

COVID-19 Resources for Nebraska Exporters

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This webpage is a resource for Nebraska exporters enduring the business effects of the coronavirus (COVID-19). The Nebraska Department of Economic Development (DED) will update this page regularly to provide helpful information for Nebraska Exporters.

If you are experiencing export issues due to COVID-19, please contact DED so that we can assist you.

Considerations

The safety and health of employees is an immediate priority. Where possible, it is advised that employees work from home. Set up regular communication protocols with staff working from home via conference call or web meeting. Maintain six feet of space between workstations in the office for those essential personnel remaining in the office.

Additional tips:

- If staff are feeling unwell, send them home
- Provide hand sanitizing materials in the office
- Frequently disinfect frequently touched objects
 - o Doorknobs, faucet handles, phones, desks, etc.
 - o *Disinfecting wipes should be disposed, not thrown in the toilet*
- Encourage all to frequently wash hands for 20 seconds
 - o Singing "happy birthday" twice will help time for 20 seconds
- Avoid handshakes
- Avoid touching the face
- Cough and sneeze into tissues, then dispose in the trash

Advice for Exporters

- **Maintain frequent contact with customers and in-country partners, while acknowledging that the partner's business is likely also affected by the local virus situation**
- Prepare continuity of business plans
 - o Designate a COVID-19 response team for local office and export operation continuity
- Scan partner country news outlets for information on government policies, supplier operations impacting your own business
- Remain in contact with DED and the United States Small Business Administration (SBA) on relevant assistance programs

Manufacturers

- Consider staggering work shifts to minimize person-to-person contact
- Where possible, Maintain six feet of space between workers
- Provide face masks for those that must work in close proximity to others to minimize the spread of respiratory particles from sneezing, coughing.
- Provide sanitary gloves where necessary

Supply Chain

According to 2019 data from the U.S. Census Bureau, Nebraska's top five import partners are China, Canada, Mexico, Switzerland, and Japan. Nebraska's largest export partners are the same, with an addition of South Korea. Below are brief synopses of conditions and COVID-19 responses in each country. Each of these countries are reporting COVID-19 cases and government responses vary. Please contact DED for questions on developments in additional countries.

Exporters should be cognizant of potential bottlenecks and weak points in their supply chain. Consider diversifying the supply chain to minimize dependence for essential components.

China

China's GDP is estimated to contract this quarter from 1.5 to 3 percent.¹ While hard data is not readily available, and indications vary from province to province, China's Economic Recovery Index suggests that nearly two thirds of manufacturing operations resumed.² Import of Chinese products may be delayed. There are over 81,000 cases of COVID-19 in China, primarily in Hubei Province.

Canada

Canada's Government pledged \$82 billion in aid to help businesses mitigate the impact of the virus. \$55 billion will assist business liquidity through tax deferrals and \$27 billion is direct support for companies.³ Nonessential travel between Canada and the U.S. is restricted, while trade continues. Canada is reporting over 1,500 cases of COVID-19.

Mexico

Nonessential travel between the U.S. and Mexico is limited, while trade continues. Mexico has not yet placed significant restrictions on incoming travel. Mexico City's Mayor on March 22 announced the suspension of outdoor events, the closure of museums and gyms, and a ban on gatherings of more than 50 people. Mexico is reporting 360 cases of COVID-19.

Switzerland

The Swiss government issued a recommendation that all citizens stay at home. As of March 20, gatherings of five or more are banned countrywide. Bars, restaurants are closed while sports and

¹ Bloomberg - <https://www.bloomberg.com/news/articles/2020-03-01/china-economy-seen-headed-for-deeper-contraction-on-factory-drop>

² Reuters - <https://www.reuters.com/article/us-health-coronavirus-china-bigdata-grap/business-picks-up-pace-in-china-but-global-virus-spread-may-slow-recovery-idUSKBN20W0RO>

³ CBC - <https://www.cbc.ca/news/politics/economic-aid-package-coronavirus-1.5501037>

cultural gatherings are prohibited. The government issued \$20 billion in aid to support the economy.⁴ Switzerland is reporting 8,500 cases of COVID-19.

Japan

Business continues in Japan, though exports from Japan are falling 1 percent year-over-year due to the virus. This is the 15th straight month of export contraction in Japan.⁵ Supply chains in Japan may be slowed due to delayed deliveries from China. Japan is reporting 1,100 cases of COVID-19.

