



Impacts of the corona pandemic on environmental technology compa- nies in Rhineland-Palatinate

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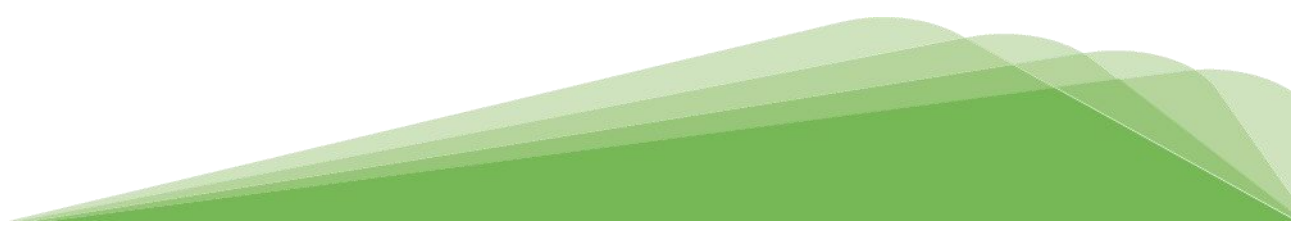
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Summary and preliminary conclusion

Overall, the survey shows that the environmental technology companies in Rhineland-Palatinate are highly adaptable to the corona pandemic and the associated changes in everyday work. In addition to technical solutions, organisational and practicable solutions oriented to the concrete needs of the company are favoured. The assessment, for example, of the concrete work processes, especially the handling and implementation of hygiene regulations, has already changed in the few days of the survey period towards a "new normality". Things that still meant a high organisational and logistical effort at the beginning of April and took up a large part of the working time of the management had already disappeared from the list of priorities after Easter.

Due to the high heterogeneity of the companies surveyed, it is difficult to make generalised statements. However, the impression is that the environmental technology sector, with its system-relevant sectors such as water and wastewater management, renewable energies and the environmental service branch, is one of the crisis-proof sectors. Only two companies have reacted to the crisis by laying off employees in marginal employment or work contracts. 39 of the companies surveyed have made use of the notification of short-time work, but due to the very good order situation before the crisis, all employment relationships have so far been maintained at pre-crisis levels.

The fact that the international business fields have largely collapsed leads to a shift of business activities within Germany for internationally active companies. The companies can partly fall back on a stable network of business partners. What is alarming is the relatively frequent mention of liquidity bottlenecks among customers who do not pay their invoices and thus have a direct impact on the liquidity of the companies surveyed. Service providers in the environmental technology sector have



switched their business activities to online services as far as possible. Liquidity assistance from the federal and state governments is known to those companies that need it. Two companies indicate difficulties in handling the programmes. It had taken a long time for the state-owned ISB Bank and the house banks to agree on common processes for handling the applications. All other companies that are aware of the emergency measures attest to their good manageability.

Environmental technology companies are taking a hesitant, cautious look at business development for the remainder of the year. Some indicate that a decline in orders could also have an impact on their business in the second or third quarter at the latest. It all depends on how long the situation of uncertainty lasts.

Therefore, it cannot be ruled out that in the second or third phase of the pandemic, concrete drops in orders from municipal customers are to be expected, if they lack the funds for larger infrastructure projects due to lower tax revenues. This impact of the crisis, which is already visible, could, if desired, be cushioned politically by appropriate municipal support programmes with a focus on sustainable infrastructure projects.

In view of this, it is suggested that the survey be conducted again with slightly adapted questions on business development as the pandemic progresses, in order to successively obtain a dynamic picture of the economic situation of environmental technology companies in Rhineland-Palatinate. Then the focus on the sustainable restructuring of the economy should be intensified in order to test the hypotheses formulated in the study on the higher crisis resistance of sustainably positioned companies.

