

## BUSINESS

# China's Businesses Struggle to Resume Work

Operations are slow to restart, with many workers unable to reach factories or offices and supply chains disrupted

By *Stu Woo in Beijing and James T. Areddy in Shanghai*

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Business was slow to restart in China, even after some local governments stopped calling for people to stay away from the workplace during a coronavirus outbreak that has killed more than 1,000 people in the country and dented economic growth.

Workers remained stranded on Monday, unable to reach their factories. Office towers stayed dark as companies asked employees to work from home. In the few open stores in deserted malls, bored clerks played smartphone games.

"None of the workers are able to come back for work," said Luo Xiaoying, who owns a motorcycle-muffler factory in southern China's Guangdong province. "Our production has been suspended for almost a month now, and we don't know how long this will last."

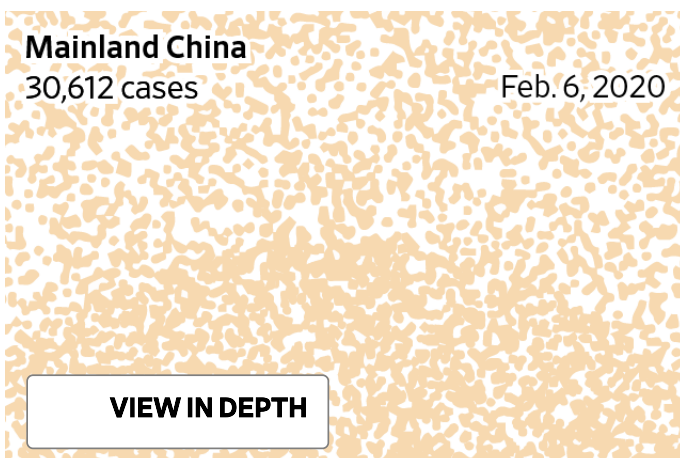
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### TRACKING THE CORONAVIRUS

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- 108 people died in China on Monday—a single-day high—pushing the death toll to 1,016.
- The death toll from the outbreak has surpassed that of the SARS epidemic nearly two decades ago.
- The number of confirmed infections in China rose to 42,638 by the end of Monday.

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ions came as President Xi Jinping of China paid his first public visit to the front lines of the outbreak, stopping at a Beijing hospital treating infected patients and at a local disease-control office after weeks of remaining largely out of public view.

He acknowledged that some medical workers had "sacrificed their lives," an apparent indirect reference to a

young Wuhan doctor, Li Wenliang, whose death last week triggered an emotional response across the country, much of it frustration directed at officials.

The number of confirmed infections from the virus known as 2019-nCoV rose to 40,554 globally in 24 countries as of Monday, with 910 deaths. All but 319 cases and one death were in China.

The quarantine of nearly 60 million people in Wuhan and the surrounding Hubei province, the center of the epidemic, means that workers who visited family there over the recent Lunar New Year holiday can't get back to their jobs. Even districts in cities hundreds of miles away such as Hangzhou, home to online retail giant Alibaba Group Holding Ltd., have confined residents to their homes to try to stop the spread of the virus.

On top of that, many companies continued to encourage people to continue working from home, even after Shanghai and Beijing officially ended their stay-away-from-the-workplace policy at midnight Sunday.

These conditions have created a ghost-town ambience across China, where closed and short-staffed businesses have hammered the economy. S&P Global Ratings on Friday said it had lowered its estimate for China's 2020 gross domestic product growth to 5% from 5.7%.

Accounting for nearly 30% of China's gross domestic product is the manufacturing sector. Many factories closed for the Lunar New Year holiday in late January and were set to reopen Monday, only to find a lack of workers and disrupted supply chains.

Ms. Luo's muffler plant is in a Guangdong district where local authorities require manufacturers to meet stringent safety requirements to resume work. To reopen, factories must guarantee that workers are coronavirus-free, which potentially means quarantining them for 14 days, and must provide them with protective gear such as masks, goggles and gloves that are hard to buy amid a nationwide shortage. Other areas in China have similar restrictions.

Even when her employees return, Ms. Luo is uncertain whether they can build or sell anything. Her suppliers and clients are also shut. "The whole supply chain is paralyzed," she said. She estimates she could reopen in April and resume full operations in May. "That means no income for almost half a year," she said.