South Korea

South Korea's government pledged \$39 billion in emergency funding for small businesses. This includes loan guarantees for small businesses with less than \$78,000 in annual revenue. Domestic commercial banks are allowing postponement of loan payments. Essential business operations continue. South Korea has stringent restrictions on international arrivals. The country began a 15-day social distancing policy on March 22, banning sports, religious, and entertainment gatherings. There are 8,000 COVID-19 cases in South Korea, and the nation is reporting a declining rate of infections.

Useful Links

United States Small Business Administration (more information in FAQs)

- [Export Assistance](#)
- [SBA Disaster Loan Application – Electronic Loan Application](#)

Export-Import Bank of the United States

- [Export Credit Insurance \(information document\)](#)

CDC Interim Guidance for Businesses and Employers

- [Plan, Prepare and Respond to Coronavirus Disease 2019](#)

Harvard Business Review

- [Prepare your Supply Chain for Coronavirus](#)

McKinsey & Company

- [Coronavirus COVID-19: Facts and Insights](#)
- [Example measures that organizations have deployed for employees](#)
- [COVID-19: Implications for Business](#)

Grant Thornton

- [COVID-19 Business Checklist](#)

Nebraska Export Information

⁴ SwissInfo - https://www.swissinfo.ch/eng/covid-19_coronavirus--the-situation-in-switzerland/45592192

⁵ Japan Times- <https://www.japantimes.co.jp/news/2020/03/18/business/economy-business/japans-exports-fall-imports-china-slump-coronavirus-impact-widens/>

- [Nebraska Exports](#)

Nebraska Import Information

- [State Imports for Nebraska](#)

FAQ

What advice does DED have for companies conducting business travel at this time?

Companies must ultimately make their own final decisions, however, nonessential travel to European Union countries, among others, is currently prohibited (March 20, 2020). Do your research on travel restrictions enforced by local governments prior to travel. Organizations should also take into account the U.S. State Department's travel guidelines, found at the link below.

[U.S. State Department Travel Advisory](#)

The U.S. State Department raised international travel advisory to Level 4: Do NOT Travel

For a list of official travel restrictions to each country, please visit the International Air Transport Association at the following link.

[IATA International Travel Document News](#)

What programs are available for small business exporters to mitigate the impact of COVID-19?

Please look into the following federal programs:

[Economic Injury Disaster Loan Program](#)

- **“SBA’s Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.**
- **These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.**
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower’s ability to repay.”

Export Express Loan Program (SBA)

- “Export Express loan program allows access to capital quickly for businesses that need financing up to \$500,000. Businesses can apply for a line of credit or term note prior to finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.” [\(SBA\)](#)

Export Working Capital Program (SBA)

- “Export Working Capital program enables small businesses to fulfill export orders and finance international sales by providing revolving lines of credit or transaction-based financing of up to

\$5 million. Businesses could use a loan to obtain or retain overseas customers by offering attractive payment terms.” [\(SBA\)](#)

International Trade Loan Program (SBA)

- “International Trade loan program helps small businesses engaged in international trade to retool or expand to better compete and react to changing business conditions. It can also help exporting firms to expand their sales to new markets or to re-shore operations back to the U.S.” [\(SBA\)](#)

How can I apply for SBA Disaster Loans?

Applicants may apply online using the Electronic Loan Application (ELA) indicated under the “Useful Links” section, or at the link below.

<https://disasterloan.sba.gov/ela>

Paper loan applications can be downloaded from sba.gov/disaster. Completed applications should be mailed to:

U.S. Small Business Administration, Processing and Distribution Center, 14925 Kingsport Road, Fort Worth, TX 76155

Disaster Loan information and application forms may also be obtained by calling the SBA’s Customer Service Center at 800-659-2955, 800-877-8339 for the deaf and hard of hearing, or by sending an email to disastercustomerservice@sba.gov.

Who can I contact at the Nebraska Department of Economic Development to discuss these programs?

DED is here to assist and advise Nebraska exporters in navigating this process. Your contacts are:

Susan Rouch, Export Development Manager: susan.rouch@nebraska.gov

Cobus Block, International Business Manager: cobus.block@nebraska.gov