

CORONAVIRUS-RELATED MEASURES TAKEN IN GERMANY AND THEIR POSSIBLE IMPACT ON SLOVAK CITIZENS AND BUSINESSES

Given the worldwide pandemic of a new type of coronavirus, known as SARS-CoV-2, Germany has also taken vigorous measures to protect its people. The overall situation in Germany is specific in particular with regard to the state organization, where some powers (e.g. in matters of security or borders) are within the competence of the federation as a whole and, on the contrary, other competences are directly entrusted to individual states (e.g. education).

Due to the dependence of the Slovak economy on the German one, impacts are also expected on companies that are closely linked with German producers and employers.

Border closure and checks

Germany has introduced border controls at the borders with Austria, the Czech Republic, France, Luxembourg, Denmark and Switzerland. Only certain groups of people can cross the border into Germany.

The cross-border movement of goods is not restricted. Similarly, it is not forbidden for German citizens and people without German citizenship, e.g. persons residing in Germany (EU citizens) to travel abroad. However, it should be pointed out that although Germany itself does not forbid traveling abroad, many other countries have closed their borders.

Closing shops and suspending some services, banning gathering more people

The federal government, together with the individual federal states, has prepared the same basic restrictions on trade, services and gathering, which all the states must observe. The shops and operations of various service providers are closed, with the exception of food stores, markets, delivery services, pharmacies, drugstores, banks, gas stations and wholesalers.

Closed are bars, clubs, theaters, museums, cinemas, zoos, sports facilities and playgrounds. It is also forbidden for people to gather in associations, sports and other leisure facilities, churches, synagogues, mosques and other religious places.

Majority of the federal states have also closed schools and kindergartens.

Closure of some large manufacturers

Just as some Slovak manufacturers employ thousands of employees, leading German entrepreneurs are closing their businesses for several weeks. This procedure may have an impact on Slovak citizens living and working in Germany, as well as on Slovak companies supplying their goods or services to German customers. The number of applications for the so-called 'Kurzarbeit' has increased rapidly and the administrative burden normally associated with these applications has been reduced.

So far, production has been suspended for a few weeks e.g. at BMW (Bavaria), Tesla (the manufacturer of electric vehicles), and also at individual car manufacturers belonging to the Daimler holding (e.g. Mercedes), as well as at VW, Opel and Ford.

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Upcoming state aid

The German government is ready to help not only the businesses affected by the crisis measures, but also natural persons - entrepreneurs and families in crisis. The aid will be provided mainly in the form of interest-free loans and special family allowances. The individual federal states will provide massive financial assistance, probably also to companies with the silent state participation.

Due to the close interconnection of the Slovak and German economies, it is necessary to observe how quickly the German economy gets back to its feet and with it also some companies in the Slovak Republic, which regularly supply their goods and services especially to the large German carmakers.

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