The economic outlook and policy responses in the coronavirus pandemic:
Some remarks on developments in Germany

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Impact of coronavirus pandemic in Germany

I. Spread of coronavirus and COVID-19: Slowing
II. Economic consequences: Lockdown, missing inputs, missing demand
III. Economic policy measures: Fiscal room used
New COVID-19 infections: World, Germany, Italy, France

Number of new cases of COVID-19 infections per capita
Starting date: Minimum of 100 cumulated cases, End date: 18 May 2020

World
Germany
Italy
France

New cases per Mio inhabitants

Source: Our World in Data

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Registered infections and outcomes

Registered cases of COVID-19 infections and their outcomes in Germany

Persons (Thousands)

Source: Johns Hopkins Universität

Registered infections:
Open cases remaining
Recovered
Deaths
Direct shutdown by government: By gross value added in services

Gross value added in the service sector in 2017
Shares in %

- Public services, education, health
- Professional, scientific and technical activities
- Other economic service activities
- Other service activities
- Accommodation
- Retail sale of clothing, footwear, leather goods
- Food service activities
- Arts, entertainment and recreation (incl. cinemas)
- Sale of motor vehicles
- Real estate activities, financial and insurance activities
- Information and communication (excl. cinemas)
- Transportation and storage
- Other retail trade
- Food trade, pharmacies, drugstores
- Wholesale trade

Mostly open
Mostly closed
Public sector

Sources: Eurostat, Federal Statistical Office, own calculations
Unemployed, short-time work

Unemployment and notified short-time work

Mio Persons

Mio Persons

2007 08 09 10 11 12 13 14 15 16 17 18 19 2020

short-time work (60-67% of net income)

Source: Federal Employment Agency

Registered unemployed (seasonally and calendar adjusted)

Notifications for cyclical short-time work (right-hand scale)

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High dependency on (imported) intermediated inputs: By sectors with high gross value added

Share of intermediate goods in industries with largest gross value added

Sources: Federal Statistical Office, own calculations
Forecasts for GDP growth: Deep, deeper, ...

<table>
<thead>
<tr>
<th>Growth relative to previous year in %¹</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td></td>
<td>Baseline scenario</td>
<td>Risk scenario 1</td>
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<tr>
<td>OECD² 02.03.</td>
<td>0.3</td>
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<tr>
<td>IWH 12.03.</td>
<td>0.6</td>
<td>- 1.7</td>
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<td>IFW³ 12.03.</td>
<td>- 0.1</td>
<td>- 4.5</td>
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<tr>
<td>Ifo 19.03.</td>
<td>- 1.5</td>
<td>- 6.0</td>
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<tr>
<td>DIW 19.03.</td>
<td>- 0.1</td>
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<td>RWI 19.03.</td>
<td>- 0.8</td>
<td></td>
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<tr>
<td>GCEE 22.03.</td>
<td>- 2.8</td>
<td>- 5.4</td>
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<tr>
<td>IMK 02.04.</td>
<td>- 4.0</td>
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<tr>
<td>GD 08.04.</td>
<td>- 4.2</td>
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<td>IMF 14.04.</td>
<td>- 7.0</td>
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<tr>
<td>Federal Government 29.04.</td>
<td>- 6.3</td>
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<td>EU² 06.05.</td>
<td>- 6.5</td>
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<tr>
<td>IFW 18.05.</td>
<td>- 7.1</td>
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</tr>
</tbody>
</table>

1 – Price adjusted.  2 – Calendar adjusted.  3 – Publication of risk scenarios on 19 March.

Sources: Sources provided
Massive fiscal support measures

Short-time work expanded, direct income support and transfers, loans for companies, tax measures, equity injections.

- 353 bln€ direct budget-relevant measures
- 819 bln€ loans, guarantees, equity
Fiscal measures: comparison by share of GDP

Fiscal measures in G20 countries in response to Corona pandemic in 2020

Source: IMF
Easing out of the lockdown not easy

- Need to communicate clear easing strategies s.t. households and firms can plan
- Clear rules. Companies and institutions that satisfy them can open
- Needs encouragement, not only fear.
- International comparison of experience important.
Extra
**Krankenhausbetten, Fachkräfte**

**Number of hospital beds in Germany is highest by European comparison**

- **DE**: 900
- **AT**: 700
- **FR**: 600
- **NL**: 500
- **IT**: 400
- **ES**: 300

Per 100,000 residents

Source: Eurostat

**Shortage of skilled workers in health care jobs**

- **Total**: 1.5
- **Assistant**: 0.2
- **Skilled worker**: 2.5
- **Specialist**: 2.5
- **Expert**: 1.5

Vacancies-unemployed-ratio

Source: Federal Employment Agency

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