

## **Measures by the Federal Government to contain the spread of the COVID-19 pandemic and address its impacts**

### **Introduction**

The COVID-19 pandemic is placing an extraordinary burden on all countries around the world. Germany's economy, welfare state, healthcare system and society have also come under massive pressure. As a globally interconnected country and as an important EU member state, Germany is thus facing the greatest challenge since the end of the Second World War.

Despite the scale of this challenge, our country is well placed to weather this serious situation. Germany's authorities took steps at an early stage to tackle the epidemic at the federal, Land and municipal level. Germany has a robust healthcare system, also in comparison with other countries. Its hospitals have used the time since the start of the outbreak of the virus to prepare for increasing numbers of infections. Sound budget management in recent years is giving the Federation leeway for providing extensive financial support for the healthcare system, citizens and companies. In order to ensure that sufficient funds are available to tackle the crisis, the German Bundestag has already approved spending totalling over 122 billion euros in a supplementary budget. The most important contribution to overcoming the pandemic is being made by members of the public, who are helping to contain the spread of the virus with their level-headed behaviour. The high level of acceptance of the measures put in place is a vote of confidence for political decision-makers, obliging them to deal with the crisis in a measured yet effective manner.

Together with the German Bundestag and liaising closely with the Länder, the Federal Government has responded swiftly, decisively and comprehensively to the spread of SARS-CoV-2. It has made considerable changes to its working methods in recent weeks to this end. As a rule, two weekly special meetings of the Cabinet

Committee on COVID-19 are supplementing the regular cabinet meetings. At the Federal Chancellor's meetings with the Heads of Government of the Länder, the Federal Government and the Länder have closely coordinated their approach. The Federal Government is also discussing joint responses with European partners and institutions on a regular basis and in a targeted manner in a spirit of trust.

In recent weeks, the Federal Government has adopted over 50 individual measures at the national level. In addition to this, there are measures coordinated by the Länder with the Federation, and over 50 measures have been put in place at European level.

The Federal Government is pursuing three objectives with its actions:

- protecting the health of the population,
- cushioning the impact on citizens, employees and companies,
- and overcoming the pandemic together with European and international partners.

This interim report provides an overview of the measures taken, and also contains information about recent developments with respect to key indicators. In addition to this, the Federal Government provides up-to-date information on a daily basis on its website and social media channels. In order to reach as many citizens as possible and thus combat disinformation in a targeted manner, information is available in several languages as well as in simple language and sign language.

## Objective 1 ► Protecting health and safeguarding the effectiveness of our healthcare system

### ► Slowing down the rate of infection

The overriding objective in tackling the COVID-19 pandemic is to slow down the spread of infections. This ensures that the healthcare system remains effective and able to provide the best possible care for those who require medical assistance. To this end, each and every individual must **keep their distance from one another** and restrict their **social contacts to a minimum**. This is the objective of the guidelines agreed between the Federal Government and the

Länder. In addition to closing kindergartens and schools and cancelling events, these guidelines initially provided for restrictions regarding spending time out of doors, as well as the closure of bars and restaurants, shops and service outlets where physical proximity is unavoidable. As of 20 April 2020, individual shops and also libraries at universities can reopen in most Länder, provided they meet conditions for hygiene, control access and take steps to prevent queues from forming. The Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany is to draft a concept for the reopening of schools by 29 April. The other measures concerning contact restrictions will remain in place until at least 3 May 2020.

In particular, older people and people with underlying health problems in particular have a higher risk of suffering severe symptoms when infected with COVID-19. Furthermore, the risk of infection is particularly high in care homes. In order to ensure that these groups are particularly well protected, the Federation and the Länder have agreed, among other things, **to issue regulations restricting visits to nursing homes**. In this way, the risk of infection among those in need of care and nursing staff will be kept as low as possible. In determining the type and extent of care at home, personal assessments have been replaced by assessments based on file records and mandatory consultations temporarily suspended without this having a negative impact on the entitlement to nursing care allowances.

The Federal Government and the Länder have agreed that **staffing levels in the public health service will be increased considerably in the short term** so that the local health authorities can perform the important task of contact tracing for those infected with COVID-19 and monitor compliance with the orders issued in the region. These measures are necessary in order to break chains of infection in an effective manner.

