

The economic impact of the health crisis

23 Mar 2020 | de Progressive Magazine



[1]

"The authorities and companies must consider all the necessary measures so that the retail sector remains operational as close to its maximum capacity as possible," says the Foreign Investors Council regarding the urgent measures that must be taken to maintain Romania's economic balance.

There are four measures that strictly target the retail sector, and the first one refers to the workforce. "Amendments to the law on parental leave are necessary to prevent the disruption of the activity of the stores. The labor force in the sector is composed of 65% female staff, and of these 80% have children under 12 years old", according to the representatives of the business environment.

Then comes the issue of price stability as demand is high and comes not only internally but also from neighboring countries affected by the Coronavirus. The Foreign Investors Council says that "although there are no problems at present in the level of commodity stocks, there is the possibility of exhausting some commodities (such as oil, flour, sugar, rice, etc.), so that, although constant checks are made at the level of the suppliers - on production or import issues, which could generate risk of price increases -, the Government involvement is necessary to help limit / stop the exports of the raw materials for basic products. It also calls for the temporary elimination of access

restrictions for 40-tonne trucks".

Another need identified in the retail area is the possibility to temporarily modify the program of operation of the stores, without going through the procedure of notification of the competent local authorities. "If measures will be taken that will lead to the reduction and / or temporary interruption of the activity, we request the exemption of the economic operators from the trade chain from the payment of taxes and contributions related to the compensation of 75% of the basic salary corresponding to the job occupied, paid, according to art. 53 paragraph 1 in the Labor Code, from the salary fund, to the employees involved in the reduced or interrupted activity", declare the representatives of the Foreign Investors Council.

The National Council of Small and Medium-sized Private Enterprises in Romania also conducted a survey among over eight thousand entrepreneurs, of which over 22% are from the trade sector. Asked if the measures taken in the context of limiting COVID-19 infection affect or are going to affect, 98.6% of those surveyed mentioned that "Yes" and only 1.4% mentioned that "No". Among the main effects mentioned by the entrepreneurs are the decrease of sales (65.6%), the decrease of turnover (58.8%), the temporary suspension of the activity (56.4%), difficulties in collecting (54%), restriction of activity (51.4%), delays in payment of suppliers (47.6%), layoffs (21.5%) and closure of the company (12.4%). Regarding the percentage with which the surveyed entrepreneurs estimate the decrease in turnover, more than one third of them estimate that the decrease will be more than 60%.

PwC Romania also conducted a study between March 11 and 13, 2020 based on information provided by 104 companies. The HR Barometer results show that 18% of the companies surveyed anticipate a reduction of revenues of up to 20% as a result of the impact of the COVID-19 pandemic on business, while most of them (65%) have not yet made assessments.

Of the economic sectors that expect a significant decrease in revenues, transport is in the first place: 75%. 21% of companies operating in the consumer goods area surveyed by PwC expect this year's revenues to be 20% below the 2019 level.

Știri asemănătoare

Source URL: <https://revistaprogresiv.ro/node/263840>

Legături

[1] https://revistaprogresiv.ro/sites/default/files/news/images/rafturi_goaale.jpg