

Economic impact of COVID-19 on the German economy

4th DIHK flash poll June 2020

DIHK

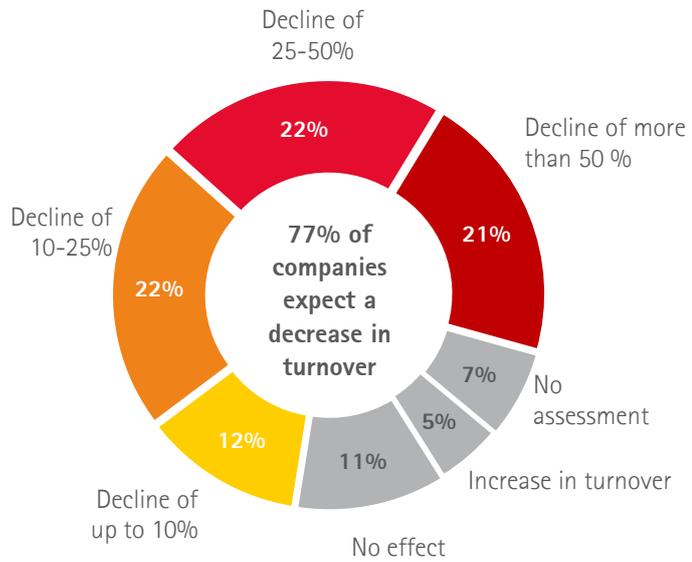
Deutscher
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Executive Summary

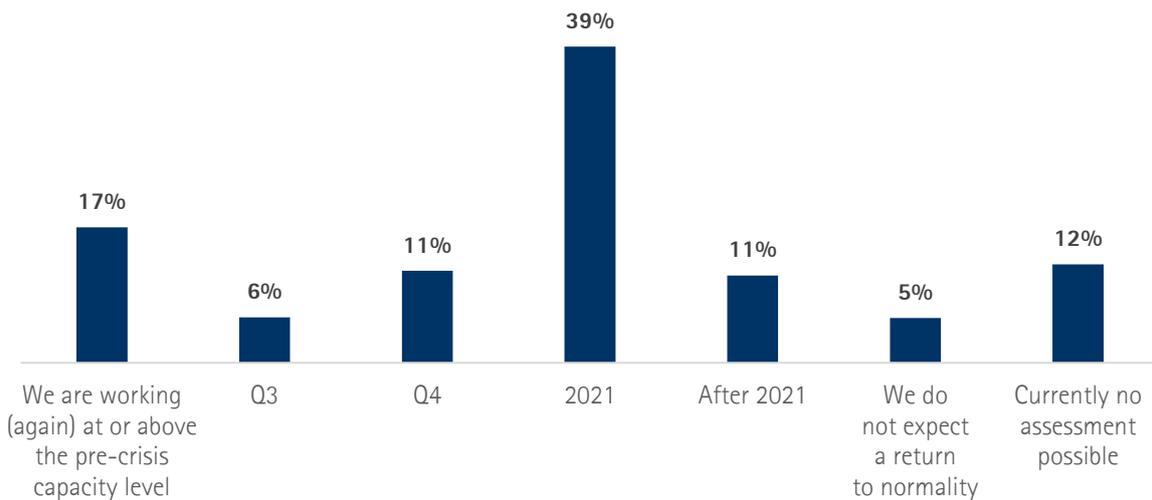
Companies are assessing their situation more negatively than ever before. 77 percent expect sales to fall in 2020 due to the COVID-19 pandemic. 21 percent even expect a decline of more than half their sales. The fact that still so many firms are expecting a decline in turnover halfway into the year and after the economy's restart, illustrates how strongly the crisis will leave its mark on balance sheets.



A normalization of business is currently not in sight for many companies. 39 percent of businesses do not expect a return to normality until 2021.