The Federal Government has continuously expanded **capacities for effective and comprehensive testing** in order to minimise the risk of undetected outbreaks. Up to 818,000 tests can be carried out per week at the present time. Companies and research institutions are receiving funding in a targeted manner for this purpose. Increasing testing capacities gives us a detailed picture of the course of the pandemic and thus forms the basis for the Federal Government's

evaluation of scenarios for easing existing measures. Thanks to comprehensive testing, those who have tested positive for COVID-19 can be isolated rapidly and chains of infection broken in an effective manner.

The Federal Government is working intensively to test the feasibility and implementation of a **contact tracing app** for Germany. The use of this app should be voluntary and comply with existing legal requirements, such as applicable data protection and data security standards. This would make it possible to identify contact chains quickly and comprehensively in the future and to inform those who have come into contact with infected people about further steps without delay.

Cross-border travel has been severely restricted in order to **stem the spread of COVID-19 across borders**. Temporary border controls have been introduced at Germany's borders with a number of neighbouring countries. Travellers without a valid reason for entering Germany are refused entry at internal borders, airports and seaports. Entry restrictions on international air and maritime traffic also apply to the EU's external borders. Specific quotas of seasonal workers from abroad will be allowed to enter Germany under strict conditions in April and May in order to support domestic agriculture and minimise harvest losses. Those who have been abroad for 48 hours before returning to their place of residence in Germany are required to undergo a mandatory two-week quarantine period in accordance with the provisions of the agreement of 8 April 2020 reached between the Federal Government and the Länder. Exceptions to this rule include occupational groups engaged in cross-border trade, commuters and those travelling for work, as well as those crossing Germany in transit. The same applies to employees whose work is essential with respect to ensuring the operation of the healthcare system. This includes healthcare workers and nursing staff, provided that they have no symptoms of COVID-19 infection.

The **Protection against Infection Act has been extended** to enable the Federal Government to support the Länder with crisis measures. On the basis of the new regulation, the German Bundestag can **determine whether there is an epidemic situation of national importance**. The Federal Government can then, among other things, put in place measures to ensure the supply of medicines, cures and aids or to guarantee healthcare by providing additional personnel resources.

► **Strengthening the healthcare system**

Only with a strong healthcare system can healthcare be maintained in the long term and an excessive burden be avoided. The Federation has put in place the financial and legal conditions to ensure that an increasing number of COVID-19 patients requiring in-patient treatment can receive the best possible care. Funding to support the **expansion of intensive care** has been safeguarded and hospitals have been assisted in the procurement of ventilators. The objective is to double the number of intensive care beds with ventilators. The centrally maintained intensive care register of the German Interdisciplinary Association for Intensive Care and Emergency Medicine (DIVI-Intensivregister) provides daily updates on the occupancy of intensive care beds and the number of COVID-19 patients receiving intensive care ([www.intensivregister.de](http://www.intensivregister.de)).

In addition, hospitals are being relieved by **postponing scheduled operations** and **activating personnel resources** trained for deployment in intensive care units.

The Federal Government has already set aside around eight billion euros to support hospitals and other medical facilities.

A higher additional pension income has been made available in order to ensure that the current **high demand for personnel in the healthcare sector** as well as essential care sectors is met. Instead of 6300 euros to date, 44,590 euros can be earned in addition without any deductions to pension payments. The timeframe for mini-jobs has been extended from 70 to 115 days. Furthermore, nationwide exemptions to working hours regulations have been adopted.

Applicable legal regulations have been adapted to the current situation in order to **safeguard the supply of pharmaceuticals**. This is helping to meet the growing demand for anaesthetics and other medicines. In order to prevent infections in pharmacies, the branches in question are being remunerated for supplying medicines via courier services. Labelling requirements are being eased in order to effectively address the scarcity of urgently needed medical products. This ensures that these products are delivered quickly to where they are most urgently needed, i.e. for use by medical and nursing staff.

The **health of doctors and nurses** is a decisive condition for overcoming the COVID-19 pandemic. It is therefore important to protect them with adequate personal protective equipment. The Federal Government is procuring such equipment at the federal level in order to ensure that the high demand for protective equipment can be met in a strained global market. The Federal Ministry of Finance, the Federal Ministry of the Interior, Building and Community, the Federal Foreign Office, the Federal Ministry for Economic Affairs and Energy, the Federal Ministry of Defence, the Federal Ministry of Health and the Federal Ministry of Transport and Digital Infrastructure are working together to this end in a procurement task force set up for this purpose. In order to avoid short-term bottlenecks, the Federal Government is focusing on increased imports and heightened domestic production by granting purchase guarantees, as well as on cooperating with companies with a track record of operating in international markets. To date, more than five billion euros have already been made available for this purpose. In addition to procurement, intensive work is being done to build up production capacities also in Germany and Europe. A task force has been set up at the Federal Ministry for Economic and Energy to support these efforts.

