

Preliminary 2020 G20 Extraordinary Virtual Summit Interim Compliance Report

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From 27 March 2020 to 26 May 2020

14 September 2020

Feedback, as always, is welcome and is kept anonymous.

Unlike the regular annual compliance reports produced by the G20 Research Group and RANEPA, this report has not been sent to stakeholders for review prior to publication. Scores can be recalibrated if new material becomes available that meets the requirements set by the methodology used for monitoring compliance.

**This is therefore a preliminary report
and we encourage readers to send comments to**

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Contents

| | |
|--|-----|
| Preface | 3 |
| Research Team | 4 |
| G20 Research Group Team | 4 |
| CIIR G20 Research Team | 4 |
| Introduction | 5 |
| Key Findings | 5 |
| Commitment Breakdown | 6 |
| Selection of Commitments | 6 |
| Interim Compliance Scores | 7 |
| Interim Compliance by Member | 7 |
| Interim Compliance by Commitment | 7 |
| Future Research and Reports | 7 |
| Considerations and Limitations | 7 |
| Table 1: 2020 G20 Extraordinary Virtual Summit Commitments Selected for Compliance Monitoring | 8 |
| Table 2: 2020 G20 Extraordinary Virtual Summit Interim Compliance Scores | 9 |
| Table 3: 2020 G20 Extraordinary Virtual Summit Interim Compliance by Member | 10 |
| Table 4: 2020 G20 Extraordinary Virtual Summit Interim Compliance by Commitment | 10 |
| Table 5: G20 Compliance by Member, 2008–2018 | 11 |
| Appendix: General Considerations | 13 |
| 1. Health: Strengthening the World Health Organization | 14 |
| 2. Health: System Strengthening | 45 |
| 3. Health: Digital Technologies | 64 |
| 4. Health: Research and Development | 78 |
| 5. Global Economy: Policy Tools | 104 |
| 6. Global Economy: Fiscal Support | 153 |
| 7. Global Economy: Debt Vulnerabilities | 174 |
| 8. Labour and Employment: Job and Income Protection | 192 |
| 9. Trade: Flow of Goods and Services | 215 |
| 10. Trade: Avoiding Unnecessary Interference | 286 |
| 11. Finance: Global Cooperation | 301 |

5. Global Economy: Policy Tools

“We commit to do whatever it takes and to use all available policy tools to minimize the economic ... damage from the pandemic.”

Extraordinary G20 Leaders’ Summit: Statement on COVID-19

Assessment

| | No Compliance | Partial Compliance | Full Compliance |
|----------------|---------------|--------------------|-----------------|
| Argentina | | | +1 |
| Australia | | | +1 |
| Brazil | | | +1 |
| Canada | | | +1 |
| China | | 0 | |
| France | | | +1 |
| Germany | | | +1 |
| India | | | +1 |
| Indonesia | | | +1 |
| Italy | | | +1 |
| Japan | | | +1 |
| Korea | | | +1 |
| Mexico | -1 | | |
| Russia | | | +1 |
| Saudi Arabia | | 0 | |
| South Africa | | | +1 |
| Turkey | | 0 | |
| United Kingdom | | | +1 |
| United States | | | +1 |
| European Union | | | +1 |
| Overall Score | +0.75 (88%) | | |

Background

On 26 March 2020, the G20 leaders met by videoconference, hosted by Saudi Arabia’s King Salman Bin Abdulaziz Al Saud. During the virtual meeting, the leaders discussed their opinions and suggestions to face the crisis arising from the COVID-19 virus global pandemic. The “Extraordinary G20 Leaders’ Summit: Statement on COVID-19” is the G20’s joint statement produced after the virtual meeting. It mentions the agreements the leaders made on social assistance, economic and financial policies, as well as public health to combat COVID-19. It presents the members in a “united front against this common threat.”⁵³² Also, during the videoconference, the G20 leaders’ affirmed that they play an important role in facing and overcoming the pandemic and its economic consequences around the world, reiterating the important role of the G20 in global health governance and economic stability.

Health has been mentioned in the G20’s agenda since the first G20 Washington Summit in 2008, gaining importance at the 2013 St. Petersburg Summit.⁵³³ Yet, this is the first time that an

⁵³² Extraordinary G20 Leaders’ Summit: Statement on COVID-19, G20 Research Group. Access Date: April 2, 2020. <http://www.g20.utoronto.ca/2020/2020-g20-statement-0326.html>

⁵³³ G20 Global Health Governance, 2008-2018, Daniela Vana. October 7, 2019. Access Date: April 7, 2020. <http://www.g20.utoronto.ca/biblio/Vana-G20-health-governance.html>

Extraordinary Virtual Summit of the G20 has taken place in response to a health emergency. In 2014, the Ebola outbreak denoted a moment where the G20 became extremely significant as a forum of global health governance, as the G20 stepped in to support the work of international organizations to extinguish the outbreak and deal with the crisis.⁵³⁴ At the 2014 Brisbane Summit, the “G20 Leaders’ Brisbane Statement on Ebola” was published, where the G20 recognized the “serious humanitarian, social and economic impacts” and “committed to do what is necessary to ... extinguish the outbreak and address its medium-term economic and humanitarian costs.”⁵³⁵ This was the first time in G20 history that an official statement document that focused on responding to the outbreak of an infectious disease was released. Therefore, the Extraordinary G20 Leaders’ Summit in response to the COVID-19 pandemic marks a pivotal event as the first Extraordinary Virtual Summit takes place in response to a pandemic in G20 global health governance history.

The application of appropriate, firm, and targeted policy tools by the G20 governments will be essential for the recovery and restoration of confidence in the global economy during and after the pandemic. In fact, researchers at the International Monetary Fund have suggested that “the success of the pace of recovery [of the global economy] will depend crucially on policies undertaken during the crisis.”⁵³⁶ The impacts of the crisis are expected to be severe. The European Central Bank predicts that growth in global gross domestic product is projected to decline by 0.4 per cent in 2020, expecting adverse impacts on euro area activity affecting supply and demand, with similar falls expected in other economies.⁵³⁷ This is not the first time that G20 leaders committed to using a variety of policy tools to minimize the global economic damage from an event or crisis. The G20 was created to respond to global crises that required harmonized action between the world’s most powerful economies. Nevertheless, the COVID-19 emergency makes this the first time the G20 made commitments in response to a health crisis and consequently, will require fast, bold, and coordinated responses.

Commitment Features

The G20 committed to “do whatever it takes and to use all available policy tools to minimize the economic ... damage from the pandemic.”⁵³⁸ The word “commit” is defined as “to do or perform, pledge or bind (a person or an organization) to a certain course or policy.”⁵³⁹

Defining “whatever it takes” is challenging, as each sovereign country will decide the kind of actions that are necessary to improve their unique economic challenges. “Whatever it takes” refers to any policy action that aims to mitigate negative economic impacts of the pandemic, that would not normally be considered due to various domestic and global economic constraints. Thus, “whatever it takes” refers to any policy that may be considered an emergency measure or is invoked for the purpose of managing the crisis.

⁵³⁴ G20 Global Health Governance, 2008-2018, Daniela Vana. 7 October 2019. Access Date: 7 April 2020. <http://www.g20.utoronto.ca/biblio/Vana-G20-health-governance.html>.

⁵³⁵ G20 Leaders’ Brisbane Statement on Ebola, G20 Research Group. 15 November 2014. Access Date: 2 April 2020. <http://www.g20.utoronto.ca/2014/2014-1115-ebola.html>.

⁵³⁶ Economic Policies for the COVID-19 War, International Monetary Fund Blog. 1 March 2020. Access Date: 7 April 2020. <https://blogs.imf.org/2020/04/01/economic-policies-for-the-covid-19-war/>.

⁵³⁷ ECB staff macroeconomic projections for the euro area, European Central Bank. March 2020. Access Date: 11 April 2020. https://www.ecb.europa.eu/pub/projections/html/ecb.projections202003_ecbstaff~dfa19e18c4.en.html.

⁵³⁸ Extraordinary G20 Leaders’ Summit: Statement on COVID-19. G20 Research Group. Access Date: 2 April 2020. <http://www.g20.utoronto.ca/2020/2020-g20-statement-0326.html>.

⁵³⁹ Reference Manual for Summit Commitment and Compliance Coding, G20 Research Group. Access Date: 28 March 2020. <http://www.g7.utoronto.ca/compliance/compliance-coding-manual-2016.pdf>.

“Using all available policy tools” can be measured by looking at the various economic policies taken by each G20 member that aim to support national or global economic development. For this reason, this compliance report will take a closer look at the various policy tools that can minimize the economic damage from the pandemic.

The commitment to “use all available policy tools” to recover from the economic damage of this pandemic will be measured by the number of specific policy instruments, specifically, any expansionary fiscal or monetary policies, that each government takes to safeguard the economy. Policy tools will be defined as specific economic policies taken at a government level that are aimed at improving the economy and can include:

1. Expansionary Fiscal Policy: Policies that increase aggregate demand by either by (a) increasing government spending or (b) decreasing taxes.
 - a. Government spending can include efforts such as unemployment benefits, wage support, credit support, and direct transfers to support households and businesses.
 - Government credit support or guarantee for businesses can decrease the chances that this temporary fall in revenue would constrain the recovery of businesses that were doing well before the pandemic.
 - Government transfers to and bailouts of businesses have the potential to help small and medium enterprises recover after a time of slow or no economic activity. Researchers from London School of Economics consider this policy essential to avoid permanent damage to the supply-side of the economy.⁵⁴⁰
 - Unemployment benefits can support employees that are laid-off because of this pandemic. Actions like making unemployment benefits more generous, streamlined, or comprehensive can help people continue their economic activity until employment opportunities become available.
 - Direct transfers to the population or business-owners could allow to continue economic activity despite a fall in income during and after the pandemic.
 - Other policy tools that can help the economy recover and continue smooth consumption. In a Centre for Macroeconomics survey on policy proposals to deal with the COVID-19 crisis, panelists suggested various measures that could fall outside of the above categories. These included strategies like “holidays on mortgage payments and credit card debt backed by regulatory forbearance;” “withdrawals from pension funds without tax penalties;” and support for businesses through “partial wage subsidies.”⁵⁴¹
 - b. Tax cuts and tax deferrals indirectly increase aggregate demand as consumption and investment become more attractive. Researchers have agreed that “aggressive fiscal measures, especially to support small and medium-sized enterprises are a must.”⁵⁴²
2. Expansionary Monetary Policy: Policies that increase the money supply in an economy and thus, decrease interest rates and expands consumption, net exports, and investments.

⁵⁴⁰ “COVID-19: The economic policy response,” Centre for Economic Policy Research Portal. 28 March 2020. Access date 28 March 2020. <https://voxeu.org/article/covid-19-economic-policy-response>.

⁵⁴¹ “COVID-19: The economic policy response,” Centre for Economic Policy Research Portal. March 28, 2020. Access date March 28, 2020. <https://voxeu.org/article/covid-19-economic-policy-response>.

⁵⁴² Policy in the time of Coronavirus. Mitigating the COVID Economic Crisis: Act Fast and Do Whatever It Takes., Yale University. P. 198. Access date April 13, 2020 <https://voxeu.org/content/mitigating-covid-economic-crisis-act-fast-and-do-whatever-it-takes>.

- a. Consumption expands as the money supply increases because borrowing money becomes cheaper. Also, lower interest rates will translate to an increase in available income when payments become lower (i.e. mortgage interest payment)
 - b. Exports increase as the lower interest rate causes the currency to depreciate, and thus, increases exports and import prices.
 - c. Investments increase because the returns from saving are lower.
 - d. The Central or National Banks can also perform open market activities (such as buying back government bonds) to lower interest rates and indirectly expand other investments.
3. Financial Assets Purchases and Quantitative Easing can increase the money supply in an economy providing with the necessary liquidity to overcome this period.

In evaluating each member's actions, some actions have more weight than others. As mentioned above, doing "whatever it takes" and using "all available policy tools" can include a variety of strategies, some with a bigger impact than the others in bettering economic conditions. Therefore, G20 members' performance is based on the real impact, and not the total number, of their action relative to that country's economic situation.

Each G20 member has different capabilities, as well as unique social and economic backgrounds that will determine the kind and number of policy tools that will be applied to deal with the crisis. The nature and number of policies will depend largely on the country in which they are implemented and the policy tools that are available to them given their unique economic constraints. Obviously, a country with a higher GDP will be able to spend large amounts of money more easily than a country with a smaller GDP. This will be considered in the scores. Scores will also be assigned consistently and relative to other G20 members' efforts as this commitment is a collective G20 commitment. Therefore, to evaluate compliance, we will consider their efforts relative to other G20 members' performance while also considering their unique economic and social conditions.

Full compliance of this commitment will be achieved by members that clearly put a strong effort in implementing fiscal and monetary policies that better the domestic and global economy. As mentioned earlier, because each member has different capabilities, we will evaluate each member's actions relative to other members' efforts while also considering their unique capabilities. Therefore, compliance will happen whenever a G20 member responds with fiscal and monetary policy measures that show a strong commitment and determination of the member to minimize the economic damage to all segments of their population and sectors of the economy that are hit particularly hit hard by the economic turbulence caused by COVID-19. Thus, the member should work towards creating, implementing or revising policies to improve the economic conditions for their population. This can be achieved through actions at the federal government level, through the central bank, or through actions collaboration with or support to the international community, non-governmental organizations and international organizations. Policy tools that count towards compliance can be any of the abovementioned economic policy instruments that can help recover from the crisis and continue global economic activity.

Partial compliance will be achieved when a G20 member responds by applying a policy that are aimed to improve the economic conditions, but that might only help a certain segment of the population or some industries of the economy while others are suffering. Also, members will score partial compliance whenever they make verbal declarations of policies and strategies to improve economic conditions but do not implement them. G20 members implementing policy tools, but with economic and social realities that could allow implementing bolder or more generous policies to support more segments of the economy, will also be scored partial compliance.

No compliance is scored when a G20 member does not engage in actions or policy aimed at minimizing the domestic or global damage to the economy in response to the pandemic.

Actions must have been taken between 27 March 2020 and 26 May 2020 to be counted for compliance.

