

# Update 9: France - Economy Contracts by 14% in Q2 2020 Amid COVID-19 Pandemic

- France reported a decline by 14% in GDP in Q2 2020
- It is due to decrease in production caused by quarantine measures to contain COVID-19 pandemic
- The country's GDP shrank by 5.9% in Q1 2020 and 0.2% in the last quarter of 2019
- National Statistics Agency stated that third consecutive quarter of negative growth might cause the chance of worsening recession
- As of now, the country has reported 187,919 COVID-19 confirmed cases and 30,265 related deaths
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult Ministry of Health of France (<https://solidarites-sante.gouv.fr/>) for the latest information on COVID-19 in France

## Source(s)

<https://www.timesnownews.com/business-economy/economy/article/france-sinks-deeper-into-recession-with-14-per-cent-gdp-hit-in-second-quarter/630004>  
<https://www.straitstimes.com/business/economy/france-sees-record-138-per-cent-gdp-plunge-in-second-quarter>  
<https://today.rtl.lu/news/business-and-tech/a/1557657.html>  
<https://www.worldometers.info/coronavirus/country/france/>

## Targets Affected:

France

### Guidance

#### *Actions to consider:*

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

## Related Alerts

June 27, 2020

Medium

Update 8: France - Confirms 1,588  
New COVID-19 Cases, Totaling  
~162,936

June 18, 2020

Low

Update 7: France - Economy to  
Contract 17% in Q2 2020 Amid  
COVID-19 Pandemic

June 14, 2020

Medium

Update 6: France - Plans to Open  
Border for Non-Schengen Travelers  
Starting July 1, 2020 Amid COVID-19  
Pandemic

June 13, 2020

Medium

Update 5: France - Plans to Open  
Border for European Union Travelers  
Starting June 15, 2020 Amid COVID-19  
Pandemic

June 11, 2020

High

Update 3: France - Plans to End  
Emergency Health Measures Starting  
July 10, 2020; Projects 800,000 Job  
Losses

June 11, 2020

Low

Update 4: France - Announces  
~US\$114 M Aid for Certain Businesses  
Amid COVID-19 Pandemic

June 5, 2020

Low

Update 2: France - Announces  
Measures to Recover Economy Amid  
COVID-19 Pandemic

June 3, 2020

Medium

France - GDP to Contract by 11% with  
Budget Deficit of 11.4% in 2020 Amid  
COVID-19 Pandemic

June 2, 2020

Medium

Update 1: France - Plans to Extend  
State of Health Emergency Until  
October 2020 Amid COVID-19  
Pandemic

# Impact level Definitions

Impact Level	Definitions
Immediate	<b>Certain</b> - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	<b>Highly likely to occur in the near term (within 3 months)</b> - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	<b>Likely to occur in the mid-term (within 3 to 6 months)</b> - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	<b>Possible in the long-term (after 6 months)</b> - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.