The **Bundeswehr is supporting the Länder and municipalities in their efforts to combat the pandemic**, for example by bolstering public healthcare at Bundeswehr hospitals. It is also contributing personnel, with more than 17,000 members of the Medical Corps and a further 15,000 soldiers providing support on the ground. The Bundeswehr is playing an active role in many areas within the framework of administrative assistance. It is procuring and transporting protective equipment and medicines and helping to set up and operate mobile infection testing units. Servicemen and women are also supporting personnel in care and retirement homes, as well as in the health authorities.

The Federal Government is funding a **research network of German university hospitals** to tackle the COVID-19 pandemic with an additional 150 million euros. The aim here is to create structures and processes in those hospitals that will ensure the best possible care for COVID-19 patients. To this end, a national task force will be set up to establish key infrastructures such as a central database containing information relating to patients. The Federal Government has increased funding to a total of 15 million euros in order to **accelerate the development of**

**therapies and drugs.** Germany has provided an additional 140 million euros for the Coalition for Epidemic Preparedness Innovations (CEPI) vaccine initiative to promote the development of vaccines.

**Developments with regard to key indicators and sources (last updated on 22 April)**

- ➔ The number of new infections reported within a single day reached its peak on 2 April (+6536). On 22 April 2020, 2237 new infections were reported (Source: Robert Koch Institute).
- ➔ On 12 April, the number of people recovered from COVID-19 within one day exceeded the number of reported new infections on the same day for the first time. On 22 April there were 2237 new infections compared with around 4200 recoveries (source: Robert Koch Institute).
- ➔ Daily testing capacities rose from approx. 31,000 to around 136,000 COVID-19 tests in the period from 9 March to 20 April. The number of tests carried out per week throughout Germany more than tripled in the same period from about 125,000 to up to 400,000. This means that more people in Germany can be tested in the event of a suspected infection. This puts Germany in the first division internationally, and it even has spare capacity (source: Robert Koch Institute).

**Developments with regard to key indicators and sources (last updated on 22 April)**

- ➔ Around 57 percent of the intensive care beds registered were occupied on 22 April. **Intensive medical care** for patients with severe COVID-19 symptoms was guaranteed at all times even in areas with **regional infection hotspots**. The occupancy rate of the reported intensive care beds currently does not exceed 70 percent in any of the Länder (source: DIVI-Intensivregister).
- ➔ Efforts to **build up intensive care bed capacities** are continuing. On 22 April, the number of available intensive care beds reported was just under 33,500, which is 20 percent higher than the number reported in the hospital statistics (sources: DIVI-Intensivregister, Destatis). **Compared with other countries**, Germany already had a high level of available intensive care beds (source: OECD).
- ➔ Progress is being made in the **procurement of personal protective equipment** by the Federal Government and the Länder. By 22 April 2020, some 108 million protective masks and 50 million gloves had been purchased, which are being distributed predominantly to hospitals and doctors.
- ➔ **Germany is supporting its European partners**. In recent weeks, over 200 patients from Italy, France and Spain have been transferred to German hospitals for treatment in order to ease the burden on intensive care capacities in these countries.



## Objective 2 ► Cushioning the impact on citizens, employees and companies

### Offering citizens comprehensive support

The COVID-19 pandemic is having a far-reaching financial impact on a large number of citizens. The Federal Government has launched a comprehensive package of measures in order to **avoid financial bottlenecks**. A central component of this are improvements to reduced hours compensation benefit (see below).

**Access to basic income** has been simplified considerably in order to support self-employed people and artists in particular. No assistance in finding employment is provided for these people, who are only temporarily in need of help. Rental payments are covered for six months without any examination of the proportionality of the actual amount and the application procedure has been greatly simplified. Income assessments will be suspended for the next six months if a declaration is made that the person does not have substantial assets (liquid assets of over 60,000 euros and an additional 30,000 euros per member of the household). The simplified application can be submitted by email.

