

Business at OECD Media Release

Business warns current crisis to be more severe than Financial Crisis – 2020 Economic Policy Survey

Paris, 27th May, 2020 – Today, *Business at OECD* published its [2020 Economic Policy Survey](#), indicating a sharp deterioration of business confidence across OECD economies.

“The COVID-19 pandemic poses a substantial threat to the global economy resulting from containment and other measures essential to address the health impact,” said **Mr. Russel Mills**, *Business at OECD* Secretary General. “Our survey points to a stark decline of the overall business climate, with global leading business organizations concerned that the economic fallout could exceed that of the Financial Crisis. A bottom-up, business-led recovery with a strong and effective cooperation with governments is now critical. As we start the long recovery process, we plan to leverage the core OECD values and unique comparative advantages, including evidence-based policymaking, peer learning processes and reviews to enable the dissemination of best practices.”

Key insights from our survey include:

- While in 2019 only 16% of business federations perceived the business climate as weak or very weak, this share now skyrocketed to a staggering 95%.
- Alarmingly, 3 out of 4 respondents expect the current crisis to have a more severe economic impact than the financial crisis. A swift rebound appears unlikely.
- About half of surveyed business organizations consider government response measures as largely appropriate in the short-term, while the other half regards these as too small or somewhat small.

“Extraordinary expansionary monetary, fiscal and economic policies will be required from now well into 2022 in most countries to counteract the risks stemming from the immediate fallout from containment measures”, noted **Dr. Klaus Deutsch**, Chair of the *Business at OECD* Economic Policy Committee. “Despite strong public efforts to support businesses and workers during the crisis, we expect higher unemployment, increased rates of business bankruptcies, weaker public and private balance sheets, reduced investment spending, and increased calls for protectionism. Effective recovery plans and international coordination and cooperation are vital.”

About the 2020 Economic Policy Survey

We conducted our survey in mid-April 2020. 20 national business and employer organizations, representing 73% of all OECD countries’ GDP, participated in the survey. Each participating business and employer organization represents thousands of companies across several economic sectors in their respective countries.

About Business at OECD

Established in 1962, Business at OECD stands for policies that enable businesses of all sizes to contribute to growth, economic development, and societal prosperity. Through Business at OECD, national businesses and employers’ federations representing over 7 million companies provide and receive expertise via our participation with the OECD and governments promoting competitive economies and better business.

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