PRESS RELEASE
(For Immediate Release)

Ho Chi Minh City, 13 March 2020

The coronavirus’ impact on the German economy
(Based on the result of corona virus flash survey conducted by DIHK Vietnam with the participation of 10,000 German companies in March 2020)

- Repercussions of the coronavirus on the German economy are already noticeable. Almost every second company in Germany expects declining revenue in 2020 as a result of the coronavirus.
- 70 per cent of companies have introduced protective measures for their employees in connection to the coronavirus outbreak.
- Faster and less bureaucratic action by the administrations, especially when taking advantage of support services, is now considered urgently necessary by more than every second company.

Repercussions of the coronavirus on the German economy are already noticeable. Trade fairs, events and travel plans are cancelled, employees are put under quarantine. Foreign trade, especially with China, has stalled for several weeks now.

Almost every second company in Germany expects declining revenue in 2020 as a direct result of the coronavirus. In addition, companies are already noticing disruptions in their business processes. The global reach, particularly through the disruption of supply chains and declining demand, foremost in China, is reflected in the above-average share of industrial companies who feel affected.

70 per cent of companies have introduced protective measures for their employees in connection to the coronavirus outbreak. This primarily concerns the procurement of medicine and hygiene materials as well as instructions on appropriate hygiene measures. 60 per cent of companies feel a need for information about continued remuneration. 45 per cent of companies are unsure about the appropriate handling of infected employees and suspected cases of corona within their company.

In view of the, in some cases, considerable declines in turnover one third of the companies already see a need for financial bridging aid in order to secure liquidity in their operations. This includes direct, financial services such as unbureaucratic and extended short-time work compensation as well as working capital loans and guarantees. Faster and less bureaucratic action by the administrations, especially when taking advantage of support services, is now considered urgently necessary by more than every second company. Tax relief such as the suspension or deferral of tax payments, immediate depreciation for products in the areas of hygiene and health care and the general introduction of declining balance depreciation are also of great importance.

The survey took place from 3 to 6 March 2020 with more than 10,000 companies taking part. Responses were divided between industry (21%), construction (6%), trade (19%), transport and storage (4%), travel (3%), hotels and restaurants (8%), health (3%), other services (36%) By company size class the answers are distributed as follows: 1-19 employees (51%), 20-199 employees (34%), 200-499 employees (7%), 500-999 employees (3%), over 1,000 employees (5%).
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