

CORONA CRISIS: BTE CALLS FOR RETHINKING OF AUTUMN DELIVERIES AND CONCESSION OF LESSORS



The effects of the corona virus on the textile and fashion trade are dramatic. The vast majority of businesses have suffered high double-digit sales losses in recent weeks, which are already leading to initial liquidity bottlenecks. Business closures that have already been forecast or decided upon will further aggravate the situation considerably.



At the moment, no one can seriously predict how long the corona crisis will last and whether it will not flare up again in autumn after an interim slowdown. "The entire textile and fashion industry must therefore take precautions now so that there is a chance that trade and industry will return to reasonably calm waters in the second half of the year," recommends BTE President Steffen Jost.



Because it is already clear that at the end of the spring/summer season there will be high losses and many insolvencies because the actual merchandise can no longer be sold. Jost: "A repetition of this situation in autumn is likely to irreversibly damage the diverse structure of the fashion retail landscape!"

In this situation, trade and industry must work closely together and act in partnership. It is imperative that the orders placed a few weeks ago need to be renegotiated. Under no circumstances the situation should arise, that new autumn goods are delivered without consultation, although the retail warehouses are still full of spring goods and at the same time new waves of infection are rolling

through the country!



BTE President Steffen Jost therefore urgently appeals to the partners in the industry to coordinate the organization of deliveries of autumn goods with the fashion trade already now. "In order not to jeopardize the existence of small, medium and even larger fashion retailers even more, there must be no prohibitions on thinking here." Otherwise, there will be an even stronger wave of insolvencies, which cannot be in the interest of the suppliers either. "A fashion trade, that essentially consists only of verticals and large online retailers, is causing major problems for the vast majority of brand producers".



The official business closings in almost all federal states lead many textile and fashion shops to the economic abyss. The top priority now is to cut costs and secure liquidity. In this context, the lessors would also have to pay their share. "Landlords must not ignore the corona crisis and continue to charge their usual rents," says BTE President Steffen Jost.

It would be best if the landlords completely waived their rent claims during the time of the forced business closures. At least a significant cut is absolutely necessary.



"Otherwise, many businesses will not survive the next few months and we will see an explosion in vacancies," warns Jost. This could not be in the interests of the landlords, since empty stores do not generate rental income and even depress the general level of rents.

"Above all, institutional investors and lessors have to put aside their return considerations and save the livelihoods of their tenants in their own interests," warns the BTE President. "Otherwise the landlords slaughter the cow they want to milk!"

Source: BTE e.V.