Due to the exceptional situation in the labour market, unemployment benefits pursuant to Book Three of the Social Code are being extended by three months for those whose entitlement would end between 1 May and 31 December 2020.

Tenants should not have to worry about losing their homes or business premises due to the impact of the COVID-19 pandemic. Therefore, **for a transitional period, landlords cannot terminate residential or commercial premises owing to rental arrears**. The prerequisite for this is that tenants can credibly demonstrate that they cannot make the payment due to the crisis. Any rental arrears must be reimbursed by 30 June 2022 at the latest.

Members of the public can also defer **payments for electricity and gas, and also for telephone contracts**, as well as payments stemming from consumer loan agreements. This protects consumers from being cut off from essential services. In order to ensure their protection, microenterprises have the right to withhold

performance of all essential continuing obligations that are necessary to maintain their businesses.

In order to **safeguard the incomes of families also in times of crisis**, receiving child supplement payments will temporarily be made easier for families with low incomes. Instead of the income from the last six months, the income of the last month before the application now forms the basis for these applications. Assets will not be taken into account for the time being. Expiring approvals are automatically extended by six months without the need for a further income assessment. Applications can be made online.

Due to the closure of kindergartens and schools, many families are finding it difficult to balance families and careers. **Those entitled to custody who suffer a loss of earnings owing to the closure of kindergartens or schools** will therefore receive compensation amounting to 67 percent of their lost earnings for a period of up to six weeks (up to 2016 euros).

**Regulations regarding parental allowance have been amended for a temporary period.** Parents working in essential occupations should be able to postpone months in which they draw parental allowance payments since they often cannot determine the amount of work or their working hours themselves at the present, thus failing to meet the legal requirements for receiving parental allowance. Obligations to provide evidence will be simplified for parents who are currently receiving the partnership bonus. In addition, parents are to be protected from disadvantages with respect to the amount of parental allowance and in the subsequent calculation of parental allowance if they are currently experiencing a temporary reduction to their income.

Schools, universities and other educational institutions are facing immense challenges due to the current closures. **Recipients of grants from the German Government (BAföG) will continue to receive their education grants** even if teaching at schools and universities is suspended. Additional earnings from essential occupations and interruptions to training or education caused by the pandemic will not have an adverse effect on recipients of grants from the German Government. In order to prevent disadvantages for young academics, the rules on fixed-term contracts applicable in academia and higher education will be amended. The Federal Government is supporting **digital learning** with a wide

range of measures. The Federation will support schools and pupils in digital lessons at home to the tune of 500 million euros. The aim here is to help children in need and young people in particular. Furthermore, 100 million euros from the funds of the Digital Pact for Schools can now also be used for learning content and licences to expand opportunities for digital teaching. The Federal Government is also providing an additional 15 million euros to enable schools throughout Germany to access the Schul-Cloud (schools cloud) developed by the Hasso Plattner Institute.

As a result of the COVID-19 pandemic, many established social support structures are temporarily unavailable or have had to redefine their role. In this situation, members of the public – of all ages and backgrounds – are making an invaluable contribution to dealing with the impact of the pandemic through a variety of private and voluntary initiatives. The Federal Government is **supporting social engagement with a large number of measures**. Sports clubs can, without losing their non-profit status, become involved outside the framework of their statutory purpose by, for instance, helping those in need with shopping for groceries. We are safeguarding the important work of associations, initiatives and other organisations promoting social participation and political education with pragmatic solutions in the area of funding law. Corporate donations of medical supplies such as protective equipment for hospitals, nursing services and fire brigades continue to be exempt from VAT. The approximately 540 multigenerational homes funded by the Federal Government will receive additional funds, among other things to expand neighbourhood assistance. Those who are part of the Federal Voluntary Service can also provide support in other non-profit institutions if their placements give their consent. In close cooperation with civil society, the Federal Government is also discussing support measures for people with special needs and for vulnerable groups.

The digital transformation offers great potential for promoting social engagement. The Federal Government is harnessing this potential with its own online services ([www.freiwillige-helfen-jetzt.de](http://www.freiwillige-helfen-jetzt.de)) and by promoting existing platforms ([www.tagdernachbarn.de](http://www.tagdernachbarn.de)).

Over 43,000 members of the public and more than 4800 experts from the business community, academia, federal ministries and other organisations took part in the

**Federal Government's hackathon entitled "WirVsVirus"**. They met virtually to develop solutions to challenges arising as a result of the COVID-19 crisis. Over the next six months, 130 promising projects will be promoted and receive financial support within the framework of an implementation programme.

