



IOE'S WEBINAR ON COVID-19

ceoe
CONFEDERACIÓN ESPAÑOLA DE
ORGANIZACIONES EMPRESARIALES



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01. Current situation and economic impact in Spain

SPAIN	EUROPE	WORLDWIDE
11.178 casos confirmados en España	58.425 casos confirmados en Europa	173.344 casos confirmados en el mundo

- Extension of the virus worldwide has impacted in the value chains and affected exports demand.
 - Impact on **domestic demand and economic activity** due to containment measures.
- School closures, suspension of public events and **bans on flights and transport** have an **impact on demand**, mainly in the **tourism and related services sector, transport, education and culture**.
 - **Financial market volatility.**
 - State of alarm has led to **temporary restrictions on free movement.**
- **Disruption of supply and demand affect : company sales; liquidity; solvency and job losses, if urgent measures are not taken.**

THE NEGATIVE IMPACT IS NOT QUANTIFIED. GREAT UNCERTAINTY

02. Specific demands from CEOE for the government

1. **Liquidity:** useful and quick mechanisms to ensure the liquidity of companies, particularly SME and self-employed.
2. **Temporary layoffs:** simplification and streamlining of procedures.
3. **Social contributions:** suspend the obligation to pay contributions.
4. **Teleworking:** facilitate the implementation of teleworking as much as possible.
5. **Tax payments:** automatic and interest-free deferral .
6. **Self-employed:** suspension of social contributions.
7. **Public guarantees:** to facilitate access to credit for companies.
8. **Payments:** speed up the payment of the Administration to private suppliers

02. Action Plans and measures

- Thursday 12th **_JOINT proposal CEOE; CEPYME; CC.OO and UGT**
 - **Temporary lay offs.** Introduce flexibility and ease the legal procedure due to force majeure reasons.
 - More protection for **permanent seasonal employees**;
 - More protection **for workers isolated or in risk of contagion (supplement of up to 100% of their salaries).**
 - Legal provisions for **childcare and elderly care**
 - **Teleworking** should be allowed in case of extraordinary public health reasons, even where teleworking has not been implemented yet.
- Friday 13th **_FIRST Action Plan_ BUDGET: 18.225 Millions €** (14.4 billion in measures for SMEs and the self-employed and 3.8 billion for the health system .
 - **Reinforcing sanitary system:** national (**1,000 million Euro**) and regional level (2.8 billion Euro).
 - **Supporting families,** with **25 million Euro** for financing additional measures to protect children and ensure the proper functioning of the education system.
 - Flexibilization allowed for **tax payments during a period of six months**, which would inject **14 billion euro of liquidity**;
 - Opening of a specific **credit line** through the **Official Credit Institute for 400 million Euro.**
 - **Extension of Social Security subsidies for permanent seasonal contracts** in tourism, retail and restaurants linked to touristic activity;



Insufficient

02. Action Plans and measures

- **Saturday 14th_ Spanish Government declares **State of alarm**.**
 - Restrictions on movements. Lockdown
 - Limits to commercial activities, restaurants and leisure centres. Only open: chemists; supermarkets; banks.
- **Monday 17th_ European Union Council adopted **measures on borders/frontiers**.**
 - Restrictions by Spanish Government: only Spanish citizens are able to access by land/road; also cross borders workers and those who can prove force majeure or necessity.
- **Wednesday 18th_ **SECOND Action Plan**_BUDGET **200.000 Millions €** (20% PIB)**
 - Support measures for the **most vulnerable families. 600 Mill. €** (Mortgage moratorium; protection of essential supplies as electricity, gas, etc.).
 - Right to **adaptation and reduction of working hours** (for childcare or eldercare).
 - **Express processing of temporary lay offs** (the losses of activity will be considered as force majeure; shorter procedures –seven days-; unemployment benefit guaranteed; exemption from payment of social contributions).
 - Promotion of **non presential working** through a major provision to companies for the purchase of computers (**Credit line for SMEs: 200 Mill €**).
 - **Line of guarantees up to 100.000 Mill. €** for companies (the State is the guarantor)
 - Extraordinary unemployment benefits for the **self-employed**.
 - Measures to support **research for a vaccine against COVID-19**.



03. Biggest challenges for Spanish companies.

- In the coming weeks many companies will be facing important **LIQUIDITY CONSTRAINTS** resulting from a **drop in sales**, both from a **declining demand** as well as from the **interruption of production**...
- It is therefore **ESSENTIAL TO ADOPT CERTAIN MEASURES** to **strengthen the liquidity** of the companies and **prevent exit from the market of solvent companies** negatively affected by this situation transitory and exceptional.
- **HEALTH AND SAFETY**: There are **not enough personal protection equipment available** and businesses open (supermarkets) need them because they have **new Coronavirus prevention requirements**; Workers can leave the workplace if there is a serious or imminent risk or no personal protective equipment.... What about people working at home?
- Challenges coming from the **TELEWORKING** (equipment's, connections, efficiency, working hours report...).
- **WORK LIFE BALANCE** measures to ease workers childcare or elderly people.
- Adoption of **FLEXIBILITY MEASURES** to keep activity in companies.
- **UNCERTAINTY** about the **duration** of the alarm state and all the restrictions.



THANKS !

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