Covid-19 Impact on German Economy

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2nd DIHK flash poll on economic impact of COVID–19 on the German economy

- 15,000 companies participated in the survey
- the survey took place from 24 to 26 March 2020
Share of companies feeling a negative impact of COVID-19 on their business

Overall Economy

- Yes: 92%
- No: 7.6%

By Sector

- Hospitality industry: 99.9%
- Travel industry: 99.5%
- Person-related services: 94.6%
- Retail: 94.4%
- Transportation and storage: 93.3%
- Total: 92.4%
- Wholesale: 91.5%
- Business-related services: 91.2%
- Industry: 88.9%
- Healthcare industry: 88.0%
- Construction: 86.8%
Impact of the COVID-19 pandemic on companies' business

- Less demand for my products and services: 62.9%
- Cancellation of orders: 47.6%
- Standstill of business: 43.4%
- Liquidity bottlenecks: 41.3%
- Investments are being cut back: 37.5%
- Losses due to missing employees: 25.4%
- Missing goods and services: 24.0%
- Logistical bottlenecks: 20.4%
- Risk of insolvency: 17.6%
- Shortfall of production: 6.1%
- We are planning or have reorganized our...: 5.2%
- No estimate possible at present: 4.5%
- No effects: 1.9%
Sales development as a result of the COVID-19 pandemic in 2020

- Increase in turnover, 1.64%
- No change, 2.77%
- Decline between 10% and 25%, 22.70%
- Decline between 25% and 50%, 25.73%
- Decrease of up to 10%, 6.11%
- Decline of more than 50%, 26.70%
- No estimate possible at present, 14.36%
Development of employment plans due to the COVID-19 pandemic

- We have to cut back on staff, 38.3%
- We are hiring additional staff, 2.0%
- Remains the same, 59.7%
Short- and medium-term post-control requirements from the perspective of the companies

- Emergency aid in the form of grants: 66.8%
- Corporate tax cuts: 49.7%
- Tax deferral / reduction of advance payments: 40.7%
- Short-time compensation: 37.3%
- A general stimulus package: 30.4%
- Bridging loan (KfW or development banks of the federal states): 29.2%
- Guarantees: 12.8%
- State participation in systemically important companies: 12.0%
- Bank loans: 11.2%
- Miscellaneous: 4.4%
- No state support necessary: 3.0%
- Export credit insurance: 2.1%
Survey of 140 chambers of commerce abroad, delegations and representative offices in 92 countries

4,079 Company responses

Survey period: end of March/early April
German companies abroad  Balance in points

- Business situation
- Employment
- Expectations
- Investments

Economic expectations of companies worldwide
Balance in points
Economic expectations of companies worldwide
in percent

North America:
- Better: 81%
- Unchanged: 16%
- Worse: 3%

South America:
- Better: 73%
- Unchanged: 18%
- Worse: 9%

Europe:
- Better: 72%
- Unchanged: 20%
- Worse: 8%

South- and East Europe:
- Better: 78%
- Unchanged: 15%
- Worse: 7%

Africa / MENA:
- Better: 54%
- Unchanged: 35%
- Worse: 11%

Asia/Pacific:
- Better: 68%
- Unchanged: 26%
- Worse: 6%

Other EU, NO, CH, UK:
- Better: 67%
- Unchanged: 29%
- Worse: 3%

China:
- Better: 49%
- Unchanged: 30%
- Worse: 20%

South- and East Asia:
- Better: 68%
- Unchanged: 26%
- Worse: 6%
World trade and the global economy

Change compared to previous year in percent; source: IMF
Impact of the COVID-19 pandemic on businesses

- Travel restrictions: 69%
- Less demand: 58%
- Cancellation of orders: 48%
- Investments are postponed or cancelled: 47%
- Cancellation of trade fairs or events: 47%
- Problems in the supply chain or logistics: 45%
- Liquidity bottlenecks: 33%
- Missing goods or services: 29%
- Own production losses or sickness absence: 22%
- Miscellaneous: 3%
Exit Strategy

Liquidity
Financial facilities
Investment incentives
Implementation of necessary protection and hygiene measures
Functioning supply chains
Sufficient consumer demand
Less bureaucracy
Functioning public infrastructure (public transport, schools, etc.)