Scoring Guidelines

| | |
|----|---|
| -1 | No progress toward compliance or action counter to compliance. The member implemented little or no monetary or fiscal policy tools to minimize the economic damage from the pandemic and the measures only support a very small segment of the population. |
| 0 | Partial compliance with the stated goals of the commitment. The member used policy tools to minimize the economic damage from the pandemic, yet these efforts only benefited some segments of the population and/or some industries, while others suffer. The member created a policy or strategy but is not implementing it properly. The member has the potential and capabilities to implement bolder policies, yet has refrained from doing so. |
| +1 | Complete compliance with the stated goals of the commitment. The member implemented fiscal and monetary policies that effectively help minimize the economic damage for all segments of the population and industries hit hard by COVID-19 economic crisis. |

Compliance Director: Eri Kimura

Argentina: +1

Argentina fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

Argentina suffers from “chronic financial turmoil” and has been experiencing a currency crisis since 2018, with the capital controls imposed in 2019 limiting volatility created by high inflation.⁵⁴³ Facing a third year of recession when the pandemic hit, Argentina’s actions in response to the pandemic are very constrained.

The Government of Argentina has implemented various fiscal policies to reduce the financial and economic stress in the economy, these are estimated to total around ARS 1,089 billion or 3.5 per cent of gross domestic product.⁵⁴⁴

On 31 March 2020, the Government of Argentina created a guarantee fund of ARS 30 billion to facilitate the access of micro, small, and medium enterprises to loans for working capital. In a different decree the same day, it prohibited to lay-off employees without justification for 60 days.⁵⁴⁵ On 18 May, the prohibition was extended for an additional 60 days.⁵⁴⁶

On 1 April 2020, the government announced the Programa de Asistencia de Emergencia al Trabajo y a la Producción as a strategy to support struggling businesses and vulnerable populations continue their activities and survive the crisis. The program includes a 50 per cent compensation in workers’ salaries paid by the government to businesses whose revenues have been affected by the tensions in

⁵⁴³ Argentina’s economic crisis poised to go from bad to worse, Al Jazeera (New York) 23 June 2020. Access Date: 10 July 2020. <https://www.aljazeera.com/ajimpact/argentina-economic-crisis-poised-bad-worse-200623203522114.html>

⁵⁴⁴ Argentina in Policy Tracker, International Monetary Fund. Last updated April 30, 2020. Access Date: May 5, 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁵⁴⁵ Decreto de Necesidad y Urgencia que Instruye a constituir un Fondo de Afectación Específica con el objeto de otorgar garantías para facilitar el acceso a préstamos para capital de trabajo, por parte de las Micro, Pequeñas y Medianas Empresas, Sistema Argentino de Información Jurídica, 31 March 2020. Access Date: 4 June 2020.

<http://www.saij.gov.ar/326-nacional-decreto-necesidad-urgencia-instruye-constituir-fondo-afectacion-especifica-objeto-otorgar-garantias-para-facilitar-acceso-prestamos-para-capital-trabajo-parte-micro-pequenas-medianas-empresas>

⁵⁴⁶ Factbox 5/26/20: Latin America moves to mitigate impact of COVID-19, Latin Finance. 26 May 2020. Access Date: 5 June 2020. <https://www.latinfinance.com/daily-briefs/2020/5/26/factbox-52620-latin-america-moves-to-mitigate-impact-of-covid-19#argentina>

the economy, a reduction up to 95 per cent in employers' social security contributions, government credits up to ARS 150,000 with no interest rates to autonomous workers and extended unemployment insurance benefits.⁵⁴⁷

On 1 April 2020, the government announced the extension of the Ahora Program until the end of June 2020. Ahora is a government-credit program offering zero interest rates in purchases of different basic products in periods from three up to 18 months.⁵⁴⁸

On 12 April 2020, the Administración Federal de Ingresos Públicos (AFIP) published General Resolution 4795, which extended the temporary closing of AFIP until 26 April 2020. The temporary closing implied that procedures related to tax, social security, and customs duties matters are also extended.⁵⁴⁹

On 15 April 2020, an emergency assistance program was established through Decree 332/2020 to provide relief to businesses that have suffered because of the pandemic. The assistance program allows “critically affected” businesses to 1) postpone their payment of employer contributions to the Argentine Integrated Social Security System (SIPA), 2) reduction of up to 98 per cent of the payment of employer contributions to SIPA, and 3) up to 50 cent of the wages can be covered during April and May.⁵⁵⁰

On 22 April 2020, Argentina presented a debt-restructuring offer to investors worth USD 66 billion of central government foreign debt to reunite investments to combat the pandemic. The offer would include a 5.5 per cent reduction on capital bonds, reduction of 62 per cent on interest payments and asks for a 3-year grace period before it begins to pay back.⁵⁵¹

On 29 April 2020, all households in the “food cards” conditional cash-transfer program received a one-time bonus cash transfer of ARS 4,200, or ARS 6,330 for households with more than one child.⁵⁵² The Government of Argentina also pledged that workers in the public and private healthcare industries will be granted monthly bonuses of ARS 5,000 from May until July.⁵⁵³

On 30 April 2020, Argentinean tax authorities, the “Administración Federal de Ingresos Públicos” (AFIP), postponed until 29 May the annual filing of personal deductions in the annual income tax assessment, with payments or reimbursements of that assessment to be made until 10 June 2020.⁵⁵⁴

⁵⁴⁷ Beneficios para empresas, monotributistas y autónomos, Government of Argentina. Access Date: 4 May 2020. <https://www.argentina.gob.ar/economia/medidas-economicas-COVID19/beneficios-empresas-motribustistas-y-autonomos>

⁵⁴⁸ Gobierno oficializó la extensión del Ahora 12: se suman alimentos y medicamentos. April 1, 2020. Access Date: 3 May 2020. <https://www.lavoz.com.ar/ciudadanos/gobierno-oficializo-extension-del-ahora-12-se-suman-alimentos-y-medicamentos>

⁵⁴⁹ Economic and Fiscal measures in LATAM, Deloitte. 24 April 2020. Access Date: 9 May 2020. <https://www2.deloitte.com/mx/es/pages/tax/articles/medidas-fiscales-y-economicas-COVID-19-en-Latinoamerica.html>

⁵⁵⁰ Argentina-COVID-19: Fiscal Relief for Companies, KPMG. 15 April 2020. Access Date: 3 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/flash-alert-2020-174.html>

⁵⁵¹ Factbox 5/26/20: Latin America moves to mitigate impact of COVID-19, Latin Finance. 26 May 2020. Access Date: 5 June 2020. <https://www.latinfinance.com/daily-briefs/2020/5/26/factbox-52620-latin-america-moves-to-mitigate-impact-of-covid-19#argentina>

⁵⁵² Key Country policy responses, OECD (Paris). Access Date: 4 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁵⁵³ Bonos para sectores vulnerables, Government of Argentina. Access Date: 4 May 2020. <https://www.argentina.gob.ar/economia/medidas-economicas-COVID19/bonos>

⁵⁵⁴ Economic and Fiscal measures in LATAM, Deloitte. 24 April 2020. Access Date: 9 May 2020. <https://www2.deloitte.com/mx/es/pages/tax/articles/medidas-fiscales-y-economicas-COVID-19-en-Latinoamerica.html>

On 3 May 2020, the Government of Argentina announced it would continue the “Ingreso Familiar de Emergencia Program” through a second round of transfers during the month of May.⁵⁵⁵ The program was made official through Decree 310/2020, on March 23, and consists on granting one-time ARS 10,000 bonuses to informal, independent and domestic workers as well as vulnerable families.⁵⁵⁶

On 8 May 2020, the Argentinian Central Bank (ACB) extended loans to the banking system to allow the possibility of loans for small and medium-sized enterprises, independent and autonomous workers that would otherwise not be able to access credit.⁵⁵⁷

On 14 May 2020, President Alberto Fernandez announced the “Argentina Construye” public investment program. Through this program, the government will spend ARS 29 billion in improvements in gas, electricity and sanitary infrastructure, as well as social housing which is expected to generate more than 700,000 jobs.⁵⁵⁸

On 16 May 2020, the Ministry of Commerce extended the freeze of the basket of essential goods prices until 20 June 2020 in order to prevent inflation and protect consumers.⁵⁵⁹

In terms of tax relief, the Government of Argentina has implemented measures that total around ARS 68 billion.⁵⁶⁰

Argentina made efforts and implemented both policy and non-policy tools to deal with the economic effects of the pandemic through programs such as “Programa de Asistencia de Emergencia al Trabajo y a la Producción” and its support for the most vulnerable populations by extending direct cash transfers, price freezes, and public investment programs.

Argentina made efforts and implemented both policy and non-policy tools to deal with the economic effects of the pandemic through programs such as “Programa de Asistencia de Emergencia al Trabajo y a la Producción” and its support for the most vulnerable populations by extending direct cash transfers, price freezes, and public investment programs. Since 2018, Argentina has been dealing with an economic crisis which has limited their capability to implement more aggressive policies, facing limited options to finance support measures from debt. This can explain why their measure to reestablish household incomes and support businesses have been limited compared to other G20 countries. During the compliance period the government has implemented policies within their

⁵⁵⁵ Ingreso Familiar de Emergencia, Government of Argentina. Access Date: 4 May 2020.

<https://www.argentina.gob.ar/economia/medidas-economicas-COVID19/ingresofamiliardeemergencia>

⁵⁵⁶ Ingreso Familiar de Emergencia, Government of Argentina. Access Date: 4 May 2020.

<https://www.argentina.gob.ar/economia/medidas-economicas-COVID19/ingresofamiliardeemergencia>

⁵⁵⁷ Comunicación “A” 7006, Banco Central de la República Argentina. May 8, 2020. Access Date: 20 May 2020.

<http://www.bcra.gov.ar/Pdfs/comytexord/A7006.pdf>

⁵⁵⁸ La Nación lanzó el programa Argentina Construye al que destinarán 29 mil millones de pesos, El Tribuno. 14 May 2020. Access date 20 May 2020. <https://www.tribuno.com/salta/nota/2020-5-14-19-28-0-la-nacion-lanzo-el-programa-argentina-construye-al-que-destinaran-29-mil-millones-de-pesos>

⁵⁵⁹ Factbox 5/26/20: Latin America moves to mitigate impact of COVID-19, Latin Finance. 26 May 2020. Access Date: 5 June 2020. <https://www.latinfinance.com/daily-briefs/2020/5/26/factbox-52620-latin-america-moves-to-mitigate-impact-of-covid-19#argentina>

⁵⁶⁰ Breaking down the G20 Covid-19 Fiscal Response, Center for Strategic and International Studies (Washington) 30 April 2020. Access Date: 9 May 2020. <https://www.csis.org/analysis/breaking-down-g20-covid-19-fiscal-response>

capacity that support businesses, employment, extend credit and create employment opportunities to support the economy recover from the crisis. Thus, Argentina receives a score of +1.⁵⁶¹

Analyst: Eri Kimura

Australia: +1

Australia fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic effects from the pandemic.

On 30 March 2020, the Australian Taxation Office (ATO) announced implementation of the Job Keeper Program to help affected taxpayers. Through this program, the ATO is allowing companies unable to pay their obligations deferrals on the Pay-As-You-Go, GST and exercise tax obligations.⁵⁶² The ATO will also grant tax relief support of up to AUD 100,000 for SMEs and non-for-profit organizations for them to continue their operations.⁵⁶³

On 2 April 2020, the Government of Australia announced help for struggling households by committing to provide free childcare to one million families and supporting the education system until 28 June 2020.⁵⁶⁴

On 7 April 2020, the government introduced a mandatory code of conduct for commercial tenancies. The code will allow commercial rent reductions proportional to the tenant's fall in turnover.⁵⁶⁵ These actions can help ease economic tensions and reactivate spending in households.

On 8 April 2020, the Parliament passed AUD 140 billion for the "JobKeeper Payment," to provide wage subsidies of up to 50 per cent for employers of businesses affected by the pandemic until 30 June 2020. The program covers at least AUD 1,500 per fortnight for full-time and part-time workers, as well as casual employees.⁵⁶⁶

On 9 April 2020, the Fair Work Act was amended to allow employees across a large range of work types to receive two weeks of unpaid pandemic leave or receive half-payment for double the duration of annual leave if they are prevented from working.⁵⁶⁷

⁵⁶¹ Sources checked include the Ministry of Economy, and other respective government websites, research institutions' and organizations' trackers such as the IMF's, The Buenos Aires Times, Clarin, and other news sources found through Google News.

⁵⁶² Australian Taxation Office clarifies what COVID-19 relief measures are available, Hall and Wilcox. 24 April 2020. Access Date: 4 June 2020. <https://hallandwilcox.com.au/thinking/ato-clarifies-covid-19-relief-measures/>

⁵⁶³ Economic Stimulus Package, Joint media release with The Hon. Scott Morrison MP. 12 March 2020. Access Date: 6 May 2020. <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/economic-stimulus-package>

⁵⁶⁴ COVID-19 Economic response- free childcare, Parliament of Australia. 6 April 2020. Access Date: 6 May 2020. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/April/Coronavirus_response-Free_child_care

⁵⁶⁵ Australia in OECD Policy Tracker, OECD. Access Date: June 4, 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁵⁶⁶ Whatever it takes Covid-19 Policy Responses in Australia, Deloitte 26 March 2020. Access Date: 6 May 2020. <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/covid-19/deloitte-au-covid-19-dae-policy-responses.pdf>

⁵⁶⁷ Unpaid pandemic leave and annual leave changes to awards, Australian Government Fair Work Ombudsman, 12 May 2020. Access Date: 7 June 2020. <https://coronavirus.fairwork.gov.au/coronavirus-and-australian-workplace-laws/temporary-changes-to-workplace-laws-during-coronavirus/unpaid-pandemic-leave-annual-leave-changes-in-awards/default>

On 9 April 2020, the state governments agreed to additional national measures to provide as much support as possible to financially stressed households and small businesses. The measures include offering flexible payment options, prohibition of suspension or restrictions of state-granted services, deferral of debt recover proceedings and credit default listings, and waiving debts' late fees and interest charges.⁵⁶⁸

On 15 April 2020, the Government of Australia introduced increased income support through the "Coronavirus Supplement." The program will accelerate payments and pay an additional AUD 550 per fortnight to recipients of the Jobseeker payment, Youth allowance Jobseeker, Parenting payment, Farm household alliance and the Special Benefit for six months.⁵⁶⁹

The "Cash Flow Boosts" program was created to provide tax-free cash flow amounts to support businesses from March until June 2020. Under this scheme, some businesses are eligible for a tax-free refund of their employees' tax instalment deductions.⁵⁷⁰ Additionally, AUD 1.3 billion will be allocated to provide with wage subsidies until September this year for apprentices and trainees.⁵⁷¹ However, because the program was in place before the Extraordinary Virtual Summit it does not count toward compliance.

