

**27 April 2020**

## **GOVERNMENT / STATE NEWS**

PM Morawiecki announced during weekend an easing of restrictions on **outdoor recreational sport** from **May 4**:

- Up to 6 people: sports stadiums (football, athletics and other), school and multifunctional playgrounds, external infrastructure for motor sports and aviation, golf courses, riding centres and open facilities such as shooting ranges, archery tracks, karting tracks, roller-skating tracks
- Up to 2 people: Outdoor infrastructure for water sports
- Maximum 4 people per court: tennis courts: open and semi-open

Poland's **ban** on international rail travel and the 14-day quarantine period for persons arriving in the country have been prolonged until **further notice**.

Polish government spokesperson Piotr Mueller announced on Monday that decisions regarding **further stages of relaxing** the binding coronavirus epidemic-related restrictions and on reopening of the economy will be made in the coming days. Asked whether the second stage could be launched on May 4 or 11, Mueller answered that both dates are being taken into account.

The Polish Development Fund (**PFR**) began on Monday its first issue of four-year **bonds** valued at PLN 15 billion (EUR 3.31 billion).

The presidium of the European People's Party (**EPP**) Group in the European Parliament (EP) has called on the Polish government to declare a **state of natural disaster** and hold the presidential election, planned for May 10, after the end of the coronavirus pandemic. The EPP is led by former Polish PM Donald Tusk.

**Wig20 -0.62%** (update: 17:00 CET)

## **INDUSTRY**

Recently in the news, the unofficial date of **reopening of the stores** in the shopping centres appeared, **18th May**. Alongside, news were fed with unofficial details on the health and safety protocol. One of the concerns of the Landlords is the requirement of thermal cameras, checking customer's temperature: "From the point of view of compliance with regulations, this issue raises the biggest doubts among gallery owners. - We have a number of reservations and questions for this solution - says Radosław Knap, general director of the Polish Council of Shopping Centres. - First of all, why cameras should be in shopping malls, and not e.g. at transportation stations, in workplaces or anywhere else where people are staying. Secondly, such solutions are not introduced in other countries because most people pass without symptoms and this is a very high cost. If we had to install them at all entrances, it is a cost about PLN 500 million, and these solutions would cause congestion" - says Director Knap. Read more [here](#).

**CPI Property Group** has published its current **rent collection** data:

| Asset type      | Share of portfolio value (FY 2019) | Share of rent collected, Q1 2020 | Share of rent collected, March 2020 |
|-----------------|------------------------------------|----------------------------------|-------------------------------------|
| Office          | 46%                                | 99%                              | 98%                                 |
| Retail          | 24%                                | 79%                              | 60%                                 |
| Residential     | 8%                                 | 96%                              | 60%                                 |
| Total portfolio | 100%                               | 92%                              | 84%                                 |

Source: CPI Property Group, Property Forum

## RETAILERS AND SMALL BUSINESS MATTERS

### CENTRAL REGISTRATION AND INFORMATION ON BUSINESS (as per 27.04.2020):

Number of registered business activities 110  
Number of resumed business operations 208  
Number of suspended economic activities 109  
Number of closed economic activities 61

Acc. to GlobalData Retail unlocked **Chinese consumers** have been cautious about returning to malls, thanks to economic and health concerns. Last record sales at Hermes are rather a kind of anomaly, partially because the wealthiest tend to be less economically impacted. The rest are going out for food/essentials, but not discretionary spend.

**Volkswagen** Poznań, a Polish unit of the German car maker, is gradually reinstating manufacturing after a five-week break.

**Adidas:** more than 70% of Adidas' stores are closed around the world, net income plummeted 97% and sales dropped by 19% in the first quarter compared with last year, thanks to a brutal March.