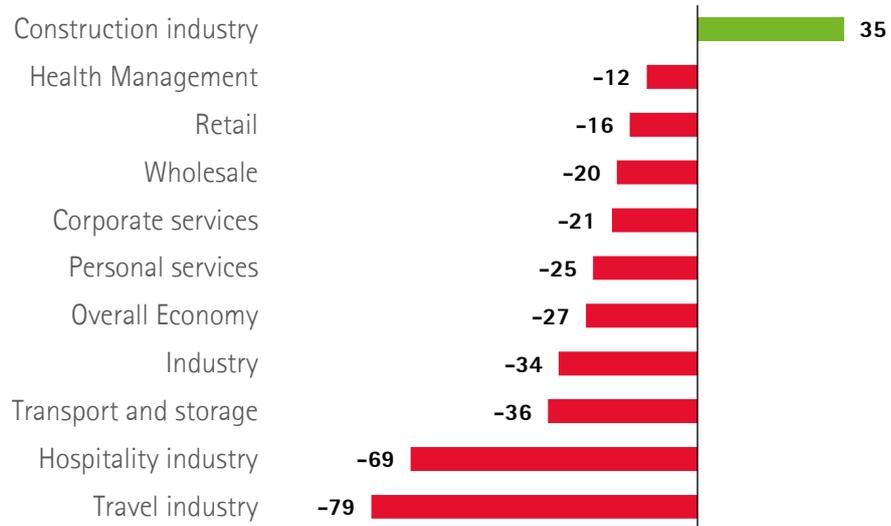
Compared to the survey at the beginning of May, this share has risen by eleven percentage points. The proportion of companies that do not see a return to normality until later years has almost doubled to eleven percent. Less demand and the cancellation of orders determine the everyday life of many companies. Financing also remains difficult: three out of four companies are feeling the negative effects of the crisis on their financing situation. Declining equity and liquidity bottlenecks are the most severe problems - not least with regard to future investments.

Return to normal business activity



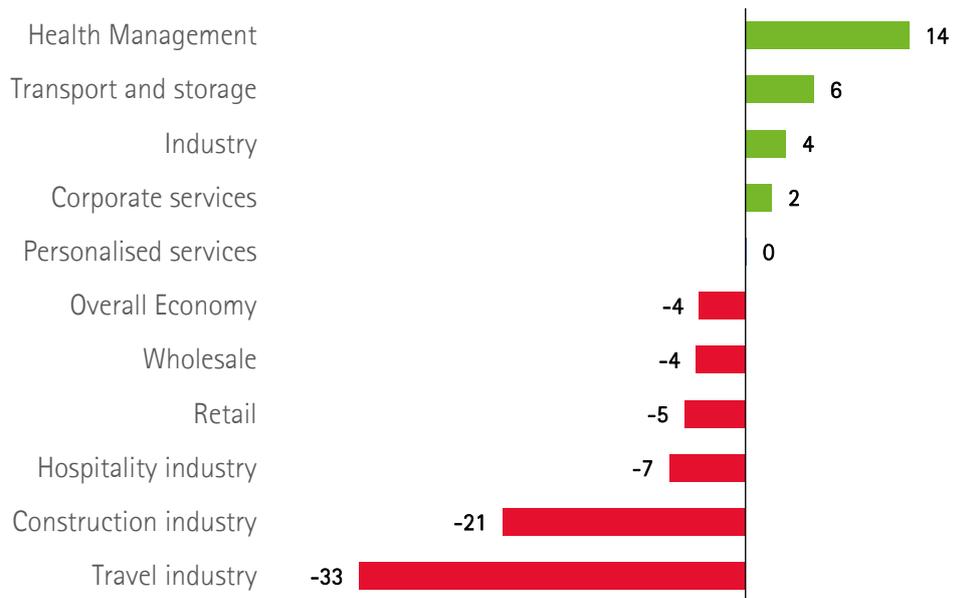
Assessment of the current business situation