On 5 May 2020, Australia participated in the "Coronavirus Global Response" pledging event where it granted AUD 352 million towards the global fight against COVID-19 and for efforts to find a vaccine.⁵⁷²

On 18 May 2020, the ATO introduced a policy that allows people financially affected by COVID-19 to access up to AUD 10,000 of their superannuation, the Australian pension program.⁵⁷³

As of 15 May 2020, the Government of Australia announced their actions to be valued at more than AUD 178 billion, representing approximately 12.9 per cent of gross domestic product (GDP).⁵⁷⁴

During the compliance period, Australia implemented strong, targeted, and generous policy tools to respond to the economic effects of the pandemic. It developed economic stimulus packages with fiscal measures to protect businesses, employees, households, and vulnerable groups.

Thus, Australia receives a score of +1.

Analyst: Eri Kimura

⁵⁶⁸ Australia in OECD Policy Tracker, OECD. Access Date: 4 June 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁵⁶⁹ Increased and accelerated income support, Australian government. 15 April 2020. Access Date: 4 June 2020. <https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Increased-and-accelerated-income-support>

⁵⁷⁰ Boosting cash flow for employers, Government of Australia. Last updated 29 April 2020. Access Date: 6 May 2020. <https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Boosting-cash-flow-for-employers>

⁵⁷¹ Economic Stimulus Package, Joint media release with The Hon. Scott Morrison MP. 12 March 2020. Access Date: 6 May 2020. <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/economic-stimulus-package>

⁵⁷² Video Message - Coronavirus Global Response International Pledging Event, Prime minister of Australia. 5 May 2020. Access Date: 4 June 2020. <https://www.pm.gov.au/media/coronavirus-global-response-international-pledging-event>

⁵⁷³ COVID-19 early release of super, Australian Taxation Office. Access Date: 8 May 2020. <https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/COVID-19-early-release-of-super/>

⁵⁷⁴ COVID-19 Fiscal Response Tracker, Centre for Strategic and International Studies. Access Date: 15 May 2020. <https://www.csis.org/analysis/breaking-down-g20-covid-19-fiscal-response>

Brazil: +1

Brazil fully complied with its commitment to use all available policy tools and do whatever it takes to minimize the economic damage from the pandemic.

On 27 March 2020, the Government of Brazil announced a temporary emergency credit line available for two months for small and medium-sized enterprises to finance salaries that will have a six-month grace period and 36 months for repayment of the loan.⁵⁷⁵

On 30 March 2020, the Brazilian senate passed a bill which grants emergency aid of BRL 600 to informal workers and BRL 1,200 to support single-mother households. The impact of the aid is expected to total BRL 44 billion.⁵⁷⁶

On 29 March 2020, the Brazilian Development Bank (BNDES) announced measures to support the airlines and healthcare manufacturers industries through financial support through purchases of shares and expansion of credit lines.⁵⁷⁷

On 1 April 2020, the federal government published PM 935, the “Emergency Employment and Income Maintenance Program” which established schemes for proportional reductions in work hours and salaries and temporary layoffs up to 90 days to help employers confront the crisis. To support temporary laid-off employees’ income, the federal government will grant an emergency benefit to affected employees which corresponds to a percentage of the unemployment insurance.⁵⁷⁸ On April 15, the federal government proposed to extend the emergency employment aid to more segments of the population whose vulnerabilities have increased because of the pandemic.⁵⁷⁹

On 4 April 2020, Brazil’s House of Congress approved a constitutional amendment for the creation of a “war budget,” which separated Coronavirus-related spending from the primary budget to allow the expansion on public expenditure and protect the economy from the pandemic-related crisis.⁵⁸⁰ The “war budget” is an emergency measure that can help ease fiscal and budgetary constraints by allowing the central bank to purchase national treasury bonds and allows the federal government to sell bonds to pay federal debt interest and charges.⁵⁸¹

⁵⁷⁵ Brazil Government and institution measures in response to COVID-19, KPMG. Last updated 7 May 2020. Access Date: 8 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/brazil-government-and-institution-measures-in-response-to-covid.html>

⁵⁷⁶ Brazil Government and institution measures in response to COVID-19, KPMG. Last updated 7 May 2020. Access Date: 8 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/brazil-government-and-institution-measures-in-response-to-covid.html>

⁵⁷⁷ Brazil Government and institution measures in response to COVID-19, KPMG. Last updated 7 May 2020. Access Date: 8 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/brazil-government-and-institution-measures-in-response-to-covid.html>

⁵⁷⁸ MP 936: New Labor and Employment measures to confront Covid-19. 1 April 2020. Access Date: 8 May 2020. <https://www.machadomeyer.com.br/en/recent-publications/publications/labor/mp-936-new-labor-and-employment-measures-to-confront-covid-19>

⁵⁷⁹ Brazil Government and institution measures in response to COVID-19, KPMG. Last updated 7 May 2020. Access Date: 8 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/brazil-government-and-institution-measures-in-response-to-covid.html>

⁵⁸⁰ Brazil’s legislators approve coronavirus ‘war budget’, Al Jazeera. 4 April 2020. Access Date: 8 May 2020. <https://www.aljazeera.com/ajimpact/brazil-legislators-approve-coronavirus-war-budget-200404172329877.html>

⁵⁸¹ Brazil’s Policy Responses to COVID-19, Secretariat for international economic affairs in Brazil. Last updated 7 April 2020. Access date 8 May 2020. <https://www.gov.br/economia/pt-br/centrais-de-conteudo/publicacoes/publicacoes-em-outros-idiomas/covid-19/brazil2019s-policy-responses-to-covid-19>

On 8 April 2020, the Ministry of Agriculture announced a BRL 500 million relief plan for family farms and small agriculture producers.⁵⁸² The National Telecommunications Agency is also providing BRL 30 vouchers for three months so users can continue to use their cellphones while the National Electric Energy Agency authorized a BRL 2.022 billion fund to bailout or support companies in the electricity sector.⁵⁸³

On 21 April 2020, the state-owned Federal Savings Bank (Caixa) announced they will extend credit lines for small and medium enterprises for BRL 108 billion and cut interest rates on some types of credits. Also, Brazilian Central Bank (BCB) announced increases in the credit limit for 13 million customers and a BRL 100 billion increase in its credit lines for working capital investments, payments of receivables, agriculture industry and credit to individuals.⁵⁸⁴ The financial institutions licensed by BCB have temporarily-suspended interest payments on capital, increasing top managerial compensations, and distributing dividends above mandatory minimum to ensure comfortable levels of capital and liquidity conditions.⁵⁸⁵

The BCB lowered the interest rate to a historical minimum of three per cent on 6 May 2020 to increase borrowing and expand investment.⁵⁸⁶ Until 31 March 2020, it temporarily reduced its reserve requirement ratios that went from 31 per cent to 17 per cent.⁵⁸⁷ To provide with long-term liquidity, the BCB has repurchased operations with foreign currency backed by federal government debt securities.⁵⁸⁸ Also, to stabilize and maintain the functionality of the foreign exchange market, the BCB conducts currency swaps, operations in the spot market, repo lines of credit, and maintains foreign exchange reserves at nearly 20 per cent of GDP to support foreign exchange interventions.⁵⁸⁹

As of 8 May 2020, the government announced fiscal measures valued at around eight per cent of GDP.⁵⁹⁰

Brazil has implemented various policies and adopted measures that aim to help struggling businesses and populations overcome the negative effects of the pandemic, as well as for vulnerable populations. The BCB has reduced its rate to a historical minimum and acted with bold policy aimed at increasing loans, providing liquidity and expanding investment.

Thus, Brazil receives a score of +1.

Analyst: Eri Kimura

⁵⁸² Brazil Government and institution measures in response to COVID-19, KPMG. Last updated 7 May 2020. Access date 8 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/brazil-government-and-institution-measures-in-response-to-covid.html>

⁵⁸³ Brazil Government and institution measures in response to COVID-19, KPMG. Last updated 7 May 2020. Access date 8 May 2020. <https://home.kpmg/xx/en/home/insights/2020/04/brazil-government-and-institution-measures-in-response-to-covid.html>

⁵⁸⁴ Brazil's Policy Responses to COVID-19, Secretariat for international economic affairs in Brazil. Last updated 7 April 2020. Access date 8 May 2020. <https://www.gov.br/economia/pt-br/centrais-de-conteudo/publicacoes/publicacoes-em-outros-idiomas/covid-19/brazil2019s-policy-responses-to-covid-19>

⁵⁸⁵ Covid-19, Banco Central Do Brasil. Access date 8 May 2020. <https://www.bcb.gov.br/en/about/covid-19-measures>

⁵⁸⁶ Banco Central de Brasil recorta tasa de interés a mínimo record de 3% para enfrentar impacto del Covid-19. 6 May 2020. Access date 8 May 2020. <https://www.economista.com.mx/empresas/Banco-Central-Brasil-recorta-tasa-de-interes-a-minimo-record-de-3-para-enfrentar-impacto-del-Covid-19--20200506-0086.html>

⁵⁸⁷ Covid-19, Banco Central Do Brasil. Access Date: 8 May 2020. <https://www.bcb.gov.br/en/about/covid-19-measures>

⁵⁸⁸ Covid-19, Banco Central Do Brasil. Access Date: 8 May 2020. <https://www.bcb.gov.br/en/about/covid-19-measures>

⁵⁸⁹ Covid-19, Banco Central Do Brasil. Access Date: 8 May 2020. <https://www.bcb.gov.br/en/about/covid-19-measures>

⁵⁹⁰ Brazil in Policy Tracker, International Monetary Fund. Last updated April 30, 2020. Access Date: 8 May 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

Canada: +1

Canada fully complied with its commitment to do whatever it takes and use all available policy tools to deal with the economic effects of the pandemic.

On 25 March 2020, the Government of Canada launched the “Canada Emergency Response Benefit” (CERB) with an estimated cost of CAD 35 billion or around 1.5 per cent of gross domestic product to support workers that have lost income because of the pandemic. CERB is a taxable benefit of CAD 2,000 a month for up to four months provided to people in isolation, sick, or unable to work because of the virus, or to workers who are facing unemployment and are not eligible for employment insurance.⁵⁹¹ However, because the program was in place before the Extraordinary Virtual Summit it does not count toward compliance. In May, the government provided a one-time additional payment of CAD 300 per child to individuals eligible for the Canada Child Benefit.⁵⁹²

The government has implemented measures to support students whose economies have been affected continue their studies. CAD 291.6 million will be provided to allow for a one-semester extension for students whose research scholarships end between March and August 2020 and want to continue their studies.⁵⁹³ From March 30 to September 30, 2020, repayments to Canada Student Loans will be paused, with no accumulated interests.⁵⁹⁴

On 3 April 2020, Prime Minister Justin Trudeau announced a CAD 100 million investment to help national, regional and local organizations respond to food insecurity arising from the pandemic.⁵⁹⁵

On 4 April 2020, the Government of Canada announced the “Reaching Home” initiative to provide CAD 157.5 million in funding to support people experiencing homelessness by increasing capacity and implementing measures that protect them from the virus.⁵⁹⁶ In addition, the government will provide CAD 50 million to women’s shelters and sexual assault centers to help with their capacity to prevent or manage outbreaks.⁵⁹⁷

On 9 April 2020, the Government of Canada launched the “Canada Emergency Business Account” (CEBA) to provide interest-free loans to support smaller businesses and not-for-profits continue their activities. Up to 19 May 2020, CEBA had provided more than CAD 24 billion in credit to over 600,000 small or independent businesses.⁵⁹⁸ On 19 May 2020, CEBA was expanded to include small businesses and non-for-profits.

⁵⁹¹ Government introduces Canada Emergency Response Benefit to help workers and businesses, Department of Finance Canada. 25 March 2020 (Ottawa). Access date 9 May 2020. <https://www.canada.ca/en/department-finance/news/2020/03/introduces-canada-emergency-response-benefit-to-help-workers-and-businesses.html>

⁵⁹² Canada child benefit (CCB) payment increase: CRA and COVID-19, Government of Canada. Access Date: 20 May 2020. <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-ccb-payment-increase.html>

⁵⁹³ Canada’s COVID-19 Economic Response Plan, Government of Canada. Access Date: 20 May 2020. <https://www.canada.ca/en/department-finance/economic-response-plan.html#individuals>

⁵⁹⁴ Canada Student Loans- COVID19, Government of Canada. Access Date: 10 May 2020. <https://www.canada.ca/en/services/benefits/education/student-aid/notice-covid-19.html>

⁵⁹⁵ Prime Minister announces support for food banks and local food organizations, Justin Trudeau PM of Canada. 3 April 2020 (Ottawa). Access date 10 May 2020. <https://www.sac-isc.gc.ca/eng/1585189335380/1585189357198?wbdisable=true>

⁵⁹⁶ Reaching Home: Canada’s Homelessness Strategy Directives, Government of Canada. Access Date: 10 May 2020. <https://www.canada.ca/en/employment-social-development/programs/homelessness/directives.html>

⁵⁹⁷ Supporting women’s shelters and sexual assault centres during COVID-19, Government of Canada. Access Date: 10 May 2020. <https://cfc-swc.gc.ca/fun-fin/shelters-refuges-en.html>

⁵⁹⁸ Prime Minister announces expansion of support for workers and small businesses, Justin Trudeau. 19 May 2020. Access Date: 20 May 2020. <https://pm.gc.ca/en/news/news-releases/2020/05/19/prime-minister-announces-expansion-support-workers-and-small>

Starting 9 April 2020, a one-time boost to the goods and services tax refundable credit will allow lower income households to receive around CAD 400 for single individuals and CAD 600 for couples.⁵⁹⁹ Since 3 April 2020, the Canada Mortgage and Housing Corporation (a crown corporation to provide housing) will allow lenders to offer deferred payments of up to six months for insured mortgages.⁶⁰⁰ However, as these actions were announced before the Extraordinary Virtual Summit, they do not count toward compliance.