## CIVIL NEWS AND REACTIONS

Epidemiological status in Poland data from 17:00 CET on 27.04.2020

Number of confirmed cases SARS-CoV-2: **11,902**

Number of fatalities: **562**

Number of recoveries: **2,466**

## OTHER

### POLAND

- Polish President Andrzej Duda declared on Monday that he would never approve the privatisation of public hospitals "as long as he holds the post"
- Devastating fire in Poland's biggest national park seems to be finally under control
- Polish football and speedway fans will be able to watch their sports again - the first PKO Ekstraklasa football game will be held on May 29, but without the presence of the public and Speedway Ekstraliga will reinstate its races on June 12
- Wizz Air has extended the suspension of all of its flights to and from Poland until May 9

### EUROPE

- Spain, Italy, France record lowest daily death toll in over a month
- Ryanair chief executive Michael O'Leary warned the low-cost airline would not return to flying if governments insist planes leave their middle seats empty when travel restrictions are lifted following the coronavirus pandemic

- The UK is at the moment of maximum risk in the coronavirus outbreak, Boris Johnson has said, as he urged people not to lose patience with the lockdown - the UK's lockdown measures are due to be reviewed again by May 7
- In Germany the use of cloth masks is now mandatory on public transport and, in most regions, within shops (the rules vary among the 16 German states - Bavaria being the strictest, while in Berlin shoppers do not have to wear masks)
- Volkswagen reopened the world's biggest car factory at Wolfsburg in Germany on Monday

## WORLD

- New Zealand claims it has stopped community transmission of Covid-19, effectively eliminating the virus - from Tuesday, some non-essential business, healthcare and education activity will be able to resume
- Boeing CEO Dave Calhoun told shareholders at the company's virtual annual meeting that they shouldn't expect to see dividend checks for at least several years
- US oil plunged nearly 25% to \$12.65 a barrel - a rough start to the week
- Holiday Inn's owner says occupancy rates are around 20%
- Airbnb is rolling out recommended cleaning and vacancy procedures for its more than 7 million global rentals – the company will begin requiring that rentals stay vacant for 24 hours between check out and when a new reservation begins
- The Bank of Japan expects the country's economy to contract by 3% to 5% this year

## FINALLY

*When your whole life has been social distancing but now you're not a weirdo because it's trendy*



**28 April 2020**

## **GOVERNMENT / STATE NEWS**

The government adopted on a circular basis on Tuesday and sent a draft amendment to the Act (**ACS 3.0**) to the Sejm - the Chancellery of the Prime Minister informed.

The amendment to the Act on the anti-crisis shield also provides, among others:

- Support for voivodship, inter-voivodship and international operators specializing in passenger transport in rail transport;
- Extending the deadlines for entrepreneurs due to reports and disclosure obligations under the Waste Act - a number of provisions to facilitate compliance with the obligations of waste management companies;
- Recapitalization of the Industrial Development Agency S.A. the amount of up to PLN 900 million (from the Reprivatization Fund);
- Support for the sector based on the use of wood or the production of wood raw material. ;
- Increasing the amount of remuneration for work free of execution by 25% for any family member who has no income and is dependent on the employee;
- Allowing social assistance workers undergoing quarantine in the centre in which they work; the possibility of further work in this unit, while maintaining the right to full remuneration;
- Increasing the protection of persons concluding loan, credit or other agreements, including by introducing invalidity of a contract in which an individual undertakes to transfer ownership of real estate to secure claims, at least twice the maximum amount of non-interest costs or at least twice the maximum interest rate specified in the Act;
- Extension of electronic methods of providing information to the clients of the Social Insurance Institution, including information about their account status;
- Support for the cultural sector - cinematography - by obtaining additional funds for the Polish Film Institute to improve the situation on the Polish film art market;
- Further simplifying administrative regulations and temporarily extending the duration of concessions, permits and authorizations;
- Temporary exemption from fees arising from the Water Law Act, in respect of fees charged for the use of inland waterways and their sections and water facilities.

**Wig20 + 0.14%** (update: 17:15 CET)

It was announced that tomorrow, the government will provide more details on the next phase of lifting the restrictions.

## **INDUSTRY**

**PRCH** is still lobbying on changing the safety protocol for re-opening of the stores in the shopping centres.

Deloitte and **Grupa 305** are preparing extensive report showing the effects of the lockdown and importance of the industry operations for the whole economy.

## **RETAILERS AND SMALL BUSINESS MATTERS**

**CENTRAL REGISTRATION AND INFORMATION ON BUSINESS** (as per 28.04.2020):

Number of registered business activities 688

Number of resumed business operations 1195

Number of suspended economic activities 689

Number of closed economic activities 324

**Netflix, Apple, Cda.pl or Polsat** will have to pay a **new tax** in Poland - according to the content of the draft anti-crisis shield 3.0 sent to the Sejm. The government planned to establish a new tribute imposed on streaming services.

