

COVID-19 update 13 – 17-20/04/2020

A compilation of press releases/articles on policies and best practices from various EU and national information sources, and information provided by our members

1. EU MEASURES

On 27 March, **Independent Retail Europe and EuroCommerce** had sent a [joint letter](#) to **Commissioner Maroš Šefčovič** asking him to ease the regulatory burden for the retail sector by **postponing new regulations and Commission consultations until after the crisis**. Given the momentous challenge that the pandemic poses for the sector, members would otherwise be unable to provide timely feedback on new draft proposals. In his reply on 20 April 2020, **the Commissioner has now [responded](#) and confirmed that “a solution that will limit consultations to the initiatives will have to be implemented this year, and at the same time give stakeholders more time to respond in these exceptional circumstances”** is currently under review. He further stressed that the “*European Commission [would] exercise its enforcement role responsibly, with due regard to the particular circumstances caused by the coronavirus outbreak.*” However, the Commissioner also pointed out that the Commission cannot unilaterally extend implementing deadlines of legislation, this requires the approval of the Parliament and the Member States.

While the second **extension of the [Temporary Framework on State aid](#) is still underway**, the Commission has again **approved various support schemes** launched by Member States to support their economies:

- an [Austrian guarantee](#) schemes to support SMEs affected by the coronavirus outbreak;
- a €4 million [Croatian](#) direct grant scheme to support fishery and aquaculture sector in coronavirus outbreak;
- a €7 billion [French](#) “umbrella” scheme to support the economy in the coronavirus outbreak;
- a €1 billion [Hungarian](#) aid scheme to support companies affected by the coronavirus outbreak, and an additional [€88 million scheme](#) supporting researchers and developers in all sectors affected by coronavirus outbreak;
- a €35.5 million [Latvian](#) direct grant scheme to support agriculture, fishery, food and school catering sectors in coronavirus outbreak;
- a €140 million [Portuguese](#) scheme to support investment in research, development, testing and production of coronavirus relevant products.

EU Ministers of Agriculture are calling upon the European Commission to take urgent additional appropriate and responsible measures under the Common Agricultural Policy to help out their respective agri food sectors after agri **food prices dropped dramatically in response to low demand during the crisis**. The situation is especially dire for dairy producers after two important markets, the restaurant sector and exports to Asia. This might prove difficult given that 2020 is the last year in the current financial framework meaning that a large part of the available CAP funds has already been spent. Last week, the Commissioner responsible for agriculture, **Janusz Wojciechowski**, had told the European

Parliament's AGRI committee that there was **no "extra money"** to be made available "particularly to intervene in markets" (Source: [Politico](#)).

The **European Trade Union Confederation (ETUC)** has [criticised](#) the European Commission roadmap for lifting COVID-19 containment measures, arguing that not enough consideration has been put in to health and safety at work. In the statement, **ETUC calls for the inspection of workplaces** to ensure health and safety measures are being enforced. COVID-19 should be added to the list of viruses in Directive 2000/54/EC on the protection of workers from biological agents at work, and workers should only be tracked on a voluntary basis to identify whether they have been in contact with the virus (Source: [ETUC](#)).

The consultancy **McKinsey is predicting a near doubling of unemployment figures** in Europe due to the COVID-19 crisis. According to McKinsey, 59 million jobs are at risk from permanent cutbacks in the **retail and wholesale sectors (14,6 million), and accommodation and food (8,4 million) being most affected**. In a worst case scenario, unemployment could peak at 11.2% in 2021 and return to 2019 levels only in 2024 (Source: [Reuters](#)).

2. NATIONAL MEASURES

BELGIUM

Belgian luxury **handbag producer Delvaux** has opened its **first ever web shop** in response to dropping sales due to the pandemic. The brand had previously insisted on running brick-and-mortar stores only (Source: [Retail Detail](#)).

FRANCE

The French National Assembly is [discussing](#) the government's proposal to amend the 2020 finance bill to give €20 billion of **public funds to "large strategic companies"**, including Air France and Renault. Electronics retailer **FNAC was the first big retailer to receive a 70% state guarantee** on its €500 million emergency bank loan (Source: [Le Figaro](#)).

In an open letter, **200 store owners and 15 federations, including our French member association the Fédération du commerce coopératif et associé (FCA), are appealing to the French government** to ask landlords to **suspend rent payments** for the duration of the crisis. The letter emphasizes that the sector employs 2,6 million employees in 400.000 outlets at the heart of French towns everywhere. Suspending rent payments, which account for up to 20% of the sector's revenue, would provide urgently needed relief during this critical time (Source: [LSA conso](#)).

Non-food retailers have been hit especially hard by forced store closures. While the sector as a whole is suffering, an article in French retail magazine LSA highlights the strength of the model of independently owned stores. It quotes Jean-Pierre Dry, President of a network of 110 perfume stores: **"Being a co-operative is good in times of crisis. The weakness of an independent is its cash flow."** When members are under stress, the central organization can help out by suspending the monthly membership fee, and temporarily settle bills with suppliers to keep supply lines intact (Source: [LSA conso](#)).