Experiences from other countries show that domestic violence has increased in the course of the COVID-19 pandemic. In order to **protect children from domestic violence** the Federal Government has expanded counselling services targeting parents or the children themselves. The "Violence against Women" helpline was set up to **protect women from violence**. Emergency plans are enabling it to keep operating with all functions and modes of access during the pandemic. The Federal Government is also in close contact with the Länder to do what it can to support the comprehensive measures that are being implemented at regional and local level to prevent domestic violence. For example, women's shelters and advice centres have also been defined as key services and incorporated into the Federal Government's social welfare package. Information on support services is being advertised more widely both online and locally, for example in drugstores and supermarkets. The police have also been made more aware of the issue. The "Pregnant Women in Need" helpline also remains continuously in operation so that pregnant women in conflict situations can talk to someone without delay. It is also possible for the time being for pregnancy conflict counselling to take place online and over the phone.

The Federal Government is working intensively with logistics companies, industry and trade to ensure that people continue to have access to **basic supplies** such as **food and other essential everyday items**. For this to succeed, unhindered movement of goods is vital, both within the country and across borders. The Federation has concluded the Freight Transport Pact for Germany with the national associations of the haulage, transport and logistics sector. The associations have pledged to ensure that the supply chains between industry, trade and end consumers continue to function. In addition, the Federation and the Länder have worked together to create flexible framework conditions, for example by temporarily lifting the restrictions on Sunday and public holiday driving for lorries and relaxing the regulations on driving and rest periods. With the #LogistikHilft initiative, the Federal Government is working with companies in the

transport and logistics sector to ensure fair and appropriate working conditions for those who through their work are guaranteeing access to supplies for people in Germany.

The COVID-19 pandemic has prevented a large number of German travellers from returning to Germany via their planned route. The Federal Foreign Office therefore launched the **largest ever repatriation campaign for German tourists**. Since mid-March, approximately 65,000 people have been brought back to Germany on around 256 special flights. Almost 235,000 holidaymakers have returned to Germany since then. The Federal Government has been cooperating closely with European partners, Israel and third countries on this project. To date, around 5000 citizens of EU member states and 1000 third country nationals have been able to return to their home countries with the support of the Federal Government.

**Developments with regard to key indicators and sources (last updated on 22 April)**

- ➔ Around 65,000 **Germans who were abroad at the start of the pandemic** have been brought back to Germany on 256 special flights (source: Federal Foreign Office).
- ➔ The #WirVsVirus hackathon generated around **1500 digital and non-digital solutions**. Of these, 130 solutions are receiving support and financial backing through an implementation programme (<https://wirvsvirushackathon.org/>).

▶ **Stabilising the economy, protecting jobs**

The COVID-19 pandemic and the measures taken to fight it are having a profound impact on the economy and the labour market. The Federal Government is striving to minimise this impact with a package of measures unprecedented in the history of the Federal Republic.

To prevent the loss of numerous jobs as a result of the crisis, the Federal Government has broadened the eligibility criteria for **reduced hours compensation benefit** and facilitated access to it for a temporary period until the end of 2020. Employees whose working hours have been reduced by at least 50 percent are to receive 70 percent of their flat-rate net pay (77 percent for households with children) from the fourth month of drawing the benefit and 80 percent from the seventh month (87 percent for households with children). This regulation also applies temporarily until the end of 2020. The Federal Employment Agency will reimburse employers their social security contributions in full. Reduced hours compensation benefit can also be applied for if only ten percent of employees in a company are affected and without first having to accrue a negative balance in time accounts. Reduced hours compensation benefit can also be claimed for temporary workers.

For employees on reduced hours, from 1 May to 31 December 2020 the existing options for generating additional income will be opened up to all occupations, with the limit on the additional income raised to the full amount of the monthly income to date.

To boost companies' liquidity, the **regulations on the payment of taxes and social security contributions** have been amended. Tax prepayments can be reduced, tax payments deferred without interest and enforcement measures suspended. The criteria for deferring social security contributions have been relaxed until 30 April 2020. In addition, from 1 March to 31 December 2020, employers can grant their employees financial assistance and support in the form of subsidies and non-cash benefits up to an amount of 1500 euros, which are exempted from tax and social security contributions.