On 15 April 2020, the Government of Canada introduced changes to the “Canada Summer Jobs program,” which stated that all employers are eligible to receive a wage subsidy reimbursement up to 100 per cent, allow for part-time work, and extend the employment period beyond summer, between 11 May 2020 and 28 February 2021.⁶⁰¹

On 17 April 2020, Prime Minister Justin Trudeau announced new support measures of CAD 1.7 billion to businesses dealing with the economic impacts of the pandemic. First, CAD 675 million will be provided to small and medium-sized enterprises that are unable to access the existing support measures. CAD 287 million will provide support to rural businesses and communities through increasing access to capital through the Community Futures Network. CAD 500 million will be used to establish a “COVID-19 Emergency Support Fund for Cultural, Heritage and Sports Organizations” to allow them to continue supporting artists and athletes. CAD 250 million will be granted to innovative, early-stage companies that are unable to access existing government support. Finally, CAD 20.1 million will be used to support young entrepreneurs in Futurpreneur Canada to provide payment relief for their clients for up to 12 months.⁶⁰²

On 17 April 2020, the Government of Canada announced measures to support the energy sector dealing with global falls in oil prices. It will CAD 1.72 billion in funds to provincial governments that rely largely on the energy sector to implement strategies to clean up orphan or inactive oils and gas wells and simultaneously facilitating the creation of jobs. CAD 750 million will be used towards creating an “Emissions Reduction Fund” to encourage firms in the oil and gas industries to reduce greenhouse emissions.⁶⁰³

On 21 April 2020, Prime Minister Trudeau announced the “Emergency Community Support Fund,” a CAD 350 million investment granted to non-profit organizations and charities to ensure the most vulnerable populations have access to essential services during the crisis.⁶⁰⁴

⁵⁹⁹ Canada’s COVID-19 Economic Response Plan, Government of Canada. Access Date: 20 May 2020.

<https://www.canada.ca/en/departement-finance/economic-response-plan.html#individuals>

⁶⁰⁰ COVID-19: Understanding Mortgage Payment Deferral, CMHL. 24 March 2020. Access Date: 10 May 2020.

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/mortgage-loan-insurance/the-resource/covid19-understanding-mortgage-payment-deferral>

⁶⁰¹ Canada summer jobs 2020 temporary flexibilities for employers, Government of Canada. Access date 10 May 2020.

<https://www.canada.ca/en/employment-social-development/services/funding/canada-summer-jobs/temporary-flexibility.html>

⁶⁰² Prime Minister announces new support to protect Canadian jobs, Prime Minister of Canada (Ottawa) 17 April 2020.

Access Date: 5 June 2020. <https://pm.gc.ca/en/news/news-releases/2020/04/17/prime-minister-announces-new-support-protect-canadian-jobs>.

⁶⁰³ Prime Minister announces new support to protect Canadian jobs, Justin Trudeau, PM of Canada. 17 April 2020.

Access date 3 June 2020. <https://pm.gc.ca/en/news/news-releases/2020/04/17/prime-minister-announces-new-support-protect-canadian-jobs>

⁶⁰⁴ Prime Minister announces further support to help Canadians in need, Justin Trudeau PM of Canada. 21 April 2020

(Ottawa). Access Date: 10 May 2020. <https://pm.gc.ca/en/news/news-releases/2020/04/21/prime-minister-announces-further-support-help-canadians-need>

On 24 April 2020, Prime Minister Justin Trudeau announced the “Canada Emergency Commercial Rent Assistance,” an agreement with provinces and territories to allow small businesses affected by COVID-19 lower their rent by 75 per cent during April, May, and June.⁶⁰⁵

Since March, Canada has provided around CAD 85 billion in tax deferrals to support liquidity in the economy.⁶⁰⁶ Deadlines to file tax returns have been deferred until 31 August and pushing the payment of income taxes until September.⁶⁰⁷

On 7 May 2020, the Government of Canada announced that it will provide CAD 3 billion to support provinces and territories in providing temporary wage top-ups for low-income essential workers.⁶⁰⁸

On 12 May 2020, the government of Canada announced a one-time payment of CAD 300 to seniors in the old age security plus an additional CAD 200 to seniors in the Guaranteed Income Supplement, to help seniors cover increased costs from COVID-19.⁶⁰⁹ Additionally, the minimum required withdrawals from registered retirement income funds have been reduced by 25 per cent to help retirees access pension savings.⁶¹⁰

On 15 May 2020, the Government of Canada introduced the “Regional Relief and Recovery Fund” (RRRF) to support businesses affected by the pandemic. The RRRF is a CAD 962 million government funding for businesses and organizations in key sectors that need additional help to recover from the pandemic.⁶¹¹

On 20 May 2020, the “Large Employer Emergency Financing Facility” was launched to help large companies meet their financing needs if they are not covered by the existing programs.⁶¹²

The Bank of Canada has performed various open-market operations to deal with the economic impact of the pandemic. Throughout March, rates were cut by 150 basis points to 0.25 per cent to keep inflation low and extend access to credit.⁶¹³ Since March the government has put in place

⁶⁰⁵ Canada’s COVID-19 Economic Response Plan, Government of Canada. Access Date: 20 May 2020.

<https://www.canada.ca/en/department-finance/economic-response-plan.html#>

⁶⁰⁶ Canada in Policy Tracker, International Monetary Fund. Last updated 14 May 2020. Access Date: 20 May 2020.

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁶⁰⁷ Canada’s COVID-19 Economic Response Plan, Government of Canada. Access Date: 20 May 2020.

<https://www.canada.ca/en/department-finance/economic-response-plan.html#businesses>

⁶⁰⁸ Prime Minister announces agreements to boost wages for essential workers, Justin Trudeau. 7 May 2020 (Ottawa).

Access Date: 10 May 2020. <https://pm.gc.ca/en/news/news-releases/2020/05/07/prime-minister-announces-agreements-boost-wages-essential-workers>

⁶⁰⁹ Canada’s COVID-19 Economic Response Plan, Government of Canada. Access Date: 20 May 2020.

<https://www.canada.ca/en/department-finance/economic-response-plan.html#individuals>

⁶¹⁰ Canada’s COVID-19 Economic Response Plan, Government of Canada. Access Date: 20 May 2020.

<https://www.canada.ca/en/department-finance/economic-response-plan.html#individuals>

⁶¹¹ Regional Relief and Recovery Fund, Government of Canada. 15 May 2020. Access Date: 20 May 2020.

<https://www.canada.ca/en/atlantic-canada-opportunities/campaigns/covid19/rrrf.html>

⁶¹² Government announces support program for large employers in open for applications, Department of Finance Canada. 20 May 2020. Access date 20 May 2020. <https://www.canada.ca/en/department-finance/news/2020/05/government-announces-support-program-for-large-employers-is-open-for-applications.html>

⁶¹³ COVID-19: Actions to support the Economy and Financial System, Bank of Canada. Access Date: 20 May 2020.

<https://www.bankofcanada.ca/markets/market-operations-liquidity-provision/covid-19-actions-support-economy-financial-system/#actions>

various large-scale asset purchases to support liquidity, access to financing, and enhance stability in the market.⁶¹⁴

To ensure liquidity of the system, the Bank of Canada engaged in several open market operations, created programs and reduced the rate. Also, the government showed they did “whatever it takes,” providing funding to organizations to support vulnerable populations, people experiencing homelessness, and women experiencing violence or assault to increase their capacities and resources. Compared to other similar G20 members, Canada has implemented extraordinary measures like universal cash payments, support for students, and support to non-governmental organizations.

Thus, Canada receives a score of +1.

Analyst: Eri Kimura

China: 0

China partially complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 27 March 2020 the State Council published a notice giving full play to the role of government backed financing to actively support small and medium-sized enterprises (SMEs), farmers, agricultural businesses and businesses in rural areas. In the notice, government-owned financing institutions affirmed that throughout 2020, they will increase credit for SMEs, reduce by 50 per cent the charges for financing guarantee and re-guarantee, and helping affected businesses resume business activities.⁶¹⁵ Also, President Xi Jinping announced on 27 March that China would raise the fiscal deficit ratio and sell special government bonds in efforts to stimulate the economy.⁶¹⁶

On 28 March 2020, the Government of China announced that to preserve jobs, all the SMEs that do not lay off any workers during the year will be refunded with the full amount of unemployment insurance premiums at the end of 2020.⁶¹⁷

On 31 March 2020, the State Council announced some additional measures to support economic recovery from the pandemic. First, RMB 1 trillion would be allocated to support small and medium-sized banks to provide loans at a special rate and lower the required reserve ratio (RRR).⁶¹⁸

On 2 April 2020, the Ministry of Commerce announced they will put efforts to reduce the COVID-19 impact on the global supply chain. The government will stabilize and facilitate foreign trade through fostering large companies with global competitive advantages and innovative SMEs.⁶¹⁹

⁶¹⁴ COVID-19: Actions to support the Economy and Financial System, Bank of Canada. Access Date: 20 May 2020. <https://www.bankofcanada.ca/markets/market-operations-liquidity-provision/covid-19-actions-support-economy-financial-system/#actions>

⁶¹⁵ Notice regarding giving full play to the role of government financing guarantees to increase small and micro enterprises and “Sannong” entities, Ministry of Finance. 27 March 2020. Access Date: 9 May 2020. http://www.gov.cn/zhengce/zhengceku/2020-04/01/content_5498050.htm

⁶¹⁶ Coronavirus: China to raise fiscal deficit ratio after G20 pledges US\$5 trillion economic rescue package, South China Morning Post. 27 March 2020. Access date 3 June 2020. <https://www.scmp.com/economy/china-economy/article/3077344/coronavirus-china-raise-fiscal-deficit-ratio-after-g20>

⁶¹⁷ Refund of unemployment insurance premiums for small, medium, and micro enterprises raised to 100%, The People’s government of Beijing municipality. 28 March 2020. Access Date: 10 May 2020. http://www.beijing.gov.cn/zhengce/zcjd/202003/t20200328_1744138.html

⁶¹⁸ For some Chinese businesses, there’s no going back to life before the coronavirus, CNBC. 2 April 2020. Access date 4 June 2020. <https://www.cnbc.com/2020/04/02/for-some-chinese-businesses-no-going-back-to-pre-coronavirus-ways.html>

On 3 April 2020, the People's Bank of China (PBC) announced it will reduce the interest rates on excess reserves from 0.72 per cent to 0.35 per cent starting on 7 April.⁶²⁰ As well, on 3 April the Government of China announced targeted reduction of the Required Reserve Ratio for small and medium sized banks by 100 basis points, which will release around RMB 400 billion in liquidity to the economy.⁶²¹ Additionally, on 3 April China announced it is targeting reduction of the RRR for small and medium-sized banks by 50 basis points from April 15 and additional 50 basis points from May 15.

As of 10 April 2020, China had sent testing and protection equipment to 137 countries, 13 medical teams to 11 countries, and held over 170 web conferences for experience and data sharing with more than 150 countries and regions. Also, they have donated medical supplies to over 100 countries.⁶²²

On 21 April 2020, the State Council had an executive meeting where measures to provide additional support vulnerable populations and financial services for SMEs. It announced assistance for people living in poverty in rural areas through extended employment opportunities in national projects, extending payments deadlines for small loans for poverty relief, and efforts to promote farmers' sales of feature products.⁶²³ It will also expand coverage of unemployment insurance to all insured urban and rural people without a job.⁶²⁴ In addition, it was announced that small and micro firms in the service industry are exempted from paying rent for three months in 2020, if the landlord is state-owned. Also, the State Council is offering tax exemptions or preferential-interest loans to private landlords that offer rent reduction or exemption, to encourage them to forego rent from small and micro enterprises.⁶²⁵ Also, to provide additional credit to SMEs, China temporarily raised the percentage assigned to inclusive finance to over 10 per cent when assessing performance of banks and lowered the provision coverage ratio for small and medium banks by 20 per cent.⁶²⁶ Finally, during the executive meeting, the provision of temporary unemployment assistance for workers that do not meet the conditions for unemployment insurance was extended to include migrant workers and unemployed individuals that have not been covered by welfare until now or that earn less than minimum living standards.⁶²⁷

On 28 April 2020, the Cabinet announced a strategy for new infrastructure to promote industrial upgrading, increase job creations and drive economic growth. The strategy will support growth of information networks and other new infrastructure with expected investments of up to RMB 750

⁶¹⁹ Ministry plans more steps to boost trade, State Council of the PRC. 3 April 2020. Access Date: 4 June 2020. http://english.www.gov.cn/statecouncil/ministries/202004/03/content_WS5e868abbc6d0c201c2cc00e2.html

⁶²⁰ China in OECD Policy Tracker, OECD. Access Date: 3 June 2020.

