

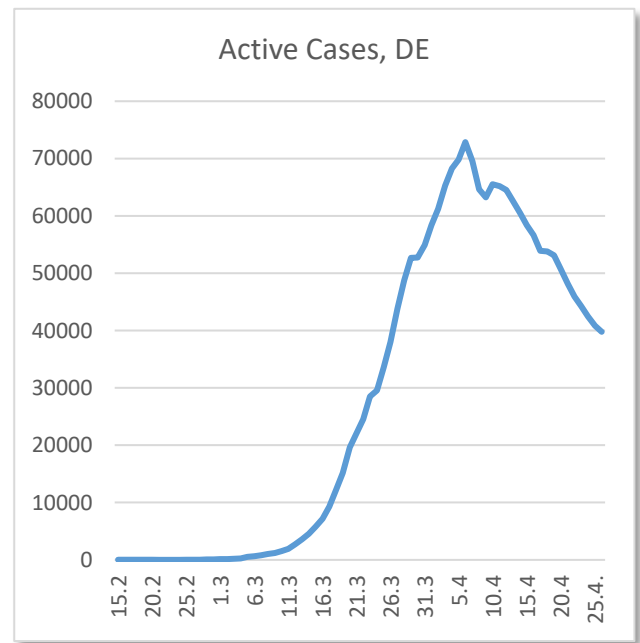
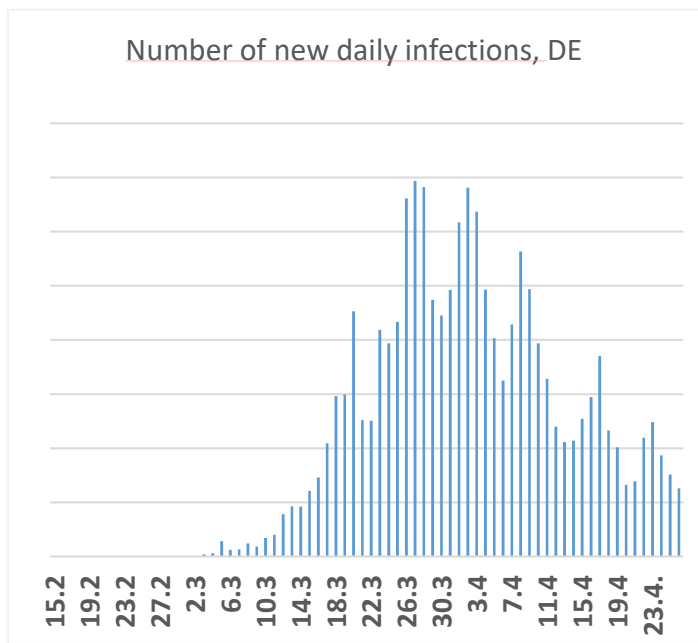
Update IV

