

# **IOE Webinar on Business action in the times of Covid-19**

***18 March***

# Current situation : de facto emergency state and deep impact on economy

## I De facto emergency state

- **Starting March 16** : Closure of schools, universities, all shops (except food, pharmacy, banks..), bans on gatherings
- **Starting March 17 (and until March 31)** : State of containment ; Schengen area borders closed ; Postponment of the reforms : unemployment scheme, pension scheme ; Postponment of the second round of municipal elections

## I The economy is deeply impacted

- I In January, the first activity losses linked to China (chain breaks)
- I In February, sharp drops in certain sectors : hotels, restaurants, transport, luxury..
- I In March, a ban on the assembly of 5,000 people fell sharply in sectors linked to the public (shows, caterers, coach operators,..)
- I World stock indexes have collapsed (CAC 40 minus 35% compared to January 1)
- I New situation related to containment

# Economic and financial measures to support companies

## ┆ **Financing business activities**

- Support from the State and the Banque de France to negotiate with its bank a rescheduling of bank loans.
- The State will guarantee up to 300 billion euros all bank loans taken out by companies with banks (during 6 months).

## ┆ **Suspension of social contributions and direct taxes payment** (delayed deadlines)

- In difficult situations, tax rebates may be decided on an individual examination of requests

## ┆ **Suspension of bills and rents payment** : Water, gas and electricity bills as well as rents will be suspended for companies in difficult situation. Fixed costs will also be reduced by the saving of rents, especially for businesses that have to close.

## ┆ **Creation of a Solidarity Fund** of at least 1 billion euros for 400.000 micro-entrepreneurs (self-employed, restaurants, shops..) who have less than one million euro turnover and who have lost 70% of their turnover between March 2019 and March 2020 ; first emergency aid of € 1,500 euros per month, beyond on a case by case basis

## Social measures to support companies

- | **Telework is the rule for all jobs that allow it** (40% , 8 million workers according to the Ministry of Labor)
  - If teleworking is not possible, the work organization must be adapted by the employer
    - Distancing gestures
    - Limit to maximum groupings, meetings, travel
    - Company restaurants can remain open but with 1 meter between places
- | **All companies experiencing a drop in activity are eligible for short-time working**
  - Declaration within 30 days with retroactive effect
  - Unchanged compensation rules for employees 84% of net salary
  - Employer reimbursement of the total compensation paid to the employee in the limit to 4.5 times the minimum wage
- | **Support for employees for childcare**
  - Parents of children under the age of 16 affected by the closure of schools, nurseries will benefit from sickness pay

## Medef is fully committed to the crisis

- **We are in an on-going dialogue with public authorities**

Collection of feedback from members on the difficulties encountered in each sector

In early March, proposals for emergency measures taken up by the government

Permanent dialogue with state authorities to obtain massive support for businesses

- **We support companies**

Establishment of a crisis unit to answer questions from members [covid19@medef.fr](mailto:covid19@medef.fr)

Organization of three Webinars since early March (attended by 200 connected)

Distribution to nearly 4,000 contacts

- useful information from the government, for consistent implementation in the territories
- technical information on social security and tax charges