

ENCLOSURE A2

Danske Bank: Update on the crisis: A deep hole has opened up.

March 19, 2020. Excerpts.

In only a few weeks, the new corona virus has developed into an enormous economic shock. In Denmark, companies employing roughly 10 percent of the workforce are now directly closed, while many others are struggling due to lack of demand, goods or employees able or allowed to work. Consumption has come to a halt in a number of areas. It is not unlikely that the economic activity is currently up to a third below normal, a reduction the like of which we have never witnessed before. This is even without counting the severe cutbacks in the public sector. However, the statistics do not count these as production losses in the same way, and the employees are not at risk of being fired.

This is the situation, not only in Denmark, but also in most of Europe, and most likely also in the US soon. This affects both exports and the firms that depend on imports, but this crisis is mostly about the domestic service industry – which makes the crisis so severe, as this is by far the largest sector.

Unemployment numbers are rising rapidly. In the last seven days, 22,051 people have registered as unemployed, which is about 15,000 more than normal. In comparison, unemployment grew by 97,000 people during the financial crisis, but that was over a period of two years.