

COVID-19 measures Update 1 – 23/03/2020

Compilation of press releases/articles from various EU and national information tools, the EU newsroom and information provided by our members

1. EU

ECONOMIC SUPPORT TO SECTORS

Governments can spend their way out of the economic fallout from the coronavirus without fear of reproach after the European Commission last Friday put the EU's deficit rules on ice. Commission President Ursula von der Leyen informed the public that "***national governments can pump as much money into the economy as much as they need.***" The EU triggered the rulebook's "general escape clause," which is reserved for when the EU or the eurozone faces a severe economic downturn or negative growth. EU finance ministers approved the decision today. (Source: De Havilland)

We remind you that on 19 March the European Commission after coordination with the EU Member States published a **new Temporary Framework for State aid** to support the economy in the current COVID-19 outbreak (the "Temporary Framework") (see [Info Flash 06/2020 of 20 March](#)).

Further down in this brief you will find a series of national measures that Member States have already adopted.

TRANSPORT

On 23 March the European Commission published [guidelines](#) stating **EU countries should immediately implement green lanes to expedite the transportation of goods.**

To ensure that EU-wide supply chains continue to operate, Member States are requested to designate, without delay, all the relevant internal border-crossing points on the trans-European transport network (TEN-T) as 'green lane' border crossings. The green lane border crossings should be open to all freight vehicles, whatever goods they are carrying. **Crossing the border, including any checks and health screening, should not take more than 15 minutes.**

Following the video-conference between EU Transport Ministers on 18 March, the Commission set up a network of national contact points and a [platform](#) to provide information on national transport measures taken by Member States in response to the coronavirus. The national contact points should support the effective functioning of the green lane border crossing points. Neighbouring non-EU countries are invited to work closely with this network to ensure the flow of goods in all directions. (Source: [EU Newsroom](#))

The European Commission [has decided](#) that **new export restrictions on personal protective equipment will not apply to the EEA EFTA States.** This means that exports from Member States of the above equipment to Iceland, Liechtenstein and Norway will continue to move freely. (Source: De Havilland)

COMPETITION

At its own initiative, the European Competition Network, composed of the national competition authorities, has published a [statement](#) with regard to relaxation of competition rules during the COVID Crisis. **We advise you to read the full statement on your national competition authorities' website.**

A relevant excerpt of the statement: “ECN understands that this extraordinary situation may trigger the need for companies to cooperate in order to ensure the supply and fair distribution of scarce products to all consumers. In the current circumstances, **the ECN will not actively intervene against necessary and temporary measures put in place in order to avoid a shortage of supply**. Considering the current circumstances, such measures are unlikely to be problematic, since they would either not amount to a restriction of competition under Article 101 TFEU/53 EEA or **generate efficiencies** that would most likely outweigh any such restriction. If companies have doubts about the compatibility of such cooperation initiatives with EU/EEA competition law, they can reach out to the Commission, the EFTA Surveillance Authority or the national competition authority concerned any time for informal guidance.

At the same time, it is of utmost importance to ensure that products considered essential to protect the health of consumers in the current situation (e.g. face masks and sanitising gel) remain available at competitive prices. The ECN will therefore not hesitate **to take action against companies taking advantage of the current situation by cartelising or abusing their dominant position**. In this context, the ECN would like to point out that the existing rules allow manufacturers to set maximum prices for their products. The latter could prove useful to limit unjustified price increase at the distribution level.” (Source: [EU Newsroom](#))

Last week the UK was the first country to take the initiative to relax competition rules for essential operators. Details below.

DIGITAL

The **European Data Protection Board** [has issued](#) a statement noting that irrespective of the measures taken to fight the COVID-19 pandemic, the data controller and processor must ensure the protection of the personal data of the data subjects. (Source: De Havilland)

2. NATIONAL MEASURES

AUSTRIA

In Austria, the trade association, together with the Ministry of Economic Affairs, launched the platform “[Retailers help Retailers](#)”. Here, retailers who now have to close during the COVID crisis can lend their employees to food and other retailers who are currently under pressure and are looking for support. Two hundred days after the launch, 500 people had already been referred, and these persons do not have to go to the employment office. In addition, (online) retailers can network and support each other with advice and action. The “Retailers help Retailers” initiative was set up on LinkedIn. To participate, retailers need to register in the LinkedIn group. Here, people talk shop about funding as well as strategies for how retailers can still reach customers. (Source: e-tailment / Der Handel)

DENMARK

The European Commission has found a DKK 1 billion (approx. €130 million) **guarantee scheme for small and medium-sized enterprises (SMEs)** affected by coronavirus outbreak to be in line with EU State aid rules. The schemes were approved under the [State aid Temporary Framework to support the economy in the context of the coronavirus outbreak](#) adopted by the Commission on 19 March 2020. The Commission approved the Danish scheme within 48 hours from the entry into force of the Framework. The scheme aims at limiting the risks associated with issuing operating loans to those companies that are most severely affected by the economic impact of the coronavirus outbreak. The objective of the measure is to ensure

these companies can continue their activities faced with the difficult situation caused by the coronavirus. The Commission concluded that that the Danish guarantee scheme for SMEs will contribute to managing the economic impact of the coronavirus in Denmark. The measures are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework. On this basis, the Commission approved the measures under EU State aid rules. The full press release is available [online](#). (For more information: Arianna Podesta – Tel. +32 229 87024; Giulia Astuti – Tel.: +32 229 55344) (Source: EU Newsroom)

