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# GSB NEWS

## Press release on the corona crisis

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## 1 Immediate effects on GSB

Virtually every company, institution and organisation is currently affected directly or indirectly by COVID-19. GSB and its member companies likewise have to deal with restrictions.

**For GSB, the primary concern is the health of employees of member companies, inspectors and its own staff.**

For this reason, the following measures have been introduced with immediate effect:

- The **inspections** for the coating companies **are suspended until further notice**.
- The GSB team is now working from home and can be reached in the usual way by e-mail. You can reach the GSB team by phone on the usual numbers.
- The **training course** which was planned for 13 & 14 May 2020 **has been postponed**. Information about an alternative date will be provided as soon as possible.
- **Paint Expo has been postponed** and will now take place from 12-15 October 2020. The GSB team has responded straightaway and is now planning for the new date.

## **2 The coatings industry and the corona crisis**

### **2.1 The flood of information during the crisis**

Regardless of where you get your news, there is no shortage of information about the corona crisis. The financial markets around the world are under pressure. Some businesses are closed. Events have been cancelled.

One could make a list of implications with a level of detail that seems absurd and impractical – all the more so as the news differ significantly between the affected areas. Added to this is the fact that the frequency of news each day comes in at such a fast pace that it is virtually impossible to keep track of everything.

### **2.2 What effect will the corona crisis have on the coatings industry and the members of GSB?**

It's not possible to give a straight answer to this, as the membership base includes manufacturers of pre-treatment chemicals and coating materials as well as the coaters themselves. Moreover, the companies that are members of GSB are based in different countries. Add their customers to the mix and you have a huge global network. The interrelations between each of these companies are all very different. This can be clarified using a practical example.

It may be the case that a coater and its customer – for example a metal fabricator – are based side-by-side in Germany, but the construction site to which the metal fabricator is delivering the components coated by the coater is actually abroad.

Measures that have been taken abroad may also affect member companies directly in their day-to-day business, even if their direct customer is based in the same country. It is understandably not possible to make a general statement about how exactly individual companies will be affected. Nevertheless, there are some recommendations for how companies can alleviate the uncertainty of the situation. It doesn't matter if the company is a coater or a manufacturer of pre-treatment chemicals or coating materials.

### **2.3 Recommended actions**

#### **2.3.1 The first steps in time of crisis**

Proactive action is necessary. First and foremost, this means staying up to date with information in your home country and not getting lost in the labyrinth of news. In order to avoid panic, you should obtain information directly from the institutions that are responsible for changes and measures. This includes regularly reading press releases from governments, ministries and administrative bodies in your countries. You can then filter the news for information that is important for your company. You can then base your actions on well-founded information. For example, access to short-time work allowance has been facilitated in Germany as part of the set of measures.

#### **2.3.2 Analysis of the supply chain and customers**

As a second step, it is worth visualising the supply chain of your own company. Who are your suppliers and where are they based? Could you use alternative suppliers if there are shortages? Where are your customers based and – going one step further – their customers? What impact will the restrictions and government measures taken for the corona crisis have on their economic position?

#### **2.3.3 Delivery dates and currency risks**

You need to tread carefully with contracts carried out in times of great uncertainty on the market. Delivery dates need to be well thought out. Furthermore, contracts are not necessarily concluded in the currency of the company's country. Currency fluctuations may ultimately lead to problems. A meeting or (in times of coronavirus) a video conference with a trusted financial institution is always worthwhile with regard to hedging against currency fluctuations.

## 2.4 Don't panic!

During this extraordinary situation, one rule of thumb still applies. It is a rule that Douglas Adams's characters have followed in his book "The Hitchhiker's Guide to the Galaxy" while they travelled through space: "Don't panic!".

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