

Overview on national measures taken by governments to react to the economic consequences of the COVID-19 spread in Europe

This is an overview of measures based on input from members and research by BusinessEurope. This is a living document that will be regularly updated.

EU response

- **EU finance ministers** on 4th March issued a statement regarding their commitment to provide a co-ordinated response and to use all appropriate policy tools to achieve strong, sustainable growth and to safeguard against the further materialisation of downside risks. A co-ordinated and ambitious fiscal stimulus is an essential tool to reduce the impact of the crisis on businesses and the broader economy.
- **Commission President von der Leyen** on 10th March, 'to use all the tools at our disposal to make sure the European economy weathers this storm'.
- **The ECB** on 12th March announcing in particular, plans to temporarily relax capital requirements for the financial sector to support lending to the real economy, as well as more accommodative monetary policy through increasing its asset purchases by €120 billion during 2020.

Austria

- € 20 billion support for short time work

Belgium

- Companies can follow a so-called 'payment plan': In this payment plan, companies can 'spread' payments of VAT, social contributions and fines. They can also delay payments of corporate income tax and regular income tax.
- Fines to companies for late payments can be remitted.
- Increase in short-time work payments (65%--> 70%)
- Federal government will not charge companies with fines if they can't fulfil a public contract in time.

These measures only apply to companies that can show that they have been directly hit by the coronavirus (e.g. a decrease in turnover, a significant decrease in orders and / or reservations, consequences of a "chain reaction" with partner companies,...). The deadline for getting this 'payment plan' is June 30.

Denmark

- Suspension of company payments of VAT and other taxes
- Launch of a "corona task force" with government and business association representatives to provide concrete proposals on addressing in particular challenges for tourism, transportation and experience economy businesses
- Ban on gatherings of over 100 people
- Contracyclical capital requirements set to zero

- 1 bn DKK set aside to provide guarantees for companies
- Government will step in and pay sick leave from day 1 when employees are quarantined or sick with Covid-19
- Greater flexibility awarded to scheme which allows companies allowed to force employees to temporarily work part-time, with employees receiving supplementary unemployment benefits during the period
- Compensation for postponed or cancelled events with 1000+ participants with many elderly participants
- Government encourages all private-sector workers to work from home and cancel meetings, if possible
- Public authorities allowed to prolong deadlines for bids for tenders (e.g. if companies are likely not currently in a position to commence work on projects)

France

- Delayed deadlines for social and fiscal payments
- In difficult cases tax rebates can be decided on an individual examination of requests
- Support from the State and the Banque de France (credit mediation) to negotiate with its bank a rescheduling of bank credits;
- The mobilization of Bpifrance to guarantee bank cash lines which companies may need because of the epidemic;
- Maintaining employment in companies through the simplified and reinforced partial unemployment system;
- Support for the treatment of a conflict with customers or suppliers by the Business Mediator;
- Recognition by the State of Coronavirus as a case of force majeure for its public contracts. Consequently, for all State public contracts, the delay penalties will not be applied.

Germany

- Facilitation for short-time work - the threshold of employees that need to be affected by it was lowered from 1/3 to 10%
- Already in January the possible period for short-time work was extended from 12 to 24 months
- The government will cover 60% of the net salary in case of short term working and will reimburse the social contributions for the lost working hours to the employer
- Plan to come up with an investment package of €12.4 billion
- Particularly hit companies will get liquidity aid

Ireland

- A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital scheme for eligible businesses impacted by COVID-19. Loans of up to €1.5m will be available at reduced rates, with up to the first €500,000 unsecured. Applications can be made through the SBCI website.
- A €200m Package for Enterprise Supports including a Rescue and Restructuring Scheme available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business.
- The maximum loan available from MicroFinance Ireland will be increased from €25,000 to €50,000 as an immediate measure to specifically deal with exceptional circumstances that micro-enterprises – (sole traders and firms with up to 9 employees) - are facing. Applications can be made through the MFI website or through your local LEO.