**LOT Polish Airlines** is talking to Boeing regarding a temporary adjustment **Dreamliner aircraft contract**.

**Airbnb** introduces special cleaning and disinfection procedures, including a 24 hour break in receiving new guests after check out.

### CIVIL NEWS AND REACTIONS

Epidemiological status in Poland data from 16:00 CET on 28.04.2020

Number of confirmed cases SARS-CoV-2: **11,902**

Number of fatalities: **562**

Number of recoveries: **2,466**

### OTHER

#### POLAND

- Santander Bank Polska's 1st quarter net profit fell to PLN 170.9 million (EUR 37.78 million) from PLN 339 million (EUR 74.93 million) in the 1st quarter of 2019, the bank has announced in a report
- Toyota Motor Manufacturing Poland will restart its plants in south-western Poland on May 4
- Acc. to Dziennik Gazeta Prawna, through 20 days of April, payments to the country's social insurance institution (ZUS) have fallen by 20 percent
- Scientists from the Małopolska Centre of Biotechnology at the Jagiellonian University in Kraków have found that disinfecting public spaces really does help reduce the spread of the coronavirus

#### EUROPE

- The Scottish government has advised people to wear face coverings in enclosed public spaces
- Airbus has placed more than 6,000 workers in the United Kingdom and France on government-funded furlough programs just days after reportedly warning employees that it was burning cash at a rate that could threaten the company's survival

#### WORLD

- The Olympics could be cancelled if the Covid-19 pandemic continues into next year, according to the Tokyo 2020 president
- The Los Angeles Lakers has repaid a \$4.6 million coronavirus relief loan the professional basketball organization received as part of the US federal government's Paycheck Protection Program
- HSBC said that pre-tax profit dropped to \$3.2 billion in the first quarter, a 48% plunge compared to a year earlier
- GM, Ford, and Chrysler have floated May 18 as potential restart date, but with many contingencies
- The fictional world is colliding with the scientific one – scientists from India discovered a new snake and named it after Salazar Slytherin from Harry Potter series 😊

## FINALLY

**History Facts** [have in mind current situation when reading...]

On April 28, 1924, the Bank of Poland began operations, replacing Polish National Loan Fund and in future becoming the National Bank of Poland. On the same day, a new currency - **zloty** - was introduced into circulation, which replaced Polish Mark. The establishment of a new issuing institution was one of the reforms aimed at stabilizing the economic situation of the country, carried out by the Prime Minister and the Minister of the Treasury Władysław Grabski. It contributed to stopping hyperinflation which had been going on since mid-1923.

The Bank of Poland commenced its operations on the basis of the presidential decree of April 14, 1924 on currency changes and the announcement issued by Minister Grabski the day after. It was established as a joint-stock company independent of the government. The Treasury retained only one percent of the shares. Others were initially sold for gold and currencies, and then for marks.

The bank was granted the right to issue banknotes for the next 20 years. The rule was adopted that 30% of the value of money released should be guaranteed by reserves of gold, currency and foreign exchange.

The currency exchange lasted until the end of May 1925. 1 zloty was exchanged for 1.8 million marks.

**29 April 2020**

## **GOVERNMENT / STATE NEWS**

During today's press conference, PM Morawiecki informed about the **second stage** of lifting the restrictions, i.e.:

- **Re-opening of shopping centres – from May 4**
  - A strict sanitary regime will apply to shopping malls
  - Maximum one person per each 15 sqm of retail space (excluding corridors)
  - No food courts or on-site catering services will be allowed to re-open yet and fitness clubs, recreational areas and cinemas located in shopping centres will have to remain closed as well
  - Customers will have to wear masks and disposable gloves and keep a two metre distance from another person
- **Re-opening of hotels - from May 4**
  - Special safety measures to be implemented
  - Hotel restaurants and recreational space (gyms, meeting rooms, swimming pools) will remain shut
- **Creches and kindergartens** will be allowed to re-open from May 6, but each time the decision will be made by the facilities' founding authority.
- **Libraries, museums and art galleries** will be allowed to re-open from May 4, but the decision to open a given facility will be left to the lead authority after consultation with the Sanepid.
- **Medical rehabilitation** services will be brought back from May 4, but it will not apply to massage parlours.