The E-Commerce Market After COVID



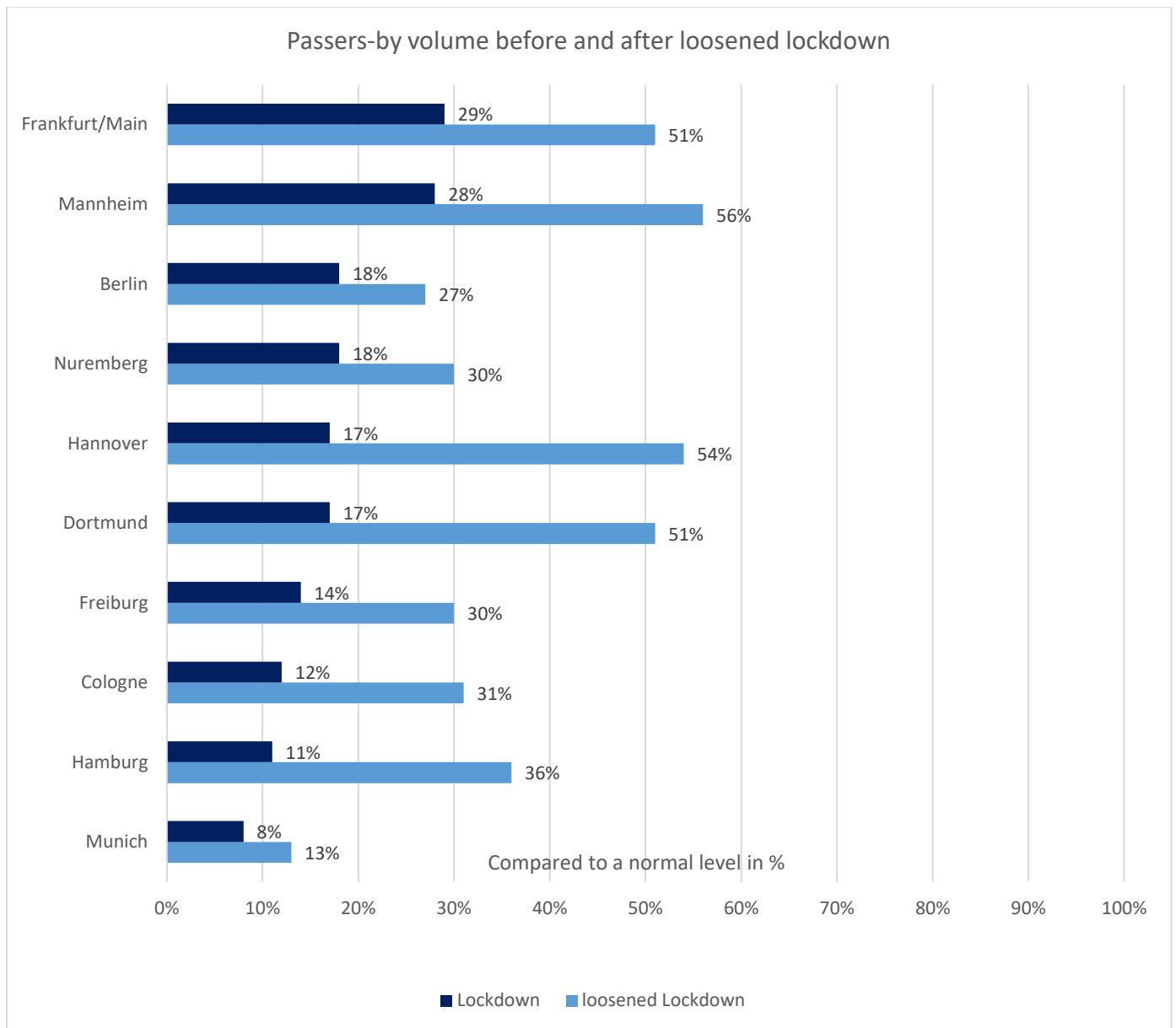
The revitalisation of city centers, new political considerations and the status of the „Tracing App“ – What has happened in the last week?

The COVID pandemic continues. Contact bans and further quarantine measures are being extended for the third week. But at least we can now witness that the number of new infections is decreasing daily, the peak of active cases seemed to have been reached in early April and is now showing a clear downward trend, albeit with few daily peaks.



Since shops below 800sqm have opened last Monday – of course under the strictest conditions of health protection – at least a little bit of everyday life seems to have returned. A spark of everyday life that many people are longing for at the moment. This is also suggested by the latest figures on the current revival of cities.

According to the Institute for Economic Research, city centres in Mannheim (56%), Frankfurt am Main (51%) and Hanover (54%) are particularly lively after the reopening. However, the situation in Southern Germany seems more cautious. The passers-by volume in the first few days after reopening was measured in comparison to a working day between 9 a.m. and 8 p.m. under normal circumstances.

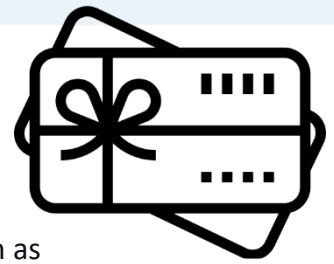


Quelle: ifw Kiel 2020

The results show: After weeks of shop closures and fears of large-scale insolvencies, the retail business can at least breathe a sigh of relief. At the same time, the aim of politicians to avoid crowds of people in the city centres seems to be realistic. Despite a less strict lockdown, the level is still well below normal. The fact that restaurants and bars are still closed and many citizens still fear contagion (even though risk perception has fallen significantly in recent weeks) could be described as the most likely reasons for such developments.

