World Event 2020

G20 Economy Under Covid-19

Think Tank Egypt - TTE

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World Event 2020

World event:

Throughout modern history, there has never been an event that affects the majority of the world like what we are facing now.

This event that started late 2019 till today has taken its toll on the majority of the world's nations, and subsequently is affecting the rest of it and will not leave the world as before, changes started and a dramatic changes looking in the horizon day after day countries and governments try to doing their roles, and people have no clear vision to trust and there is no way to sail alone to a safe island.

This pandemic has forced most of the civilized world into a complete halt in production and across all sectors of the economy. Nations scrambled to contain the pandemic first then to try to alleviate the economic and fiscal downpour through aggressive stimulus packages. It is believed that the effects will be longer and graver than the 2008 recession, since the said recession was mainly fiscal and started in the US market then had its consequences on the world economy. The 2020 world event is of a completely different nature, it hit the world at the same time and the recession expected after may be much worse than the 1930's great recession.

This pandemic is gathering the world to work together to save people, but for the economy it is different this event will be reshaping the world economy, great economics will quake, and others will find a way to grow.

To get a focused look on the world economy changes, we will shed light on the G20 the strongest economic alliance in the world where the great changes will be going to happened and will affects all over the world

Focusing on G20 is a key to understand the changes, the G20 nations hold 77% of world GDP 75% of the wealth of the world and 58% of world trade, among the G20 members the most strong economies, biggest industrial countries, biggest petroleum producers, biggest petroleum consumers, biggest food producers, largest markets, largest tourism moves, the G20 has a large and biggest of every economic element and also have the biggest share of the external debt of the world.

Through a thorough data gathering the report will be able to display the effects of the pandemic on G20 nations. It will also venture deeper into the subsequent effects on the world economy and monetary systems. Identifying the problem areas and what each nation of the G20 is doing to face, according to each economy and fiscal power.

Revival of economies will not happen with just one stimulus package that governments are offering now, it will be a long drawn out process where the world will face complete change (one nation after the other), especially in the democratic liberal capitalist nations. Methods of production and work environment will have to be moderated and developed to enhance the productivity of economies.

This report will showcase each of the G20 nation's economic indicators, Current status under Covid-19, then Government economic response.
Followed by the challenges, Analyzing the economic indicators, displaying some of major government response and tying them with challenges will help to reveal the fog and give deeper understanding and to the specialist in economics it will be a clear view point of the economy status right now, and can deduct what will be expected in the short term.

Corona virus Overview:

The corona virus disease, or COVID-19, is the infectious disease caused by the most recently discovered corona virus. COVID-19 was unknown before the outbreak began in Wuhan, China in December 2019. Corona viruses are a large family of viruses that are transmitted between animals and people, with the most recent being COVID-19. Corona viruses are known to cause respiratory infections in humans ranging from the common cold to more serious disease. Other types of corona viruses include Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS).
Those with fever, cough, and difficulty breathing should seek medical attention. Some people who have been infected with the corona virus may never develop any symptoms. About 80% of those infected recovers without any special treatment. About 1 in 6 people who become infected become seriously ill and have difficulty breathing. At-risk groups include older people, those with compromised immune systems, and those with underlying medical conditions such as high blood pressure, heart problems, or diabetes.
COVID-19 is transmitted from person to person through respiratory droplets from the nose and mouth such as from coughing or sneezing. These droplets land on objects and surfaces around people and on people, such as in instances when someone sneezes into their hand. Studies suggest that the virus that causes COVID-19 is primarily transmitted through contact with respiratory droplets rather than through the air.
COVID-19 Prevalence around the World: As of April 26, 2020, there are 2,991,073 confirmed cases and 206,822 death cases.

G 20 economies:

- G20 is one of strongest economic alliance between G7 countries, EU and strongest economic countries.
- G20 GDP is $ 67 trillion.
- G20 GDP share is 77% of global GDP and 75% of world wealth, 58% of international trade.

G20 has been affected hardly from Covid-19 with strong economic damage, and trade war between USA and China after last election in USA 2016.

When the GNIs of every country in the world are added together, the value of imports and exports are in balance. The world economy consists of 193 economies, with the United States being the largest. As per World Bank estimates, the nominal world GDP in 2017 was $80,683.79 billion. In 2018, the nominal world GDP was $84,835.46 billion in 2018, and it's projected to be $88,081.13 billion in 2019. In 2018, the growth rate for the world GDP was 3.6% and it decreased in 2019 to 2.8%.

G20 Countries Ranked by GDP

1. United States (GDP: $21.40 trillion)
2. China (GDP: $14.20 trillion)
3. Euro Area: (GDP: $14 trillion)
4. Japan: (GDP: $5.110 trillion)
5. Germany: (GDP: $4.040 trillion)
6. United Kingdom: (GDP: $2.910 trillion)
7. France: (GDP: $2.890 trillion)
8. India: (GDP: $2.80 trillion)
9. Italy: (GDP: $2.030 trillion)
10. Brazil: (GDP: $2.20 trillion)
11. Russia: (GDP: $1.750 trillion)
12. Canada: (GDP: $1.740 trillion)
13. South Korea: (GDP: $1.690 trillion)
14. Australia: (GDP: $1.450 trillion)
15. Mexico: (GDP: $1.200 trillion)
16. Indonesia: (GDP: $1.126 trillion)
17. Saudi Arabia: (GDP: $785 billion)
18. Turkey: (GDP: $740 billion)
19. Argentina: (GDP: $450 billion)
20. South Africa: (GDP: $350 billion)

G20 efforts fighting Covid-19

On March 26, 2020, an extraordinary virtual G20 leaders' summit will take place to discuss global plans to tackle the public health and economic challenges posed by the corona virus pandemic (COVID-19). The Leaders' Summit will follow a virtual meeting of G20 finance ministers and central bank governors that was held on March 23 and a virtual G20 Sherpa meeting held on March 25. As anticipated, the G20 finance ministers did not issue a joint declaration after the call. Media reports suggest that no consensus was reached on releasing a joint declaration due to recent tensions between the US and China over trade issues and the origin of the corona virus. The G20 Saudi secretariat only issued a press release stating that the "G20 Finance Ministers and Central Bank Governors agreed to closely monitor the evolution of the COVID-19 pandemic, including its impact on markets and economic conditions and take further actions to support the economy during and after this phase. They also agreed to develop a joint G20 Action Plan in response to COVID-19, which will outline the individual and collective actions that G20 has taken and will be taking to respond to the COVID-19 pandemic." The press statement provides no further information about what specific individual and collective policy actions would constitute the G20 Action Plan. The G20 finance ministers issued a somewhat similar joint statement on March 6 promising "actions, including fiscal and monetary measures, as appropriate, to aid in the response to the virus, support the economy during this phase and maintain the resilience of the financial system." For more details on the G20 Action Plan, perhaps we may have to wait until the leaders' summit taking place on Thursday. More than bland statements, what the world urgently needs is coordinated action plans (with concrete steps, resources required, deadlines, and accountability) to address the triple crisis — a health crisis, a real economy crisis and a looming financial crisis triggered by unprecedented capital outflows and credit stress. Apart from the immediate global health policy response to strengthen health infrastructure, well-coordinated economic policy actions are needed to restart the economy and protect the most vulnerable countries. Given the scare resources, a coordinated multilateral strategy would be mutually reinforcing and would create significant positive spillover effects for all countries. Hence, countries should initiate joint actions and seek greater international coordination in all policy areas to produce better outcomes. The following are seven key issues for action that G20 could undertake to collectively address the public health crisis and the corresponding economic fallout of the corona virus pandemic.

1. Enhance medical aid and collaborations: First and foremost, given the transmission of the novel corona virus across six continents, the G20 should ensure that the movement of essential medical supplies (such as masks, gloves, and other medical equipment) is not restricted across borders and should be offered to all those countries that need them. The export restrictions on essential medical supplies imposed by the European Union and some national governments should be immediately removed as many countries lack the domestic production of medical supplies to deal with the pandemic. Such short-sighted export controls are obstructing global efforts by governments, foundations, and NGOs to send essential medical supplies to affected countries. Further, the US, China, and Europe should jointly collaborate on many levels in developing and testing a vaccine against the corona virus. Currently, there are no bilateral or multilateral collaborations to develop a vaccine or other treatments. Needless to add, the conduct of multiple testing programs across various jurisdictions enhances the success of vaccines. Once a vaccine is approved and successfully launched, it should be offered to people around the world affordably, and regardless of economic or political considerations. Saving human lives is far more critical than seeking monopoly privileges or pursuing Geo-strategic goals. The corona virus pandemic has, once again, highlighted the need to provide substantial financial support to the WHO to meet the current and future health epidemics.

2. Financial mobilization and coordination: The G20 should provide significant financial assistance through grants and concessional loans to the poor and developing countries that desperately need funds to augment their public health infrastructure and to revive the economy. In this regard, the G20 needs to adopt a multi-pronged approach and extend support to myriad international initiatives. The IMF has made available $50 billion through its twin emergency financing facilities — the Rapid Credit Facility (RCF) and the Rapid Financing Instrument (RFI) — to poor and developing countries affected by the corona virus. Besides, the IMF has recently expressed its willingness to mobilize an additional $1 trillion to assist its member countries. Both these initiatives by the IMF could be effective provided loans do not prescribe fiscal tightening measures and are not denied to member-countries (for instance, Iran or Venezuela) that may have political or strategic differences with some of the biggest shareholders of the Fund. Since mobilizing $1 trillion may take considerable time in getting approval from its largest shareholders, the IMF could devote more resources to its twin emergency financing facilities in the near term, the managing director of the IMF, said that as many as 80 member-countries are seeking help from the Fund. Hence, $50 billion may not be adequate to meet the immediate financing needs of so many countries. Further, the funds under the RFI facility should be made available to countries at zero interest rate, with repayment over 10 years. Some of the preconditions attached to securing financial support under the RFI should be relaxed for countries dealing with the global pandemic. Apart from the IMF, financial support from regional and international financial institutions should be mobilized. For instance, the World Bank can play an essential role in reviving trade finance, as it did during the 2008 global financial crisis. Norway has proposed to establish a corona virus fund at the United Nations to assist poor countries facing the virus epidemic, similar to the Ebola Response Multi-Partner Trust Fund established in response to the Ebola outbreak in 2014 by the UN. Such financing initiatives need to be welcomed by the G20 and international community. Apart from resource mobilization, the international coordination of financing initiatives is equally important. Ideally, the UN is well-placed to coordinate different financing initiatives, given its strong commitment to the Sustainable Development Goals (SDGs) along with the active participation of poor and developing countries in the decision-making processes.

3. Extend US dollar swap lines: The G20 should request the US to extend dollar swap lines to large emerging market economies (EMEs) (such as Turkey, Argentina, and South Africa) that are facing a dollar funding squeeze. Currently, the US Federal Reserve has offered swap lines to just four EMEs: Singapore, South Korea, Mexico and Brazil. There are regional financing arrangements (RFAs) such as the Chiang Mai Initiative, Arab Monetary Fund, BRICS Contingent Reserve Arrangement, and Latin American Reserve Fund that have been established to provide financial support to countries experiencing financial difficulties. However, since most member-countries of the RFAs are also experiencing financial problems, large financial support from such arrangements may not be available in the present circumstances.

4. Coordinate macroeconomic policies: The G20 should take the lead in coordinating a wide range of macroeconomic policies to avoid beggar-thy-neighbor policies, as it did so in the wake of the 2008 crisis. Although most fiscal stimulus measures are likely to be targeted at sub-national and national levels by governments, the G20 should task the Financial Stability Board (FSB) to explore a coordinated and synchronized global fiscal response that can mitigate the economic downturn and protect the most vulnerable economies. Unlike advanced economies, most developing and emerging economies lack social safety nets that can serve as automatic fiscal stabilizers by boosting fiscal spending during economic downturns. Special attention needs to be given to support households and small and medium enterprises badly hit by simultaneous supply and demand shocks.

5. Regulate volatile capital flows: The G20 should pledge to do "whatever it takes" to preserve macroeconomic and financial stability. In particular, G20 leaders should strongly endorse the use of capital controls to stem rapid outflows currently experienced by several EMEs as panicked investors are dumping assets in exchange for the US dollar. Capital outflows from the EMEs have exceeded $70 billion since the beginning of the coronavirus outbreak. The Institute of International Finance has noted that fund outflows from EMEs since late January "are already twice as large as in the global financial crisis and dwarf stress events such as the China devaluation scare of 2015 and the taper tantrum in 2014." A sudden surge in capital outflows can trigger large depreciation of EM currencies, which in turn increases the domestic value of foreign currency debts and could trigger sovereign and corporate defaults. The foreign exchange interventions and liquidity provisions have their limitations, and therefore, policy actions are needed to regulate volatile capital flows.

A strong statement by G20 leaders endorsing capital controls would immensely help in removing the deeply-rooted stigma attached to the measure. The G20 should task the FSB or the IMF to coordinate actions on capital controls. The G20 should also direct the IMF to update its 2012 institutional view that endorses capital controls only as a last resort and imposed selectively on capital inflows. Besides, G20 leaders' endorsement of other regulatory measures (such as a ban on short-selling and enhanced surveillance of high-frequency trading) would encourage national regulators to undertake all necessary preventive measures to maintain market integrity.

6. Provide substantial debt relief: The sudden stop in capital flows coupled with a sharp decline in commodity prices has further complicated external financing for many developing and emerging economies. Almost half of the EMEs are commodity exporters. Some countries are finding it difficult to service their foreign currency debt as their debt levels were unsustainable well before the coronavirus outbreak. In early March, Lebanon defaulted on its foreign currency debt. Argentina desperately needs "substantial" debt restructuring to avoid a sovereign default. The G20 should support substantial relief to all those countries that are facing a full-blown debt crisis. A moratorium on debt repayments by multilateral lenders and foreign creditors would enable countries to devote more resources to fight the pandemic.

7. Resolve bilateral disputes: This is the time for international solidarity, not for trade wars and sanctions. The G20 countries should resolve two major ongoing bilateral disputes — a trade war between the US and China; and an oil price war between Saudi Arabia and Russia. The trade and oil price wars weaken international cooperation at a time when it is badly needed to fight the coronavirus pandemic.

Will the G20 nations be able to cooperate and unify their efforts to pull themselves and subsequently the world out of this new economic reality?

Will they be able to come up with the unprecedented amount of leverage (whither financially or economical), given the bad shape their economies are in at the present?

Next will be the country relevant data for each of the G20, providing a thorough insight on the status right now.

Source: Kavaljit Singh - POLITICAL ECONOMYWORLD 26/MAR/2020 - *https://thewire.in/political-economy/the-world-cant-beat-the-covid-19-pandemic-unless-the-g20-gets-its-economics-right*

The following part will display the G20 countries economic indicators, some of major countries response to the pandemic effects and the main economic challenges. Through out of that the question of Will the G20 nations will be able to cooperate and unify their efforts to pull themselves and subsequently the world out of this new economic reality?
Will they be able to come up with the unprecedented amount of leverage (whether financially or economical), given the huge challenges their economies are facing at the present?

How the G20 will get over all of these challenges and be able to do an effective role to support the world economy will be an important matter on the coming period due to its significant influence on the stability of the world economy.

United States

Population:	***331 Million***
1-Economic indicators	
Purchasing power in USD.	*19.490 Trillion*
GDP in USD.	*21.439 Trillion*
Gold reserve in Tons	*8,133*
Natural resources	*45 Trillion*
Growth rate	*2.3%*
Labor force	*165 Million*
Unemployment Rate	*4.4%*
Budget deficit in USD.	*(-984) Billion*
Budget deficit as percent of GDP	*4.59%*
External debt in USD.	*20.412 Trillion*
Gov. debt as a percent of GDP	*107%*
FDI in USD.	*258.390 Billion*
Tax	*21%*
Personal income tax	*37%*
Exports in USD.	*1.645 Trillion*
Imports in USD.	*2.568 Trillion*
Trade balance in USD.	*(-923) Billion*

2- Current status under Covid-19

There are more 986,045 persons have been infected, with more than 55,377 lost their lives till 26 of April 2020, first case was in 20 of Jan 2020.

Country data updated on 30-Apr-2020

Quarantine/Confinement: 42 states have stay at home orders in place

Government economic response:

Overall fiscal measures: Congress passed an emergency $8.3billion spending bill and a subsequent bill that is assumed to be worth $108 billion. The CARES Act will have total cost of around $2 trillion or 9% of GD, The Paycheck Protection Program and Health Care Enhancement Act appropriated an additional $484 billion (2% of GDP).

Additionally, the federal government will defer interest and principal payments on federal student loans. Banks and other financial institutions are required to excise forbearance on federally insured residential mortgage loans that become delinquent due the adverse effects of COVID-19. Required minimum distributions from retirement accounts will be suspended for 2020.