As an immediate measure we will allow small and medium-sized enterprises to have the amount of their tax prepayments for 2019 reduced on the basis of losses incurred in 2020 (loss offsets).

To give businesses easier access to low-interest loans and safeguard their liquidity, the Federal Government has simplified and speeded up the application procedure for **KfW loans**. Higher liability exemptions (90 percent for SMEs, 80 percent for major companies), higher upper credit limits (up to one billion euros

per corporate group) and lower interest rates apply. Loans greater than one billion euros can also be taken out via syndicated financing.

The **KfW Instant Loan 2020** supports companies with more than ten employees with loans amounting to up to 25 percent of their annual turnover in 2019. The Federation assumes 100 percent liability for the loans from their banks.

Businesses with between 11 and 50 employees receive up to 500,000 euros, businesses with more than 50 employees up to 800,000 euros. The repayment term for the loan is up to 10 years, with the option of two grace years.

The **maximum guarantee** that guarantee banks can issue is being doubled to 2.5 million euros. The Federation is now also opening up its **large guarantee programme** beyond structurally weak regions to provide guarantees for surety requirements upwards of 50 million euros (within structurally weak regions still upwards of 20 million euros, as before).

The Federal Government is providing up to 50 billion euros in the form of **emergency assistance** to support **microenterprises and self-employed people**. This can be used to bridge liquidity bottlenecks over the next three months. Companies with up to five employees will receive a one-off payment of up to 9000 euros to cover their ongoing material and financial expenses, for example payment of rent, hire costs or leasing instalments. The maximum amount is 15,000 euros for companies with up to ten employees. This will be a significant help not least for the **cultural sector and those who work in it**. The funds will be distributed via the Länder.

To bolster the domestic economy, **most Länder are setting up supplementary support programmes**.

The Federal Government has launched the **Economic Stabilisation Fund** in order to prevent insolvencies. With this instrument, the Federation can support major companies as well as smaller businesses in key sectors. With state guarantees for corporate bonds and loans and equity loan schemes the Fund will bridge liquidity bottlenecks and strengthen businesses' capital base. To this end, the Fund has a guarantee framework of 400 billion euros at its disposal for the refinancing of companies on the capital market and a recapitalisation framework of

100 billion euros to safeguard companies' solvency. The Fund can begin to operate as soon as the European Commission has given its approval.

The Federal Government wishes to **prevent the insolvency of healthy companies during the crisis**. In the case of insolvencies caused by the COVID-19 pandemic, filing obligations and bans on making payments will be suspended until 30 September 2020. This is on condition that there are prospects of overcoming the illiquidity. Moreover, the right of creditors to apply for the opening of insolvency proceedings will be suspended for a three month transition period.

To ensure that enterprises remain able to act despite assembly restrictions, the Federal Government has **modified corporate law provisions** to allow "virtual" general meetings, for example.

The Federal Government, in coordination with credit insurers, has rolled out a protective shield with a volume of 30 billion euros **to safeguard German businesses' supplier credits**. Credit insurance protects suppliers from defaults when a customer at home or abroad fails to pay the bill. For the year 2020, the Federation will assume a guarantee of up to 30 billion euros for compensation payments from credit insurers. The resulting leverage effect means that a safety net can be put in place for a volume of business totalling around 400 billion euros.

In order to **protect innovative potential and jobs**, the Federal Government is also assisting **start-ups**. Existing programmes are to be supplemented and additional funding is to be made available for public venture capital investors. Funds to the tune of up to two billion euros have been earmarked to this end.

The Federal Government is preventing high repayments in the **events sector**, which would place enterprises under extreme financial pressure, by introducing a voucher scheme for a limited period. Event organisers can issue vouchers for music, cultural, sporting and leisure events that have had to be cancelled as well as for leisure establishments that have been closed instead of reimbursing costs. The Federal Government aims to find a similar solution for the tourist industry, particularly for cancelled package holidays and flights. As European law applies to this sector, the Federal Government has turned to the EU Commission to resolve this issue.



Restaurants and cafés have been particularly hard hit by the COVID-19 crisis. Value-added tax on food in restaurants and cafés will be reduced to the lower rate of seven percent for a limited period from 1 July 2020 to 30 June 2021.

