid-19 lock-down.

While measuring the overall economic impact of the garments industry, it was founded that on average US $1 million were lost per day during covid-19 lock-down by small entrepreneurs and US $9.1 million were lost per day by medium entrepreneurs in the garments industry in Khyber Pakhtunkhwa. Since, this lock-down was not in a specific area or city rather this policy was adopted by the government and implemented everywhere in the country, therefore, it was not only demanding that frozen but the supply chain was also disconnected which left the entire industry ceased. The share of small and medium entrepreneurs in the GDP of the state is approximately 40 percent and comprise nearly 90 percent of the Pakistan's enterprises (PSB, 2019). Small and medium entrepreneurs carry out a significant impact on the GDP. Small and medium entrepreneurs generate income and employment opportunities for the people and play a significant role in poverty reduction. Thousands of peoples' income is associated with small and medium entrepreneurs in Khyber Pakhtunkhwa.

This sector received a huge scourge during covid-19 and the collective impact of it can never be repaired. In developed countries this sector was highly protected through loan reimbursement, technological and infrastructure development, protection in the form of subsidies and free utility services provision and tax exemption because covid-19 hit the entire world and every state opted to stay-at-home policy. Since, the contribution of SMEs in Pakistan's economy is enormous, therefore, this sector needs to be protected through incentives in the form of tax exemption, free utility services provision, technological advancement, infrastructure development and foreign linkages. In Pakistan, nearly 78 percent of the non-agriculture labor force is employed by the SMEs which has a definite impact on employment generation and income level (PSB, 2019).

In this study, it was founded that the economic impact of covid-19 was very drastic because every single small and medium entrepreneur was affected by the stay-at-home policy. Moreover, the connection between small and medium entrepreneurs' operation and economic growth is very strong especially in the provision of employment opportunities, income generation, improving living standard and boosting up of consumption and production

activities. Similarly, many studies identified a positive association between SMEs operation and economic growth such as Cravo et al. (2012), Kongolo (2010), Minniti and Levesque (2010), Spencer and Gomez (2004) and Littlewood and Holt (2018).

5.   Conclusion

Covid-19 lock-down quite negatively affected the entire economy of the globe where the developing countries were the chief sufferers. Pakistan was one of the developing countries that was highly affected by adopting stay-at-home policy. Almost every sector of the economy was affected but small and medium entrepreneurs were affected very negatively. In Khyber Pakhtunkhwa, stay-at-home policy had far-reaching effects on the business sector and the after-shocks remained continued for longer than expected in the form of lowest demand for goods and services. In this study, five industries were investigated including the auto industry, the fresh food, grocery, hoteling and garments industry. It was identified in this research study that a huge scourge was inflicted to the garments industry and the hoteling industry. In garments industry a small entrepreneur lost on average US $1200 per day while a medium entrepreneur lost US $9000 per day, and in hoteling industry a small entrepreneur lost US $700 per day and a medium entrepreneur lost US $3000 per day. Though these entrepreneurs were negatively affected, however, no facilitation or support was given by the state in the form of any incentives or subsidies.

These entrepreneurs ceased to operate during covid-19 lock-down and paid their monthly rent and utility bills. In Khyber Pakhtunkhwa the price of a commercial unit of electricity is higher than domestic unit while in the developed countries and even in mainland China utility services for the business sector are almost free with special tax holidays and extra concession and relaxation in bills payment. Such incentives are lacking in Pakistan and every entrepreneur operates in the market on his own risk and cost. That's why many entrepreneurs left the market due to covid-19 while the government did not pay any attention for the recovery of the business sector.

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