

6 April 2020

GOVERNMENT / STATE NEWS

CRISIS MANAGEMENT

On Friday, the European Commission approved a government program worth PLN 22 billion **loan guarantees** for Polish companies, which is to support enterprises affected by coronavirus-induced pandemic. Guarantee for investment and working capital loans for large and medium-sized companies of all sectors of the economy will be provided by Bank Gospodarstwa Krajowego. Guarantees are to be granted only until the end of this year, and their period is limited to a maximum of two years.

The government wants to expand the **anti-crisis package**. Announcement of the minister. The development ministry is working together with the prime minister's office to extend the anti-crisis package, Minister Jadwiga Emilewicz confirmed on Monday. Work on the next special act will definitely last until the end of the week.

PM Morawiecki: The **peak of coronavirus cases** may fall in May-June

In the latest report, Pekao estimates the **GDP decline** in 2020 at 4.4 percent.

WIG20 slowly, but steadily increase since significant drop at the beginning of March. Today: **+4.95%** (17:15 CET)

ELECTION 2020

Deputy Prime Minister, Minister of Science and Higher Education, **Jaroslaw Gowin** has resigned after failing in convincing all parties to extend current President term by two years, in order to avoid May's election. He reassured that his party (Porozumienie) will still be working with PiS in the governing coalition.

He added that Jadwiga Emilewicz, Minister of Development, is recommends the position of deputy Prime Minister – industry's "favourite" politician...

The Parliament supposed to debate today on introduction of **postal ballot** (proposal put forward by PiS), but by mistake or technical issue the project was rejected by the parliament by 1 vote. The continuation of the Parliament session will start again tomorrow at 15:00 CET.

On Friday 3rd, the president of the Polish Post, Przemyslaw Sypniewski was dismissed and replaced by Tomasz Zdzikot (deputy Minister of Defence). Unofficially, the reason of dismissal was Sypniewski's open disapproval for postal ballot idea.

More and more alarming data is coming from local governments. In many cities, only 10-20% of the electoral commissions were completed. Authorities in up to 50 cities report that no person has expressed a desire to sit at polling stations.

The scientists from the **Bioethics Committee at the Polish Academy of Sciences** claim that given the current developments it is impossible to hold the election, so they request the "constitutional state authorities of the Republic of Poland to take immediate legal measures necessary to postpone the election.

INDUSTRY

The new initiative being taken by the industry outside of the PRCH, led by Rafal Sonik. Many owners participating and PR action starts from tomorrow morning.

Retail industry agreement proposal **Landlords – Tenants of premises in retail real estate**

A. Agreed joint recommendations/demand of the undersigned parties to the government and Parliament of Poland (excluding lease topics).

- I. Restoring commercial Sundays.
- II. Permanent abandonment of commercial property tax and retail sales tax.
- III. Write-off of real estate tax and fees for perpetual usufruct until the end of 2020.
- IV. Introduction of a cash method of VAT and PIT settlement for the period until the end of 2020.
- V. Introduction of a mechanism of efficient and clear deferral of principal and interest payments by banks until the end of 2020.
- VI. Introduction of a mechanism of financing by the State during the lock-out period of the interest payments of the loans granted by the banks in Poland for investments into shopping centres in Poland.
- VII. Support from the Polish Development Fund in the form of interest-free loans, taking up bonds, or using other financial instruments, to increase liquidity for entrepreneurs.
- VIII. The State shall cover 80% of salaries of employees of both Tenants and Landlords until the end of 2020.
- IX. Write-off of the ZUS payments during the lock-out period for both Tenants and Landlords regardless of the size of the company.

B. Establishing rules for the settlement of rents in the period after the lock-up/epidemic (resolving the issue of the leases in the form of negotiations between the parties resulting in signed annexes).

After the government revokes the restrictions on tenant activity in retail real estate:

1. Tenants, if they achieve a monthly turnover of less than 70% of the average monthly turnover in 2019, will receive rent discounts relevant to the location and situation of the Tenant and the scope of the support from the Government, for a period of 6 to 12 months from lifting of the restrictions, provided that the lease agreements are extended for a period corresponding at least to the period of using the rent reductions.
2. Tenants, if they achieve a monthly turnover of not less than 70% of the average monthly turnover in 2019, shall pay rent and service charge in accordance with the lease agreement.

Upcoming webinars:

1. CEE Warehouse & Industrial Conference by EuropaProperty – Apr 7, 11:00 AM CET
2. FAQ on COVID-19 in the matter of business in Poland by JDP Drapała & Partners – Apr 7, 3:00 PM CET

3. Support for employers in the era of COVID-19 by Polish Council of Shopping Centres – Apr 8, 10:00 AM CET
4. Real estate financing landscape in CEE by Property Forum – Apr 9, 10:00 AM CET
5. Prepare for the unknown – business in times of pandemic by Polityka Insight – Apr 9, 3:00 PM CET

RETAILERS AND SMALL BUSINESS MATTERS

CENTRAL REGISTRATION AND INFORMATION ON BUSINESS (as per 06.04.2020):

Number of registered business activities 88

Number of resumed business operations 99

Number of suspended economic activities 290

Number of closed economic activities 79

Retailers Association submit further demand:

- 8 percent from turnover as a total fee for lessors until they reach 90% revenues from 2019 or exemption from rent by the end of the year with the obligation to pay maintenance fees (without marketing) from the day of opening of shopping centres
- Other postulates presented last Friday:
 - providing landlords a prolongation of the interest and capital instalments, and extension of lease contracts for a period of exemption from rent
 - provide financing necessary to maintain the liquidity of tenants and landlords
 - at least until the end of the year, the current regulations regarding remuneration support in the event of downtime or reduced working time

Some of Biedronka, Lidl and Auchan stores extended their opening hours until midnight and some will start the 24-hour/7 work. This is the effect of limiting the number of customers in stores due to the coronavirus epidemic.

CIVIL NEWS AND REACTIONS

Epidemiological status in Poland data from 17:00 CET on 06.04.2020

Number of confirmed cases SARS-CoV-2: **4,201**

Number of fatalities: **98**

Number of recoveries: **56**

OTHER

EUROPE

- Austria set to become Europe's first country to roll-back lockdown
- UK: Boris Johnson admitted to hospital over virus symptoms
- UK: Sunday was the fifth time Queen Elizabeth II has given a special message to the UK public during her entire 68-year reign

WORLD

- Africa is a potential new outbreak of a global pandemic scientises warns
- Joe Tsai of Chinese ecommerce giant Alibaba donated 2.6 million masks, 170,000 goggles and 2000 ventilators to New York — the US epicentre of the coronavirus pandemic
- Global stocks and US futures surged on Monday as new data suggested that efforts to contain the coronavirus pandemic may be starting to pay off in Spain, Italy and New York

- Japanese Prime Minister Shinzo Abe on Monday announced a 108 trillion yen (\$989 billion) relief package — a staggering amount equivalent to about 20% of the annual output of the world's third biggest economy
- A Malayan tiger at the Bronx Zoo has tested positive for the coronavirus
- Golf: the 149th Open Championship has been cancelled but 2020's three other men's majors have been rescheduled

FINALLY

**For those who have
lost track, today is
Blursday the
fortyteenth of
Maprilay.**