## DIGITALEUROPE

**COVID-19 survey of the European digital industry** 

## This survey is a collaboration between DIGITALEUROPE's member trade associations



### Participating trade associations:

2



### Key takeaways



Impact of COVID-19 on the Europea digital industry



of respondents are expecting a negative financial impact from the COVID-19 crisis

35%

of respondents expect some lay offs

74%

of companies delivering across borders in Europe have experienced some disruptions in deliveries<sup>1</sup> **Perception of the crisis** 

**50%** 

of respondents believe that governments are doing too little to support companies in need

93%

believe that the COVID-19 pandemic will lead to a global recession

**Effective measures<sup>2</sup>** 

'Assistance from Governments to pay a share of employee's salaries' and 'postponing tax payments' are the most requested national measures

### 90%

When it comes to **EU measures**, nearly all respondents consider a **stimulus package for digital transformation** to be 'highly relevant' (59%) or 'relevant' (31%)to help the EU recover from the crisis.

Source: Bitkom Research 2020 | Base: All respondents (n=634); multiple answers were possible

<sup>1</sup> Only considers respondents for which cross border EU deliveries are relevant and that are aware of the impact (n=208)

<sup>2</sup> Base: All respondents (n=399). No response available for Germany.



### About this survey Date: 17 Mar to 16 Apr 2020 Companies and associations of IT Target group: and telecommunications industry as well as companies in digitizing industries A total of 634 companies answered **Collection:** Bitkom Research designed the survey, collected the responses and aggregated the results

#### **Countries covered**

| 3.2%  |
|-------|
| 0.2%  |
| 0.2%  |
| 0.2%  |
| 0.8%  |
| 0.9%  |
| 1.3%  |
| 1.7%  |
| 2.1%  |
| 2.2%  |
| 2.4%  |
| 2.4%  |
| 4.4%  |
| 5.5%  |
| 5.8%  |
| 6.5%  |
| 23.3% |
| 37.1% |
|       |

## The impact on the digital industry in Europe



### Impact on the supply chain

### % of the value chain that has been limited by COVID-19



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6 Source: Bitkom Research 2020 | Base: All respondents for whom supplies from the selected country are relevant and which are aware of the disruptions. China (n=229), South Korea (n=87), USA (n=164), Europe (n=208, no data available for Spain and Germany)



#### In your opinion, how will the spread of the Coronavirus affect the following areas in 2020?





Source: Bitkom Research 2020 | Base: All respondents (n=634); multiple answers were possible

<sup>1</sup> Question "staff unable to work" was not included in the German survey (n=399)

<sup>2</sup> Question on remote working was not included in the Hungarian survey (n=486)

| Remote working                                      |
|---|
|   |
| 82%   |
| Of all employees can work<br>from home <sup>2</sup> |

### Measures taken by digital companies



What measures have you already taken, or are you considering in your company as a result of the spread of COVID-19?



Already applied

8 Source: Bitkom Research | Base: All respondents (n=634); multiple answers were possible

# What does the digital industry believe will be the impact of COVID-19?



### What the digital sector believes



### To what extent do you agree or disagree with the following statements about the spread and the effects of COVID-19?

The Coronavirus will lead to a recession in Europe<sup>1</sup>

The Coronavirus will lead to a global recession

We expect the crisis to worsen

The Government is doing too little to support companies in need

The current discussion about the coronavirus is hysterical and exaggerated

The measures announced by the government to support affected companies are appropriate

The government's crisis management is appropriate

The digital industry is more affected by the effects of the Coronavirus than other industries.

■ Totally agree ■ Rather agree

Rather disagree Don't agree at all

Don't know

Source: Bitkom Research | Base: All respondents (n=634); multiple answers were possible

**10** <sup>1</sup> Only the corporate membership of DIGITALEUROPE was asked this question (n=30). Other trade

associations asked their members about the chances the Coronavirus will lead to a recession in their country.



## Which are the most effective measures according to the digital industry?



National measures



#### To what extent do you agree or disagree with the following statements about the spread and the effects of COVID-19?

|   | Necessary to<br>avoid bankruptcy |                  |                |                   | Not a (big) help |  |
|---|----------------------------------|------------------|----------------|-------------------|------------------|--|
| Assistance from government to pay a share of my employees' salaries   | 19%                              |                  | 56%            | 19%               |                  |  |
| Postponing tax payments   | 17%                              |                  | 52%            | 24%               |                  |  |
| Launch fast track ICT tenders and projects in public sectors that can be delivered remotely                       | 15%                              | Ę                | 51%            | 23%               |                  |  |
| Legal certainty declaring COVID-19 a case of 'Force Majeure'  | 13%                              | 41%              | 2              | 8%                |                  |  |
| Access to low interest rate loans   | 12%                              | 40%              |                | 40%               |                  |  |
| Let ICT stores stay open allowing people to purchase connectivity devices PC, Phones, monitors, Wifi devices etc. | 8%                               | 19%              | 63%            |                   |                  |  |
| Necessary to avoid bankruptcy Necessary to avoid big cuts of  | r layoffs                        | Not a (big) help | for my company | Don't know / n.a. |                  |  |

12 Source: Bitkom Research | Base: All respondents (n=399); multiple answers were possible. No response available for Germany.



### Which of the following measures do you believe the European Union should take to help the economy recover from COVID-19?

**EU** measures

Launch a stimulus package to support digital transformation of sectors such as health and environment. Use existing European funding mechanism to launch additional projects & tenders Adopt legislation to facilitate remote operations and activities (e.g. esignatures) Launch a special investment plan for innovative small and mediumsized tech companies in key sectors Increase flexibility on state aid European investments in digital education Delay of certain new compliance obligations, which will be difficult to meet because of factory closures and disruptions to supply chains. European investments in digital infrastructure (Fibre, 5G, etc.)



Highly relevant
Rather relevant
Rather irrelevant
Entirely irrelevant
I don't have an opinion / n.a.

**13** Source: Bitkom Research | Base: All respondents (n=399); multiple answers were possible. No response available for Germany.

### **Statistics**

### In which industry is your company mainly active?<sup>1</sup>



### In which industry is your company mainly active?<sup>2</sup>



Source: Bitkom Research | Base: All respondents (n=634); multiple answers were possible

<sup>1</sup> Data not available for Croatia, Greece & Turkey (n=543)
 <sup>2</sup> Data not available for Germany (n=399)

## Thank you

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