⁶²¹ China frees up \$56 billion for virus-hit economy by slashing small banks' reserve requirements, Reuters (Beijing) 3 April 2020. Access date June 4, 2020. <https://www.reuters.com/article/us-china-economy-rrr-cut/china-frees-up-56-billion-for-virus-hit-economy-by-slashing-small-banks-reserve-requirements-idUSKBN21L1Jl>

⁶²² China says it has help over 130 countries and international organizations fight COVID-19 pandemic, CGTN. 10 April 2020. Access date 9 May 2020. <https://news.cgtn.com/news/2020-04-10/Chinese-experts-share-experiences-in-combating-COVID-19-PzeGMp0uHe/index.html>

⁶²³ Quick view: State Council executive meeting on April 21, State Council of the PRC. 22 April 2020. Access Date: 4 June 2020. http://english.www.gov.cn/policies/infographics/202004/22/content_WS5e9ff2d2c6d0b3f0e94961b9.html

⁶²⁴ Quick view: State Council executive meeting on April 21, State Council of the PRC. 22 April 2020. Access Date: 4 June 2020. http://english.www.gov.cn/policies/infographics/202004/22/content_WS5e9ff2d2c6d0b3f0e94961b9.html

⁶²⁵ China in OECD Country Policy Tracker, OECD. Access date 9 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶²⁶ Quick view: State Council executive meeting on April 21, State Council of the PRC. 22 April 2020. Access Date: 4 June 2020. http://english.www.gov.cn/policies/infographics/202004/22/content_WS5e9ff2d2c6d0b3f0e94961b9.html

⁶²⁷ Coronavirus: China extends welfare support to vast migrant labour force amid unprecedented challenges, Sun of China Morning Post. 21 April 2020. Access date May 9, 2020. <https://www.scmp.com/economy/china-economy/article/3080931/coronavirus-china-extends-welfare-support-vast-migrant-labour>

billion for new information infrastructure and RMB 280 billion for network infrastructure, including 5G, on 2020. This strategy is forecasted to create three million jobs by 2025.⁶²⁸

On 7 May 2020, China announced it would remove quotas for their dollar-denominated and yuan-denominated qualified foreign institutional investor schemes to attract capital inflows and offset the negative impacts of the Coronavirus to the economy. The new policy is set to come into effect on 6 June.⁶²⁹ As of 7 May 2020, PBC open market operations had provided a liquidity injection of RMB 3.33 trillion into the market.⁶³⁰

On 19 May 2020, the State Council announced the government's "six priorities" to overcome the difficulties of the crisis and stabilize employment, trade, investment finances and expectations. These are "safeguarding employment, people's livelihoods, food, and energy security, the stable operation of industrial and supply chains, and the smooth functioning of society."⁶³¹ It was agreed that the government would stick to those parameters to increase the macroeconomic regulation, get better results from the monetary, fiscal, social security and employment policies.⁶³²

On 22 May 2020, the government announced in a report that they are planning to issue RMB 3.75 of local government special bonds, an increase of RMB 1.6 from last year.⁶³³

Compared to other major G20 economies, China has been relatively restrained from spending on big support packages or injecting money into the financial system. China's 2.5 per cent of GDP stimulus plan is low compared to other similar-sized economies, like the US's fiscal spending of 11 per cent of GDP or Germany's 18.2 per cent of GDP. The PBC has announced measures to support the economy and increase liquidity. China has implemented policies to support the economy through tax relief, partial coverage of unemployment insurance, social security provision to vulnerable populations and expanding credit for individuals and businesses. Yet, different from other large economies, China did not implement policy measures like direct transfers to individuals or businesses, forbearance, partial wage subsidies, or other tools that could better-support income for consumers and not only for key industries or most vulnerable sectors.

Thus, China receives a score of 0.⁶³⁴

Analyst: Eri Kimura

France: +1

France fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

⁶²⁸ New infrastructure to drive growth, China Daily. 6 May 2020. Access Date: 4 June 2020.

http://english.www.gov.cn/policies/policywatch/202005/06/content_WS5eb20ecfc6d0b3f0e9497089.html

⁶²⁹ Removal of quota caps to boost capital inflows, State Council of the PRC. 9 May 2020. Access Date: 4 June 2020.

http://english.www.gov.cn/policies/policywatch/202005/09/content_WS5eb608a8c6d0b3f0e9497426.html

⁶³⁰ China in Policy Tracker, International Monetary Fund. Last updated 7 May 2020. Access Date: 9 May 2020.

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁶³¹ Govt policy moves from past week, State Council. 19 May 2020. Access date 4 June 2020.

http://english.www.gov.cn/policies/policywatch/202005/19/content_WS5ec3364ec6d0b3f0e9497f30.html

⁶³² Govt policy moves from past week, State Council. May 19, 2020. Access date June 4, 2020.

http://english.www.gov.cn/policies/policywatch/202005/19/content_WS5ec3364ec6d0b3f0e9497f30.html

⁶³³ Government Work Report, China Government Network. 22 May, 2020. Access date July 14, 2020.

http://www.gov.cn/premier/2020-05/22/content_5513757.htm?mc_cid=eda4261765&mc_eid=ab3d30d2a3

⁶³⁴ Sources consulted include the Ministry of Commerce and other respective government agencies, research institutions' and organizations' trackers such as the IMF's, as well as news sources found through Google News including China Daily.

Since the beginning of the pandemic, the Government of France has implemented a fiscal package for households, businesses and the healthcare sector valued at around EUR 16.5 billion. Around EUR 8.5 billion have been allocated to the short-time work scheme, around EUR 4.5 billion were allocated for various health measures, while EUR 1.5 billion was spent in the “Solidarity Fund” to support self-employed workers and small enterprises.⁶³⁵

The states and the regions set up a EUR 1 billion Solidarity Fund to support self-employed workers and small businesses survive the effects of the crisis, so far, insurance companies, inter-municipal authorities, and larger companies have contributed to the fund.⁶³⁶ The fund will allow companies to receive aid in an amount equal to their losses from March to May 2020, up to a limit of EUR 1,500. Also, the fund allows for the possibility of additional aid between EUR 2,000-5,000 for companies who cannot cover their debts with the initial amount.⁶³⁷

To support businesses, France is deferring April and May payments of social security contributions for three months and without penalties to the “Union de recouvrement des cotisations de sécurité sociale et d’allocations familiales,” the main collector of employer social security contributions. This tax deferral measure is available to entrepreneurs, self-employed individuals and companies with less than 5,000 employees.⁶³⁸ Also, micro-entrepreneurs can request partial or total assistance to pay their contributions in the case that they are having difficulties to pay arising from the crisis.⁶³⁹

On 13 April 2020, the Council for Social Protection for Independent Workers announced that craftsmen and retail traders would get a one-time tax-free payment of up to EUR 1,250.⁶⁴⁰ In addition, to support economically insecure individuals and avoid homelessness, France has extended the suspension of evictions from living spaces until the end of July 2020 and increased the housing spaces for homeless people through hotel rooms requisition.⁶⁴¹

On 15 April 2020, the Government of France announced an extension to the initial emergency plan, making EUR 110 billion available to deal with the social and economic effects of the COVID-19 pandemic.⁶⁴² The extension adds to the existing EUR 45 billion fund, and will be used to provide bonuses to health workers, funds for households in poverty, and additional unemployment aid. Through the package, workers were granted a bonus of EUR 1,500 euros for working extra hours. Also, EUR 1 billion will be put towards granting emergency aid to more than four million families

⁶³⁵ France in OECD Country Policy Tracker, OECD. Access Date: 19 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶³⁶ Fonds de solidarité pour les TPE, indépendants et micro-entrepreneurs: une aide pouvant aller jusqu’à 1500 Euros, Gouvernement de la France. Access date 18 May 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/fonds-de-solidarite-pour-les-tpe-independants-et-micro>

⁶³⁷ Fonds de solidarité pour les TPE, indépendants et micro-entrepreneurs: une aide pouvant aller jusqu’à 1500 Euros, Gouvernement de la France. Access date 18 May 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/fonds-de-solidarite-pour-les-tpe-independants-et-micro>

⁶³⁸ Délais de paiement d’échéances sociales et/ou fiscales (URSSAF, impôts directs), Gouvernement de la France. Access date 18 May 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/delais-de-paiement-decheances-sociales-et-ou-fiscales-urssaf>

⁶³⁹ Délais de paiement d’échéances sociales et/ou fiscales (URSSAF, impôts directs), Gouvernement de France. Access date 18 May 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/delais-de-paiement-decheances-sociales-et-ou-fiscales-urssaf>

⁶⁴⁰ France in OECD Country Policy Tracker, OECD. Access date 19 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁴¹ France in OECD Country Policy Tracker, OECD. Access date 19 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁴² French Government boosts Covid-19 emergency fund to 110 billion euros, RFI. 4 April 2020. Access date 18 May 2020. <http://www.rfi.fr/en/france/20200415-french-government-boosts-covid-19-emergency-fund-to-110-billion-euros-health-workers-unemployed-coronavirus>

receiving welfare benefits through a one-time bonus of EUR 150 per family, plus an additional EUR 100 per child.⁶⁴³ The extension will also assign EUR 24 billion in support to laid-off workers in the private sector, and EUR 7 billion to support small businesses, and independent workers affected by the lockdown.⁶⁴⁴

On 6 May 2020, the Ministry of Economy and Finance extended loan guarantees to real estate companies, firms in difficulty since January 2020, and “Young Innovative Companies.”⁶⁴⁵ The government is granting up to EUR 300 billion on loan guarantees for “companies of all sizes and whatever their legal form” until December 2020.⁶⁴⁶ Also, the government is offering support by assigning Bank of France credit mediators to help businesses define a financing action plan until June 2020.⁶⁴⁷

On 15 May 2020, the Government of France launched the “Tourism Support Plan” developed by the Interministerial Committee for Tourism. The announcement extended the solidarity fund for companies in the tourism, events, culture, and sports industries until the end of 2020 and includes an equity investment plan of EUR 1.3 billion.⁶⁴⁸

On 19 May 2020, Germany and France proposed to the European Commission to raise EUR 545 billion to set up a “Coronavirus Aid Fund.” The proposal is for the EU to borrow and use the money as grants for hard-hit regions and sectors. As of 26 May 2020, the proposal is yet to be approved by the other EU members.⁶⁴⁹

On 31 March 2020, the Government of France announced they would support French exporting companies through 1) state-guarantees and pre-financing of export projects, 2) extending the prospecting-running insurance for one year, 3) providing EUR 2 billion to short-term export credit insurance, and 4) support and information by the export team in France.⁶⁵⁰

France has implemented policy tools to help the most affected populations and businesses deal with the effects of the pandemic. They government has crafted a bold and generous emergency response that protects unemployment, vulnerable households, and the healthcare system through help in the social security, one-time bonuses, tax deferrals and reductions, and loan-guarantees.

⁶⁴³ French Government boosts Covid-19 emergency fund to 110 billion euros, RFI. 4 April 2020. Access date 18 May 2020. <http://www.rfi.fr/en/france/20200415-french-government-boosts-covid-19-emergency-fund-to-110-billion-euros-health-workers-unemployed-coronavirus>

⁶⁴⁴ French Government boosts Covid-19 emergency fund to 110 billion euros, RFI. 4 April 2020. Access date 18 May 2020. <http://www.rfi.fr/en/france/20200415-french-government-boosts-covid-19-emergency-fund-to-110-billion-euros-health-workers-unemployed-coronavirus>

⁶⁴⁵ Prêt garanti par l'État, Gouvernement de France. Access Date: 18 May 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/pret-garanti-par-letat>

⁶⁴⁶ Prêt garanti par l'État, Gouvernement de France. Access Date: 18 May 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/pret-garanti-par-letat>

⁶⁴⁷ Government measures to assist companies and workers impacted by COVID-19, Choose France. March 18, 2020. Access Date 18 May 2020. https://qa.ambafrance.org/IMG/pdf/french_government_measures_coronavirus_eng.pdf?4305/9e028b92467446818491552f56cb4f288a0b99d2.

⁶⁴⁸ Launch of the Tourism Support Plan, Government of France. May 15, 2020. Access date May 18, 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/lancement-plan-tourisme-evenementiel-sportif-culturel#>

⁶⁴⁹ Merkel, Breaking German ‘taboo’, backs shared E.U. Debt to Tackle Virus, The New York Times. May 15, 2020. Access date May 26, 2020. <https://www.nytimes.com/2020/05/18/world/europe/coronavirus-european-union-fund.html>

⁶⁵⁰ Support plan for French exporting Companies, Government of France. March 31, 2020. Access date May 18, 2020. <https://www.economie.gouv.fr/covid19-soutien-entreprises/les-mesures/plan-de-soutien-aux-entreprises-francaises-exportatrices>

Thus, France receives a score of +1.

Analyst: Eri Kimura

Germany: +1

Germany fully complied with its commitment to use all available policy tools and do whatever it takes to minimize the economic effects from the pandemic.

On 27 March 2020, the Bundesrat adopted the Wirtschaftsstabilisierungsfonds (WSF), a comprehensive direct income support package for employees and enterprises. It will provide up to EUR 50 billion in immediate financial assistance in the form of grants of EUR 15,000 for companies of up to 10 employees and EUR 9,000 for companies with up to five employees to cover for operating costs for three months. Independent workers and freelancers will also be compensated for the lost earnings.⁶⁵¹ Additionally, the WSF will provide EUR 400 billion to provide guarantees and tackle liquidity problems, EUR 100 billion for direct state holding and EUR 100 billion for refinancing of large KfW (state-owned development bank) loans.⁶⁵² Finally, the WSF will provide additional liquidity assistance and increase lending through loan-guarantees and covering the maximum share of risk permitted by EU legislation for KfW loans.⁶⁵³

Starting on 1 April 2020, the government is extending EUR 7.7 billion for social security protection for self-employed persons, as well as simplifying the process for receiving the benefits.⁶⁵⁴ The Kinderzuschlag child allowance scheme was also redesigned to include children of parents who temporarily lose income from the pandemic.⁶⁵⁵ Because this was announced before the Extraordinary Virtual Summit, it does not count toward compliance.

Since 1 April 2020, missed rent payment cannot lead to evictions and the payments will be postponed until 30 June. In addition, any household encountering problems to pay for consumption costs, including electricity, gas, telecommunication, and water, can postpone the payment without any late fees or forced debt collection.⁶⁵⁶

On 1 April 2020, the Ministry of Finance announced a special EUR 2 billion aid package to increase support for start-ups. The package will increase the funds for co-investments with the private investors and makes financing through venture capital and equity easier.⁶⁵⁷

⁶⁵¹ Minister Altmaier: "Unprecedented support programme for employees and enterprises," Federal Ministry for Economic Affairs and Energy. 27 March 2020. Access date 10 May 2020. <https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/20200327-altmaier-unprecedented-support-programme-for-employees-and-enterprises.html>

⁶⁵² Minister Altmaier: "Unprecedented support programme for employees and enterprises," Federal Ministry for Economic Affairs and Energy. 27 March 2020. Access date 10 May 2020. <https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/20200327-altmaier-unprecedented-support-programme-for-employees-and-enterprises.html>

⁶⁵³ Minister Altmaier: "Unprecedented support programme for employees and enterprises," Federal Ministry for Economic Affairs and Energy. 27 March 2020. Access date 10 May 2020. <https://www.bmwi.de/Redaktion/EN/Pressemitteilungen/2020/20200327-altmaier-unprecedented-support-programme-for-employees-and-enterprises.html>

⁶⁵⁴ Coronavirus emergency aid for companies and the self-employed. Firma.de. 14 April 2020. Access date 10 May 2020. <https://www.firma.de/en/business-management/coronavirus-emergency-aid-for-companies-and-the-self-employed/>

⁶⁵⁵ A strong welfare state in the time of crisis, Bundesministerium für arbeit soziales. 23 March 2020. Access date: 10 May 2020. <https://www.bmas.de/DE/Presse/Pressemitteilungen/2020/sozialschutzpaket.html>

⁶⁵⁶ Germany in OECD Country Policy Tracker, OECD. Access date 10 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁵⁷ Start-ups get 2 billion euros, Ministry of Finance. 1 April 2020. Access date 10 May 2020.

<https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2020/04/2020-04-01-PM.html>

On 6 April 2020, the Government of Germany announced a “limitless” loan guarantee program to support SMEs by providing 100 per cent guarantee loans of up to EUR 800,000 through KfW for companies between 11 and 250 employees. The deliberate decision to not set any limits on the amount of loans is an extremely significant decision of the federal government and will provide liquidity for the small and medium-sized enterprises to continue their activities.⁶⁵⁸

On 23 April 2020, an additional EUR 10.8 billion was released for further aid measures to help workers in short-time scheme. It will increase the short-time work allowance compensations until December 2020, from 60 per cent to 70 per cent of the net pay from the allowance from the fourth month, while increasing it to 80 per cent of the net pay of the seventh month.

Throughout the compliance period, the Federal Ministry of Finance has implemented various tax relief measures to support struggling taxpayers. First, businesses unable to pay taxes can file applications for temporary interest-free deferrals of income, corporation or value-added taxes until 31 December. Also, businesses, self-employed workers and freelancers who can show an expected loss of income can apply to a readjustment of tax prepayments.⁶⁵⁹ Until the end of 2020, the measures to enforce payment of income, corporation and overdue value added tax (VAT) will be waived, as well as late-payment penalties.⁶⁶⁰ The VAT rate will be reduced from 19 per cent to 7 per cent between July 2020 and June 2021 to support the recovery of restaurants.⁶⁶¹

On 19 May, Germany and France proposed to the European Commission to raise EUR 545 billion to set up a Coronavirus Aid Fund. The proposal is for the European Union to borrow and use the money as grants for hard-hit regions and sectors.⁶⁶²

During the compliance period, Germany has implemented measures that ensure the protection for all, from households to micro, small and medium-sized enterprises and large companies, by covering for social security benefits, short-time work compensation, and providing loan-guarantees and “unlimited” loans.

Thus, Germany receives a score of +1.

Analyst: Eri Kimura

India: +1

India fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 27 March 2020, the Reserve Bank of India (RBI) reduced the policy repo rate by 75 basis points, and the cash reserve ration of all banks by 100 basis points from four to three per cent until 25 March 2021. Also, the marginal standing facility rate and bank rate stand were reduced from 5.40 per

⁶⁵⁸ Germany Plans ‘Limitless’ Credit Program for Small Companies, Bloomberg. Access date 10 May 2020. <https://www.bloombergquint.com/onweb/germany-plans-limitless-credit-program-for-small-companies>

⁶⁵⁹ Tax Measures to assist all businesses affected by the coronavirus pandemic. Federal ministry of Finance. Access date 10 May 2020. <https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Priority-Issues/Corona/2020-03-20-Tax-measures-to-assist-businesses.html>

⁶⁶⁰ Tax Measures to assist all businesses affected by the coronavirus pandemic. Federal ministry of Finance. Access date 10 May 2020. <https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Priority-Issues/Corona/2020-03-20-Tax-measures-to-assist-businesses.html>

⁶⁶¹ Germany in OECD Country Policy Tracker, OECD. Access date 10 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁶² Merkel, Breaking German ‘taboo’, backs shared E.U. Debt to Tackle Virus, The New York Times. 15 May 2020. Access date May 26, 2020. <https://www.nytimes.com/2020/05/18/world/europe/coronavirus-european-union-fund.html>

cent to 4.65 per cent.⁶⁶³ Also, the RBI provided relief to borrowers and lenders, by allowing companies three months of moratorium on loan repayments while relaxing the norms for debt default.⁶⁶⁴

On 31 March 2020, president Ram Nath Kovind announced some tax relief measures under the Taxation and Other Laws Ordinance. The measures including postponing the income tax return and GST tax deadline from 31 March to 30 June, and reduced rate of interest of nine per cent for delays in payments of the income-tax and cancelling penalties or prosecutions from non-payments.⁶⁶⁵

On 1 April 2020, the RBI created a facility to increase short-term liquidity and released export repatriation limits.⁶⁶⁶

On 17 April 2020, the RBI reduced the liquidity coverage ratio for banks from 100 per cent to 80 per cent to ease tensions in liquidity, which is expected to inject INR 4.74 lakh crore to the economy. They also reduced the reverse repo by 25 basis points to 3.75 per cent through targeted long-term refinancing operations to stimulate bank lending.⁶⁶⁷

On 27 April 2020, the RBI announced that a liquidity injection of INR 50,000 crore to conduct repo operations and provide liquidity for banks to extend loans to mutual funds.⁶⁶⁸

On 12 May 2020, Prime Minister Modi announced the “AtmaNirbhar,” an extension of the economic rescue package pledging to spend an additional INR 20.97 lakh crore to build a “self-reliant India” to overcome the impacts of the crisis. The rescue package is divided in five tranches, which were announced every day from 12 May to 17 May. The first tranche, announced on 13 May, consisted in increasing help for micro, small and medium enterprises with 100 per cent credit-guarantee for loans, funds for equity infusion, subordinate debt for equity support. Additional INR 3 lakh crore were made be available for businesses by providing loans, credit-guarantees for unsecured loans, equity funding in MSMEs, and reducing employers and employees’ contributions to the Employees Provident Support Fund for three months.⁶⁶⁹ It also included a liquidity injection of INR 90,000 crore in power distribution companies, and a 25 per cent reduction in rates of tax deducted at source on non-salaried payments until March 2021.⁶⁷⁰

The second tranche was announced on 14 May and included an investment of INR 3,500 crore to supply free food grain to migrants for two months, a special liquidity scheme to provide INR 10,000

⁶⁶³ Key highlights of Reserve Bank of India Press Release, Dewan P.N. Chopra and Co March 27, 2020. Access date 15 May 2020.

⁶⁶⁴ India in IMF Policy Responses to Covid-19 Tracker, International Monetary Fund. Access date May 15, 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#G>

⁶⁶⁵ India-COVID-19: Tax Relief Measures, KPMG in India. 13 May 2020. Access date May 15, 2020 <https://home.kpmg/xx/en/home/insights/2020/05/flash-alert-2020-228.html>

⁶⁶⁶ India in IMF Policy Responses to Covid-19 Tracker, International Monetary Fund. Access date May 15, 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#G>

⁶⁶⁷ India-COVID-19: Tax Relief Measures, KPMG in India. 13 May 2020. Access date May 15, 2020 <https://home.kpmg/xx/en/home/insights/2020/05/flash-alert-2020-228.html>

⁶⁶⁸ Explained: What RBI’s Rs 50,000 crore boost means for mutual funds, The Indian Express. April 28, 2020. Access date May 20, 2020. <https://indianexpress.com/article/explained/explained-what-rbis-rs-50000-crore-boost-means-for-mutual-funds-6381134/>

⁶⁶⁹ Finance Minister announce measures for relief and credit support related to businesses, especially MSMEs to support Indian Economy’s fight against COVID-19, Ministry of Finance. 13 May 2020. Access date 13 July 2020. <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1623601>

⁶⁷⁰ Explained: Breaking down Centre’s Atmanirbhar package, The Indian Express. May 20, 2020. Access date May 20, 2020. <https://indianexpress.com/article/explained/atmanirbhar-package-full-break-up-of-rs-20-lakh-crore-nirmala-sitharaman-lockdown-6414044/>

to about 5 million street vendors, additional funding of INR 30,00 crore for farmers, and concessional credit to 2.5 crore farmers through government-sponsored credit cards.⁶⁷¹ On 15 May, the third tranche of the AtmaNirbhar package was presented and included INR 100,000 crore in financing for agro-infrastructure projects and INR 15,000 for Animal Husbandry Infrastructure, and funds to safeguard rural employment, post-harvest activities, and fishermen.⁶⁷² On 16 May, tranche four of the AtmaNirbhar package pushed old reform proposals of commercial mining and an increase in the foreign direct investment limit for the defense and aerospace sectors.⁶⁷³ Finally, Tranche 5, announced on 17 May, included a new policy to privatize public sector enterprises in non-strategic sectors and an additional INR 40,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Act.⁶⁷⁴ It was also announced that borrowing limits for the states would be raised from 3 per cent to 5 per cent of gross domestic product conditioned to implementing the proposed reforms under the AtmaNirbhar economic package.⁶⁷⁵

On 22 May, the RBI cut the main policy rate, by 40 basis points to 4 per cent.⁶⁷⁶ The same day, the RBI announced a series of additional monetary policy measures to ease the tensions in the economy. To improve the functioning of markets, the RBI extended the periods for a special refinance facility of INR 15,000 crore for Small Industries Development Bank of India and for the Voluntary Retention Route for Foreign Portfolio Investors.⁶⁷⁷ Also, To support exports, India is extending export credits, opening a line of credit of INR 15,000 for and extended the deadline for the settlement of import payments from 6 to 12 months.⁶⁷⁸

India's actions and policies have helped alleviate the economy in the short-term, especially by providing food and money transfers to rural workers, seniors, poor populations, and vulnerable households. The RBI has changed its monetary policy and engaged in market activities and injections in the economy to protect it from the negative effects of the crisis. Two major economic rescue packages have been announced which included fiscal and monetary policy tools and have showed that the government is doing "whatever it takes" to deal with the economic effects of the pandemic. India has focused in implementing policies that support vulnerable segments of the population, through programs that support street vendors or farmers, as well as providing support to MSMEs through extending loan access and reducing their pension contributions.

Thus, India receives a score of +1.

Analyst: Eri Kimura

⁶⁷¹ Explained: Breaking down Centre's Atmanirbhar package, The Indian Express. May 20, 2020. Access date May 20, 2020. <https://indianexpress.com/article/explained/atmanirbhar-package-full-break-up-of-rs-20-lakh-crore-nirmala-sitharaman-lockdown-6414044/>

⁶⁷² Explained: Breaking down Centre's Atmanirbhar package, The Indian Express. 20 May 2020. Access date 20 May 2020. <https://indianexpress.com/article/explained/atmanirbhar-package-full-break-up-of-rs-20-lakh-crore-nirmala-sitharaman-lockdown-6414044/>

⁶⁷³ Tranche 4: Mining to aviation, Govt pushes reforms it has already pushed, The Indian Express. 17 May 2020. Access date 20 May 2020. <https://indianexpress.com/article/india/nirmala-sitharaman-coronavirus-economic-package-reform-6413632/>

⁶⁷⁴ Explained: Breaking down Centre's Atmanirbhar package, The Indian Express. 20 May 2020. Access date 20 May 2020. <https://indianexpress.com/article/explained/atmanirbhar-package-full-break-up-of-rs-20-lakh-crore-nirmala-sitharaman-lockdown-6414044/>

⁶⁷⁵ India in OECD Policy Tracker, OECD. Access date 20 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁷⁶ India in OECD Policy Tracker, OECD. Access date 20 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁷⁷ Governor's Statement – May 22, 2020, Reserve Bank of India. 22 May 2020. Access date July 14, 2020. https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3859

⁶⁷⁸ Import of goods and services- Extension of time limits for Settlement of import payment, Reserve Bank of India. 22 May 2020. Access date 14 July 2020. <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11900&Mode=0>

Indonesia: +1

Indonesia fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 31 March 2020, a third fiscal stimulus package worth IDR 405.1 trillion was announced. The package will allocate IDR 110 trillion in social protection, IDR 75 trillion for health expenses, IDR 70.1 trillion for tax incentives and micro-credit, and IDR 150 trillion for economic recovery.⁶⁷⁹ Social protection will be increased through food assistance and discounts in electricity payments for around ten million households. Specifically, starting on 20 April, a staple food package worth IDR 150,000 will be delivered every week to laid-off workers in Jakarta. Also, it will provide IDR 600,000 monthly cash transfers for vulnerable families that do not receive the staple food packages.⁶⁸⁰ Free electricity will be provided to 24 million households and IDR 1.5 trillion will be allocated to provide housing interest subsidies for lower income households.⁶⁸¹ The fiscal stimulus also included plans to permanently reduce the corporate income tax rate by three percentage points to 22 per cent over 2020-2022.⁶⁸² On the same day, the government announced a relaxation of the state budget deficit policy above 3 per cent of the GDP until 2022.⁶⁸³

Starting 1 April 2020, Bank Indonesia (BI) implemented measures to stabilize the rupiah which hit its lowest in April since 1998. These measures included cutting the US dollar reserve requirement ratio (RRR) from 8 per cent to 4 per cent and the rupiah RRR by 50 basis points. BI also purchased government bonds on the secondary market and intervened to stabilize the rupiah in the domestic non-deliverable forward and spot markets.⁶⁸⁴

On 11 April 2020, the Government of Indonesia launched a IDR 20 trillion “Pre-employment Card Program,” to provide a social safety net for 5.6 million unemployed individuals not receiving any unemployment benefits or assistance.⁶⁸⁵ As of 5 May, around nine million candidates applied for the program, which would enable them to receive direct aid of IDR 3.5 million over four months plus IDR 1 million for training.⁶⁸⁶

⁶⁷⁹ Indonesia in OECD Country Policy Tracker, OECD. Access date 28 April 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁸⁰ Indonesia in OECD Country Policy Tracker, OECD. Access date 28 April 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁸¹ Indonesia in OECD Country Policy Tracker, OECD. Access date 28 April 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁸² Indonesia rolls out nearly \$25 billion more spending for coronavirus, Reuters. 31 March 2020. Access date 27 April 2020. <https://www.reuters.com/article/us-health-coronavirus-indonesia/indonesia-rolls-out-nearly-25-billion-more-spending-for-coronavirus-idUSKBN211121>

⁶⁸³ Indonesia, government and institution measures in response to COVID, KPMG. 22 April 2020. Access date July 19, 2020. <https://home.kpmg/xx/en/home/insights/2020/04/indonesia-government-and-institution-measures-in-response-to-covid.html>