What is the latest news from the world of politics?

It has recently been revealed that „die Grünen“ are increasingly campaigning for the distribution of shopping vouchers to citizens in order to help the offline retail get back on its feet. According to their policy paper, the amount of 250 euros should not be redeemable online, but only in offline retail businesses, for local services and in gastronomy. Compared to classic economic stimulus programs such as tax reductions, it will benefit all citizens equally.



250 €

This would be another government-funded program to help companies affected by the COVID pandemic and stabilise the consumer climate. In China, similar measures are already taking place. However, it is also clear that those financial bailouts provided by the government are of historical scale. The protective shield for employees, the self-employed and companies is the largest support package in the history of the Federal Republic. The volume of the measures with budgetary impact totals 353.3 billion euros. To finance them, Germany will take out loans amounting to 156 billion euros.

BUT: Schäuble warns against overburdening the state

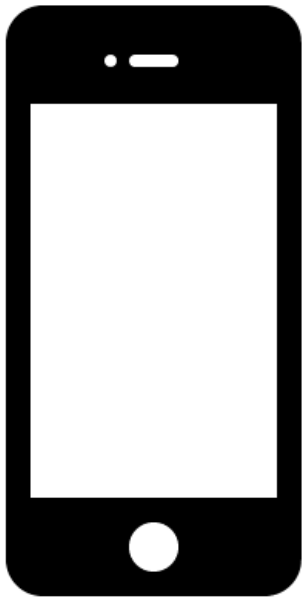
Wolfgang Schäuble, President of the Bundestag, has now issued an urgent warning that not every problem in the COVID crisis can be solved with public financial resources. A widespread assumption is obviously that "we could solve every problem with unlimited government funding, and afterwards we could get the economy going again with an economic stimulus package," the CDU politician told the newspaper "Tagesspiegel". "But the state cannot replace sales in the long run," Schäuble emphasized.

Time and time again virologists recommend the extension of the lockdown and contact bans – at least with the reference to speaking purely from a scientific perspective. The challenge today, as in the coming weeks, will be to strike a balance between health protection and economic stability. The current developments in the travel industry show all too drastically what it would mean to subordinate the protection of human life to everything without restriction:

Travel industry outlines the horror scenario

Many companies in the travel industry have already fallen into great economic difficulties as a result of the COVID crisis. The German Travel Association (DRV) announced on Sunday that two out of three companies are directly threatened by insolvency. 80% of the companies have already applied for assistance from the government, and three-quarters of the companies are also introducing short-time working.

And what is this Tracing App all about?



What is it?

An app for better and faster tracking of COVID infection chains

What is its goal?

The containment of the spread of COVID 19 through greater transparency and to enable people to resume a regular daily life.

How does it work?

Contact tracing apps are designed to support the health authorities in tracing infectious diseases: If a patient is diagnosed with a notifiable disease, health authorities try to find out with which persons the patient had contact and when. These people are then warned that they may be infected and asked to quarantine if necessary. A tracing app is now to take over this task automatically and make the entire process considerably faster and more reliable.

What does the discussion "central vs. decentral" mean?

Originally, the German Government pursued a centralised approach. In other words: In case of an infection, a user sends his ID (generated randomly and pseudonymously, which also changes regularly) to the server. Additionally, the codes of the contacts are sent to the server. In this way, the state has all the information about existing contact networks at its disposal. In contrast to this centralized approach, the decentralized approach sends only the ID of the infected person to the server. From there all other app users can download it. The actual check whether there was a contact takes place only locally on the mobile phone.

Example: If two smartphones are within two meters of each other for more than 15 minutes, the foreign ID is first stored locally in a contact list. Anyone who tests positive for Covid-19 can thus release the IDs stored in the past 14 days. The contact persons are then warned and asked to be tested.

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