The activities of many **providers of social services** have been massively curtailed by the pandemic. They include workshops for people with disabilities, employment promotion institutions and language course providers. Many of these service providers are threatened by severe financial losses or even insolvency. The Federation has therefore introduced regulations at short notice allowing providers of social services to receive monthly subsidies from their funding organisations, such as the Federal Employment Agency or their pension insurance fund. This is on condition that they are willing to use their resources to play an active role in addressing the impact of the pandemic. The Federal Government is also continuing to provide funding for key social organisations, thereby ensuring that their work can go on.

The Federal Government is working to **keep the economy running as far as possible despite the current restrictions**. To this end, it is continuing to safeguard critical transport infrastructure and services and ensure the smooth movement of goods across the trans-European transport network. To achieve this, it has introduced a separate lane for goods transport at motorway border crossings, where necessary. In key sectors the Federal Government has permitted exemptions from the **Working Hours Act** under certain strict conditions. For the children of key workers, emergency childcare is being offered in kindergartens and schools. The Länder can extend this to further groups of professions and persons who need childcare.

The pandemic is underscoring the **significance of domestic agriculture**, which plays a crucial role in ensuring a reliable supply of food. The Federal Government is supporting agricultural enterprises with a guarantee programme to safeguard liquidity protection loans, which are paid out via the Landwirtschaftliche Rentenbank (central refinancing institution for agriculture and the food industry).

**To avoid harvest losses**, the Federal Government is allowing the controlled entry of a limited number of seasonal workers from abroad. Labour law has temporarily been made more flexible and options for generating additional income improved in order to create incentives for German workers to take up employment in the

agricultural sector. Agricultural enterprises will therefore benefit from the extension of the period in which marginal employment can be undertaken without the obligation to pay social security contributions from 70 to 115 days, until 31 October 2020. Businesses and jobseekers can also match themselves up with one another via [www.daslandhilft.de](http://www.daslandhilft.de), a service which has been launched by the Federation in cooperation with the agricultural sector.

The European Commission – not least at the instigation of the Federal Government – has adopted a new approval framework for the majority of these support measures, on the basis of which many of the business subsidies have already been approved quickly and unbureaucratically.

### **Developments with regard to key indicators and sources**

**(last updated on 22 April)**

- ➔ The state KfW Bank has received 15,150 applications since 16 March 2020. 98 percent of these have been approved. As of 22 April 2020, KfW had approved **loans and assistance measures** to the tune of 9.3 billion euros. (source: dashboard of the Federal Ministry for Economic Affairs and Energy/Federal Ministry of Finance).
- ➔ **Microenterprises and self-employed people** with up to ten employees have submitted around **1.7 million applications for emergency assistance** since the launch of the programme (varying from Land to Land). As of 22 April 2020, **subsidies totalling more than 9 billion** euros had been approved (source: briefing of the Federal Ministry for Economic Affairs and Energy).
- ➔ Since enterprises have had **facilitated access to reduced hours compensation benefit, 718,000 companies** have introduced reduced hours as of 20 April 2020.
- ➔ Nine applications have been submitted via the **federal large guarantee programme** since 13 March 2020, and two guarantee assurances have already been issued.

### Objective 3 ▶ Overcoming the pandemic through international cooperation

#### ▶ European solidarity in action

The national protection measures adopted by many EU member states have led to considerable restrictions in some cases. The Federal Government is working within the framework of the European Union to ensure that the internal market, free movement within the Schengen area and the transport and logistics infrastructure are maintained as far as possible.

On 9 April 2020, the finance ministers of the euro area agreed to make available **more than 500 billion euros in financial support** to be used to help member states whose economies have been hit particularly hard by the COVID-19 pandemic. The financial support includes a European Stability Mechanism contingent credit line, a new European Investment Bank guarantee fund for small and medium-sized enterprises and the new EU initiative SURE, to provide financial support for short-time work. The agreement is an important element in finding a common European response to the COVID-19 pandemic based on solidarity.

The Federal Government believes that the COVID-19 pandemic can only be overcome by working together. It is therefore ready to support further **recovery measures for Europe's economy**.

Both the EU and NATO have agreed on a number of joint steps to tackle the COVID-19 pandemic. The primary objective is to strengthen the resilience of the member states, join forces in dismantling disinformation campaigns and improving coordination of the support provided by member states.