⁶⁸⁴ Indonesia in OECD Country Policy Tracker, OECD. Access date 3 May 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁸⁵ Govt introduces new social benefit as 2.8 million lose jobs, The Jakarta Post. 13 April 2020. Access date 27 April 2020. <https://www.thejakartapost.com/news/2020/04/13/govt-introduces-new-social-benefits-as-2-8-million-lose-jobs.html>

⁶⁸⁶ Preemployment card draws criticism as workers ‘need cash aid’, The Jakarta Post. 5 May 2020. Access date 11 May 2020. <https://www.thejakartapost.com/news/2020/05/04/preemployment-card-draws-criticism-as-workers-need-cash-aid.html>

On 14 April 2020, BI cut the reserve ratio requirement by 200 basis points and raised the macro prudential liquidity buffer ratio by 200 basis points for conventional banks.⁶⁸⁷ The BI also relaxed the credit card policy by lowering minimum payment requirements, penalties for late payments and the upper limit on interest.⁶⁸⁸ Other measures include increasing the maximum duration of repo and reverse repo operations to up to twelve months, engaging in daily repo auctions, and increasing the frequency of foreign exchange swap auctions to three times per week.⁶⁸⁹

On 19 May 2020, the Government of Indonesia granted additional funds to the 31 March stimulus package to arrive at a total of IDR 641 trillion. The government increased the amount of money for social security announced on 31 March package from IDR 110 trillion to IDR 172.1 trillion. Also, IDR 34.15 will be used towards loan repayment subsidies for around 60 million borrowers.⁶⁹⁰ The money is aimed to reduce the impact from the crisis on micro, small and medium-sized enterprises (MSMEs) and state-owned enterprises. Specifically, the government will allocate IDR 149.29 trillion to bailout twelve state-owned enterprises through cash transfers to support working capital investments. IDR 65.1 trillion will be spent in tourism and housing, as well as reserve for fiscal stimulus. To guarantee working capital investment for MSMEs, Indonesia will provide funds to guarantee loans.⁶⁹¹ The additional money will be used towards tax incentives, strengthening social safety nets, capital injections into state-owned enterprises, and providing interest rates subsidies for MSMEs.⁶⁹²

Indonesia is in the process of implementing three stimulus packages to support the populations and respond the shocks to the economy. The adopted measures include monetary and fiscal policies that have been positive to support laid-off employees, specifically in the manufacturing sector, and protect the basic needs of vulnerable populations through staple food packages and support for payments of services. To support businesses, Indonesia is making efforts to extend loans, social security coverage, and reducing taxes. Indonesia is struggling to finance the budget deficit that could allow for policy maneuver space for an effective response. In response, the BI has showed support through their actions, from lowering the RRR to intervening in the primary and secondary markets, while the government will allow this deficit to go beyond the legal limit until 2022.

Thus, Indonesia receives a score of +1.

Analyst: Eri Kimura

Italy: +1

Italy fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage of the pandemic.

⁶⁸⁷ Indonesia in OECD Country Policy Tracker, OECD. Access date 3 May 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁶⁸⁸ BI 7-Day Reserve Repo Rate Held at 4,50%, Rupiah Reserve Requirement Lowered by 200 bps: Strengthening synergy to mitigate the risk of covid-19, Bank of Indonesia. 14 April 2020. Access date 3 May 2020.

https://www.bi.go.id/en/ruang-media/siaran-pers/Pages/sp_223020.aspx

⁶⁸⁹ Indonesia in IMF Policy Responses to Covid-19 Tracker, International Monetary Fund. Access date 3 May 2020.

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#G>

⁶⁹⁰ Government rolls out \$43b stimulus in bid to rescue economy. The Jakarta Post. 19 May 2020. Access date July 11, 2020. <https://www.thejakartapost.com/news/2020/05/18/govt-rolls-out-43b-stimulus-in-bid-to-rescue-economy.html>

⁶⁹¹ Government rolls out \$43b stimulus in bid to rescue economy, The Jakarta Post. 19 May 2020. Access date 19 July, 2020. <https://www.thejakartapost.com/news/2020/05/18/govt-rolls-out-43b-stimulus-in-bid-to-rescue-economy.html>

⁶⁹² Government rolls out \$43b stimulus in bid to rescue economy, The Jakarta Post. 19 May 2020. Access date 1 June 2020. <https://www.thejakartapost.com/news/2020/05/18/govt-rolls-out-43b-stimulus-in-bid-to-rescue-economy.html>

On 9 April 2020, the “Liquidity decree” worth over EUR 400 billion came into force to inject liquidity to support the economy. The decree includes several measures aiming to reduce the impact caused by COVID-19 to companies. It will provide loan-guarantees for banks, national, and international financial institutions to extend credit to small and medium-sized enterprises (SMEs) through loans of up to EUR 800,000 until 31 December 2020.⁶⁹³ Additionally, up to EUR 10 billion will be provided in state guarantee to finance medium and big enterprises that would not receive support through the SMEs guarantee program. The decree also included support for exports through a co-insurance system where the State will assume 90 per cent of the export insurance, freeing an additional EUR 200 to increase exports.⁶⁹⁴ The “liquidity decree” also expanded the “Gasparini fund,” allowing the suspension of the installment payments on housing mortgage for up to eighteen months. The fund will also be available to employees that have experienced a reduction in working hours or suspension of activities of at least thirty days, and self-employed workers and professionals who have experienced a decrease in turnover of more than 33 per cent.⁶⁹⁵

On 15 May 2020, the government launched “Relaunch” strategy which provided with additional EUR 55 billion to the initial “Cura Italia” package of fiscal measures to recover from the pandemic.⁶⁹⁶ The measure will provide additional EUR 25 billion to support employment and guarantee income. EUR 16 billion will be allocated to the “Wages Guarantee Fund” to compensate for 80 per cent of the total wage of workers that stopped their activities because of the pandemic. Also, freelancers, seasonal workers, and self-employed individuals will receive an additional reimbursement of EUR 600 in April, and EUR 1,000 will be disbursed to the most vulnerable individuals.⁶⁹⁷ The “Relaunch” program also allows immigrant workers in farm or as domestic helpers to access healthcare and other services in the same way as residents of Italy. The government has also opened the possibility for undocumented migrant workers to apply for a six-month residence permit, and will grant financial support of EUR 160 for each worker that receives residence.⁶⁹⁸ The program includes bonuses of EUR 1,200 for parents that cannot take care of their children to be used in hiring childcare services or summer camps. In addition, to support parents with children, the government is allowing to extend the family leave from 15 to 30 days and will pay for 50 per cent of the pay.⁶⁹⁹ Finally, EUR 150 million will be used towards funding for assistance and services for people with disabilities.⁷⁰⁰ The “Relaunch” decree also included various tax relief measures to support the economy. Medium enterprises and self-employed workers are not required to pay the balance due for the 2019 corporate tax or the first installment of 40 per cent the corporate tax for 2020. Also, during the months of March, April and May, a tax credit equal to 60 per cent of the rent will be given to commercial tenants that have seen a decrease of 50 per cent in turnover

⁶⁹³ Sostegno alla liquidità delle famiglie e delle imprese, Government of Italy. Access Date: 28 May 2020. <http://www.mef.gov.it/covid-19/Sostegno-alla-liquidita-delle-famiglie-e-delle-imprese/>

⁶⁹⁴ Sostegno alla liquidità delle famiglie e delle imprese, Government of Italy. Access Date: 28 May 2020. <http://www.mef.gov.it/covid-19/Sostegno-alla-liquidita-delle-famiglie-e-delle-imprese/>

⁶⁹⁵ Sostegno alla liquidità delle famiglie e delle imprese, Government of Italy. Access Date: 28 May 2020. <http://www.mef.gov.it/covid-19/Sostegno-alla-liquidita-delle-famiglie-e-delle-imprese/>

⁶⁹⁶ Decreto Rilancio, 155 miliardi di euro per la Fase due dell’Economia, Government of Italy. 14 May 2020. Access Date: 29 May 2020. <http://www.mef.gov.it/inevidenza/Decreto-Rilancio-155-miliardi-di-euro-per-la-Fase-due-dellEconomia/>

⁶⁹⁷ Decreto Rilancio, 155 miliardi di euro per la Fase due dell’Economia, Government of Italy. May 14, 2020. Access date 20 May 2020. <http://www.mef.gov.it/inevidenza/Decreto-Rilancio-155-miliardi-di-euro-per-la-Fase-due-dellEconomia/>

⁶⁹⁸ What you need to know about Italy’s “Relaunch Decree,” The Local it. 15 May 2020. Access date 29 May 2020. <https://www.thelocal.it/20200514/what-you-need-to-know-about-italy-relaunch-decree>

⁶⁹⁹ What you need to know about Italy’s “Relaunch Decree,” The Local it. 15 May 2020. Access date 29 May 2020. <https://www.thelocal.it/20200514/what-you-need-to-know-about-italy-relaunch-decree>

⁷⁰⁰ Decreto Rilancio, 155 miliardi di euro per la Fase due dell’Economia, Government of Italy. 14 May 2020. Access Date 29 May 2020. <http://www.mef.gov.it/inevidenza/Decreto-Rilancio-155-miliardi-di-euro-per-la-Fase-due-dellEconomia/>

because of the crisis.⁷⁰¹ From 8 April to 30 April, the payments for withholding, social security, welfare contributions and premiums on insurance, and value-added tax will be suspended for businesses in the most affected industries of tourism, entertainment, and transport.⁷⁰² Also, tax payments for all businesses are postponed to 31 May, and it is possible to divide the payment in five monthly installments without interest or penalties.⁷⁰³

On 20 May 2020, the Bank of Italy extended the additional credit claim frameworks to include loans backed by COVID-19 guarantees for the public sector.⁷⁰⁴ In addition, the National Financial Authorities (CONSOB) suspended the shorting of shares and lowered the minimum threshold for communicating participation in a listed company for three months to avoid volatility in financial markets and strengthen transparency of holdings in the stock exchange.⁷⁰⁵

The Government of Italy has engaged in strong fiscal and monetary policy to help struggling businesses and individuals recover from the economic impacts of the pandemic.

Thus, Italy receives a score of +1.

Analyst: Eri Kimura

Japan: +1

Japan fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 7 April 2020, Prime Minister Abe adopted the “Emergency Economic Package against COVID-19” worth JPY 117 trillion or 21.7 per cent of gross domestic product, adding additional JPY 38 trillion of public spending. The package includes measures to control the spread of the virus and build medical structures, measures in support of business, cash transfers to the population and measures to stimulate demand after the outbreak finishes. The measure in support of businesses included in the economic package include the provision of real interest-free unsecured loans, allowing recurring debts to be refinanced through interest free loans, and deferring payments of national taxes and social security premiums without collateral and penalties.⁷⁰⁶ Support will also include expansion of work subsidies, subsidies for rent payments for affected firms.⁷⁰⁷ To support employment, Japan will expand the eligibility for companies to receive subsidies to continue to pay the “leave allowance” from 1 April until 30 June 2020.⁷⁰⁸ In addition, the government will provide

⁷⁰¹ Le misure fiscali adottate dal Governo, Government of Italy. Access date 29 May 2020. <http://www.mef.gov.it/covid-19/Le-misure-fiscali-adottate-dal-Governo/>

⁷⁰² Insight: COVID-19 Tax Measures Introduced in Italy, Bloomberg Tax. 30 March 2020. Access date 29 May 2020. <https://news.bloombergtax.com/daily-tax-report-international/insight-covid-19-tax-measures-introduced-in-italy>

⁷⁰³ Insight: COVID-19 Tax Measures Introduced in Italy, Bloomberg Tax. 30 March 2020. Access date 29 May 2020. <https://news.bloombergtax.com/daily-tax-report-international/insight-covid-19-tax-measures-introduced-in-italy>

⁷⁰⁴ Credit claims as collateral for refinancing operations with the Eurosystem: measures taken by the bank of Italy in response to the COVID-19 emergency, Banca d'Italia. 20 May 2020. Access date 28 May 2020. <https://www.bancaditalia.it/media/notizia/credit-claims-as-collateral-for-refinancing-operations-with-the-eurosystem/?com.dotmarketing.htmlpage.language=1>

⁷⁰⁵ Italy in IMF policy tracker, International Monetary Fund. Access date 28 May 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>

⁷⁰⁶ Emergency economic measures to cope with COVID-19, Cabinet Office of Japan. April 2020. Access date 27 May 2020. https://www5.cao.go.jp/keizai1/keizaitaisaku/2020/20200420_economic_measures.pdf

⁷⁰⁷ Emergency Economic Measures for Response to COVID-19, Prime minister of Japan and his Cabinet. Updated 20 April 2020. Access date 27 May 2020. <https://www.mhlw.go.jp/content/10900000/000624440.pdf>

⁷⁰⁸ COVID-19: Japanese Economic Stimulus Package is Unveiled, The National Law Review. 20 April 2020. Access date 27 May 2020. <https://www.natlawreview.com/article/covid-19-japanese-economic-stimulus-package-unveiled>

JPY 8,330 childcare subsidies for parents that stay at home to take care of their children from also until 30 June.⁷⁰⁹ The package also included many loan and loan guarantee programs, where the government will subsidize the interest rate on no-collateral loans for small and medium-sized enterprises struggling because of COVID-19. Japan engaged in refinancing existing loans through government-related institutions to allow for subsidizing interest and no collateral in their loans.⁷¹⁰

In terms of tax relief, the stimulus package announced 7 April, included various tax relief measures. The government provided one-year moratorium for some national and local taxes while pushing back social insurance premiums payments for businesses that have seen a 20 per cent fall in revenue until 31 January 2021.⁷¹¹ Japan allowed for expansions in the allowed carry forward operating loans and of the scope of tax deductible from capital investments.⁷¹² Also, to support businesses recovery, Japan employed adjustments for property tax and city planning tax relief for businesses that have seen decreases in revenues and allowed for depreciation on buildings and structures.⁷¹³

The stimulus package also included an investment of JPY 2.3 trillion to provide with cash payments of JPY 2 million for micro, small and medium-sized enterprises and JPY 1 million for individual business owners whose revenues have dropped since the pandemic.⁷¹⁴ In addition, the economic package included cash payments of JPY 100 for struggling households experiencing a loss of income from the pandemic.⁷¹⁵