Balance of good situation minus bad situation



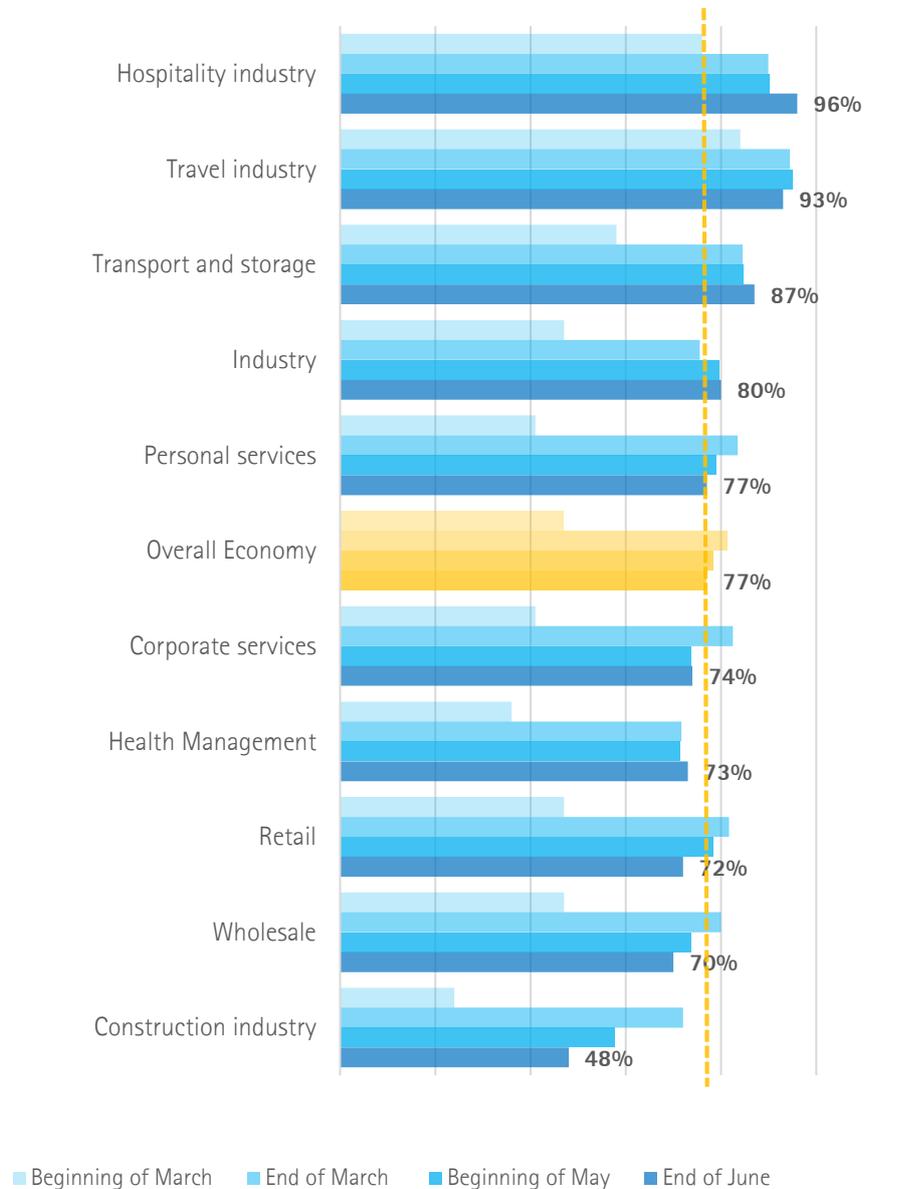
Expectations for the next 12 months

Balance of better expectations minus worse expectations

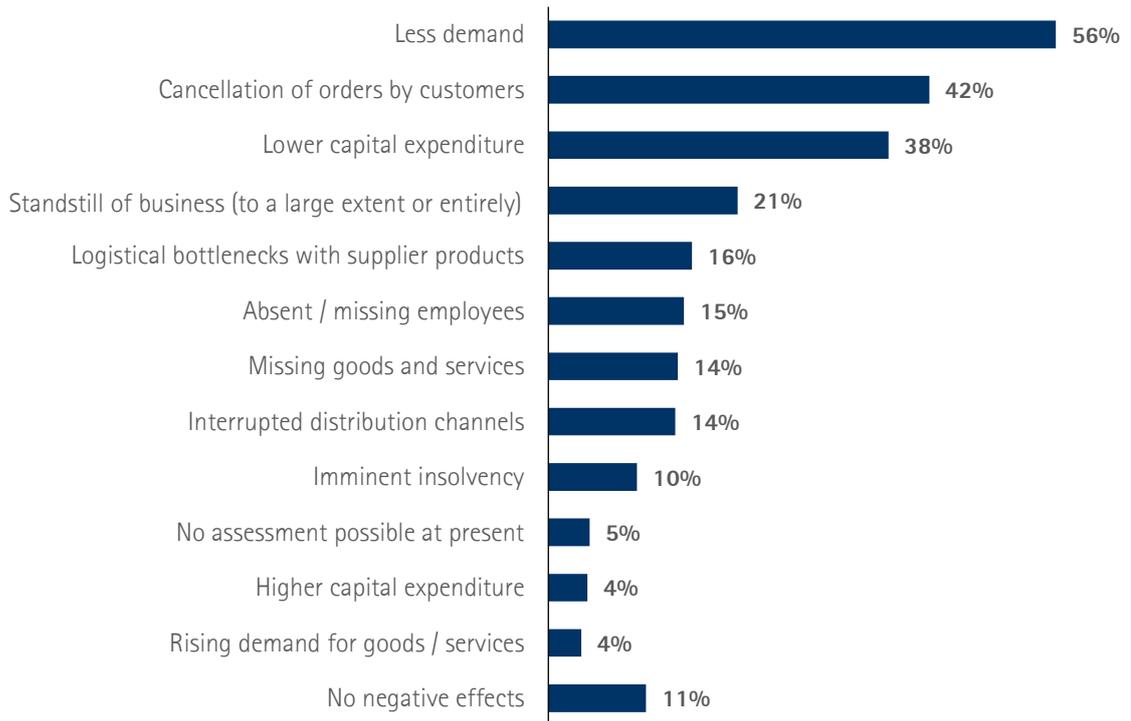


Share of companies expecting a decrease in turnover for the business year 2020 due to COVID-19