Tax and contribution policy changes: Congress passed the CARES Act that provides support for households and businesses during the crisis. The principle measures for business include: Businesses of all sizes will benefit from $221 billion in tax reductions and deferrals.

These include a 50% of payroll tax credit for severely affected businesses that do not benefit from business interruption loans and agree to maintain employment levels.

Payroll tax payments for 2020 are deferred to 2021 and 2022. Businesses will be allowed to carry back losses during 2018, 2019, and 2020 for 5 years and eligible for immediate refunds.

Various aviation taxes are suspended for the remainder of 2020.

Public sector subsidies to businesses: As part of the CARES Act, airlines, air cargo, and support firms will receive grants of $25 billion, $4 billion, and $3 billion, respectively, to maintain employment levels through September 30, 2020.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

The Treasury will defer tax payments without interest or penalties with the aim of shoring up liquidity.

Public sector loans or capital injections to businesses: Announced measures instructed the Small Business Administration to use emergency power to provide capital and liquidity to firms affected by coronavirus.

The Small Business Administration will offer low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). A request of €50 billion (around 0.25% of GDP) will be made to Congress to provide low interest loans.

The CARES Act provides $500 billion to Exchange Stabilization Fund at the Treasury.

In turn, the Treasury will use these funds to support businesses, cities and states that have been hard hit by the coronavirus.

The CARES Act allows the Treasury to make loans to airlines, air cargo, and national security critical firms of $25 billion, $4 billion, and $17 billion, respectively.

The remaining $454 billion will provide equity to the Federal Reserve to establish 13(3) lending facilities for other businesses. Such lending facilities could support around $4 trillion in business loans.

Around $350 billion is included to support business interruption loans to small businesses. Principal on these loans that small businesses used for payroll, rent, interest on existing obligations, and utilities for eight weeks will be forgiven if such small business maintains pre-crisis employment levels.

Thus, these business interruption loans are effectively grants to keep workers on the payroll during the crisis.

Monetary policy and prudential regulation

Monetary policy: The FOMC lowered interest rates 100 basis points to 0-0.25%

The Federal Reserve resumed large scale asset purchases with the purchases of treasury securities and agency mortgage backed securities will be unlimited.

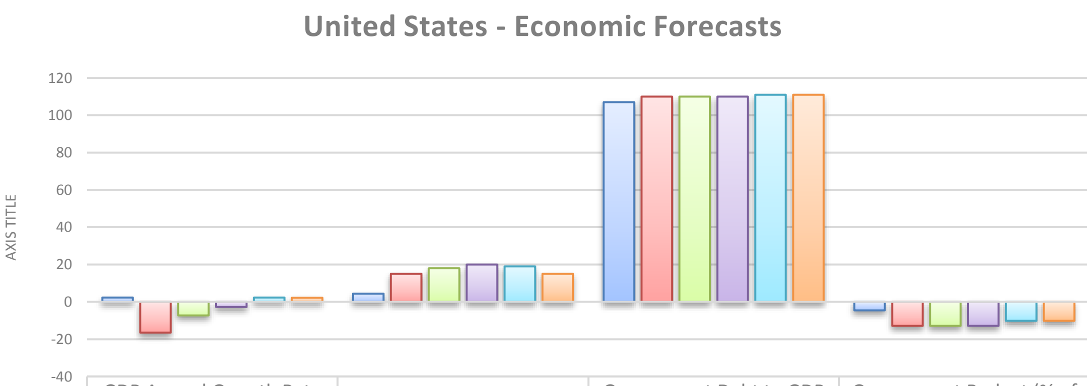
The Federal Reserve has also announced the intention to revive the program from the great financial crisis that will allow it to purchase assets backed by student, car and credit-card loans, as well as loans to businesses through the Small Business Administration.

Prudential regulation: The Federal Reserve has introduced a suite of measures to prevent credit markets seizing up. This includes pumping liquidity into the reserve purchase market, putting in place funding facilities (for commercial paper, primary dealers and money market mutual funds), actively intervening in bond markets (including municipal bond markets which have been stressed), reducing reserve requirements, relaxing capital buffers and encouraging big banks to use the deposit window.

The Federal Reserve has established temporary dollar liquidity arrangements (swap lines) with a number of other central banks. These are designed to reduce strains in dollar funding markets and thereby ease resulting strains on the supply of credit to households and businesses, both domestically and abroad.

The Department of Housing and Urban Development has imposed a 60 day moratorium on evictions and foreclosures for single family homeowners with Federal Housing Administration insured mortgages.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	2.3	4.4	107	-4.59
Q2	-16.5	15	110	-12.9
Q3	-7.3	18	110	-12.9
Q4	-2.8	20	110	-12.9
Q1	2.3	19	111	-10.2
2021	2.2	15	111	-10.2

USA issued Immediate fiscal impulse and deferrals patches 2 trillion USD to support the economy which will add more financial burdens on the budget specially with government debt reached 107% and expected to reach 111% by the fourth quarter 2020, external debt is too high compared to US GDP, as US administration announced that they expect economy shrinking up to 20%, USA will face crucial and critical challenges for next three years to achieve the economy recovery, some of those challenges are GDP growth rate will be (-16.5%) in second quarter 2020 expected to reach (-2.8%) in fourth quarter with annual average (-5.9%) compared to 2.30% in 2019 that will push the budget deficit to increase from (-4.60%) to (-12.9%).
Unemployment by the end of March increased to 4.4% expected to reach 20% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget, also USA will face a great challenge to attract FDI to US market, stock market and bonds have been affected strongly too.
The US foreign trade will face more deficits especially with EU countries and Japan main markets for US exports.
Trade war with china will be more aggressive even with starting the new phase of negotiation with china to import products with total value 200 billion USD in next 2 years, it might be the American accusations to China regarding to Covid-19 spread will have its effect on bilateral negotiation.
Supporting the American multinational corporates especially aircraft, automotive, power & oil, and financial sector to survive from Covid-19 impact will drain a big part of US government supporting patch whether by borrowing or investing in those companies.
OPEC plus conflicts between Saudi Arabia and Russia will cast a shadow on US oil prices for third and fourth quarter 2020.
Absorb Texas oil slump.
Military industry will be affected because the most of big buyers already signed their contracts for supplies.

China

Population:	***1.439 Billion***
1-Economic indicators	
Purchasing power in USD.	*23.210 Trillion*
GDP in USD.	*14.140 Trillion*
Gold reserve in Tons	*1,948*
Natural resources	*23 Trillion*
Growth rate	*6%*
Labor force	*783.1 Million*
Unemployment Rate	*3.62%*
Budget deficit in USD.	*(-392) Billion*
Budget deficit as percent of GDP	*2.77%*
External debt in USD.	*205.732 Billion*
Gov. debt as a percent of GDP	*50.5%*
FDI in USD.	*203.492 Billion*
Tax	*25%*
Personal income tax	*45%*
Exports in USD.	*2.498 Trillion*
Imports in USD.	*2.068 Trillion*
Trade balance in USD.	*429.6 Billion*

2- Current status under Covid-19

There are more 82,827 persons have been infected, with more than 4,632 lost their lives till 26 of April 2020, first case was in 10 of Jan 2020.

Country data updated on 21-Apr-2020

Quarantine/Confinement: From 25 March the lockdown measures are lifted in Hubei Province and from 8 April in the provincial capital, Wuhan. On 31 March lockdown measures are re imposed on Jia County, Henan Province, Areas are classified by the extent of risk, the phasing out of infections leads to lower rating on the risk scale

Government economic response:

Overall fiscal measures Front loading of infrastructure projects, launching of new projects locally, those not yet approved, however.

Income support measures for individuals and households excluding tax and contribution changes:

From March to June temporary price subsidies related to CPI spikes have been doubled and the jobless and orphans included in the coverage.

Social welfare subsidies will be extended to people affected by the outbreak.

Guarantee temporary living allowance for migrant workers.

Subsidies and tax exemptions for green car purchases are extended by two years.

Tax and contribution policy changes: Exemption for small-scaled taxpayers in Hubei province and reduced the VAT collection rate to 1% (currently 3%) for small-scaled taxpayers in other areas, from March 1 to May 31 2020.

Medical workers and others participating in the fight against the virus are exempt of personal income tax on their overtime pay/benefits and in-kind payment is not included in their salaries.

Public sector subsidies to businesses: Specific corporate income tax (CIT) incentives introduced for enterprises engaged in producing key supplies related to coronavirus protection and containment (e.g. masks, protective clothing).
This includes a 100% expensing deduction for investment in equipment to expand production capacity.
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year: Accommodation and catering SMEs exempt from social security contributions.
Large firms required to pay only half of social security contributions.
Firms in accommodation/catering and personal services exempt from VAT.
Firms in the 4 industries of transport, catering, accommodation and tourism are allowed to carry forward their 2020 losses for up to 8 years.
The refundable input VAT amount is the accumulated carried forward input VAT balance; to the extent it exceeds the carried forward input VAT balance as at the end of December 2019.
Airlines exempt from contribution to the airline development fund.

Monetary policy and prudential regulation

Monetary policy: China Development Bank issued the first batch of special bonds to fight the virus, equivalent of CNY 135 billion at 1.65% for the purpose of emergency funding for affected firms, the reserve requirement ratio is reduced in a targeted way, for two types of banks: 50-100 bp for banks meeting criteria of lending shares to SMEs, agriculture and entrepreneurs and 100 bp for selected joint-stock banks. Banks meeting both sets of criteria can cumulate the cuts. On 3 April another targeted reduction of the RRR for small and medium-size banks was announced: 50 bp from 15 April and an additional 50 bp from 15 May. Also, the interest paid on excess reserves has been cut to 0.35% from 0.72%.
Emphasis on access to loans recently, not just rolling over as most SMEs did not have loans in the first place.
Relending/rediscount loans of CNY 500 million 25 February, CNY 1 trillion decided at State Council meeting on 31 March to support SMEs. Support financial institutions in issuing CNY 300 billion to lend to SMEs, cut reserve requirement ratios further for smaller banks to increased lending to SMEs.
Prudential regulation: The China Banking and Insurance Regulatory Commission (CBRIC) stated on 27 January that repayment schedules for mortgages, credit cards and other debt of those people who temporarily lost income because of COVID-19 must be allowed to be changed /extended.
Such as wholesale/retail, accommodation, catering, tourism, logistics, transport, entertainment etc.
Measures to promote burden sharing within the private sector:
Support to individuals and households: The China Banking and Insurance Regulatory Commission (CBRIC) stated on 27 January that repayment schedules for mortgages, credit cards and other debt of those people who temporarily lost income because of COVID-19 must be allowed to be changed /extended.
Support to firms: The policy statement also covers companies in those sectors most affected by the virus and that are under strain
such as wholesale/retail, accommodation, catering, tourism, logistics, transport, entertainment.
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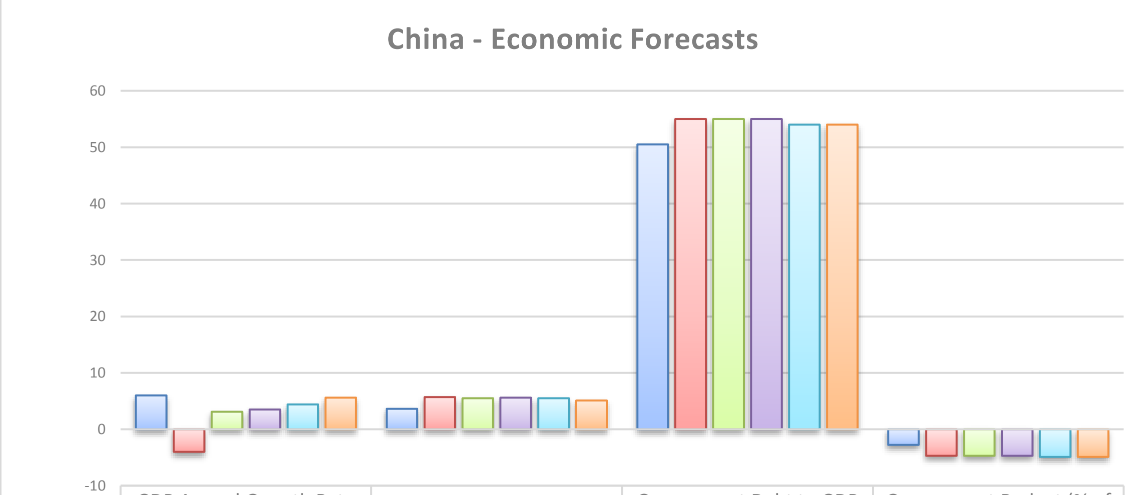
3- Challenge:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	6	3.62	50.5	-2.77
Q2	-4	5.7	55	-4.7
Q3	3.1	5.5	55	-4.7
Q4	3.5	5.6	55	-4.7
Q1	4.4	5.5	54	-4.9
2021	5.6	5.1	54	-4.9

China issued supporting patch as first stage 173 billion USD to support the economy which will add more financial burdens on the budget specially with the expectation of GDP annual growth decline from 6.1% in 2019 to 4.4% by the fourth quarter 2020.

Unemployment increased from 3.25% to 6% in second quarter 2020 with expectation to reach 5.1% by the fourth quarter.

The foreign trade will decline especially with USA, EU area because of their economic conditions.
Trade war between USA and china will be more aggressive even with starting the new phase of negotiation with USA to import products with total value 200 billion USD in next 2 years, it might be the American accusations to China regarding to Covid-19 spread will have its effect on bilateral negotiation.
American threats of economic sanction against China and Possibility for potential for compensation to USA and EU
Chinese exports will decline 6 to 8 % as expected.

Chinese multinational corporates expected to face strong challenges in DC especially in African markets because of Covid-19 socio- economic impact and economic growth decline in those countries.
The Chinese banks facing turmoil at home might not have as much liquidity to make huge new loans to developing countries. Besides, they might be criticized in Chinese public opinion for diverting very important resources from the domestic market to foreign markets.

Japan

Population:	***126.4 Million***
1-Economic indicators	
Purchasing power in USD.	*5.443 Trillion*
GDP in USD.	*5.154 Trillion*
Gold reserve in Tons	*765*
Growth rate	*(-0.70%)*
Labor force	*66.8 Million*
Unemployment Rate	*2.40%*
Budget deficit in USD.	*(-152.1) Billion*
Budget deficit as percent of GDP	*2.95%*
External debt in USD.	*460.580 Billion*
Gov. debt as a percent of GDP	*238%*
FDI in USD.	*25.876 Billion*
Tax	*30.62%*
Personal income tax	*55.95%*
Exports in USD.	*705.656 Billion*
Imports in USD.	*720.878 Billion*
Trade balance in USD.	*(-15.222) Billion*

2- Current status under Covid-19

There are more 13,231 persons have been infected, with more than 360 lost their lives till 26 of April 2020, first case was in 16 of Jan 2020.

Country data updated on 20-Apr-2020

Quarantine/Confinement: 7 April, the Prime Minister declared a state of emergency based on the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response, covering the most affected 7 prefectures.

Government economic response:

Overall fiscal measures: On 7 April, the government launched the Emergency Economic Measures of JPY 117 trillion (21.7% of GDP), which adds another JPY 38 trillion of public spending, the Cabinet decided the FY 2020 supplementary budget proposal of JPY 25.7 trillion to finance the Emergency Economic Measures.

Income support measures for individuals and households excluding tax and contribution changes:

The government eased the qualifications for the Employment Adjustment Subsidy, which provides SMEs and large corporations a financial support that covers 2/3 and 1/2 of the cost of special paid leaves, respectively.

The second measures launched on 10 March included responses to the temporary school closures, such as support for parents' work leaves due to closure of their children's school, and employment support.

The government announced to raise the subsidy rates of the Employment Adjustment Subsidy from 2/3 to 9/10 for SMEs and from 1/2 to 3/4, respectively, for those do not dismiss employees between April and June

Cash transfer of JPY 12.8 trillion (2.4% of GDP) provided for every resident (JPY 100 thousand (USD 931) per person) and JPY 2 trillion (0.4% of GDP) for small and medium sized business owners who experience a significant fall of their earnings between February and June.