Since the outbreak of the COVID-19 pandemic, Germany has **taken in seriously ill patients from other EU countries for treatment**. To date, 130 patients from France, 44 patients from Italy and 24 from the Netherlands have been brought to Germany, some via medical airlifts carried out by the Luftwaffe. This has reduced the pressure on the intensive care resources in these countries and is saving lives.

► **Strengthening international cooperation**

The COVID-19 pandemic and its consequences can only be overcome through close international coordination. To this end, the **Federal Government is cooperating intensively with its partners within the context of the G7 and G20**. The G7, like the G20, has expressed its backing for a closely coordinated approach and for the work of the WHO. The G20 supports the WHO and its global pandemic plan, the Coalition for Epidemic Preparedness Innovations (CEPI) vaccine initiative and GAVI, the Vaccine Alliance, as well as the crisis mechanisms of the IMF and the World Bank – in view of the particular challenges faced by developing countries, above all in Africa. The G20 countries have affirmed their commitment to open markets and have pledged to implement economic and financial measures with a volume of 5.1 trillion US dollars. In addition, the G20 partners and other creditor nations have agreed to grant a debt moratorium to the 77 poorest countries. This will allow investment in health protection measures on the ground. Across Europe, funds totalling 20 billion euros are to be mobilised to support developing and newly industrialised countries. To this end, funds from the EU Commission, the member states and financial institutions, particularly the European Investment Bank and the European Bank for Reconstruction and Development, are to be pooled.

For less developed countries in particular often do not themselves have sufficient resources to effectively fight the COVID-19 pandemic. **Germany has therefore pledged considerable support to its international partners**. For example, the Federal Government is contributing 50 million euros to finance the efforts of the World Health Organization (WHO) in the fight against COVID-19. It is also providing an additional 140 million euros to support the Coalition for Epidemic Preparedness Innovations (CEPI) vaccine initiative and 600 million euros to support GAVI, the Vaccine Alliance. The Federal Government is also providing support to partner countries to the tune of 21 million euros within the context of bilateral development cooperation to help fight the pandemic and to mitigate its economic and social impact. Teams of experts from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the Robert Koch Institute and the Bernhard Nocht Institute for Tropical Medicine are providing short-term support in the form of technology and equipment to selected African countries in the fight

against the pandemic. Additional short and medium-term measures are also intended to help developing countries overcome the pandemic, chiefly via an emergency coronavirus package worth one billion euros. This assistance is also to take the form of direct emergency aid for national measures implemented by our partner countries.

## **Outlook**

Despite the current serious situation, Germany has every reason to look to the future with confidence. The most recent developments give us cause to hope that, thanks to the tireless dedication of medical and care workers, many people's lives can be saved and the overburdening of the healthcare system that other countries have experienced be prevented. That is also down to the people, who through their careful behaviour and acceptance of the adopted measures have paved the way for halting the spread of the pandemic.

However, the outbreak continues. It is still too early to lift the contact restrictions if we are to prevent the healthcare system from being overburdened in the long term, in the interests of the entire population. The objective of the Federal Government is for all citizens to be as well protected as possible from the risk of infection or, if they do become infected, for them to receive the best possible medical care. For this reason, the Federal Government, in coordination with the Länder, regularly evaluates whether the measures adopted are still necessary and proportionate or whether they need to be adapted. In this context, it carefully considers what measures are effectively preventing the spread of the virus and what social and economic costs they entail in each case. We must also take account of the fact that the epidemic is not spreading evenly throughout Germany, but that the situation can be different from one region to another. That could mean that restrictions in certain regions have to be maintained or reintroduced after being eased for a period.

The Federal Government will do its utmost to avoid burdening employees and companies with laws and other regulations as far as possible. When the time is right, it will adopt measures to foster economic development and maintain the high level of competitiveness of our companies. The full impact of these measures will

only be felt once the contact restrictions have gradually been lifted. The measures and developments will be communicated transparently and adapted to the current situation in order to ensure the greatest possible acceptance by all those who are affected.

The COVID-19 pandemic is posing a huge challenge to Germany. Every single person can do their part to ensure that our country overcomes this challenge. We are all called upon to set aside our own interests, to protect high-risk groups and reduce the burden on the healthcare system. This is also an opportunity to demonstrate and further strengthen the cohesion within our society. The Federal Government will do what it can to ensure that we succeed in this endeavour.

For all important information on the measures and the support offered by the Federal Government – in simple language, sign language and 18 foreign languages – as well as links to other relevant sites, please visit:

