

## AmCham Turkey COVID-19 Webinar Series

### Webinar II: "Europe's Approach to Covid-19: Business Continuity & Social Impacts"

#### Guest Speakers:

- *Susan Danger, CEO of AmCham EU & Chair of AmChams in Europe*
- *Joris Pollet, Director of Government Relations, Europe & Global Operations, P&G*

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#### Key Take-aways from Susan Danger

##### Setting the scene in Europe

- This is a tragic health emergency and we thank all health workers on the frontlines.
- In Europe, measures vary across countries. Some are in full lockdown (e.g. France) and some in partial lock down (e.g. Belgium).
- The biggest challenge across the region is to ensure sufficient medical devices to treat patients but also testing capacities and equipment for health workers.
- There are different instruments being used in terms of economic measures at a national level. Germany – measures to ensure that people do not go directly into unemployment. UK – more flexibility on loans etc. EU front – very fluid. Situation changes day by day.
- There has been pressure for a coordinated response. There are 27 member states with different competencies. We recognize the good efforts that the EU/Commission is making. One of the challenges is that communication has to be done in multiple languages
- Two important measures introduced by the EU:
  - Export authorization requirements –introduced on the 15<sup>th</sup> of March (temporary measure) for specified personal protective equipment. Exporters must apply for the export authorization with the authority in the Member State where they are established. This is to ensure that vital equipment is available throughout the EU and to prevent a situation where Member States take individual approaches affecting the circulation of such equipment within the single market.
  - Green lanes – to ensure that supply chains keep moving and continue to operate. Member states have been asked to designate all the relevant internal border-crossing points on the trans-European transport network as green lane border crossings – open to trade to all vehicles – regardless of what they are carrying. All member states have been urged to temporarily lift all land access restrictions.

## What AmChams are doing, starting with AmCham EU:

- [Covid-19 Portal](#) available, with different sections. There is a big need for information sharing.
- We have also called on the European Commission to support a coordinated response with the Member States to issues related to customs border management and flow of commercial goods – available on the portal.
- Continue with committee meetings and with hosting speakers.
- Virtual plenary - had a meeting for all members with a guest speaker.
- Did our first AmCham town-hall – invited a prominent think-tanker...
- American Hour – we invited a stakeholder from the White House – special assistant to the President on Trade and Transatlantic relations.
- It is very important to flag all the initiatives that member companies are taking.
- As seen above, we are occupied with two questions at the moment:
  - How can we ensure member satisfaction?
  - How can we support the companies in the crisis?
- AmChams in Europe network - we did a best practice session on budgets, comparison of government responses.
- As a network, we will be hosting guest speakers.
- 3 main services AmChams are providing:
  - Sharing information on how we can help the governments/what recommendations we can give
  - Help desks for members/Covid portals/a lot information sharing.
  - Sharing CSR activities. Italy has been raising money through companies to make considerable contribution to the country – as is Greece.

## Key Take-aways from Joris Pollet

### European Governments' Response to the Outbreak:

- Europe – if we refer to EU and EU institutions, health policy is not within EU competence. Health policy is within national competence. Very interestingly, we see in the media and in business that expects from the EU a unified response.
- The EU is responsible for the Single Market and hence supply chain issues. Borders getting lost within the EU, goods not moving anymore – these are EU's responsibilities. EU has published guidelines for member states to keep intra-EU supply of goods free... and has shown a very fast response to the crisis. EU put an export ban for facial masks – for shipping outside the EU you need to get authorization to ensure that everything flows within the EU.
- **Post-Covid-19:** We will have political questions and interest for certain industries that we do not have in EU anymore given globalization. For certain active ingredients and medical projects, for example, EU discovers they depend on China or India. Shortage of supply today raises questions on need for policy building more sovereignty of EU on such products. For masks, we don't have sufficient EU supply – it is coming from China, Turkey or Mexico. Longer term, this is going to be

a very interesting policy debate after the COVID 19. Currently there are already meetings at the Commission on this question.

- For P&G – EU has done well to help on supply chain issues. On the EU solidarity front, we have the debate on Corona bonds, and financing between the South and the North will remain difficult. But there are positive stories with French patients going into hospitals in Germany, Switzerland... goods being shipped to help each other.
- On the country level – the response has been different. Most countries started off with the question – what is essential? A lot of countries have put laws on non-essential manufacturing... Italy – if your manufacturing is not essential, you have to shut it down.
- As P&G we make essential hygiene products – but we need other raw materials and supplies... so we have to keep the supply chain going. What is essential and not essential has created a lot of debate. EU has nothing to say on that – every country needs to decide for itself.
- As P&G, we came across many issues with government and COVID 19. Emergency health measures are purely national but created some protective measures that impact shipping of facial masks and hand sanitizers. We have seen governments forbidding promotions in stores and coupons. Because it stimulates hoarding thereby creating disorder. Some governments have reintroduced a freezing of prices.
- Industry associations have been extremely important in bringing the message to the government. Governments act very fast and do not consult the industry. The industry has to go and explain that there may be so many unintended consequences. Proactively engage with the government to have a dialogue and have input – at least they know all the possible consequences a measure may have.

## **Key Take-aways from the Q&A**

### **Do EU measures also apply for Turkish borders?**

- A lot of EU measures focus on the single market. At the same time, with the Customs Union – letters have been sent by AmCham EU raising the Turkey-Bulgaria border issue – the matter has been raised also via other associations. The EU can provide suggestions. Surely some ideas can be reapplied from the EU.

### **Germany seems to be managing better than others - testing and death rate. Why?**

- People are analyzing why it is so different from country to country.
- What they say for Germany – they did crack down sooner than some other countries in terms of the lock-down.
- Experts are saying that it depends on the discipline on the shut-down.
- In terms of testing, testing kits, raw materials for testing and different types of testing – the capacity to manufacture for testing – it depends on this for country to country...
- The other side of the Atlantic – very dramatic in NY – bigger cities are struggling much more than more spread out populations.

- Health infrastructure and health policies are national. The robustness of the infrastructure is very different among EU. Germany has the highest number of intensive care and medical supplies. Emergency rooms and beds, Germany per 1,000 more than double or triple than UK or Italy. That makes a difference. If you have a top-notch structure for health... This is every country's national decision. And it is becoming very visible now.

#### **Is there any work on economic impact outlook for EU?**

- EU is Turkey's biggest trading partner hence the question...
- Commission last week established a group and put a separate team on post-Covid. And how to get out of the economic challenge. I haven't seen a report yet, but a lot of sources will be coming out from there. It was smart to establish a separate work stream on that. Some people make similarities between climate change vulnerabilities.
- The big overriding message is that we need to work together. AmCham EU and AmChams in Europe perspective – exactly the moment to keep those borders open. Free trade is what it is going to drive economic recovery. And everybody needs to be in this together.

#### **Any actions to protect retailers?**

- Associations in Brussels are extremely active on this. Their challenge is now – non-essential goods. And you have other parts of retail 'essential' – food etc. Obliging staff to work, but staff may be reluctant to work.