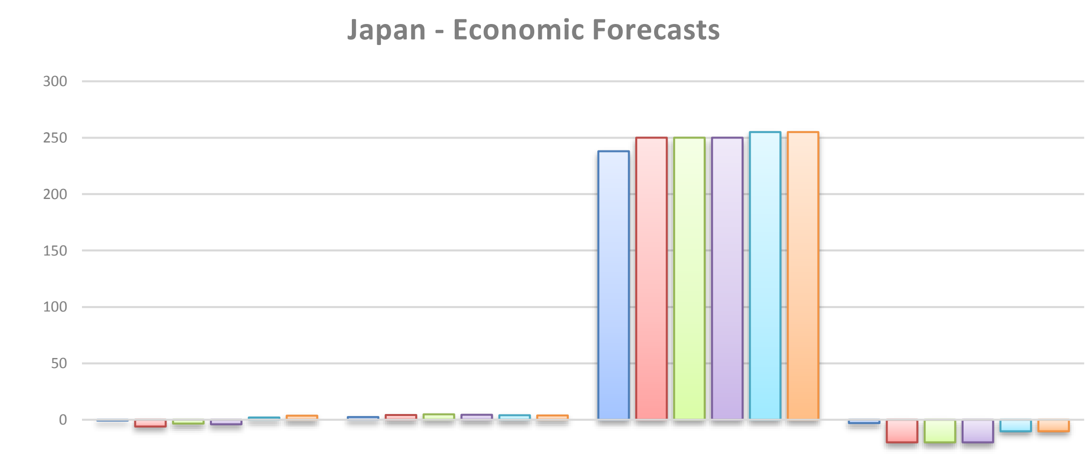
Enhancement of the Employment Adjustment Subsidy including raising the subsidy rates announced on 28 March.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:
1) Deadline extension (from mid-March to mid-April) for tax return filing and payment of personal income tax, gift tax, and consumption tax (for the self-employed):
2) Deferments on tax payments for individuals and businesses negatively impacted by the COVID-19 outbreak on taxpayers' request.
Tax payments and social security charges for businesses negatively impacted by the COVID-19 outbreak can be deferred up to one year.
Public sector loans or capital injections to businesses: The first prompt measures announced on 13 February included JPY 500 billion (0.1% of GDP) of emergency loans and credit guarantees for SMEs such as the tourism industry.
The second measures launched on 10 March included financial measures of JPY 1.6 trillion from the Japan Finance Corporation and other institutions.
The second measures launched on 10 March included financial measures of JPY 1.6 trillion from the Japan Finance Corporation and other institutions, primarily focusing on micro, small and medium-sized business operators. Financial measures included a COVID-19 special loan program which enables unsecured interest-free loans to affected firms.

Monetary policy and prudential regulation

Monetary policy: the Governor of the Bank of Japan (BoJ) announced that the Bank would strive to provide ample liquidity and ensure stability in financial markets through appropriate market operations and asset purchases.
the BoJ decided to enhance monetary easing through three measures: 1) actively purchasing ETFs and J-REITs at annualized paces of up to about JPY 12 trillion (2.2% of GDP) and JPY 180 billion (0.03% of GDP), respectively; 2) facilitating corporate financing through (a) increasing the upper limit to purchase commercial paper and corporate bonds by JPY 2 trillion (0.4% of GDP) in total and (b) introducing a new operation to provide loans against corporate debt as collateral at 0% interest rate with maturity up to one year; and 3) providing further ample funds through various means including purchases of Japanese government bonds (JGBs) and U.S. dollar funds-supplying operations.
Prudential regulation: the Financial Service Agency (FSA) issued a public communication that reassures that regulatory capital and liquidity buffers can be used, as needed, to support the businesses affected by the Covid-19 outbreak.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	-0.7	2.4	238	-2.95
Q2	-6	4.2	250	-20
Q3	-3.4	4.8	250	-20
Q4	-4	4.4	250	-20
Q1	2	4	255	-10.2
2021	3.6	3.8	255	-10.2

Japan issued Immediate fiscal_impulse and deferrals patches 900 billion USD to support the economy which will add more financial burdens on the government budget specially with government debt reached 238% in 2019 and expected to reach 250 % by the fourth quarter 2020, expected economy shrinking up to 7%, GDP growth rate will decline to (-4) by the fourth quarter 2020 compared to (-0.70) in 2019. Unemployment by the end of March increased to 2.5% expected to reach 3.8% by the fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

Japan will face a great challenge to attract FDI to market, stock market and bonds have been affected strongly too.

The foreign trade will face more deficits especially with EU countries USA.

Supporting the Japanese multinational corporate s especially automotive, technology industries to survive from Covid-19 impact will drain a big part of Japanese government supporting patch whether by borrowing or investing in those companies.

Tensions between USA and China may cast its shadows on Japan.

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Germany

Population:	***83.7 Million***
1-Economic indicators	
Purchasing power in USD.	*4.199 Trillion*
GDP in USD.	*3.863 Trillion*
Gold reserve in Tons	*3,367*
Growth rate	*0.40%*
Labor force	*43.2 Million*
Unemployment Rate	*3.2%*
Budget deficit in USD.	*(-49.8) Billion*
Budget deficit as percent of GDP	*1.4%*
External debt in USD.	*4.974 Trillion*
Gov. debt as a percent of GDP	*61.9%*
FDI in USD.	*105.276 Billion*
Tax	*30%*
Personal income tax	*45%*
Exports in USD.	*1.486 Trillion*
Imports in USD.	*1.236 Trillion*
Trade balance in USD.	*250.164 Billion*

2- Current status under Covid-19

There are more 157,495 persons have been infected, with more than 5,944 lost their lives till 26 of April 2020, first case was in 26 of Jan 2020.

Country data updated on 23-Apr-2020

Quarantine/Confinement: Contact ban for meetings of more than two individuals in public with exemption for household members have been decided on March 22 across the country extended until at least May 4 on April 15. The Federal States of Bavaria, Saarland and Saxony have introduced stricter lock-downs.

Government economic response:

Overall fiscal measures: The clause for exceptional circumstances in the debt break was triggered on March 25. This allows debt financing of a supplementary budget of EUR 156 billion (4.5% of GDP) to cover response measures and an estimated reduction in revenues of EUR 33.5 billion (1% of GDP), including the additional EUR 156 billion from the supplementary budget 2020).

Income support measures for individuals and households excluding tax and contribution changes:

*s*tarting April 1, access to social benefits (basic income support for job-seekers and social assistance) will be eased for six months, with assets and apartment size not taken into consideration.

Parents, who temporarily lose income, will be able to benefit from child allowance. For individuals receiving unemployment benefits, the length of entitlement will be increased by three months if the entitlement would otherwise end between May and December 2020.

Tax and contribution policy changes: Starting on July 1, the reduced VAT rate of 7% will be applicable to restaurants for 12 months.

Public sector subsidies to businesses: Short-time working schemes: The “short-time” work scheme will be easier to access temporarily as was the case during the financial crisis.

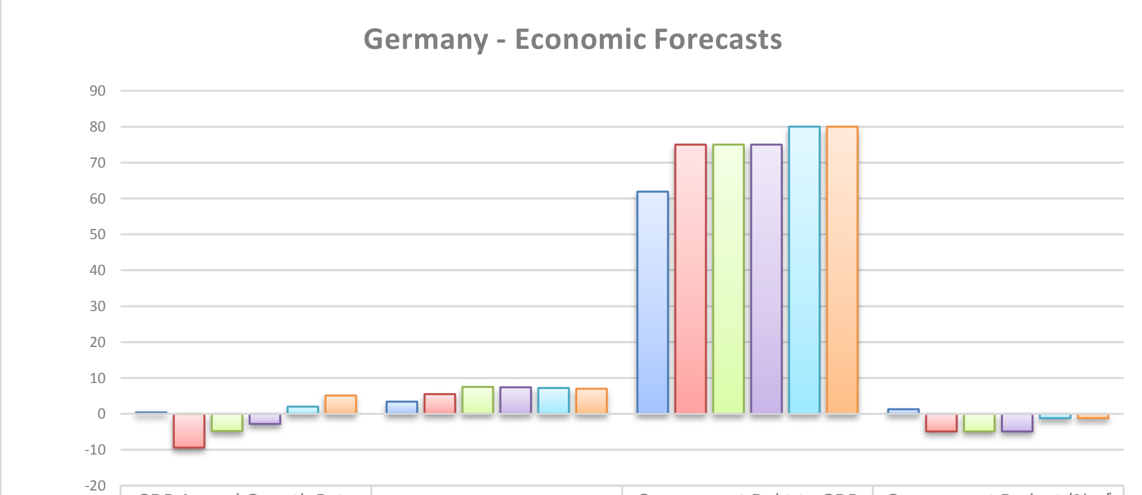
Firms will be able to request support for their workers under this scheme if 10% of their workforce are affected by cuts in working hours as opposed to one third under the usual regulation.

In addition to compensating 60% of the difference in monthly net earnings due to reduced hours, the labor agency will now also cover 100% of social-security contributions for the lost work hours.
This is an increase compared to the financial crisis, where only 50% of social-security contributions were subsidized and employers had to cover the other half.
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:
The labor agency will cover 100% of social-security contributions for lost hours of short-time workers. This is an increase compared to the financial crisis, where only 50% of social-security contributions were subsidized and employers had to cover the other half.
Tax deferrals are possible and tax prepayments can be adapted to expected lower income in 2020. Enforcement measures and penalty surcharges will be paused in 2020 if the enterprise is hit hard.
Public sector loans or capital injections to businesses: Providing liquidity to affected firms with unlimited credit. Firm size limitations for liquidity support will be adjusted upwards.

Monetary policy and prudential regulation

Prudential regulation: The national designated authority declared its intention to reduce the counter cyclical capital buffer from 0.25 % to 0 % as of 1 April 2020.
Measures to promote burden sharing within the private sector
Support to individuals and households: For private or commercial tenants facing income losses, the landlords' right to terminate tenancies due to rent arrears is restricted between April 1 and June 30, 2020.
Support to firms: For private or commercial tenants facing income losses, the landlords' right to terminate tenancies due to rent arrears is restricted between April 1 and June 30, 2020.
The obligation to file for insolvency will be suspended until 30 September 2020, unless the insolvency is not due to the effects of the COVID 19 pandemic or there is no prospect of eliminating an inability to pay that has occurred.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	0.4	3.4	61.9	1.29
Q2	-9.4	5.5	75	-4.9
Q3	-4.8	7.5	75	-4.9
Q4	-2.8	7.4	75	-4.9
Q1	2	7.2	80	-1.2
2021	5.1	7	80	-1.2

Germany issued Immediate fiscal_impulse and deferrals patches 1.2 trillion USD to support the economy which will add more financial burdens on the budget, the budget deficit expected to reach to (-4.9%) compared to budget surplus 1.4% in 2019, the German economy expect shrinking up to 9%.

GDP growth rate reach (-2.8%) in fourth quarter 2020 compared to 0.40% in 2019

Unemployment by the end of March increased to 3.5% expected to reach 7.4% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The German foreign trade will face more deficits especially with EU countries, USA and Japan.

The economic and financial burdens resulting from the Covid-19 pandemic on Italy and Spain will negatively influence the EU and German economies. Germany being the largest supporter of EU, and holds the largest share on its trade markets.

Germany relinquishing its support package of some 500 billion euros to the EU will have its toll on the German economy.

Supporting the German multinational corporates especially aircraft, automotive, power & oil, machinery and financial sector to survive from Covid-19 impact will drain a big part of German government supporting patch whether by borrowing or investing in those companies.

United Kingdom

Population:	***67.8 Million***
1-Economic indicators	
Purchasing power in USD.	*2.925 Trillion*
GDP in USD.	*2.743 Trillion*
Gold reserve in Tons	*310*
Growth rate	*1.10%*
Labor force	*34.2 Million*
Unemployment Rate	*3.90%*
Budget deficit in USD.	*(-51.66) Billion*
Budget deficit as percent of GDP	*1.88%*
External debt in USD.	*8.140 Trillion*
Gov. debt as a percent of GDP	*80.8%*
FDI in USD.	*35.064 Billion*
Tax	*19%*
Personal income tax	*45%*
Exports in USD.	*469.167 Billion*
Imports in USD.	*689.603 Billion*
Trade balance in USD.	*(-220.435) Billion*

2- Current status under Covid-19

There are more 152,840 person have been infected, with more than 20,732 lost their lives till 26 of April 2020, first case was in 29 of Jan 2020.

Country data updated on 25-Apr-2020

Quarantine/Confinement: Economy-wide lockdown since 23 March.

Government economic response:

Overall fiscal measures: The UK government has announced a GBP 401.5 billion fiscal package (18.1% of GDP) to counter the impacts of coronavirus, in addition to the Coronavirus Job Retention Scheme and the Self-Employed Income Support Scheme.

This includes over GBP 330 billion of state loans and guarantees for struggling businesses, through the Coronavirus Corporate Financing Facility (20 March) and the Coronavirus Business Interruption Loan Scheme (17 March).

VAT payments of around GBP 30 billion (1.4% of GDP) for the second quarter of 2020 are deferred until 2021 (20 March).

GBP 330 billion of state loan and guarantees and the deferral of VAT payments do not represent a fiscal cost. There is also GBP 41.5 billion (1.9% of GDP) of further fiscal measures announced on 11 March, 17 March, 20 March and 26 March, which do represent fiscal costs. This includes GBP 5 billion to support the NHS and other public services, GBP 30.5 billion for business support and GBP 6 billion for welfare support. In addition, the Coronavirus Job Retention Scheme and the Self-Employed Income Support Scheme are estimated at add around GBP 14.7 billion (0.7% of GDP) if the take up is 3.5 million people (or 10% of employees) over three months.

Income support measures for individuals and households excluding tax and contribution changes:

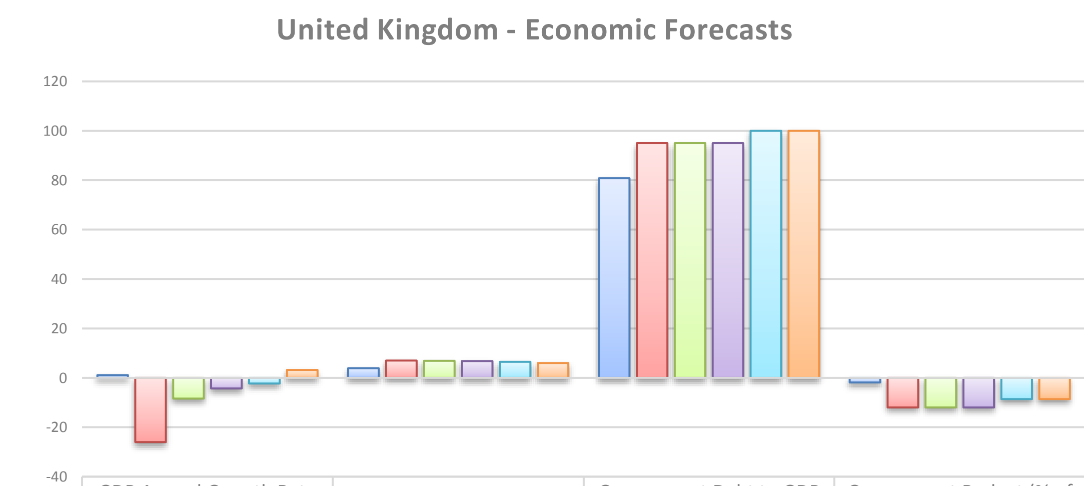
Coronavirus Job Retention Scheme (20 March): For the next three months, all employers are eligible to apply for a grant to cover 80% of retained workers' salaries of up to GBP 2,500 a month. According to the Resolution Foundation, the budgetary costs of the scheme are estimated at GBP 4.2 billion (or 0.2% of GDP) if take up is around 1 million private sector employees over three months.

Tax and contribution policy changes: Individuals who are due to pay their personal income tax under 'Self-Assessment', which would otherwise be due on 31 July 2020, will have the right to defer such payment until 31 January 2021 without interest or penalties.
Public sector subsidies to businesses: GBP 27 billion (1.2% of GDP) of support for businesses (11 March) in England, including one-off cash grants between GBP 10,000 and GBP 25,000 for business with a property used for retail, hospitality or leisure (depending on the value of their properties but at a ratable value below GBP 51,000).
Around 700,000 small businesses will be eligible for an immediate GBP 3,000 cash grant at a cost of GBP 2 billion (11 March). Refund of the cost of statutory sick leave up to 2 weeks for small businesses with less than 250 employees at a cost of GBP 2 billion (11 March).
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:
Deferral of VAT payments of around GBP 30 billion (1.4% of GDP) for the second quarter of 2020 until 2021 (20 March)
In England, 100% relief of business rates on property for all properties in retail, hospitality or leisure, irrespective of ratable value.
Public sector loans or capital injections to businesses: In a move to bolster high-tech start-ups, the new GBP 500 million future funds provides between 125k and 5m for UK based-business as long as the cash is matched by private investors (government is committing 250 million, with the other 250 million expected to be raised by the private sector). Start-ups must have previously raised at least 250k from private within the last 5 years investors to be eligible.