The **next stages** of unfreezing the economy will be announced every fortnight, but some elements may be sped up, the prime minister also said.

President Andrzej Duda has addressed a letter to the presidents and heads of EU countries, as well to those of the Eastern Partnership and Western Balkan countries, containing international cooperation proposals once the coronavirus pandemic is defeated.

PM Morawiecki said on Wednesday that the government wants to rescue as many work places as possible and that two million jobs have already been saved thanks to the benefits of the economic package in the so-called anti-crisis shield.

**Wig20 +3.58%** (update: 17:00 CET)

## **INDUSTRY**

From retailnet.pl:

*“According to the PRCH Footfall Trends Index, shopping centre visits in March this year fell by as much as 45 percent.*

*...On average, shopping centres recorded less customer visits. Importantly, this value is very similar for large and very large centres (over 40,000 sq m GLA), as well as for smaller and medium centres (from 5,000 to 20,000 sqm GLA). It should be remembered that March should be divided into time before March 14 (the beginning of restrictions) and after March 14, since only selected tenants operate in shopping centres (grocery stores, pharmacies, kiosks, etc.).*

*Such a significant decrease in visits is an absolutely unprecedented situation, never seen before during the 12-year history of conducting analyses within the PRCH Footfall Trends Index.*

*What does it mean? It can be estimated that in stable times, all shopping centres in Poland record about 150-170 million visits per month. An epidemic drop of 45 percent means that, on average, one shopping centre was visited by about 150,000 people less than in the same period last year.*

*Interestingly, we are observing greater customer activity in March this year in southern Poland - here the decrease in visits is a few percent lower than the average for the whole country (voivodships: Dolnośląskie, Opolskie, Małopolskie and Śląskie). The situation is quite different in the northern regions, where, in turn, we see a decrease of about 7-8 percent, compared to the average for the whole country (voivodships: Kuyavian-Pomeranian, Pomeranian, Warmian-Masurian, Lubusz, Greater Poland and West Pomeranian Voivodeships)."*

According to Colliers International, in Poland, 50,000 sqm of modern retail space was delivered to the market in the first three months of the year.

#### RETAILERS AND SMALL BUSINESS MATTERS

##### CENTRAL REGISTRATION AND INFORMATION ON BUSINESS (as per 29.04.2020):

Number of registered business activities 720

Number of resumed business operations 1228

Number of suspended economic activities 777

Number of closed economic activities 297

Six weeks after the closing of **Ikea's stores** in the Netherlands because of the pandemic, its stores are reopening.

#### CIVIL NEWS AND REACTIONS

Epidemiological status in Poland data from 17:00 CET on 29.04.2020

Number of confirmed cases SARS-CoV-2: **12,640**

Number of fatalities: **624**

Number of recoveries: **3,025**

Poland has a chance, for the first time since the coronavirus outbreak, to see the **daily number of new recoveries** exceed the number of new infections, PM Morawiecki announced at a news conference on Wednesday.

A German company working with US pharmaceutical giant Pfizer has begun human trials of a potential Covid-19 **vaccine** that could supply millions by the end of the year, according to the two firms.

#### OTHER

##### POLAND

- LOT is in talks with Boeing to convert its fleet of 787 Dreamliners into cargo planes in a bid to ride out the global air traffic slowdown
- The Polish economy will contract by 3.4 percent in 2020 due to the coronavirus pandemic, the Polish government predicted in an updated Convergence Programme, an EU-required fiscal plan for the next three years
- Poland's Economic Sentiment Indicator (ESI) declined in April 2020 to 61.7 points from 97.8 points in the previous month
- Poland's PGNiG oil and gas corporation has received the third consignment of US LNG under a long-term deal with the US Cheniere company

## EUROPE

- Czech Airlines has cancelled service to Seoul, its only remaining long-haul route, until the end of the year
- The Bank Loan Survey published by the Bank of Spain predicts that the country will see the largest increase in loan applications from companies since 2003
- Austria, which has begun easing the severity of its lockdown restrictions, will work to lower the taxes paid by essential workers. At the same time, it should raise those paid by multinationals

## WORLD

- This weekend, Simon Property Group is planning to open 49 of its malls and outlet centres across the United States
- Canada says its coronavirus death rate continues to spike despite a slower growth rate
- A coronavirus contact tracing app has been downloaded more than 2 million times since it was launched in Australia on Sunday
- US stocks surged Wednesday on optimism about an experimental drug that could help the world fight the coronavirus pandemic
- America's first-quarter GDP, the most expansive measure of the US economy, fell at a 4.8% annualized rate

## FINALLY



**30 April 2020**

## **GOVERNMENT / STATE NEWS**

Checks on Poland's **borders** have been prolonged until May 13.

