

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** New Strategies Bring Relief to German Restaurants During and After COVID19

**Country:** Germany

**Post:** Berlin

**Report Category:** Agricultural Situation, Agriculture in the News, Food Service - Hotel Restaurant Institutional, Promotion Opportunities

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**Report Highlights:**

In Germany, the COVID19 sparked new business ideas amongst restaurants which helped some of them earn more revenue than before the epidemic. Take-out windows with lower-price and higher-volume menus, and online shops selling their products and cooking boxes will likely be part of cornerstone restaurants in the future. Also, a one-year tax cut of 12 percent on food items is supposed to stimulate business and help the restaurant sector to overcome the crisis.

After the sudden mid-March shutdown of public life due to COVID19, some restaurants closed down entirely while others found new business strategies. FAS Berlin noticed three main changes in strategy, as well as government measures and stimuli.

Instead of fully closing down their cornerstone restaurants, many business owners opened for a limited time a day with a lower-price and higher-volume simple menu, selling out of their shops' windows for instance. Also, many opened up online shops to sell readymade products, e.g. pesto, bread, wine etc., as well as cooking boxes for consumers to recook a full set dinner at home. Hereby, the social media channel Instagram functions as their communicator to circulate the menu of the day and opening hours.

FAS Berlin discovered that some mid-range to high-end restaurants in bigger cities in Germany are currently making more revenue under their new business operations, than before the COVID19 pandemic. Restaurants as for example [Lode&Stijn](#), [Mrs. Robinson](#), and [Prism](#), will integrate a part of their new profitable concepts after they are allowed to fully reopen. In Germany, each Federal State has the authority to decide when to open up again. In Berlin, restaurants reopened on May 15, under strict health and hygiene protection measures.

There is also relief expected for restaurants from the legislative side as the German Ministry of Finance announced tax cuts for restaurants, in place until June 2021. In detail, VAT on food items will decrease from 19 percent to seven percent; beverages and alcohol (due to EU law) are excluded from this relief. As prices in Germany are always shown including tax, it will be easier for restaurants to charge the same price as before but keep the difference of the 12 percent as revenue.

Overall and in total, the German government is guarding and stimulating the economy with 382 billion US Dollar (353 billion Euro) in monetary and fiscal measures and 887 billion US Dollar (820 billion Euro) in guarantees and buying shares.

**Attachments:**

No Attachments.