Monetary policy and prudential regulation

Monetary policy: Policy rate reductions: From 0.75% to 0.15% in two steps on 11 and 19 March.
Lending support: The Covid-19 Corporate Financing Facility (CCFF) provided jointly with the Treasury (17 March): Provides lending to businesses with minimum amount GBP 1 million per participant.
The BoE will purchase commercial papers of firms of up to one-year maturity, with interest rate set with a fixed spread to the sterling overnight index swap (OIS) rate.
The spread is determined based on rating or equivalent assessment. The scheme will operate for at least 12 months and will be financed by the issuance of central bank reserves.
Liquidity support: Direct central bank financing of government debt through lifting of the GBP 370 million cap on the government's Ways and Means (W&M) facility (government's overdraft account with the BoE) to facility to directly finance additional government spending (9 April).
Prudential regulation: Macro prudential policies: Easing of capital requirements (17 March): The countercyclical capital buffer rate was cut to 0%, which is expected to support the ability of banks to supply additional credit of around GBP 190 billion.
The Prudential Regulation Authority set out expectations that banks should not increase dividends or bonuses in response to the BoE's policy actions (17 March).
Measures to promote burden sharing within the private sector
Support to individuals and households: Businesses and self-employed people will also be able to negotiate bespoke 'Time to Pay' arrangements with HMRC in the event that they may otherwise struggle, or need more time, to pay their taxes (11 March).

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	1.1	3.9	80.8	-1.88
Q2	-26	7	95	-12
Q3	-8.4	6.9	95	-12
Q4	-4.3	6.8	95	-12
Q1	-2.3	6.5	100	-8.6
2021	3.2	6	100	-8.6

UK issued Immediate fiscal impulse and deferrals patches 2.050 trillion USD to support the economy which will add more financial burdens on budget specially with government debt reached 80.8% and expected to reach 95% by the fourth quarter 2020, UK external debt is 333% to GDP, as UK administration announced that they expect economy shrinking up to 35%, UK GDP growth rate will be (-26) in second quarter 2020 to reach (-4.3) in fourth quarter 2020 compared to 1.10% in 2019 that will push the budget deficit to increase from (-1.80) to (-12%) by the fourth quarter 2020.
unemployment by the end of March increased to 4% expected to reach 7% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget, also UK will face a great challenge to attract FDI to British market, stock market and bonds have been affected strongly too.
The foreign trade will face more deficits especially with EU countries and USA main markets for UK exports and expected trade balance reach (-3100) compared to (-2793) in 2019.
Supporting British multinational corporates especially aircraft, automotive, power & oil, tourism and financial sector to survive from Covid-19 impact will drain a big part of US government supporting patch whether by borrowing or investing in those companies.

Brexit challenge going through hard and complicated negotiations with EU countries especially Germany, impact on UK economy estimates ranged between GDP losses of 1.2–4.5% for the UK and a cost of between 1–10% of the UK's income per capita. These estimates differ depending on whether the UK does a Hard or Soft Brexit.[In January 2018, the UK government's own Brexit analysis was leaked; it showed that UK economic growth would be stunted by 2–8% for at least 15 years following Brexit

France

Population:	***65.2 Million***
1-Economic indicators	
Purchasing power in USD.	*2.856 Trillion*
GDP in USD.	*2.707 Trillion*
Gold reserve in Tons	*2,436*
Growth rate	*0.80%*
Labor force	*30.3 Million*
Unemployment Rate	*8.10%*
Budget deficit in USD.	*(-92.83) Billion*
Budget deficit as percent of GDP	*3.43%*
External debt in USD.	*5.916 Trillion*
Gov. debt as a percent of GDP	*98%*
FDI in USD.	*59.857 Billion*
Tax	*33.3%*
Personal income tax	*45%*
Exports in USD.	*555.142 Billion*
Imports in USD.	*637.991 Billion*
Trade balance in USD.	*(-82.848) Billion*

2- Current status under Covid-19:

There are more 162,100 persons have been infected, with more than 22,856 lost their lives till 26 of April 2020, first case was in 23 of Jan 2020.

Country data updated on 25-Apr-2020

Quarantine/Confinement: As of 17 March (at noon), stringent containment measures to slow the epidemics have been implemented. The containment measures will apply at the national level until 11 May. Going outside has been restricted to the bare essentials, People most at risk (including elderly people) have been encouraged to self-isolate.

Government economic response:

Overall fiscal measures: Joint actions/coordination: joint actions are being taken between national and regional authorities to manage the crisis as part of the new Economic Council including to set-up regional Task Forces together with development banks (BPI), to accelerate support measures for businesses enterprises.

The costs of the fiscal package for households and firms, as well as the healthcare sector, are officially estimated (as of 3 April) at around EUR 16.5 billion 0.7% of 2019 GDP. The main fiscal costs are the short-time work scheme (EUR 8.5 billion), health measures (EUR 4.5 billion) and the solidarity fund (EUR 1.5 billion) for the self-employed and smallest firms

The postponement of social and fiscal deadlines and the early reimbursements of tax credits will reach EUR 48.5 billion (2.0% of 2019 GDP)

Implementation of an exceptional State guarantee mechanism for new liquidity loans granted by credit institutions between 16 March and 31 December 2020 to companies registered in France (within the limit of EUR 300 billion). Specific guarantees for export insurance and credit insurance could also reach EUR 12 billion.

Income support measures for individuals and households excluding tax and contribution changes:

Increased sick leave reimbursements for affected workers, as well as those facing school closures.

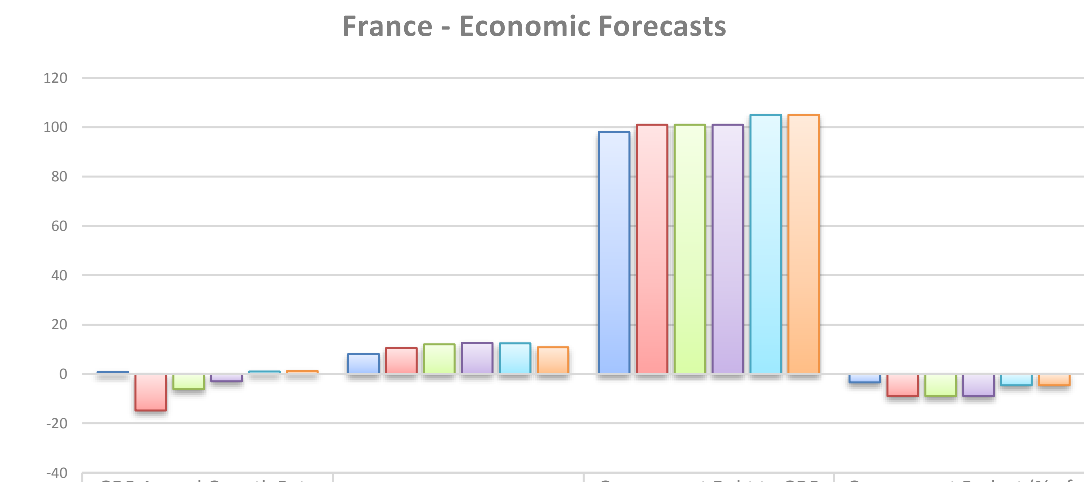
Relaxation of the conditions for the firms to grant an exceptional purchasing power bonus

Extension of social rights (minimum welfare benefits, benefits for disabled people)

Extension of unemployment benefits
Additional transfer to the poorest households.
Tax and contribution policy changes: Tax exemptions for bonuses in "essential" sectors. These bonuses can reach 1000 euros or 2000 euros in case of firm-level agreement.
Public sector subsidies to businesses: Implementation of a €4bn fund to support the cash flow of start-ups, setting-up a "solidarity fund" with a lump-sum compensation corresponding to the loss of turnover over one year (up to €1500) for very small businesses (turnover under €1 million and annual taxable profit under €60,000), the self-employed, micro-entrepreneurs and liberal professions suffering a very sharp drop in turnover (loss of 70% of turnover over one year in March 2020) or subject to administrative closure. Additional flat-rate aid of €2000 for businesses with at least 1 employee threatened with bankruptcy.
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:
Broad-based support measures including:
postponing the payments of social security contributions and taxes, and a on case-by-case basis granting exemptions
Public sector loans or capital injections to businesses: State-guaranteed treasury loan of up to 25% of annual turnover or 2 years of payroll for newly created or innovative companies.
No repayment will be required in the first year; the company may choose to amortize the loan over a maximum period of five years.

Monetary policy and prudential regulation
Prudential regulation: The French High Council for Financial Stability has decided to fully release banks' countercyclical capital buffer on 18 March.
There is wider access to Banque de France refinancing for SMEs.
Measures to promote burden sharing within the private sector
Support to firms: for VSEs and SMEs, water, gas or electricity bills and rents will be postponed for the time of the crisis.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	0.8	8.1	98	-3.43
Q2	-14.8	10.5	101	-9
Q3	-6.2	12	101	-9
Q4	-3	12.6	101	-9
Q1	1	12.4	105	-4.6
2021	1.2	10.8	105	-4.6

France issued Immediate fiscal_impulse and deferrals patches 303 billion USD to support the economy which will add more financial burdens on budget specially with government debt reached 98.10% and expected to reach 101% by the fourth quarter 2020, France external debt is 198% to GDP, as French administration announced that expect economy shrinking up to 9%, GDP growth rate will be (-14.6%) in second quarter 2020 to reach (-3) in fourth quarter 2020 compared to 0.80% in 2019 that will push the budget deficit to increase from (-3%) to (-9%) by the fourth quarter 2020.

unemployment by the end of March increased to 8.1% expected to reach 12.6% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget, also UK will face a great challenge to attract FDI to French market, stock.

The France foreign trade will face more deficits especially with EU countries and USA main markets for French exports and expected trade balance reach (-3520) by the fourth quarter 2020.

Supporting French multinational corporates especially aircraft, automotive, power & oil, tourism and financial sector to survive from Covid-19 impact will drain a big part of French government supporting patch whether by borrowing or investing in those companies.

French financial sector has direct impact from the Italian economic condition.

French government needs to support the French investments in Africa.

India

Population:	*1.3 Billion*
1-Economic indicators	
Purchasing power in USD.	*9.474 Trillion*
GDP in USD.	*2.935 Trillion*
Gold reserve in Tons	*618*
Growth rate	*4.70%*
Labor force	*519.4 Million*
Unemployment Rate	*7.8%*
Budget deficit in USD.	*(-53.04) Billion*
Budget deficit as percent of GDP	*1.81%*
External debt in USD.	*563.9 Billion*
Gov. debt as a percent of GDP	*69.62%*
FDI in USD.	*42.117 Billion*
Tax	*25.17%*
Personal income tax	*35.88%*
Exports in USD.	*323.056 Billion*
Imports in USD.	*507.580 Billion*
Trade balance in USD.	*(-184.523) Billion*

2- Current status under Covid-19

There are more 27,890 persons have been infected, with more than 882 lost their lives till 26 of April 2020, first case was in 30 of Jan 2020.

Country data updated on 28-Apr-2020

Quarantine/Confinement: April 14: The nation-wide lockdown is extended till May 3. A conditional withdrawal of the lockdown is allowed from April 20 where the virus spread has either been contained or prevented.

Government economic response:

Overall fiscal measures: the central government a INR 1.7 trillion rupees (USD 23 billion) aimed at ensuring that families belonging to poor and lower to middle income groups are able to carry out their daily lives smoothly under the lockdown.

Total value INR 1.85 trillion (approx. USD 25 billion)

Income support measures for individuals and households excluding tax and contribution changes:

the central government package announced on March 26 largely focuses on people, targeting low and middle-income groups.

200 million women Jan Dhan account holders to get INR 500 per month for next three months

Increase in wage for workers engaged in the rural public employment program (MNREGA) to INR 202 a day from INR 182 to benefit 136.2 million families.

*Tax and contribution policy changes: I*n the fiscal package announced on March 26, the government has committed to pay employee provident fund contributions on behalf of employees and employers (12% each) for the next three months, for formal employees from the organized sector (firms with more than 10 employees) with up to 100 employees, where 90% of them are earning less than INR 15,000 per month. The government is also amending its pension regulations, so that workers can draw up to 75% for their contingency expenditure non-refundable advance or three months of wages in advance, whichever is less. This is intended to benefit 48 million workers.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year: the central government announced that all pending income tax refunds up to INR 500000 (about USD 6500) and GST/custom refunds are to be issued immediately.

On March 24, the deadline for filing returns of goods and services tax for March, April and May has been extended till June 30. For companies with less than INR 50 million turnovers, no interest, penalty or late fee will be charged on late GST return filing.

For companies with turnover of over INR 50 million, no late fee and penalty will be charged on late GST return filing; interest rate was reduced to 9%.

On March 26, the central government announced it will front-load INR 2,000 paid to farmers in first week of April benefit 87 million farmers.

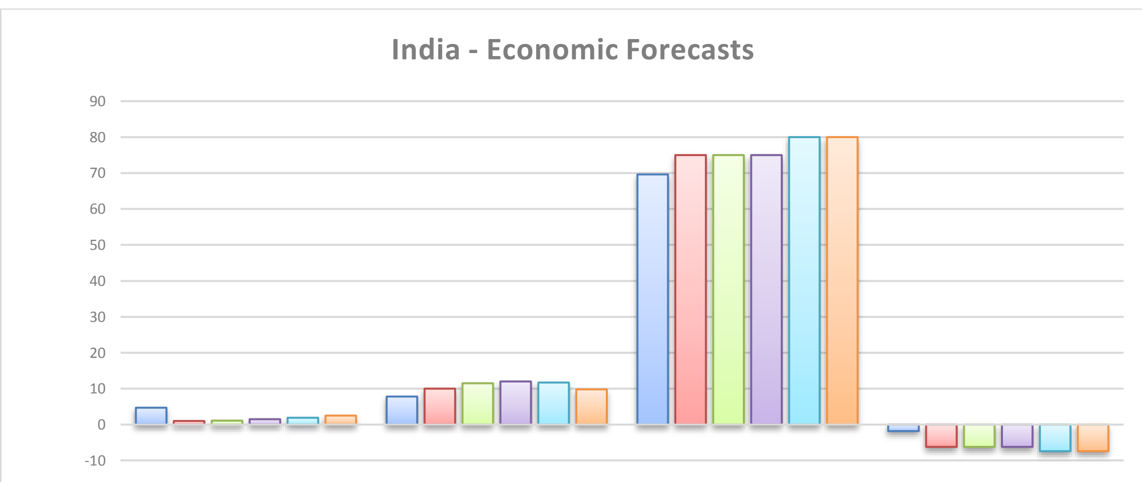
Monetary policy and prudential regulation

Monetary policy: The Monetary Policy Committee on March 27 delivered a 75 basis points reduction in the policy repo rate and announced an accommodative stance of monetary policy as long as necessary to revive growth, while keeping inflation within the target.

The long-term repo operations targeted to reduce banks' cost of funds for up to INR 1 trillion, simultaneous purchase and sale of securities under open market operations, The RBI conducted two 6-month US Dollar/INR sell/buy swap auction on March 16 and March 23, 2020, which cumulatively provided dollar liquidity of USD 2.71 billion.

Prudential regulation: In a relief to small and medium enterprises facing the threat of insolvency because of COVID-19, the threshold for invoking insolvency has been raised 100-fold to INR 10 million.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	4.7	7.8	69.62	-1.81
Q2	1	10	75	-6.2
Q3	1.1	11.5	75	-6.2
Q4	1.5	12	75	-6.2
Q1	1.9	11.7	80	-7.4
2021	2.5	9.8	80	-7.4

India issued Immediate fiscal impulse and deferrals patches 265 billion USD to support the economy which will add more financial burdens on budget specially with government debt reached 69.62% and expected to reach 75% by the fourth quarter 2020, as Indian administration announced that expect economy shrinking up to 1%, Indian GDP growth rate is 1% in second quarter 2020 to reach 1.5% in fourth quarter 2020 compared to 4.7 % in 2019 that will push the budget deficit to increase from (-3.3%) to (-6.2%) by the fourth quarter 2020.

Unemployment by the end of March increased to 7.8% expected to reach 12% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with EU countries and USA main markets for Indian exports and expected trade balance reach (-14100) by the fourth quarter 2020.

Tensions between USA and China may cast its shadow on India as a border country to China.

Indian government needs to support the Indian investors in Africa.

Italy

Population:	***60.4 Million***
1-Economic indicators	
Purchasing power in USD.	*2.317 Trillion*
GDP in USD.	*1.988 Trillion*
Gold reserve in Tons	*2,452*
Growth rate	*0.01%*
Labor force	*25.5 Million*
Unemployment Rate	*9.70%*
Budget deficit in USD.	*(-40.5) Billion*
Budget deficit as percent of GDP	*2.04%*
External debt in USD.	*2.229 Trillion*
Gov. debt as a percent of GDP	*135%*
FDI in USD.	*39.614 Billion*
Tax	*24%*
Personal income tax	*43%*
Exports in USD.	*532.669 Billion*
Imports in USD.	*473.517 Billion*
Trade balance in USD.	*59.152 Billion*

2- Current status under Covid-19

There are more 197,675 persons have been infected, with more than 26,644 lost their lives till 26 of April 2020, first case was in 29 of Jan 2020.

Country data updated on 04-May-2020

Quarantine/Confinement: Effective May 4, measures relaxed

Government economic response:

Overall fiscal measures: EUR 25 billion of measures, including EUR 20 billion of net debt measures. '1) EUR 3.2 bn for health care and civil protection; 2) EUR 10.3 bn for employment and incomes; 3) EUR 5.1 bn support to raise liquidity for businesses and households; 4) EUR 1.6 bn tax payment support.

Income support measures for individuals and households excluding tax and contribution changes:

EUR 400 m for one-year suspension in the repayment of real estate mortgages by workers having lost their job.

Allowance of EUR 500 per month for up to 3 months for self-employed workers in the municipalities most affected.

Tax and contribution policy changes: EUR 540 m for 60% tax credit on commercial rents.

Public sector subsidies to businesses: Increase to EUR 1.7 bn for the Fund to provide fee-free guarantee for SMEs loans. Eligibility has been enlarged, admission fees and costs reduced..

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

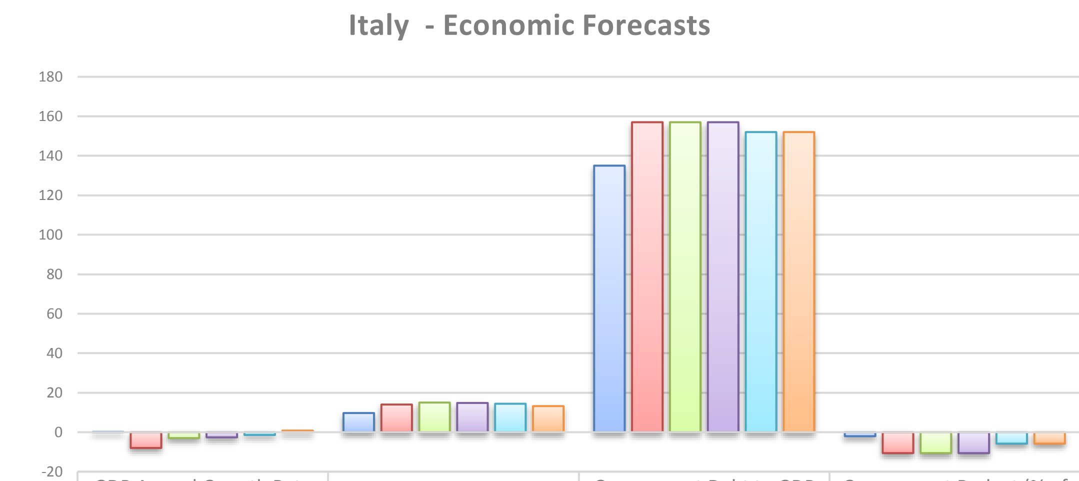
EUR 540 m for 60% tax credit on commercial rents, EUR 50 m for incentives to firms to sanitize workplaces.

Suspension for 2 months of tax and social security payments in the municipalities most affected.

Monetary policy and prudential regulation

Prudential regulation: Less significant banks and non-bank intermediaries are allowed to operate temporarily below the level of the Pillar 2 Guidance, the capital conservation buffer and the liquidity coverage ratio.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	0.01	9.7	135	-2.04
Q2	-8	14	157	-10.6
Q3	-3	15	157	-10.6
Q4	-2.6	14.8	157	-10.6
Q1	-1.4	14.4	152	-5.8
2021	0.8	13.2	152	-5.8

Italy issued Immediate fiscal_impulse and deferrals patches 285 billion USD to support the economy which will add more financial burdens on budget specially with government debt reached 134.8% and expected to reach 157% by the fourth quarter 2020, external debt is 98% to GDP, as administration announced that they expect economy shrinking up to 7%, GDP growth rate is (-8%) in second quarter 2020 to reach (-2.6%) in fourth quarter 2020 compared to 0.01% in 2019 that will push the budget deficit to increase from (-1.60&) to (-10.6%) by the fourth quarter 2020.

Unemployment by the end of March increased to 8.40% expected to reach 14.8% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with EU countries and USA main markets for Italian exports and expected trade balance reach 5800 compared to 5084 in 2019.

Supporting Italian multinational corporates especially automotive, power & oil, tourism and transportation sector to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Tensions between USA and China may cast its shadow on Italy; Italy represents one of the most important countries for China's geo-economics interests in Europe. It is a source of strategic assets both in advanced and traditional industries and internationally recognized brands and technology as well as occupying a crucial geographic position in the framework of China's 21st century Maritime Silk Road, an integral part of Belt and Road Initiative. Getting access to Italy's port infrastructure is a priority for China as it seeks to expand its trading routes from the Mediterranean to northern Europe.

Brazil

Population:	***212.5 Million***
1-Economic indicators	
Purchasing power in USD.	*3.248 Trillion*
GDP in USD.	*1.847 Trillion*
Gold reserve in Tons	*67.37*
Natural resources	*21.8 Trillion*
Growth rate	*1.70%*
Labor force	*106.3 Million*
Unemployment Rate	*11.60%*
Budget deficit in USD.	*(-27.21) Billion*
Budget deficit as percent of GDP	*1.47%*
External debt in USD.	*672.028 Billion*
Gov. debt as a percent of GDP	*77.22%*
FDI in USD.	*78.162 Billion*
Tax	*34%*
Personal income tax	*27.5%*
Exports in USD.	*223.998 Billion*
Imports in USD.	*177.341 Billion*
Trade balance in USD.	*46.657 Billion*

2- Current status under Covid-19

There are more 62,787 persons have been infected, with more than 4,268 lost their lives till 26 of April 2020, Frist case was in 25 of Feb 2020.

Country data updated on 08-Apr-2020

Quarantine/Confinement: No nationwide lockdown. 23 of Brazil's 27 federative units (states) have imposed stronger confinement measures.

Government economic response:

Overall fiscal measures: state of emergency declaration by Congress exempts the government from meeting 2020 fiscal target. Brazil's government passed a large emergency package, but this also includes anticipated disbursements of benefits and postponed tax liabilities. In the areas of social protection and health, however, significant additional spending measures are being taken.

.Income support measures for individuals and households excluding tax and contribution changes:

Informal workers and the unemployed will receive, over 3 months, a temporary new benefit of USD 120 per month (USD 240 for single mothers) provided that they earn less than half a minimum wage, Among others, the transfer will benefit 6 million of female-headed single parent families.

All benefits are pro-rated for the reduction of working hours of the worker, which can be 25%, 50%, 70% or 100% in the case of suspension. The estimated fiscal cost is around 0.7% of GDP.

Tax and contribution policy changes: A tax on bank loans is suspended for three months. Air navigation tariffs have been postponed by 6 months and airport concession fees have been postponed.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

Some tax liabilities, especially for SMEs, have been deferred for three months.

Public sector loans or capital injections to businesses: The national development bank BNDES has announced new credit lines to companies with a loan volume of 0.6% of GDP.

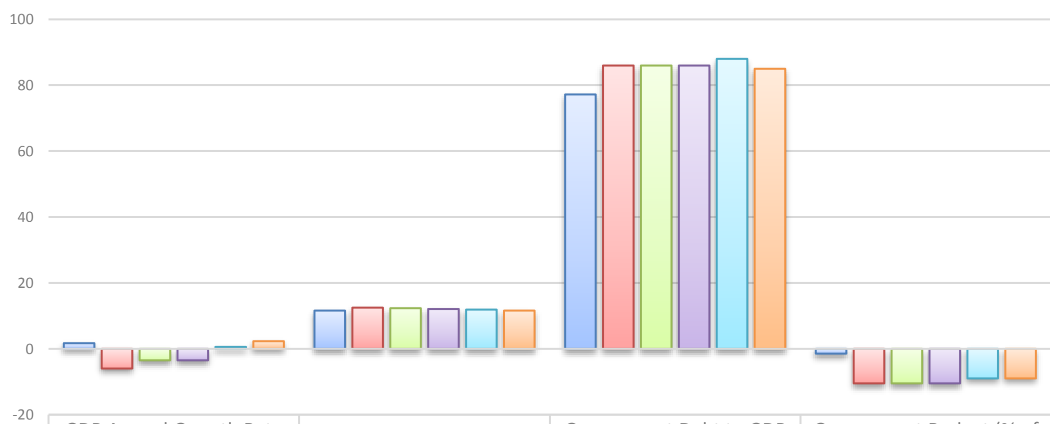
Other public banks are increasing their loan volumes.

Monetary policy and prudential regulation

Monetary policy: the policy rate Salic was cut by 50 bps on 18/3 to 3.75%.
Prudential regulation: the Central Bank announced a liquidity injection worth 17% of GDP, to be implemented through lower reserve and capital requirements and special liquidity lines for banks.
A USD 60 billion swap lines with the US Federal Reserve will help Brazil manage pressures on its currency.
Measures to promote burden sharing within the private sector
Support to individuals and households: 9 million low-income families will be exempt from paying their energy bills up to BRL 150 per month, for 3 months.
Support to firms: Airlines have been granted 12 months to reimburse customers for cancelled flights.

3- Challenges:

Brazil - Economic Forecasts



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	1.7	11.6	77.22	-1.47
Q2	-6	12.5	86	-10.5
Q3	-3.5	12.3	86	-10.5
Q4	-3.5	12.1	86	-10.5
Q1	0.6	11.9	88	-9
2021	2.3	11.6	85	-9

Brazil issued Immediate fiscal_impulse and deferrals patches 150 billion USD to support the economy which will add more financial burdens on budget , budget deficit expect to increase to (-10.5%) compared to (-1.47%) in 2019, administration announced that they expect economy shrinking up to 5%, GDP growth is (-6%) in second quarter 2020 expected to reach (-3.5%) in fourth quarter 2020 compared to 1.7% in 2019 that will push the budget deficit expected to increase from (-5.90%) to (-10.5%) by the fourth quarter 2020.
Unemployment is expected to reach 12.1% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.
The foreign trade will face more deficits especially with EU countries and USA main markets for exports and expected trade balance reach 3000compared to 6701 in 2019.

More than a quarter of Brazilian companies rated by Fitch Ratings are highly sensitive to the financial impact of the coronavirus outbreak, due to low liquidity, currency risk and limited ability to take on debt to ride out the pandemic.

35 out of 125 issuers in Brazil have “higher relative rating vulnerability” due to their liquidity position, sector risk, foreign currency exposure and/or leverage vulnerability compared with the downgrade trigger.

“Refinancing risk should increase for many companies in this report,” Fitch said, adding it “expects material revenue loss for the most affected sectors, greater selectivity in the credit supply in general, and for a smaller group.

Russia

Population:	145.9 Million
1-Economic indicators	
Purchasing power in USD.	4.016 Trillion
GDP in USD.	1.637 Trillion
Gold reserve in Tons	2,242
Natural resources	75 Trillion
Growth rate	2.10%
Labor force	72.7 Million
Unemployment Rate	4.60%
Budget surplus in USD.	29.482
Budget surplus as percent of GDP	1.8%
External debt in USD.	481.5 Billion
Gov. debt as a percent of GDP	14.6%
FDI in USD.	8.784 Billion
Tax	20%
Personal income tax	13%
Exports in USD.	422.777 Billion
Imports in USD.	243.780 Billion
Trade balance in USD.	178.996 Billion

2- Current status under Covid-19

There are more 80,949 persons have been infected, with more than 747 lost their lives till 26 of April 2020.
Country data updated on 28-Apr-2020
Quarantine/Confinement: Several regions, including the most affected Moscow and St. Petersburg regions, have ordered a curfew and a digital permit system when using transportation. No countrywide lockdown

Government economic response:

Overall fiscal measures: The government has created an anti-crisis fund of 300 billion roubles or $4.05 billion, which is around 1.2% of GDP, to support households and firms. On March 25 the government specified the measures. In April the government announced a package of 200 billion rubles ($2.6 billion) to support regional budgets.

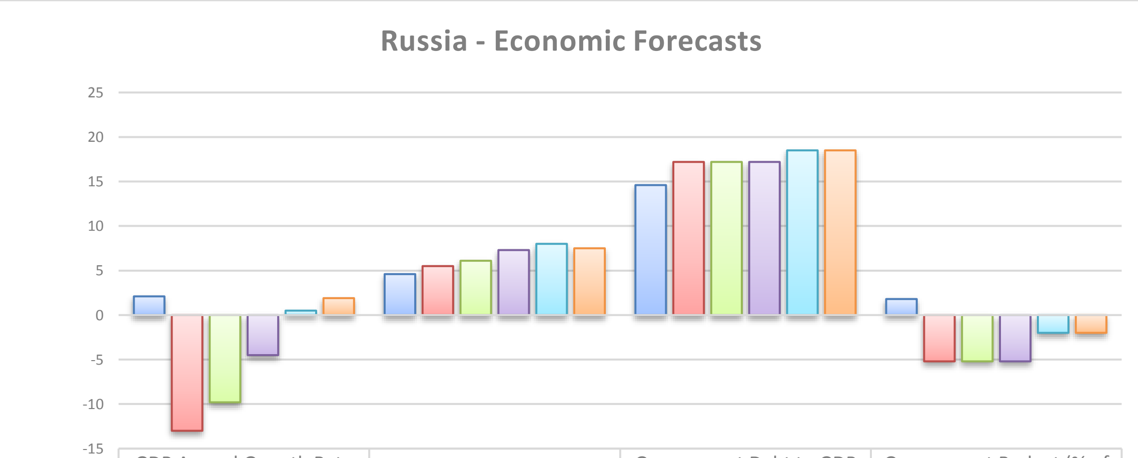
Income support measures for individuals and households excluding tax and contribution changes
Sickness benefit increased to the level of the minimum wage. Unemployment benefits set at the maximum level (12,130 robles /month) through June
Child benefit of 3,000 rubles ($40) per month for each child in the family.
Tax and contribution policy changes: 13% tax on investment income above 1m roubles
Public sector subsidies to businesses: SMEs get a subsidy of 12'130 roubles per employee. Compensation for the tourism and aviation sector
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year: Deferral of tax payments to firms in the most affected sectors.
Public sector loans or capital injections to businesses: Federal subsidies for financial institutions to cover unpaid SME loans

Monetary policy and prudential regulation

Monetary policy: On April 24, the key rate was lowered from 6% to 5. 5%.

Prudential regulation: The Deposit Insurance Fund contribution will be reduced from 0.15 percent to 0.1 percent through end-2020. The Bank eased liquidity regulations for systemically important credit institutions.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	2.1	4.6	14.6	1.8
Q2	-13	5.5	17.2	-5.2
Q3	-9.8	6.1	17.2	-5.2
Q4	-4.5	7.3	17.2	-5.2
Q1	0.5	8	18.5	-2
2021	1.9	7.5	18.5	-2

Russia issued Immediate fiscal_impulse and deferrals patches 12.5 billion USD to support the economy which will add more financial burdens on budget, government debt reached 14.6% and expected to reach 17.2% by the fourth quarter 2020, as administration announced that they expect economy shrinking up to 6%, GDP growth rate is (-13%) in second quarter 2020 to reach (-4.5%) in fourth quarter 2020 compared to 2.10% in 2019 that will push the budget deficit expected to reach (-5.2%) by the fourth quarter 2020.

Unemployment by the end of March increased to 4.70% expected to reach 7.3% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

OPEC plus conflicts between Saudi Arabia and Russia will cast a shadow on oil prices for third and fourth quarter 2020.

The foreign trade will face more deficits especially with EU countries and USA main markets for exports.

Support multinational corporates especially automotive, power & oil, tourism and transportation sector to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Tensions between USA and China may cast its shadow on Russia.

Canada

Population:	***37.7 Million***
1-Economic indicators	
Purchasing power in USD.	*1.774 Trillion*
GDP in USD.	*1.730 Trillion*
Gold reserve in Tons	
Natural resources	*33.2 Trillion*
Growth rate	*1.55%*
Labor force	*20.4 Million*
Unemployment Rate	*7.80%*
Budget deficit in USD.	*(-19.80) Billion*
Budget deficit as percent of GDP	*1.14%*
External debt in USD.	*2.752 Trillion*
Gov. debt as a percent of GDP	*89.70%*
FDI in USD.	*46.542 Billion*
Tax	*26.5%*
Personal income tax	*33%*
Exports in USD.	*446.464 Billion*
Imports in USD.	*453.050 Billion*
Trade balance in USD.	*(-6.585) Billion*

2- Current status under Covid-19

There are more 46,644 persons have been infected, with more than 2,560 lost their lives till 26 of April 2020, Frist case was in 25 of Jan 2020.

Country data updated on 27-Apr-2020

Quarantine/Confinement: Provinces and territories have, through the announcement of legal states of emergency and other measures, introduced regulation on social distancing, compulsory closure of businesses and strong public health advice for people to remain at home.

Government economic response:

Overall fiscal measures: Federal government announced an initial package of economic measures (quoted value, CAD 1.1 billion) that include improved insurance sickness benefits , additional funding for health care.

March 18. Federal government package announced (quoted value CAD 27 billion in spending measures and CAD 55 billion in tax deferrals) financial assistance to households and businesses.

March 25. Introduction of Canada Emergency Relief Benefit (CERB) increases value of package from CAD 27 billion to CAD 52 billion.

Income support measures for individuals and households excluding tax and contribution changes

The largest measures (in fiscal terms) is likely to be the Canada Emergency Response Benefit (CERB) that will pay CAD 2 000 per month (for up to four months) to those who have lost income due to Covid-19 (estimated fiscal cost, CAD 24 billion, i.e. around 1% of GDP).

Wider welfare support that includes temporary boost to the Canada Child Benefit, a doubling of the Reaching Home Program that provides funding for the homeless, establishment of a new fund to help Indigenous communities and a six-month moratorium on repayment of student loans.

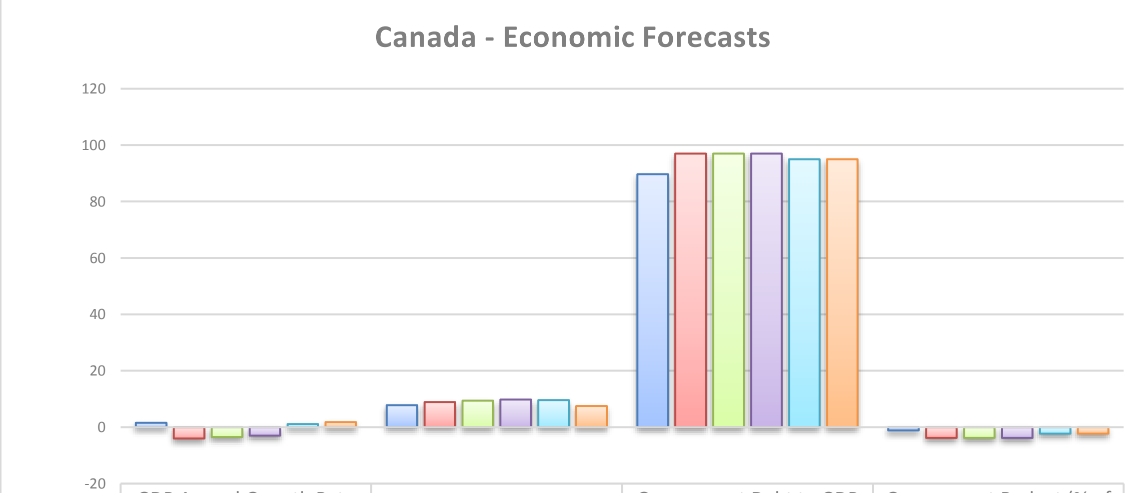
Public sector subsidies to businesses: The largest support scheme for business (in terms of fiscal spending) is likely to be the wage subsidy program that will provide up to 75% wage subsidy for up to 3 months, retroactively to March 15 (estimated fiscal cost CAD 71 billion, a little under 3% of GDP)

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:
Tax payment deferrals regarding corporate-income tax, sales tax remittance and customs duty payments (no interest or penalties will apply).
Public sector loans or capital injections to businesses: The Business Credit Availability Program (BCAP) (valued at CAD 40 billion) for small and medium-sized enterprises that will lend up to CAD 6.25 million.

Monetary policy and prudential regulation

Monetary policy: Bank of Canada announces further support through the purchase of government bonds and treasury bills, an additional corporate-bond purchases and enhancement of the term repo facility.
Department of Finance announces relief for federally regulated pension plan sponsors.
Bank of Canada cuts policy rate from 0.75% to 0.25%.
Purchases will begin with a minimum of $5 billion per week, across the yield curve.
Bank of Canada announces expansion of bond buyback program and term repo operations.
The Bank of Canada lowered the policy rate by 50 basis points to 1.25%.
Prudential regulation: Six largest retail banks announce mortgage-payment deferment facilities.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	1.55	7.8	89.7	-1.14
Q2	-4	8.9	97	-3.8
Q3	-3.5	9.4	97	-3.8
Q4	-3	9.8	97	-3.8
Q1	1.1	9.6	95	-2.3
2021	1.8	7.5	95	-2.3

Canada issued Immediate fiscal impulse and deferrals patches 193 billion USD to support the economy which will add more financial burdens on budget specially with government debt reached 89.7% and expected to reach 97% by the fourth quarter 2020, external debt is 162% to GDP, as administration announced that they expect economy shrinking up to 6.2%, GDP growth rate is(-4%) in second quarter 2020 to reach (-3%) in fourth quarter 2020 compared to 1.50% in 2019 that will push the budget deficit to increase from (-0.70%) to (-3.8%) by the fourth quarter 2020.

Unemployment by the end of March increased to 7.8% expected to reach 9.8% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with USA and EU countries main markets for exports and expected trade balance reach 3200 by the end of fourth quarter 2020.

Supporting Canadian multinational corporates especially automotive, power & oil, tourism and transportation sector to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

The nature of the production process **–** Does producing the good or delivering the service requires employees to be close together? Are the processes primarily automated?

Demand for products and services **–** Demand drops for products and services considered non-essential when most Canadians stay home. Provincial governments determine whether or not each industry is essential.

Vulnerability of businesses in the industry **–** Some sectors of Canada's economy are made up of a larger share of small and medium-sized enterprises (SMEs), which may not have the cash flow to offset significant revenue losses over a prolonged period.

South Korea

Population:	***51.2 Million***
1-Economic indicators	
Purchasing power in USD.	*2.035 Trillion*
GDP in USD.	*1.629 Trillion*
Gold reserve in Tons	*104*
Growth rate	*2.30%*
Labor force	*28.4 Million*
Unemployment Rate	*3.30%*
Budget deficit in USD.	*(-46.11) Billion*
Budget deficit as percent of GDP	*2.83%*
External debt in USD.	*466.979 Billion*
Gov. debt as a percent of GDP	*36.6%*
FDI in USD.	*14.479 Billion*
Tax	*28%*
Personal income tax	*42%*
Exports in USD.	*542.333 Billion*
Imports in USD.	*503.259 Billion*
Trade balance in USD.	*39,073 Billion*

2- Current status under Covid-19

There are more 10,728 persons have been infected, with more than 242 lost their lives till 26 of April 2020, first case was in 20 of Jan 2020.

Country data updated on 28-Apr-2020

Quarantine/Confinement: No lockdown has been imposed on any city or region.

Government economic response:

Overall fiscal measures: The Korean government has so far introduced a (11.4% of GDP) support measures to mitigate the impact of the Covid-19 virus including liquidity provisions and credit guarantees.

In February, the government announced emergency support of KRW 20 trillion for households and damaged industries, such as tourism and export industries.

The national Assembly approved the supplementary budget of KRW 11.7 trillion (USD 10 billion, 0.6% of GDP), consisting of KRW 10.9 trillion for new expenditure and KRW 0.8 trillion for revenue adjustment. New spending includes:

Creation of a bond market stabilization fund (KRW 20 trillion)

Creation of a stock market stabilization fund (KRW 10.7 trillion)

Increase of the size of the financial support package to KRW 135 trillion from KRW 100 trillion

Creation of a KRW 40 trillion fund to help key major industries such as shipbuilding, aviation, shipping, auto vehicle.

Income support measures for individuals and households excluding tax and contribution changes

consumption coupons for the poor, emergency family care and employment retention support (KRW 3.5 trillion) the central government plans to pay relief checks to households in the bottom 70 % income bracket (around 14 million households), of up to KRW 1 million (USD 820) per household.

The government released a KRW 10.1 trillion employment stabilization program in the following areas;

Maintaining firms' employees (KRW 0.9 trillion for 0.52 million employees)

Direct public job creation (KRW 3.6 trillion for 0.55 million people)

Tax and contribution policy changes: Introduction of temporary special tax reduction for SMEs located in corona-related special disaster areas until the end of 2020

VAT payable by small businesses with less than KRW 80 million in annual sales will be reduced until the end of 2020.

Temporary individual consumption tax cut for auto purchases.

Small businesses are granted up to a 9-month extension for filing of the tax return, and up to 1 year extension for filing and paying local taxes.

Public sector loans or capital injections to businesses: Expansion of financial loans and guarantees for SMEs and affected households and businesses (KRW 58 trillion)

Creation of a bond market stabilization fund (KRW 20 trillion)

Creation of a stock market stabilization fund (KRW 10.7 trillion)

Rolling over debt of SMEs and self-employed people to financial institutions.

Monetary policy and prudential regulation

Monetary policy: On 24 March the government created a “bond market stabilization fund (KRW 20 trillion)” and a “stock market stabilization fund (KRW 10.7 trillion)” to stabilize stock market and bond market.

The BOK signed a USD 60 billion bilateral currency swap agreement with the US Federal Reserve, for at least 6 months.

The BOK purchased government bonds worth KRW 1.5 trillion (USD 1.2 billion) to stabilize the bond market. BOK will also start to conduct unlimited RP purchases from April to June this year.

The BOK will broaden the eligible collateral and financial institution counterparts for open market operations and the acceptable collateral for lending facilities from April to June.

The Bank of Korea decided to lower 50 basis points to 0.75 percent. The BOK also cut the interest rate on the Bank Intermediated Lending Support Facility to 0.25% from 0.50-0.75% and increased the ceilings of the Facility

*Prudential regulation: t*he financial authority banned short-selling in the stock market for six months.

Measures to promote burden sharing within the private sector

Support to firms: The government announced a KRW 36 trillion (USD 29.4 billion) financial support for exporters.

Extension of export insurance and guarantees (KRW 30 trillion)

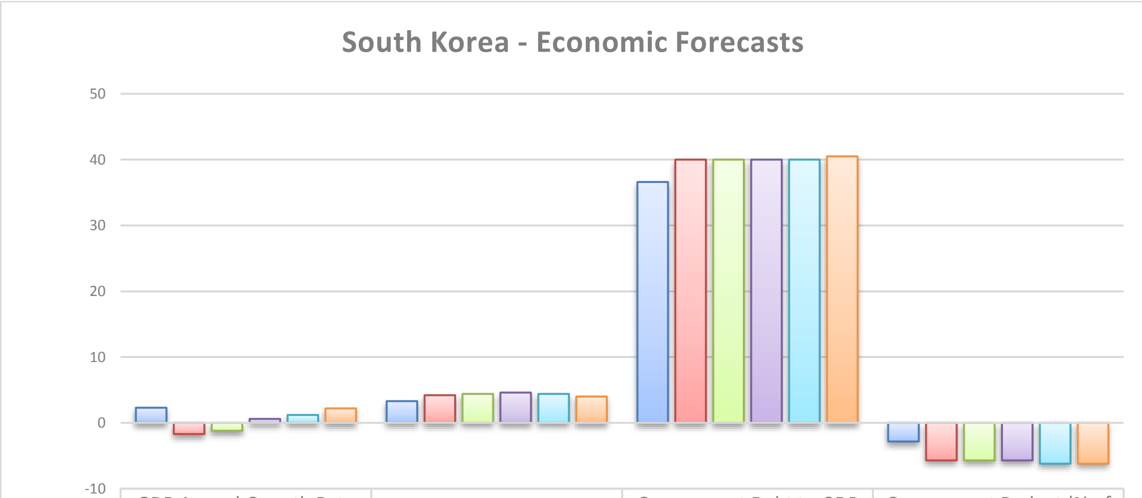
Offering emergency liquidity (KRW 1 trillion)

Preemptive trade finance support (KRW 5 trillion)

The public sector plans to spend KRW 3.3 trillion on advanced purchases and payments.

The government announced a KRW 40 trillion fund helping key industries such as aviation, shipping, shipbuilding, auto vehicle companies. For this, the Korea Development Bank will issue bonds with state guarantee.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	2.3	3.3	36.6	-2.83
Q2	-1.7	4.2	40	-5.7
Q3	-1.2	4.4	40	-5.7
Q4	0.6	4.6	40	-5.7
Q1	1.2	4.4	40	-6.2
2021	2.2	4	40.5	-6.2

South Korea issued Immediate fiscal_impulse and deferrals patches 177 billion USD to support the economy which will add more financial burdens on budget, as administration announced that they expect economy shrinking up to 1.4%, GDP growth rate is (-1.7%) in second quarter 2020 expected to reach (-0.6%) in fourth quarter 2020 compared to 2.30% in 2019 that will push the budget deficit to increase from (-0.70%) to (-3.8%) by the fourth quarter 2020.

Unemployment by the end of March increased to 3.8% expected to reach 4.6% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with EU countries and USA main markets for exports and expected trade balance reach 5800 by the end of fourth quarter 2020.

Supporting Korean multinational corporates especially automotive, electrical machinery to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Political condition with North Korea will be more hardly because of USA and China conflict.

Australia

Population:	***25.49 Million***
1-Economic indicators	
Purchasing power in USD.	*1.248 Trillion*
GDP in USD.	*1.376 Trillion*
Gold reserve in Tons	*68.74*
Natural resources	*19.9 Trillion*
Growth rate	*2.20%*
Labor force	*13.2 Million*
Unemployment Rate	*5.10%*
Budget deficit in USD.	*(-690) Million*
Budget deficit as percent of GDP	*0.05%*
External debt in USD.	*2.172 Trillion*
Gov. debt as a percent of GDP	*45.10%*
FDI in USD.	*60.337 Billion*
Tax	*30%*
Personal income tax	*45%*
Exports in USD.	*272.359 Billion*
Imports in USD.	*214.140 Billion*
Trade balance in USD.	*58.219 Billion*

2- Current status under Covid-19

There are more 6,716 persons have been infected, with more than 83 lost their lives till 26 of April 2020, Frist case was in 12 of March 2020.

Country data updated on 27-Apr-2020

Quarantine/Confinement: From 20 March 2020, only Australian citizens, residents and immediate family members can travel to Australia. All travellers to Australia are required to self-isolate for 14 days. Since 28 March, all travellers arriving in Australia are required to undertake their mandatory 14 day self-isolation at designated facilities. Interstate travel is possible, but individual states have introduced a requirement to self-isolate for 14 days after arrival and restrictions on non-essential travel.

Government economic response:

Fiscal measures: Total direct spending across Commonwealth and State Governments amounts to A$208.7bn (10½% of GDP). State Government stimulus packages include:

Income support measures for individuals and households excluding tax and contribution changes:
the Commonwealth Government announced a planned wage subsidy to businesses (A$130bn or 6½% of GDP) to encourage them to keep workers in jobs.

A “Job Keeper Payment” of A$1,500 per fortnight per eligible employee will be paid to the business under the condition that every eligible employee receives at least A$ 1,500 per fortnight from the business.

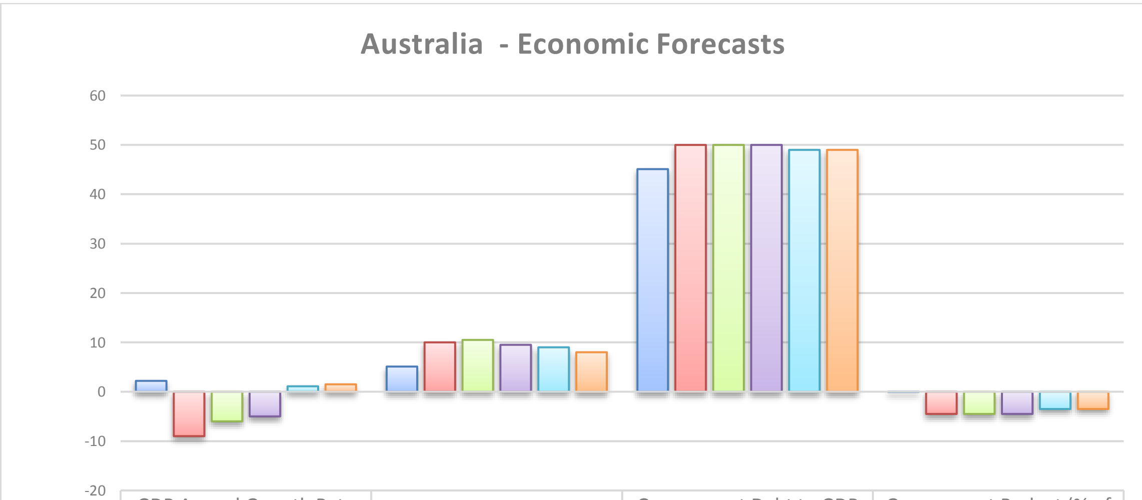
Tax and contribution policy changes: New Commonwealth Government measures include support for business investment, including by increasing the threshold for assets eligible for instant tax write-off and expanding access to this regime to larger firms (with annual turnover of <500 million AUD up from <50 million AUD), as well as through new accelerated depreciation measures. Measures have also been implemented to support business cash flows.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year: the Australian Taxation Office announced a range of measures to allow firms that are affected by the pandemic to defer payment of tax liabilities for up to 4 months without incurring interests or penalties for late payment.

Monetary policy and prudential regulation

Monetary policy: the central bank cash rate was cut by 25 basis points on 3 March, Then, on 19 March the central bank announced additional measures including reduction in the cash rate target to 0.25 per cent (from 0.5 per cent); target for the yield on 3-year Australian Government bonds of around 0.25 per cent.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	2.2	5.1	45.1	-0.05
Q2	-9	10	50	-4.5
Q3	-6	10.5	50	-4.5
Q4	-5	9.5	50	-4.5
Q1	1.1	9	49	-3.5
2021	1.5	8	49	-3.5

Australia issued Immediate fiscal impulse and deferrals patches 200 billion USD to support the economy which will add more financial burdens on budget, as administration announced that they expect economy shrinking up to 6.6%, GDP growth rate is (-9%) in second quarter 2020 expected to reach (-5%) in fourth quarter 2020 compared to 2.20% in 2019 that will push the budget deficit to increase from (-0.20%) to (-4.5%) by the fourth quarter 2020.

Unemployment by the end of March increased to 5.2% expected to reach 9.5% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with EU countries and USA main markets for exports and expected trade balance decline to -500 by the end of fourth quarter 2020.

Supporting Australian multinational corporates to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Mexico

Population:	***128.9 Million***
1-Economic indicators	
Purchasing power in USD.	*2.463 Trillion*
GDP in USD.	*1.274 Trillion*
Gold reserve in Tons	*120*
Natural resources	
Growth rate	*-0.50%*
Labor force	*57.5 Million*
Unemployment Rate	*3.60%*
Budget deficit in USD.	*(-20.83) Billion*
Budget deficit as percent of GDP	*1.63%*
External debt in USD.	*463.654 Billion*
Gov. debt as a percent of GDP	*46%*
FDI in USD.	*37.495 Billion*
Tax	*30%*
Personal income tax	*35%*
Exports in USD.	*450.531 Billion*
Imports in USD.	*464.268 Billion*
Trade balance in USD.	*(-13.736) Billion*

2- Current status under Covid-19

There are more 13,842 person have been infected, with more than 1,305 lost their lives till 26 of April 2020, first case was in 20 of Jan 2020.

Country data updated on 25-Apr-2020

Quarantine/Confinement: On 23 March, the Ministry of Public Administration ordered that vulnerable federal employees go teleworking during the sanitary emergency.

Government economic response:

Overall fiscal measures: On 24 March, the extraordinary budget was allocated to the Ministry of National Defense (up to USD 160 million) and to the Ministry of the Navy (up to MXN 500 million/USD 20.5 million), to reinforce the Plan DN-III and Plan Marina in response to the COVID emergency..

Income support measures for individuals and households excluding tax and contribution changes:

These measures consist of partial or total deferral of capital and/or interest payments for up to 4 months, with possibility to extend this period for two additional months.

Tax and contribution policy changes: Fiscal credits to hydrocarbons assignees that will have reductions in their productions value, up to USD 2.6 billion.

Public sector subsidies to businesses: Some States are taking different actions to support SMEs in the formal and informal sectors: Discounts on payroll taxes for SME's and credit lines for payment of payrolls or supply merchandise for SMEs, among others

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

The Mexican Tax Administration extended the deadline to file the tax declaration of individual persons from 30 April to 30 June, 2020.

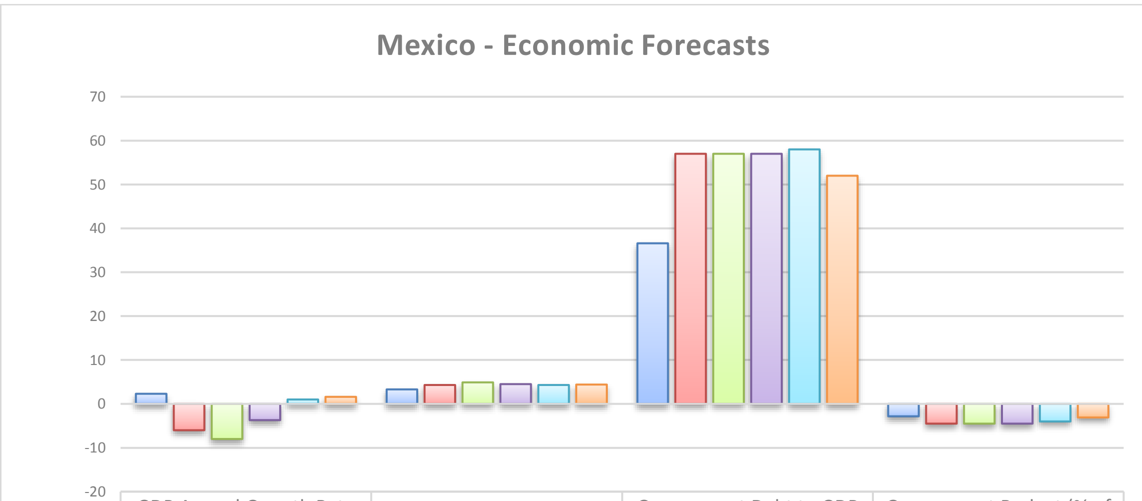
The loans will be settled over a period of 3 years, with no payment in the first three months and further monthly payments of MXN 1 000 (USD 42), at an average rate of 6.5% per year.

Monetary policy and prudential regulation

Monetary policy: On 20 March, Mexico's central bank cut its policy rate by 50 bp to 6.5%, then on 21 April, for the second time since the outbreak, Banco de México lowered its policy rate by an additional 50 bp to 6%. Banco de México and the FED established a temporary US dollar swap line of USD 60 billion on 19 March.

Prudential regulation: The National Commission of Banking and Securities (CNBV) published temporary accounting criteria for banks, credit unions and institutions related to popular finance so as to facilitate the maintenance of credit lines.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	2.3	3.3	36.6	-2.83
Q2	-6	4.3	57	-4.5
Q3	-8	4.9	57	-4.5
Q4	-3.7	4.5	57	-4.5
Q1	1	4.3	58	-4
2021	1.6	4.4	52	-3.1

Mexico issued Immediate fiscal_impulse and deferrals patches 30 billion USD to support the economy which will add more financial burdens on budget, as administration announced that they expect economy shrinking up to 7.5%, GDP growth rate is (-6%) in second quarter 2020 expected to reach (-3.7%) in fourth quarter 2020 compared to (-.50%) in 2019 that will push the budget deficit to increase from (-2%) to (-4.5%) by the fourth quarter 2020.

Unemployment by the end of March increased to 2.90% expected to reach 4.3% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with USA and EU countries main markets for exports and expected trade balance decline to -1000 by the end of fourth quarter 2020.

Bilateral trade with USA will decline 10%.

Supporting Mexican multinational corporates especially automotive and mining companies to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Indonesia

Population:	*273.5 Million*
1-Economic indicators	
Purchasing power in USD.	*3.255 Trillion*
GDP in USD.	*1.111 Trillion*
Gold reserve in Tons	*78.54*
Growth rate	*4.97%*
Labor force	*133.9 Million*
Unemployment Rate	*5.28%*
Budget deficit in USD.	*(-25.21) Billion*
Budget deficit as percent of GDP	*2.27%*
External debt in USD.	*404.282 Billion*
Gov. debt as a percent of GDP	*29.8%*
FDI in USD.	*19.703 Billion*
Tax	*25%*
Personal income tax	*30%*
Exports in USD.	*180.215 Billion*
Imports in USD.	*188.711 Billion*
Trade balance in USD.	*(-8.496) Billion*

2- Current status under Covid-19

There are more 8,882 persons have been infected, with more than 743 lost their lives till 26 of April 2020, first case was in 2 of March 2020.

Country data updated on 22-Apr-2020

Quarantine/Confinement: From 10 April, there are large-scale social restrictions in Jakarta implying stricter rules for outdoor activities such as *obligation of masks and reduced transportation.*

Government economic response:

Overall fiscal measures: A first IDR 10.3 trillion (USD 725 million) stimulus package was unveiled the week of Monday 24 February to support consumer spending and tourism; however, it seems to consist mainly of reclassification and front-loading of previous spending commitments.

Second fiscal stimulus package was announced on 13 March amounting 22.92 trillion IDR.

third fiscal stimulus package was announced on 31 March amounting IDR 405.1 trillion

Income support measures for individuals and households excluding tax and contribution changes

Key dispositions of the second fiscal package include exempting from income tax for six months manufacturing workers with annual income below IDR 200 million (budget of IDR 8.6 trillion)

Incentives for medical staff dealing with covid-19 (IDR 15 million to medical specialists, IDR 10 million to physicians and dentists, IDR 7.5 million to nurses and IDR 5 million to other medical staff members; IDR 300 million in case of death of a medical worker) for a budget of IDR 6.1 trillion

Provide housing interest subsidies for the bottom 40% (budget of IDR 1.5 trillion)

Tax and contribution policy changes: fiscal package (IDR 420 trillion) will be used for tax incentives (including a reduction of the corporate income tax by 3 percentage points to 22%) as well as financing and credit restructuring for SMEs

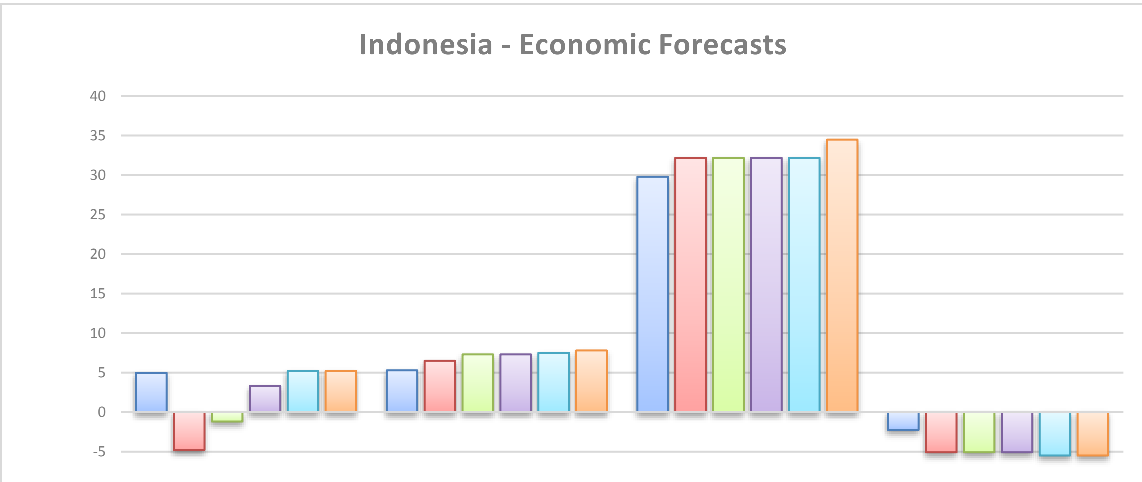
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year: The second fiscal package includes easier repayment for overpaid taxes (IDR 2 trillion)

Monetary policy and prudential regulation

Monetary policy: BI cut the reserve requirement ratio by 200 basis points for conventional banks and 50 basis points for Islamic banks (effective from 1 May).

On March 31, Indonesia's central bank had bought IDR 166 trillion (USD 10 billion) of bonds. The largest SOEs have been authorized to buy back their shares.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	4.97	5.28	29.8	-2.27
Q2	-4.8	6.5	32.2	-5.1
Q3	-1.2	7.3	32.2	-5.1
Q4	3.3	7.3	32.2	-5.1
Q1	5.2	7.5	32.2	-5.5
2021	5.2	7.8	34.5	-5.5

Indonesia issued Immediate fiscal_impulse and deferrals patches 24.5 billion USD to support the economy which will add more financial burdens on budget, as administration announced that they expect economy shrinking up to 3%, GDP growth rate is (-4.8%) in second quarter 2020 expected to reach 3.3% in fourth quarter 2020 compared to 4.97% in 2019 that will push the budget deficit to increase from (-2.2%) to (-5.1%) by the fourth quarter 2020.

Unemployment by the end of March increased to 4.99% expected to reach 7.3% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with USA and EU countries main markets for exports and expected trade balance decline to 300 by the end of fourth quarter 2020.

Supporting corporates especially textile, tourism and transportation companies to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Saudi Arabia

Population:	34.8 Million
1-Economic indicators	
Purchasing power in USD.	*1.775 Trillion*
GDP in USD.	*779.289 Billion*
Gold reserve in Tons	*323*
Natural resources	*34.4 Trillion*
Growth rate	*(-0.30%)*
Labor force	*14.6 Million*
Unemployment Rate	*5.50%*
Budget deficit in USD.	*(-36.6) Billion*
Budget deficit as percent of GDP	*4.70%*
External debt in USD.	
Gov. debt as a percent of GDP	*19.1%*
FDI in USD.	*4.247 Billion*
Tax	*20%*
Personal income tax	*0%*
Exports in USD.	*294.535 Billion*
Imports in USD.	*135.211 Billion*
Trade balance in USD.	*159.324 Billion*

2- Current status under Covid-19

There are more 17,522 persons have been infected, with more than 139 lost their lives till 26 of April 2020, first case was in 2 0f March 2020.

Country data updated on 15-Apr-2020

Quarantine/Confinement: Riyadh, Mecca and Medina were locked down on 26 March. Curfew was imposed by Royal Order.

Government economic response:

Overall fiscal measures: The government expects the fiscal deficit to widen to a maximum of 9% of GDP by the end of the year, from an earlier projection of 6.4%. King Salman approved raising the debt ceiling to 50% of GDP, from 30%.

Income support measures for individuals and households excluding tax and contribution changes:

Government will cover 60% of the salaries of Saudi staff in companies under stress for the next three months. More than 1.2 million citizens are expected to be eligible for the stipends, which have a monthly limit of SAR 9,000 riyals (USD 2,400) per person.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

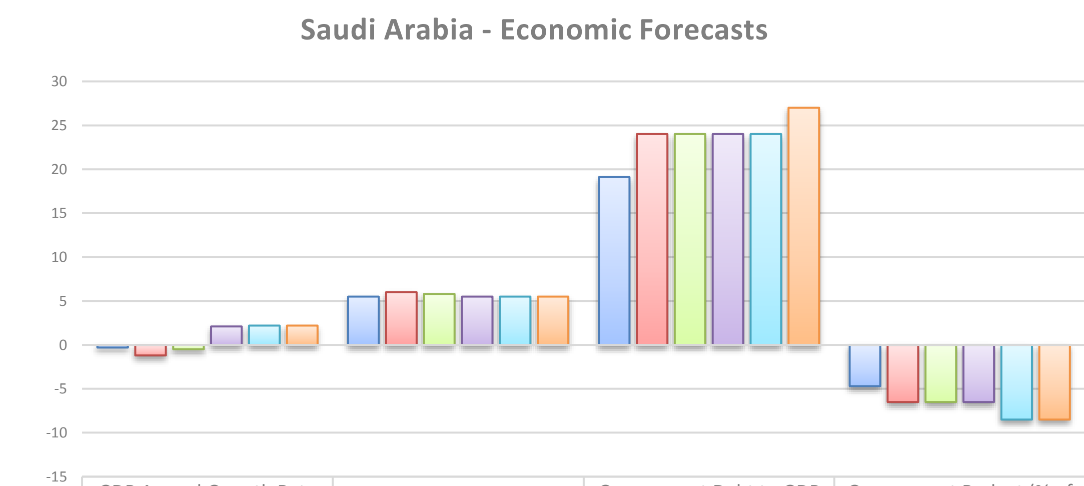
Saudi business owners will be allowed to postpone VAT, excise tax, income tax, government service fees and municipal fees payments for three months.

The collection of customs duties on imports is postponed for three months

Monetary policy and prudential regulation

Prudential regulation: On Saturday 14, the Saudi Arabian Monetary Authority (SAMA) unveiled a SAR 50 billion (USD 13.3 billion) package.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	-0.3	5.5	19.1	-4.7
Q2	-1.2	6	24	-6.5
Q3	-0.5	5.8	24	-6.5
Q4	2.1	5.5	24	-6.5
Q1	2.2	5.5	24	-8.5
2021	2.2	5.5	27	-8.5

Saudi Arabia issued Immediate fiscal_impulse and deferrals patches 24.5 billion USD to support the economy which will add more financial burdens on budget, as administration announced that they expect economy shrinking up to 2.3%, GDP growth rate is (-1.2%) in second quarter 2020 expected to reach 2.1% in fourth quarter 2020 compared to (-.30%) in 2019 that will push the budget deficit to increase from (-4.7%) to (-6.5%) by the fourth quarter 2020.