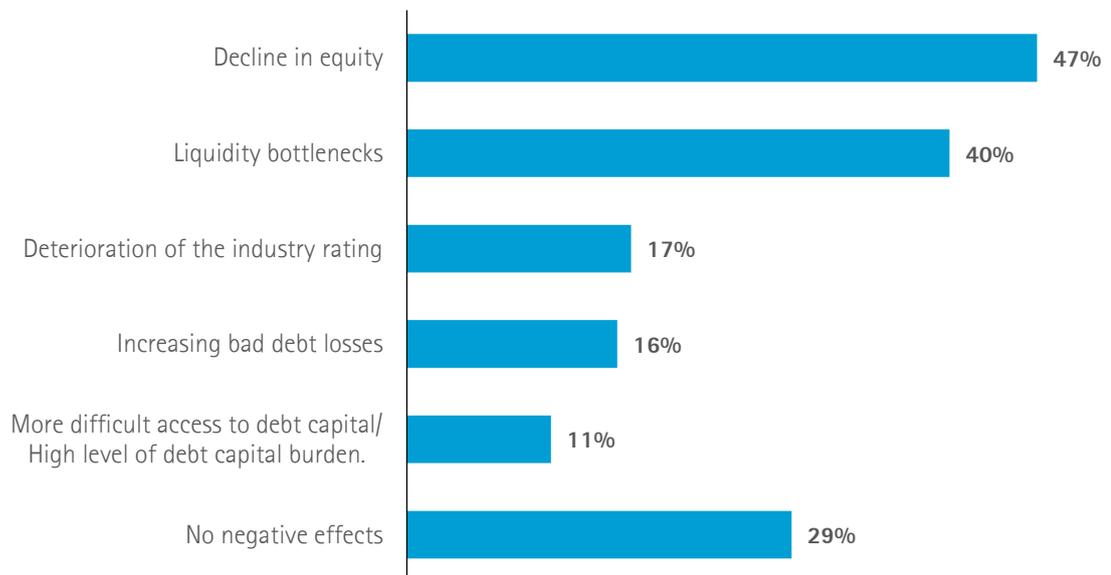
by sector, in percent



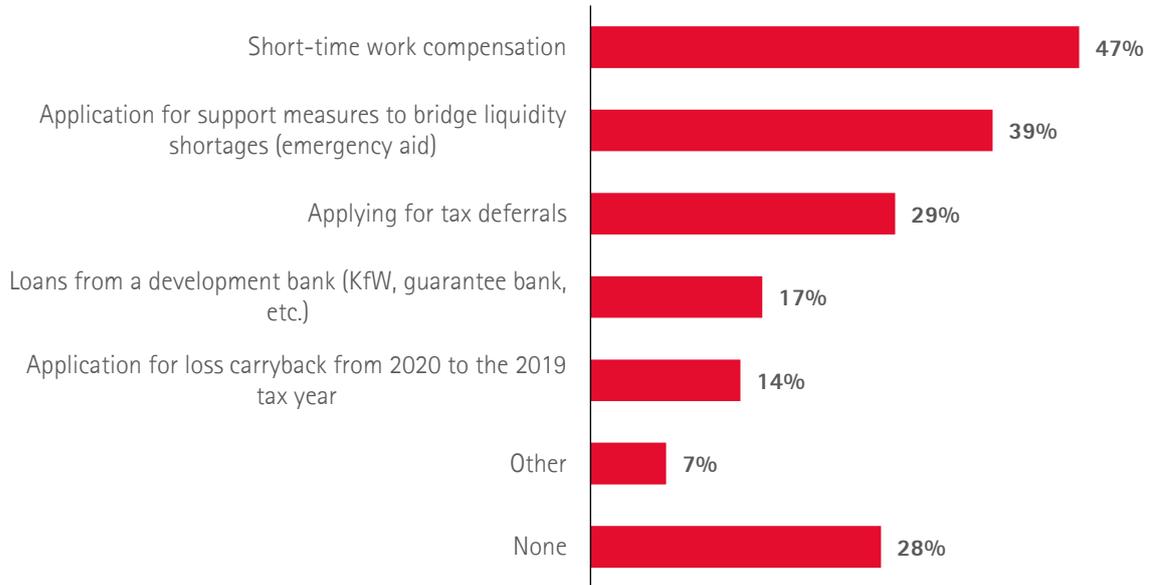
What impact is the COVID-19 pandemic currently having on your company's business?



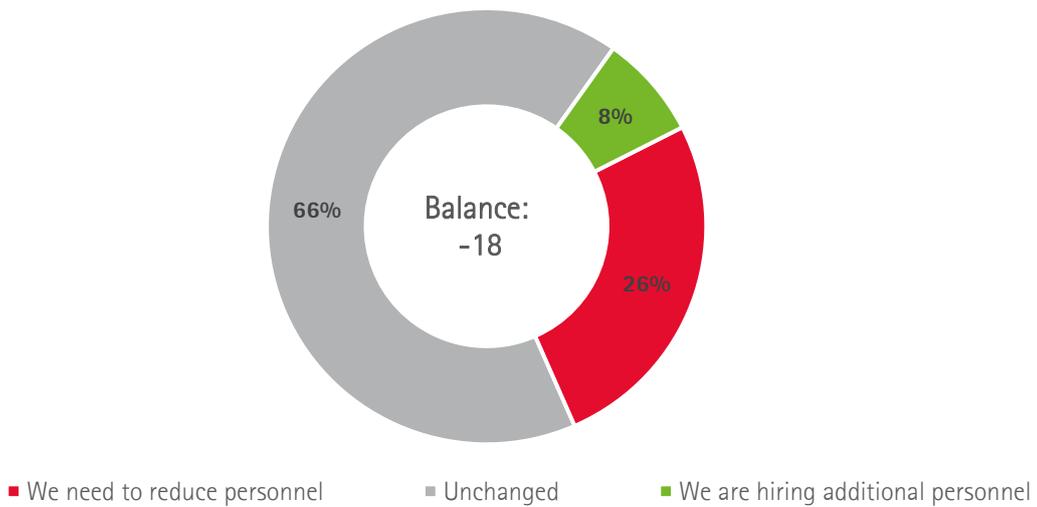
How does the COVID-19 pandemic affect your financial situation?



What measures are you implementing to mitigate the effects of the COVID-19 pandemic?



Employment intentions



Methodology

The survey took place from the 22nd to the 26th of June 2020. Around 8.500 companies participated in the survey.

The answers are distributed among industry (19%), construction (6%), retail trade (12%), wholesale trade (6%), transport and warehousing (4%), travel industry (4%), hotels and restaurants (10%), health industry (4%), personal services (10%), corporate services (25%).

By enterprise size class the answers are distributed as follows: 1-19 employees (61%), 20-199 employees (29%), 200-499 employees (5%), 500-999 employees (2%), over 1,000 employees (3%).

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Status

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