President Duda has appointed Kamil Zaradkiewicz acting first president of Poland's **Supreme Court** until the court's new head is appointed in a standard procedure.

Poland's budget **deficit** reached PLN 9.4 bln (EUR 2.07 bln) in the first three months of the year, the Finance Ministry reported on Thursday.

Acc. to Eurostat, Poland's seasonally adjusted unemployment rate reached 3.0 percent in March 2020, unchanged from February.

Poland received EUR 1.99 billion from **EU funds** in March 2019, including EUR 621 million in current transfers and EUR 1.37 billion in capital transfers, the Finance Ministry said in a statement on Thursday.

Poland's CPI (**Consumer Price Index**) will decline to about 3.0 percent in May, the Development Ministry said in a comment to inflation data published by the Central Statistical Office (GUS).

**Wig20 -0.16%** (update: 17:00 CET)

## **INDUSTRY**

The draft of government resolution regarding **re-opening of the stores in shopping centres** has been published on governmental website. It is not official once comments may be submitted to government by 12:00 CET tomorrow. Therefore, official resolution will be published later on Friday or Saturday.

**PRCH** is gathering comments from landlords and aims to submit it to the ministry. However, it is more likely that there won't be more major changes.

**Empik** and **LPP group** announced that has terminated many leases in various locations, at the same time, stating that they will not open their stores in those locations where the letter with termination was submitted. The legality of the termination are very questionable, but retailers stressed that despite anything they will not open those "terminated" locations from 4<sup>th</sup> May.

## **RETAILERS AND SMALL BUSINESS MATTERS**

**CENTRAL REGISTRATION AND INFORMATION ON BUSINESS** (as per 30.04.2020):

Number of registered business activities 671

Number of resumed business operations 1601

Number of suspended economic activities 978

Number of closed economic activities 354

## **CIVIL NEWS AND REACTIONS**

Epidemiological status in Poland data from 17:00 CET on 30.04.2020

Number of confirmed cases SARS-CoV-2: **12,877**

Number of fatalities: **644**

Number of recoveries: **3,236**

## **OTHER**

## **POLAND**

- Advances of PLN 2 bln (EUR 439 mln) from the EU's Connecting Europe instrument will go to state rail carrier PKP

## **EUROPE**

- Acc. to Eurostat, GDP of the eurozone fell by 3.8 per cent in the first quarter compared with the previous quarter, this is the largest drop since the series began in 1995, and a deeper drop than the worst of the financial crisis
- From Monday, Lufthansa will require all passengers to wear face coverings onboard flights. The German flag carrier has continued to keep essential routes around the globe open for those who need to travel
- Shell has slashed its dividend for the first time since World War II after profits were wiped out by a historic collapse in oil demand

## **WORLD**

- Russian Prime Minister Mikhail Mishustin has tested positive for Covid-19 and will self-isolate
- Tesla shrugged off coronavirus-related problems and posted a profitable first quarter
- Frontier is the second US airline to require passengers to wear masks or face coverings on flights beginning May 8
- Stocks are sinking after another ugly round of US jobless claims and Europe's central bank standing pat
- American Airlines posted a significantly worse-than-expected loss in the first quarter (\$2.2 billion net loss, excluding special items, the loss still came to \$1.1 billion), its first loss since emerging from bankruptcy six years ago
- Volkswagen and Fiat Chrysler are postponing the planned re-openings of their US factories, citing concerns about worker safety
- Los Angeles is offering free coronavirus tests to all residents, regardless of whether they are displaying any symptoms

**1 May 2020**

## **GOVERNMENT / STATE NEWS**

In one of the interviews, Speaker of the Senate Tomasz Grodzki expressed on Thursday the view that if the elections were to take place in May, it could be May 23 "in a form that meets democratic criteria". He also noted that the best date would be the end of August or the beginning of September.