FRANCE

The French had a €300bn **state aid measure** [approved](#) by the European Commission. France's measures include two schemes enabling the French public investment bank Bpifrance to provide State guarantees on commercial loans and credit lines for employees with up to 5000 employees. Also announced is a scheme to provide State guarantees to banks on portfolios of new loans for all types of companies. (Source: De Havilland)

In a tweet published on 19 March, Dominique Schelcher, CEO of our member **Système U**, announced that *"to support French Micro and SMEs (turnover of less than 50 million euro) who deliver our warehouses and which have always been dear to us, we immediately set up cash payment for invoices to facilitate their cash flow "*. (Source: LSA)

Philippe Goetzmann, president and founder of Philippe Goetzmann &, suggested on LSA.fr that retail gets its supplies from wholesalers. Promocash France goes further and opens up to consumers until further notice. This obviously helps the French to complete their shopping but also allows the wholesaler to sell its goods while its usual customers (commercial and collective catering) were forced to close. "An idea as simple as it is brilliant. Which should surprise the customers on the offer" continues Philippe Goetzmann. (Source: LSA)

Our member, **Les Mousquetaires**, announced on 22 March *"an exceptional financial effort for its teams involved in the COVID-19 crisis"*. In its 62 agro-food production units (Agromousquetaires) and its 31 integrated logistics bases, the group sets out the principle of an exceptional annual remuneration of 1.000 euro. With regard to stores, the group encourages all independent business leaders (1.832 Intermarché and 295 Netto in France) *"to do everything (...) to implement this principle of exceptional annual compensation, intended for all of their employees."* (Source: LSA)

On 23 March, our member, **Coopérative U Enseigne**, which brings together the central services of Système U, indicated the payment of a bonus of 1.000 euro *"to the teams mobilized and present in warehouses and logistics centers"*. With regard to the stores, the independent retailers are called upon by U Enseigne, *"according to the means of their company, to implement the same principle of exceptional bonus for employees, in stores and in drives "*. (Source: LSA)

GERMANY

Germany had a major **state aid measure** [approved](#) by the European Commission, as the German government meets today to adopt a supplementary budget of around €150bn. The measures consist of a loan programme covering up to 90% of the risk for loans for companies of all sizes. Eligible loans may have a maturity of up to 5 years and can reach €1 billion per company. (Source: De Havilland)

Also announced a loan programme in which the KfW participates together with private banks to provide **larger loans as a consortium**, the conditions of which are the risk taken by the State may cover up to 80% of a specific loan but not more than 50% of total debt of a company. (Source: De Havilland)

Our German member **Der Mittelstandsverbund-ZGV**, together with the "Task Force Liquidity for Small and Medium-Sized Enterprises", has brought groups of independent retailers (*Verbundgruppen*) into play as multipliers, who, with their proven business connections to their members, offer an ideal infrastructure to provide 230.000 companies with the liquidity they need at short notice. The groups can serve as an intermediary for funnelling support to their member SMEs, a solution that is already practiced in a similar form in France and which means an enormous relief for the application and distribution administration - and which ultimately benefits all other applicants in all industries. What is special: Groups of independent retailers not only have the processes ready for use, but also the necessary credit and company information about their member companies. (Source: [Der Mittelstandsverbund](#))

McDonald's employees help out at Aldi - The corona crisis leads to unusual alliances: employees of McDonald's Germany support the two discounters Aldi Nord and Aldi Süd in their markets. According to the information from both companies, the placement should be quick and unbureaucratic. McDonald's Germany and Aldi have signed a personnel partnership for this purpose. Employees of the fast-food restaurant operator would therefore be targeted to the discounter and deployed there as needed. They would be hired on a temporary basis under the usual conditions at Aldi and could return to McDonald's after the assignment. (Source: Lebensmittelzeitung)

ITALY

The Commission [approved](#) 50m euro **Italian support scheme** for the production and supply of medical equipment and masks during the Coronavirus outbreak. (Source: De Havilland)

PORTUGAL

The Commission [approved](#) 3bn euro **Portuguese guarantee schemes for SMEs and midcaps** affected by the Coronavirus outbreak. (Source: De Havilland)

SPAIN

The Spanish Prime Minister Pedro Sanchez has called for an **EU "Marshal Plan"**, coordinating efforts across Europe. (Source: De Havilland)

UK

The government is temporarily **relaxing elements of competition law** as part of a package of measures to allow supermarkets to work together to feed the nation.

The move allows retailers to **share data with each other** on stock levels, cooperate to keep shops open, or share distribution depots and delivery vans. It would also allow retailers to pool staff with one another to help meet demand.

The Environment Secretary George Eustice confirmed elements of the law would be temporarily waived in a meeting this afternoon with chief executives from the UK's leading supermarkets and food industry representatives.

The government has also temporarily **relaxed rules around drivers' hours**, so retailers can deliver more food to stores, and is waiving the 5p plastic bag charge for online purchases to speed up deliveries.

The support for supermarkets comes as the government and retailers continue to urge people to shop considerately and look out for their friends, family and neighbours. (Source: ACS)