Unemployment by the end of March increased to 5.7% expected to reach 5.5% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

OPEC plus conflicts between Saudi Arabia and Russia is affected on oil prices.

Supporting corporates especially power & oil, tourism and transportation companies to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

While the construction sector rebounded strongly in 2019, we expect to see a drop in economic growth for 2020. This drop is a result of lower oil revenues, which have a historical inclination to precede a drop in construction activities based on this the foreign labor force will be a great challenge for the kingdom.

Saudi Arabia one of the biggest investing countries in Africa as Covid-19 spread map it is closely to hit the African countries soon which will let Saudi Arabia to support its investments.

Turkey

Population:	***84.3 Million***
1-Economic indicators	
Purchasing power in USD.	*2.186 Trillion*
GDP in USD.	*743.708 Billion*
Gold reserve in Tons	*385*
Growth rate	*0.25%*
Labor force	*33.11 Million*
Unemployment Rate	*13.70%*
Budget deficit in USD.	*(-21.77) Billion*
Budget deficit as percent of GDP	*2.93%*
External debt in USD.	*436.921 Billion*
Gov. debt as a percent of GDP	*33.1%*
FDI in USD.	*13.061 Billion*
Tax	*22%*
Personal income tax	*35%*
Exports in USD.	*171.098 Billion*
Imports in USD.	*200.658 Billion*
Trade balance in USD.	*(-29.560) Billion*

2- Current status under Covid-19

There are more 110,130 persons have been infected, with more than 2,805 lost their lives till 26 of April 2020, first case was in 11 of March.

Country data updated on 29-Apr-2020

Quarantine/Confinement: The curfew was applied for four days between 23-26 Aprils.

Government economic response:

Overall fiscal measures: On 18 March the President announced the "Economic Stability Shield Program" in order to balance the adverse effects of the coronavirus outbreak, low-income families and workers losing their job were announced on 7 April without a public announcement of their fiscal cost.

Income support measures for individuals and households excluding tax and contribution changes

A complementary budget of 2.1 billion Turkish lira (308 million US$) is earmarked for families in need, 2.1 million families will receive 1000 Turkish Lira (154 US$), The requirement of an employment contract for the last 120 days is reduced to 60 days.

The SME Agency (KOSGEB) will offer project grants to SMEs specialized in disinfectants, cologne and other protection material.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

April, May and June VAT and social security contributions are postponed for six months in retail trade (Concerning over 2 million taxpayers, 54 billion liras (USD 9,8B postponed).

The three public banks will offer all firms, conditional on their preserving their current employment level, working capital loans under a 25.000 TL limit, at 36 months maturity, 6 month grace period and subsidized 7.5% interest rate, Public banks will made available a new credit facility for tradesmen with a term of up to 36 months and 4.5% interest rate.

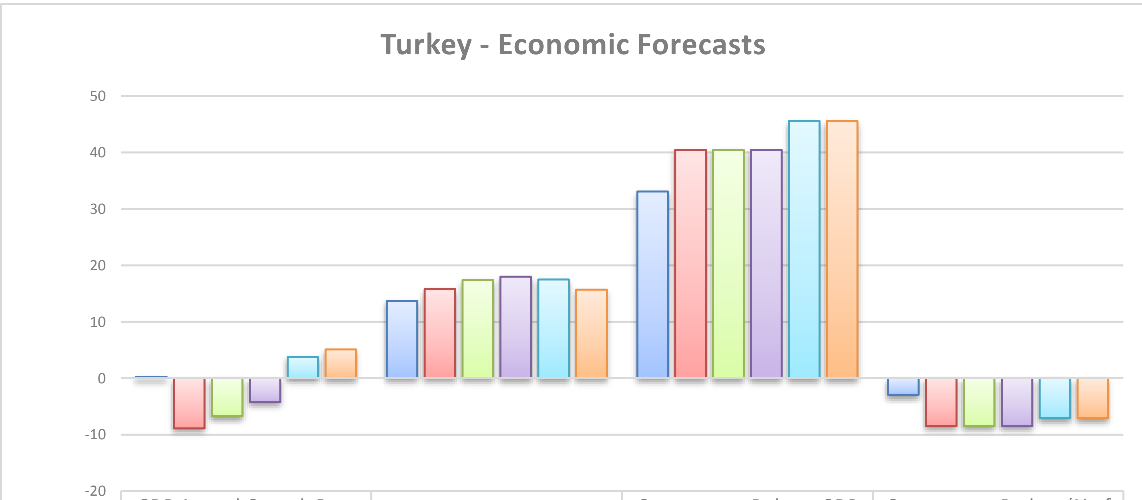
The 3 public banks are postponing the interest and debt payments of eligible credits for a minimum period of 3 months.

Monetary policy and prudential regulation

Monetary policy: They included a cut in the bank's main policy rate from 10.75% to 9.75%, an announcement that it “will provide banks with as much liquidity as they need.

Prudential regulation: the Banking Regulation and Supervision Agency (BRSA) introduced a set of measures in response to new conditions.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	0.25	13.7	33.1	-2.93
Q2	-8.9	15.8	40.5	-8.5
Q3	-6.7	17.4	40.5	-8.5
Q4	-4.2	18	40.5	-8.5
Q1	3.8	17.5	45.6	-7.1
2021	5.1	15.7	45.6	-7.1

Turkey issued Immediate fiscal impulse and deferrals patches 15.4 billion USD to support the economy which will add more financial burdens on budget, as administration announced that they expect economy shrinking up to 5.3%, GDP growth rate is (-8.9%) in second quarter 2020 expected to reach (-4.2%) in fourth quarter 2020 compared to 6% in 2019 that will push the budget deficit to increase from (-2.9%) to (-8.5%) by the fourth quarter 2020.

Unemployment by the end of March increased to 13.8 % expected to reach 18% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with USA and EU countries main markets for exports and expected trade balance.

Supporting corporates especially textile, tourism and transportation companies to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Turkey has many conflicts with EU, Russia and the strongest countries in Arab world that will effect on the bilateral economic relations.

Turkish wars in Syria and Libya will add more stress on the budget.

Argentina

Population:	***45 Million***
1-Economic indicators	
Purchasing power in USD.	*922.1 Billion*
GDP in USD.	*445.469 Billion*
Gold reserve in Tons	*61.74*
Growth rate	*(-1.10%)*
Labor force	*20.4 Million*
Unemployment Rate	*9.80%*
Budget deficit in USD.	*(-64.63) Billion*
Budget deficit as percent of GDP	*14.51%*
External debt in USD.	*277.648 Billion*
Gov. debt as a percent of GDP	*86.20%*
FDI in USD.	*11.872 Billion*
Tax	*30%*
Personal income tax	*35%*
Exports in USD.	*61.558 Billion*
Imports in USD.	*65.440 Billion*
Trade balance in USD.	*(-3.882) Billion*

2- Current status under Covid-19

There are more 3,780 persons have been infected, with more than 187 lost their lives till 26 of April 2020, Frist case was 7 0f March 2020.

Country data updated on 27-Apr-2020

Quarantine/Confinement: The government has ordered complete confinement of the population from 20 March until 10 May.

Government economic response:

Overall fiscal measures: Public investment will be boosted by around 0.5% of GDP (USD 1.5 bn, mainly in road infrastructure, housing and school construction as well as infrastructure for tourism.

Public credit subsidies for private housing construction will be reinstated and extended, providing opportunities to refurbish homes during confinement, with a focus on domestically produced materials.

Income support measures for individuals and households excluding tax and contribution changes:

Households that live from informal activities, self-employment or domestic work and have suffered income losses will receive a one-off bonus of USD 150 in April.

Conditional cash transfers to poor families are boosted by a one-off bonus of USD 50.

Tax and contribution policy changes: In sectors particularly affected by the lockdown social security contributions and payroll taxes for employers are reduced or postponed.

A specific committee has been created to establish objective criteria for accessing these benefits.

Public sector subsidies to businesses: In sectors particularly affected by the lockdown the government will pay part of the salaries.

Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

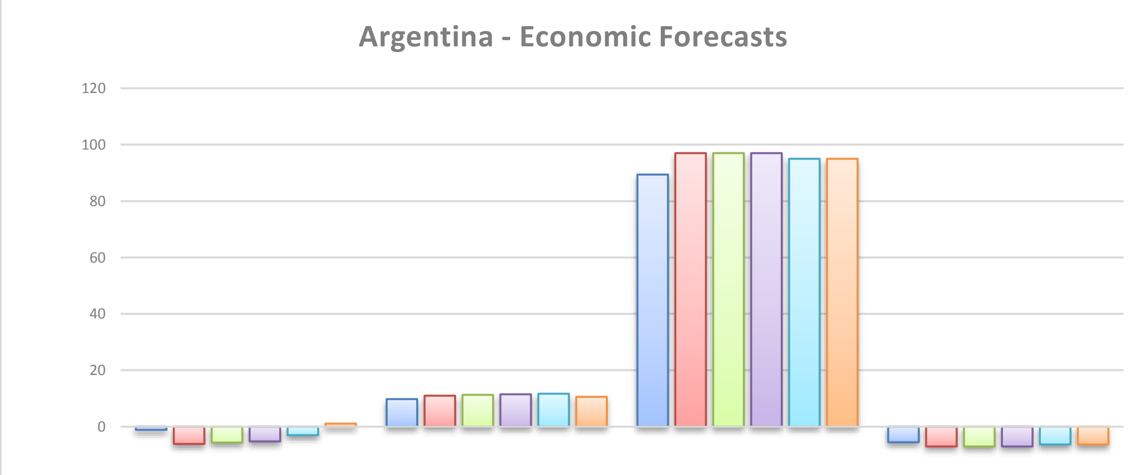
Households' installments of credits granted by the Social Security Agency corresponding to April and May have been cancelled.

Refunds for domestic taxes paid during the production process for exporting firms are accelerated.

Monetary policy and prudential regulation

Monetary policy: Monetary policy has been loosened considerably with policy rates decreasing by 25 percentage points since January and strong increases in the monetary base in March and April.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	-1.1	9.8	89.4	-5.5
Q2	-6.1	11	97	-7
Q3	-5.6	11.3	97	-7
Q4	-5.2	11.5	97	-7
Q1	-3	11.7	95	-6.3
2021	1.1	10.6	95	-6.3

Argentina issued Immediate fiscal_impulse and deferrals patches 9 billion USD to support the economy which will add more financial burdens on budget specially with government debt reached 89.40% and expected to reach 97% by the fourth quarter 2020, external debt is 98% to GDP, as administration announced that they expect economy shrinking up to 7%, GDP growth rate is (-6.1%) in second quarter 2020 to reach (-5.2%) in fourth quarter 2020 compared to (-1.10%) in 2019 that will push the budget deficit to increase from (-5.50%) to (-7%) by the fourth quarter 2020.

Unemployment by the end of March increased to 8.90% expected to reach 11.5% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.

The foreign trade will face more deficits especially with EU countries and USA main markets for exports.

Supporting multinational corporates especially automotive, agriculture, tourism and transportation sector to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

South Africa

Population:	***59.3 Million***
1-Economic indicators	
Purchasing power in USD.	*767.2 Billion*
GDP in USD.	*358.839 Billion*
Gold reserve in Tons	*125*
Growth rate	*(-0.50%)*
Labor force	*23.07 Million*
Unemployment Rate	*29.10%*
Budget deficit in USD.	*(-3.20) Billion*
Budget deficit as percent of GDP	*0.89%*
External debt in USD.	*185.236 Billion*
Gov. debt as a percent of GDP	*62.2%*
FDI in USD.	*5.470 Billion*
Tax	*28%*
Personal income tax	*45%*
Exports in USD.	*90.235 Billion*
Imports in USD.	*88.119 Billion*
Trade balance in USD.	*2.115 Billion*

2- Current status under Covid-19

There are more 4,546 persons have been infected, with more than 87 lost their lives till 26 of April 2020, first case was in 12 of March 2020.

Country data updated on 15-Apr-2020

Quarantine/Confinement: A nationwide lockdown for 21 days with effect from midnight on Thursday 26 March. The lockdown is prolonged by 14 days to the 30 of April.

Government economic response:

Overall fiscal measures: The government will make funding available to sectors that are dealing with the response to the virus.

It is unclear yet whether this will be via a reprioritization of funds or through a health Special Appropriation Bill.

***Income support measures** for individuals and households excluding tax and contribution changes:*

A safety net is being developed to support persons in the informal sector, where most businesses will suffer as a result of this shutdown. More details will be announced.

Any employee who falls ill through exposure at their workplace will be paid through the Compensation Fund.

Tax and contribution policy changes: Using the tax system, a tax subsidy of up to R500 per month for the next four months for those private sector employees earning below R6, 500 under the Employment Tax Incentive will be provided, Public sector subsidies to businesses: The Department of Tourism has made an additional R200m available to assist SMEs in the tourism and hospitality sector that are under particular stress due to the new travel restrictions.

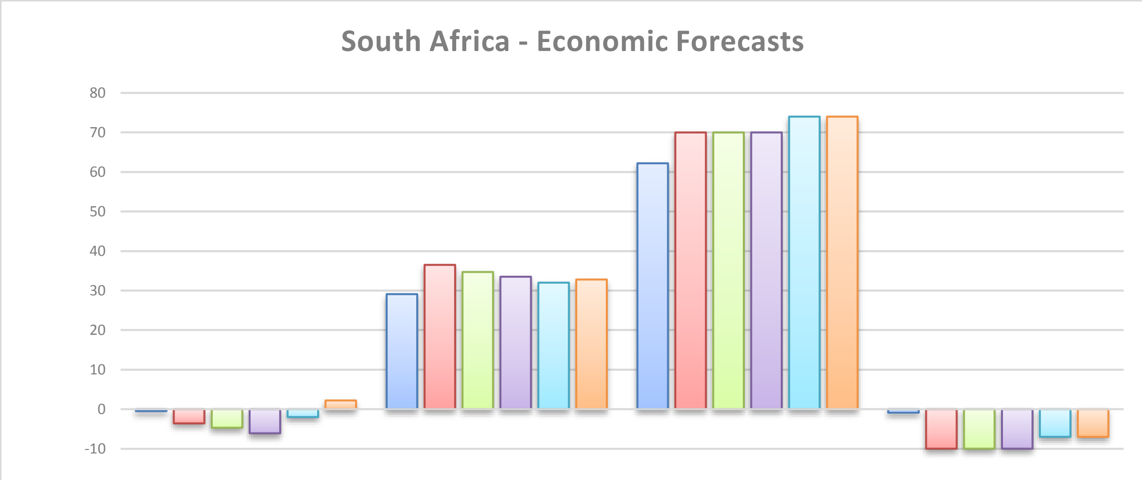
Deferral of taxes and social security contributions and bringing forward expenditures within current fiscal year:

Public sector loans or capital injections to businesses: The Industrial Development Corporation has put a package together with the Department of Trade, Industry and Competition of more than R3bn for industrial funding to address the situation of vulnerable firms and to fast-track financing for companies critical to the efforts to fight the virus and its economic impact.

Monetary policy and prudential regulation

Monetary policy: On the 14 of April, the Reserve Bank decided a further cut of 100 basis points to 4.25% of the repo rate. ii. Monetary policy rates: On the 19th of March the Reserve Bank decided to cut the repo rate from 6.25 to 5.25%.

3- Challenges:



	GDP Annual Growth Rate (%)	Unemployment Rate (%)	Government Debt to GDP (%)	Government Budget (% of GDP)
2019	-0.5	29.1	62.2	-0.89
Q2	-3.6	36.5	70	-10
Q3	-4.7	34.7	70	-10
Q4	-6.1	33.5	70	-10
Q1	-2	32	74	-7
2021	2.2	32.8	74	-7

South Africa issued Immediate fiscal_impulse and deferrals patches 26 billion USD to support the economy which will add more financial burdens on budget specially with government debt reached 62.2% and expected to reach 70% by the fourth quarter 2020,, as administration announced that they expect economy shrinking up to 6.5%, GDP growth rate is (-3.6%) in second quarter 2020 to reach (-6.1%) in fourth quarter 2020 compared to 0.50% in 2019 that will push the budget deficit to increase from
(-6.3&) to (-10. %) by the fourth quarter 2020.
Unemployment by the end of March increased to 29.10% expected to reach 32% by the end of fourth quarter 2020 that will need a wide welfare program to support jobless citizens with more stress on the government budget.
The foreign trade will face more deficits especially with EU countries and USA main markets for exports.

Supporting corporates especially automotive, mining, agriculture, tourism and transportation sector to survive from Covid-19 impact will drain a big part of government supporting patch whether by borrowing or investing in those companies.

Index of data and information sources:
ITC
OECD
IMF
World bank
Trading Economics
Bloomberg
Think Tank Egypt-Data base

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