- The Credit Guarantee Scheme will be available to COVID-19 impacted firms through the Pillar Banks. Loans of up to €1m will be available at terms of up to 7 years.
- the Department of Employment Affairs and Social Protection and the Department of Business, Enterprise and Innovation will provide a joint First Responder support service through the Intreo Offices and development agencies, Enterprise Ireland and IDA Ireland in each region to provide tailored supports for impacted firms, with objective of avoiding mass lay-offs and buying time for firms to work through the short-term disruptions.
- Firms that need to reduce hours or days worked can avail of the Department of Employment Affairs and Social Protection Short Term Work Support by contacting their local Intreo Office, see gov.ie/en/service/c20e1b-short-time-work-support.
- The full range of Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na Gaeltachta grant supports will be available to firms to help with strategies to innovate, diversify markets and supply chains and to improve competitiveness.

Italy

- Suspension of payments and bills due until April 30, of the favourable loans issued by Invitalia for a period of 12 months.
- Measures to support families, employees and self-employed workers and to strengthen social safety nets for the production units operating in the "red zone"
- Measures to support companies which are indirectly affected by the sanitary emergency with an increase of the Guarantee Fund for SMEs and, for 12 months, priority should be given to the guarantee of the concession of credit to those SMEs operating in the "red zone".
- Measures for the Tourism sector: suspension of withholding and contribution payments until March 31 for hotels, travel agencies and tour operators; specific forms of compensation for users who have not been able to travel to and from the "red zone" or take advantage of tourist packages due to the containment and prevention measures for the spread of COVID-19 ordered by the Italian or foreign authorities.

Confindustria asks to:

- Relaunch of public investments and of infrastructures, as the main engine of economic growth
- Big investment plan at European level
- Measures to grant liquidity to companies
- Employment support measures, using social safety nets to support sectors and sectors in crisis
- Launch of a new and wide program of simplification
- Stimulus to youth employment
- Action plan to attract, stimulate and relaunch private investments.

Netherlands

- Companies can delay payments of corporate income taxes, social contributions and VAT.
- Fines to companies for late payments can be remitted.
- Rules on short-time working have been expanded. Entrepreneurs need to show that their enterprise's activity will be reduced by at least 20% in working hours due to corona virus.

Government has promised more measures in the following days.

Spain

- Will follow tomorrow after translation into English

Sweden

- Opportunity for short-term work to retain employees scheduled for 1 May
- Measures to facilitate the liquidity of companies like deference of two months' worth of employer contributions and employees' preliminary tax for up to a year

UK

- The government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:
 - This refund will cover up to two weeks' SSP per eligible employee who has been off work because of COVID-19
 - Employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020
 - Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
 - Employers should maintain records of staff absences, but employees will not need to provide a GP fit note
 - The eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to self-isolators comes into force
 - The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible. Existing systems are not designed to facilitate employer refunds for SSP.
- The government will increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21.
- The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBRR). This will provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to 3 months of rent.
- A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch in a matter of weeks to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £1.2 million in value. This

new guarantee will initially support up to £1 billion of lending on top of current support offered through the British Business Bank.

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. These businesses can contact HMRC's new dedicated COVID-19 helpline from 11 March 2020 for advice and support. To ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed.

Economic measures in third country measures

South Korea

- 11,7 trillion won supplementary budget plan, among others for measures such as
 - Expand the emergency loans for business operation, and provide facilities investment support for SMEs in the disease-hit areas of Daegu City and North Gyeongsang Province
 - Provide loan guarantees through the Korea Credit Guarantee Fund and Korea Technology Finance Corporation
 - Invest in accounts receivable insurance funds
 - Invest in export financing
 - Provide wage support for small merchants
 - Promote a rent cut in traditional markets by offering 100 percent support for fire prevention in the entire market in the case of at least 20 percent of shops getting rent cuts
 - Support the resuming of business after shut-down due to a visit by the virus-infected
 - Promote expanding to online markets
 - Provide retailers in traditional markets with vouchers designed to support their marketing activities, such as joint promotion
 - Issue vouchers for local products
 - Give a 20 percent raise in wages to seniors in government's elderly job programs if they agree to receive 30 percent of their pay in local gift certificates
 - Redeem 10 percent of the prices paid for home appliances with a high-energy efficiency rating
 - Increase the budget for homecare allowance in the case of childcare shifting from daycare institutions to homecare
 - Increase job seekers' allowance for young adults, and reintroduce job seekers' allowance for those from low income households
 - Expand the employment support designed to promote employment retention and job training