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Logistics Indicator in Q1 2020

The business of business is business

*Commentary by Prof. Thomas Wimmer,
Chairman of the Board, Bundesvereinigung Logistik (BVL)*

The heading for this commentary could also have been “Slight optimism but for corona” – because when the ifo institute sent us the results of the February survey, our initial feeling was that the assessments are outdated and the figures do not reflect the many-layered effects of the corona crisis. We have decided to use the snapshot comprising all responses up to roughly week 8 of 2020 as the basis for the commentary.

“Ceteris paribus” – in other words “all else being equal” and without the need to allow for the upheaval of our social and economic activities as a result of corona – the short-term expectations for future business would have shown a slight improvement, particularly in trade and industry. Experience shows that the logistics service providers fall in line with the predictions of the demand side of the market only a short time later. But everything has changed. When the findings of the March survey become available some three weeks from now, they will paint a dramatically bleaker picture, because the German economy and with it the logistics sector will also be “infected”. If I am wrong, then there is nothing that would please me more.

In truth, the real facts and figures regarding the virus are often outflanked by rumours and myths – and by ever-mounting fears and even panic. Each new year brings new outbreaks of flu, which affect many of us to a greater or lesser degree. The heavy 2017/18 flu season cost the lives of 25,000 people in Germany, for example. That’s a remarkable number of mortalities, but we still managed not to make irrational decisions, or to hoard medicines and other equipment – let alone steal it from hospitals.

Corona is evidently more contagious than the influenza viruses of past years and calls for a higher level of precautionary measures. It requires more information for the public and the best standard of medical care. But is it really necessary – given the current number of registered corona cases in Germany – to start hoarding food, cancel events, issue travel bans and reschedule trade fairs? Developments in the neighbouring country of Italy leave us mystified. What we need, starting today, is media reporting on corona that informs and educates us rather than big headlines that cause people to panic. We also need decision-makers in business and politics who dispel our fears rather than joining the ranks of the pessimists and prophets of doom.

This is also important given that the challenges that corona has driven from the agenda still await us and still need to be urgently addressed – challenges such as value added, world trade, sustainability, mobility, infrastructure, Brexit, protectionism, the instability of financial markets to name but a few. The German government has signalled its intention to adjust its economic policy in the face of the threat of recession. That is certainly good to know, but there is one thing that remains true for all of us, namely that the business of business is business. Let us devote our efforts to what we do best – sticking to the facts, finding solutions to challenges, keeping the economy ticking over. This could help everyone to return to a place of sensible reactions and prudent decisions – and thereby to re-stabilise our economy and our society.