After a long May weekend, Senate committees are to continue work on the bill passed on the initiative of Law and Justice, which provides that voting in **the presidential election in 2020** will take place only by correspondence. The Act also gives the opportunity for the Speaker of the Sejm to change the date of elections within the limits provided for in the Constitution (at the latest they could be held on May 23).

Voting on the bill will probably take place in the Senate on May 6, and the statements of opposition politicians, who have a majority in the upper house of parliament, show that the Senate will adopt a resolution to reject the bill in its entirety. The Sejm would consider the position of the Senate on May 6 or 7.

## **INDUSTRY**

The government has withdrawn recommendation for **ProteGO Safe app** from the recommendation for re-opening of the shopping centres. The controversial app aims to track customers moves and located people which could be in direct contact with infected person. In the recommendation, the customers with the app were put in favourable position - they would be able to enter stores even if the limit of one person per 15 m<sup>2</sup> would be exceeded.

Many tenants, including Empik, CCC, Martes Sport, Sphinx, Ochnik, Lancerto and Giacomo Conti, have declared withdrawal from some lease agreements in shopping centres and most likely will not open from 4<sup>th</sup> May.

## **RETAILERS AND SMALL BUSINESS MATTERS**

**CENTRAL REGISTRATION AND INFORMATION ON BUSINESS** (as per 30.04.2020):

Number of registered business activities 637

Number of resumed business operations 1,907

Number of suspended economic activities 1,548

Number of closed economic activities 844

Agora announced that the food company Foodio Concepts, part of the **Helios Group**, has filed for bankruptcy.

Hotel Blow Up Hall in **Stary Browar** in liquidation.

## **CIVIL NEWS AND REACTIONS**

Epidemiological status in Poland data from 16:30 CET on 01.05.2020

Number of confirmed cases SARS-CoV-2: **13,105**

Number of fatalities: **651**

Number of recoveries: **3,491**

## **OTHER**

### **POLAND**

- The Poviát Labor Office (PUP) in Białystok does not consider applications for support of entrepreneurs in connection with a pandemic, because of the extensive number of applications.
- Recent decisions of the Monetary Policy Council to reduce interest rates will reduce the Pekao group's net financial result in 2020 by approximately PLN 450-500 million as a result of a decrease in the interest margin by approximately 30 basis points, Pekao bank reports in a press release.
- Telewizja Polsat concluded a preliminary agreement with Bauer Media Group for the purchase of the Interia Group, Polsat Group spokesman Tomasz Matwiejczuk informed PAP. Completion of the transaction is conditioned by Telewizja Polsat obtaining the consent of the President of UOKiK for the concentration.
- LOT extends the suspension of flights until the end of May

## EUROPE

- The Lufthansa Group finalizes talks with the governments of Germany, Austria and Switzerland. They are to lead to agreement on the conditions for granting public aid for a total amount of over EUR 10 billion. Of this, 9 billion for Lufthansa itself. Negotiations in Belgium have been suspended.
- UK restaurants warn social distancing will put them out of business. Three quarters of leisure operators say margins too thin to support fewer customers, according to survey
- Ryanair to reduce 3,000 jobs as it warns over slow recovery
- UK and Ireland: McDonald's has revealed it will reopen its first restaurants for delivery only on 13 May after shutting sites due to the coronavirus lockdown – finally!

## WORLD

- Global stocks tumble after US-China coronavirus row intensifies. US President Donald Trump suggests that he has seen evidence coronavirus originated in a Chinese laboratory
- Amazon's five foreign trading platforms hit the so-called blacklist created by the Donald Trump administration. There were Amazon e-commerce sites operating in the UK, Germany, France, India and Canada. Platforms are on the list for counterfeits and pirated versions of original products.
- From salt caverns in Sweden to train cars in Chicago, oil traders spent the past two months stuffing unwanted crude into any available space after demand collapsed in the face of the coronavirus pandemic. Russia is looking at all options, including putting wells on repair and maintenance to abandoning them entirely and even burning oil.

## FINALLY



ENG: "Young people! - forward to the fight for a happy socialist Polish village" – one of the most famous communists propaganda poster....



**NEVER AGAIN!**