Some bigger companies are reopening more quickly. Ford Motor Co. said it had resumed production at its plants in China on Monday, while General Motors Co. said it would resume production at its plants on Feb. 15.

Some Apple Inc. suppliers are likely to face further delays in restarting mass production, people familiar with the matter said. A challenge for them has been securing factory workers, because of nationwide travel restrictions and policies in certain cities restricting the entry of people from regions where the virus outbreak is severe, the people said.

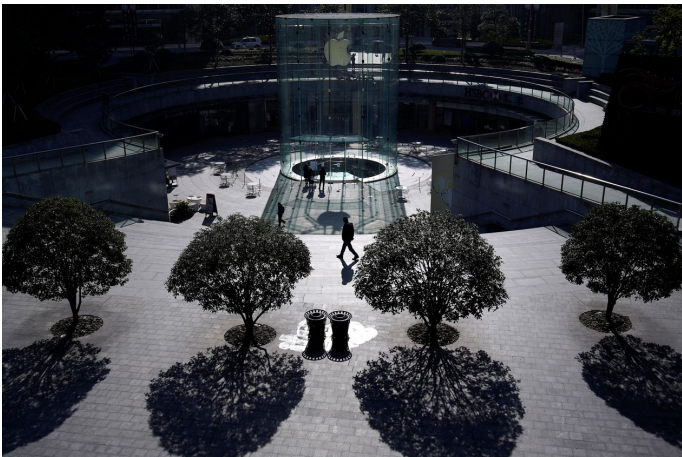
Suppliers must also take measures to ensure the virus won't spread within their



A KFC delivery worker wore a face mask at an almost-deserted commercial complex in Beijing's central business district on Monday.

PHOTO: REUTERS

factories. Some suppliers are required by local governments to prepare enough masks, thermometers and disinfectants for workers, and secure space for quarantines in case workers get sick. Apple didn't respond to a request for comment.



An Apple store in Shanghai remains closed on Monday.

PHOTO: ALY SONG/REUTERS

would slash taxes and urged banks to offer leniency on mortgage and credit-card payments.

In Shanghai on Monday, where highway traffic remained sparse but still picked up noticeably from recent days, the municipal government said 70% of manufacturing companies had resumed business.

But a visit to the city's Songjiang factory district—home to sites of 3M Co., Dow Inc., Foxconn Technology Group, Honda Motor Co., Quanta Computer Inc., Toto Ltd. and Tsingtao Brewery Co. —suggested many factories were barely operational.

On many double-wide factory-access roads, it was easier to hear the sounds of birds chirping in Monday's springlike weather rather than of semi-trucks rumbling or factories clanging. Most local restaurants were closed. The workers who did arrive at Songjiang's train station had their temperatures taken at screening areas.

Ms. Luo said her landlord had given her a grace period to pay rent, and her workers had been understanding about going unpaid during the shutdown.

Chinese officials have said the outbreak would increase soured loans. Officials at China's Banking and Insurance Regulatory Commission said last week that it

They also received slips of paper that reminded them to wash their hands after using the toilet and instructed visitors to report if they have had a fever, cough, or shortness of breath, “especially if you have been in Hubei or in contact with patients from Hubei.”

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In Hangzhou, a city of 10 million where some residents can go outside to buy supplies only every few days, Alibaba's office employees have worked from home, though the company's

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couriers have remained on the streets across the country to deliver orders.

In Beijing, ride-hailing company Didi Chuxing Technology Co. and smartphone maker Xiaomi Corp. are encouraging employees to work from home until next week. Most employees of search-engine Baidu Inc. are working from home, and those who need to go into the office must get approval. The capital city's subways, which are usually standing room only, were mostly empty on Monday. So was China World, a usually packed Beijing office complex and shopping mall.

Li Guifang said he often sells more than 100 cups of juice a day at his Original Fresh storefront by an office-tower entrance, but by noon Monday he had sold only two cups—to two journalists.

He thought business would pick up later this week. “I watch short videos on my phone to kill time,” Mr. Li said.

—Grace Zhu, Xiao Xiao, Yoko Kubota and Jonathan Cheng contributed to this article.

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