Intersport France is resuming its online sales after having ceased all its activities following the government announcement of the lockdown on 14 March. To protect staff, "individual

sanitary kits" will be distributed among volunteer teams that process the orders (Source: [LSA conso](#)).

Internet services company **DOOD is offering small retailers a model to set up a click and collect option for their customers within 24 hours**. So far, 300 retailers have joined, including many bakeries. The solution makes it possible to eliminate queues, make a secure online payment by credit card and to pick up orders in less than a minute, contactless (Source: [LSA conso](#)).

Other food retail stores are turning to Ollca, an online portal that **allows independent stores to offer their product range online**. Nearly 500 food retailers have already chosen the solution to develop online sales and delivery (Source: [LSA conso](#)).

GERMANY

German e-commerce association bevh, has revealed that **e-commerce turnover fell by almost 20 percent** in March 2020 over the previous year. Only few products categories were noting an increased demand, including food, drugstore goods, medicines, do-it-yourself and construction market supplies (Source: [e-commerce Europe](#)).

Last week, the Federal government has announced the reopening of stores of up to 800 sqm sales space starting from 20 April 2020. **Some federal states have modified this rule**. In Rhineland-Palatinate, bigger stores have the **option of reopening partly**, as long as the accessible sales space does not exceed 800 sqm. The state also "strongly recommends" wearing a "textile barrier" while shopping. In Germany's most populous state of **North Rhine-Westphalia, baby article stores and furniture stores** were added to the list of businesses allowed to reopen. Because of the fragmented legal environment across federal states, [möbelmarkt.de](#) has published a guide to the different rules for the furniture sector, courtesy of German SME association Mittelstandsverbund (Source: [Lebensmittelzeitung](#)).

ALDI Süd has announced it is donating disinfectants to hospitals and care homes for the elderly. 40.000 bottles will be delivered to 50 facilities in South and West Germany (Source: [ESM](#)).

POLAND

On 16 April 2020, Prime Minister Mateusz Morawiecki announced that **restrictions in his country would gradually be lifted**. Starting from 20 April 2020, **stores of up to 100 sqm can now admit a maximum of four customers per cash register**. Stores over 100 sqm may welcome **one customer per 15 sqm** of sales space. Face masks remain mandatory, but an exception will apply to farmers working in the field where greater distances between workers are possible. Crafts and services will be allowed back at a later date, provided the situation remains stable (Source: [TVP](#)).

Carrefour Polska is increasing its contactless offerings to help customers navigate grocery shopping while respecting social distancing. The chain has expanded its 'Click & Collect' and courier services and established a telephone-based shopping action (Source: [ESM](#)).

PORTUGAL

Portugal has **extended its national lockdown** for an additional 15 days **until 2 May 2020**. Prime Minister António Costa promised that steps would be taken to gradually reopen the

economy after that date. The government has approved plans to ensure that protective masks and hand gel would become available en masse during the next two weeks (Source: [New York Times](#)).

SWEDEN

IKEA plans to begin re-opening its European stores in May following mass closures during the height of the pandemic. During the closure, the company is experiencing a drop in sales around 60%, according to Jesper Brodin, CEO of IKEA's holding Ingka Group. Online sales, meanwhile, have multiplied by a factor of ten in some countries (Source: [Reuters](#)).

SWITZERLAND

The **Federal government** has announced a **step by step plan to relax measures** taken in response to the pandemic. From 27 April, DIY markets, garden centres and hairdressers are allowed to reopen, and hospitals are free to perform non-urgent procedures again. If the situation remains stable, it is foreseen that stores and schools will be allowed to reopen on 11 May, and high schools, universities and museums on 8 June (Source: [admin.gov](#)).

UNITED KINGDOM

The **UK Competition and Markets Authority (CMA)** has authorized a deal between e-commerce giant **Amazon** and **struggling delivery company Deliveroo**. Deliveroo had seen its revenue falter during the ongoing crisis. The review of the antitrust watchdog found that only Amazon would be able to provide the funds needed to allow Deliveroo to continue its operations on a short notice (Source: [CMA](#)).

Discount retailer **ALDI UK** has **begun to send out pre-assembled food packages** that can be purchased online. The packages that weigh 14 kg each are intended for people in quarantine and contain food with long shelf lives, including private label items such as canned beans, pasta, disinfectants and a four-pack of toilet paper (Source: [Lebensmittelzeitung](#)).

Discount fashion label **Primark** is **donating 74.000 items** to front line workers at the rapidly built *Nightingale Hospital* in London. The care packs are going to include underwear, leggings, footwear and towels (Source: [Retail Gazette](#)).

UNITED STATES

Faced with difficult working conditions during the pandemic, **American retail workers** in grocery stores are increasingly seeking **mental health care**. Several grocery workers have died from the virus and thousands have fallen sick. Despite protective measures, frequent customer contacts and commutes mean retail workers are more likely to contract the coronavirus and, potentially, infect their families when they return home. Some employers are now facilitating more opportunities for telehealth services, i.e. therapy sessions via video link or phone (Source: [CNBC](#)).