On 17 April 2020, Prime Minister Abe announced they would provide universal cash transfer handouts instead of providing cash transfers only to struggling households experiencing a loss of income. Thus, he pledged JPY 12.9 trillion to deliver JPY 100,000 tax-exempt cash payments to all citizens in Japan “as soon as possible.”⁷¹⁶ The Government of Japan will provide with additional JPY 10,000 per child.⁷¹⁷ The Economic Recovery Package included measures to activate demand through discounts and vouchers in the tourism, transport, food, and events industries to help them recover after the confinement period.⁷¹⁸

On 27 April 2020, the Bank of Japan (BoJ) announced more measures to ease their monetary policy to minimize the damage to the economy. The BoJ will purchase the necessary amount of Japanese

⁷⁰⁹ COVID-19: Japanese Economic Stimulus Package is Unveiled, The National Law Review. 20 April 2020. Access date 27 May 2020. <https://www.natlawreview.com/article/covid-19-japanese-economic-stimulus-package-unveiled>

⁷¹⁰ COVID-19: Japanese Economic Stimulus Package is Unveiled, The National Law Review. 20 April 2020. Access date 27 May 2020. <https://www.natlawreview.com/article/covid-19-japanese-economic-stimulus-package-unveiled>

⁷¹¹ COVID-19: Japanese Economic Stimulus Package is Unveiled, The National Law Review. 20 April 2020. Access date 27 May 2020. <https://www.natlawreview.com/article/covid-19-japanese-economic-stimulus-package-unveiled>

⁷¹² COVID-19: Japanese Economic Stimulus Package is Unveiled, The National Law Review. 20 April 2020. Access date 27 May 2020. <https://www.natlawreview.com/article/covid-19-japanese-economic-stimulus-package-unveiled>

⁷¹³ Japan government COVID-19 tax measures, EY Global Tax. 20 April 2020. Access Date: 18 June 2020. https://www.ey.com/en_jp/ey-japan-tax-library/tax-alerts/2020/ey-japan-tax-alert-20200420-en

⁷¹⁴ Japan to enact 25.69 trill. yen extra budget for coronavirus package, Kyodo News. 30 April 2020. Access date 28 May 2020. <https://english.kyodonews.net/news/2020/04/664fbdd41ea-japan-to-enact-2569-tril-yen-extra-budget-for-coronavirus-package.html>

⁷¹⁵ Emergency Economic Measures for Response to COVID-19, Prime minister of Japan and his Cabinet. Updated 20 April 2020. Access date 27 May 2020. <https://www.mhlw.go.jp/content/10900000/000624440.pdf>

⁷¹⁶ Abe vows swift cash handouts as national emergency bites, Kyodo News. 17 April 2020. Access date 28 May 2020. <https://english.kyodonews.net/news/2020/04/d81c977f121f-urgent-cut-in-human-contact-not-enough-to-contain-virus-abe.html>

⁷¹⁷ Emergency Economic Measures to Cope with COVID-19, Cabinet Office of Japan. April 2020. Access date 28 May 2020. https://www5.cao.go.jp/keizai1/keizaitaisaku/2020/20200420_economic_measures.pdf

⁷¹⁸ Emergency Economic Measures for Response to COVID-19, Prime minister of Japan and his Cabinet. Updated 20 April 2020. Access date 27 May 2020. <https://www.mhlw.go.jp/content/10900000/000624440.pdf>

government bonds with no upper limit on amount of purchases and will raise the maximum amount of additional purchases of commercial paper and corporate bonds holdings to JPY 20 trillion.⁷¹⁹

On 22 May 2020, the BoJ announced it would provide funds against loans to support financing for many small-and medium-sized enterprises through interest-free and unsecured loans.⁷²⁰ Finally, starting on 25 May, the BoJ opened a swap line of USD 1.5 billion for 84 days and USD 5.3 billion for seven days, to provide USD funding.⁷²¹

Japan has taken strong, bold actions to use all available policy tools to minimize the economic damage from the pandemic through its “Emergency Economic Package against COVID-19”, cash transfers, and other actions.

Thus, Japan receives a score of +1.

Analyst: Eri Kimura

Korea: +1

Korea fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 28 March 2020, the Bank of Korea (BOK) announced it would use the proceeds of swap transactions with the Fed to conduct competitive auction of US dollar loan facilities and increase US dollar funding.⁷²²

On 30 March 2020, the Ministry of Economy and Finance announced KRW 7.5 trillion will be allocated to provide relief in social security contributions. It will do this through KRW 7.5 trillion to offer three-month payment deferrals and KRW 0.9 trillion to reduce the contribution rate by 30 per cent for small businesses and low-income households.⁷²³ Also, it will provide KRW 1.3 trillion to defer payments of electricity bills to support small businesses and low income households from April to June.⁷²⁴

On 31 March 2020, the Ministry of Small and Medium-Sized Enterprises (SMEs) and start-ups announced it will provide additional KRW 2.2 trillion to the COVID-19 Special Guarantee program expand the scope from KRW 105 billion to KRW 905 billion and expanding the target group to include all industries.⁷²⁵

⁷¹⁹ Japan in Policy Tracker, International Monetary Fund. Last updated 25 May 2020. Access date 27 May 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁷²⁰ Japan in Policy Tracker, International Monetary Fund. Last updated 25 May 2020. Access date 27 May 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁷²¹ Japan in Policy Tracker, International Monetary Fund. Last updated 25 May 2020. Access date 31 May 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁷²² BOK to provide US dollar funding using the proceeds of swap transactions with the FED, International Department Bank of Korea. 29 March 2020. Access date 3 June 2020.

⁷²³ Korea in OECD Country Policy Tracker, OECD. Access date 2 June 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁷²⁴ Summary of support measures for businesses by the Korean government during COVID-19, AHK. 31 March 2020. Access date 3 June 2020. https://korea.ahk.de/fileadmin/AHK_Korea/Navigation_menu/News/COVID19/20200331_Summary_of_support_measures_for_businesses_in_Korea.pdf

⁷²⁵ Rapid supply of technical guarantee of KRW 2,200 billion to overcome corona19, Ministry of SMEs and Startups. 31 March 2020. Access date 3 June 2020. <https://www.mss.go.kr/site/smba/ex/bbs/View.do?cbIdx=86&bcIdx=1017933&parentSeq=1017933>

On 1 April 2020, the Government of Korea launched a KRW 300 billion full guarantee program for SMEs and small businesses owners, along with the Industrial Bank of Korea's ultra-low interest loan guarantee program.⁷²⁶

On 2 April 2020, the National Tax Service provided extensions on VAT filing and payments for businesses earning KRW 60 million or less annually. Also, first VAT payment due in 24 April will be deferred to 27 July 2020 for SMEs and business owners as well as individuals in the most affected regions.⁷²⁷

On 8 April 2020 the Government of Korea announced a KRW 36 trillion would be provided as financial support to exporters, through extension of export insurance and guarantees, emergency liquidity of KRW 1 trillion and pre-emptive finance support for trade.⁷²⁸

On 9 April 2020, the Ministry of Economy and Finance announced support to the Sport Industry through an increase of special loans from KRW 30 billion to KRW 50 billion and one-year deferral for repayments in general loans. Also, they announced the scope of the reserve fund for the Agricultural and Fisheries sector will be expanded from KRW 10 billion to KRW 20 billion.⁷²⁹

On 16 April 2020, the BOK launched the corporate bond-backed lending facility, to provide a safety net for businesses, banks, and other financial institutions. The program will provide loans backed by high-quality corporate bonds as collateral for up to six months.⁷³⁰

On 22 April 2020, the BOK announced KRW 25 trillion in additional measures through the purchase of corporate bonds and commercial paper through a special purpose vehicle. KRW 10 trillion will be put to provide SMEs with additional lending.⁷³¹

On 22 April 2020, the government announced a KRW 85 trillion support package aimed at supporting the worst-hit industries, SMEs and workers. It will provide KRW 40 trillion to support the carmakers, telecoms, airlines, and shipbuilding industries. Also, KRW 35 trillion were allocated to extend the financial relief fund for small merchants and KRW 10 trillion to extend job protection schemes.⁷³²

On 30 April 2020, the National Assembly approved the second supplementary budget of KRW 12.2 trillion to increase funding of the emergency relief payments program. It will provide emergency relief payments ranging from KRW 400,000 to one-person households to KRW 1 million to

⁷²⁶ Summary of support measures for businesses by the Korean government during COVID-19, AHK. 31 March 2020. Access date 3 June 2020. https://korea.ahk.de/fileadmin/AHK_Korea/Navigation_menu/News/COVID19/20200331_Summary_of_support_measures_for_businesses_in_Korea.pdf

⁷²⁷ EY Tax COVID-19 Response tracker, EY. 28 April 2020. Access date 3 June 2020. https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/tax/tax-pdfs/ey-tax-covid-19-response-tracker-28-april-2020.pdf

⁷²⁸ Korea in OECD Country Policy Tracker, OECD. Access date 2 June 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁷²⁹ Summary of support measures for businesses by the Korean government during COVID-19, AHK. 30 April 2020. Access date 3 June 2020. https://korea.ahk.de/fileadmin/AHK_Korea/Navigation_menu/News/COVID19/20200331_Summary_of_support_measures_for_businesses_in_Korea.pdf

⁷³⁰ BOK to launch corporate bond-backed lending facility, Bank of Korea. 16 April 2020. Access date 3 June 2020. <https://www.bok.or.kr/eng/bbs/B0000308/view.do?nttId=10057757&menuNo=400380&pageIndex=1>

⁷³¹ Korea in IMF Policy Tracker, International Monetary Fund. Access date 3 June 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>

⁷³² South Korea boosts coronavirus crisis stimulus package to \$200 bn, Financial Times. 22 April 2020. Access date 3 June 2020. <https://www.ft.com/content/54f5513e-c2fc-4062-acae-538f986a5f65>

households of more than four members. The emergency relief is offered in the form of coupons and cash to encourage consumption.⁷³³

On 7 May 2020, the government announced it would support temporary and independent workers that did not receive unemployment benefits. The program is expected to reach around 930,000 workers that will receive unemployment benefits through KRW 1.5 million payments each.⁷³⁴

On 14 May 2020, Finance Minister Hong Nam-ki announced they aim to create 1.56 million jobs in the public sector and expand the unemployment insurance to freelancers, platform workers and contractual workers.⁷³⁵

On 15 May 2020, the BOK announced it would increase the ceiling on the bank intermediated Lending Support Facility from KRW 30 trillion to KRW 35 trillion to support SMEs. The measure will improve access to finance and the conditions for SMEs that have been affected by COVID-19.⁷³⁶

Korea has implemented significant measures to support their populations through the coronavirus crisis. It implemented generous measures such as the direct cash payments to all households and extended programs for unemployment benefits to support individuals.

Thus, Korea receives a score of +1.

Analyst: Eri Kimura

Mexico: -1

Mexico failed to comply with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 15 April 2020 the INFONAVIT, or the National Institute for Workers' Housing, implemented measures to support laid-off workers continued access to housing because of the pandemic. INFONAVIT will cover credit payments for up to three months for workers who become unemployed, with the possibility of extending it up to three months without additional charges.⁷³⁷

On 16 April 2020, President Andrés Manuel López Obrador announced that the government would grant 1 million credits of MXN 25,000 for micro, small and medium-sized enterprises starting on 4

⁷³³ Parliament passes extra budget for coronavirus relief funds, Yonhap News Agency. 30 April 2020. Access date 3 June 2020. <https://en.yna.co.kr/view/AEN20200428006051315>

⁷³⁴ Korea in OECD Country Policy Tracker, OECD. Access date 2 June 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁷³⁵ Korea in IMF Policy Tracker, International Monetary Fund. Access date 2 June 2020.

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>

⁷³⁶ BOK to Provide Additional Financial Support of 5 Trillion Won to SMEs Affected by COVID-19, Bank of Korea. 13 May 2020. Access date 3 June 2020.

<https://www.bok.or.kr/eng/bbs/B0000308/view.do?nttId=10058185&menuNo=400380&pageIndex=1>

⁷³⁷ Medidas de apoyo para los trabajadores frente al COVID-19, Infonavit. Access date 23 May 2020.

https://portalmx.infonavit.org.mx/wps/portal/infonavit.web/trabajadores/tengo-un-credito/medidas_proteccion_covid!/ut/p/z1/jZDNCoJQEEafxYXlnLlWcmtnUVpEGCHabELDroJ6wyzp7TnNbBfkzuxnOGWY-IPCB8uCZiKBMZB6kdX8i42xYiPZywbccHQ82AeGzPzHr6E7BawCdl1oLZHul2xzN9Wqzmu3GuuUyoCE-tpSJw_wOgLRxe0AN0vbBFHsA1gd8Mui7YgskUhl-AzfczMWfUBFdoYlqtEdRj-OyvN3nKqpYVZUmpBRppF1kpuI_JZb3EvxfEm6Z6_qYbEYUvipTUd5zLD4f/dz/d5/L2dBISevZ0FBIS9nQSEh/

May. The credits will be granted to companies that are part of the Instituto Mexicano de Seguro Social (IMSS) and that had not laid off any employees or reduced salaries in the past three months.⁷³⁸

On 22 April 2020, President López Obrador implemented a second economic stimulus package, where he announced a vast austerity program including a reduction in salaries of government officials, cancelling ten state secretariats, and cutting funds for all programs except priority ones.⁷³⁹ He also pledged to maintain oil prices low, claiming that slow growth and low oil prices have left limited room for tax expansion strategies and thus have limited tax expansion abilities. On 22 April, the Mexican Tax Administration Service (SAT) extended the deadline to file personal income tax declarations from 30 April to 30 June.⁷⁴⁰

On 23 April 2020, the Government of Mexico announced the launch of an additional credit program for businesses and households registered under the Federal Governments Wellbeing Census. The credit scheme will be similar to the one announced on 16 April, promising to grant an additional 1 million microcredits of up to MXN 25,000.⁷⁴¹

On 29 April 2020, the IMSS advanced two bimonthly payments of the universal pension for the disabled people and elders.⁷⁴²

On 22 April 2020, the Banco Mexico (BANXICO) implemented various measures to inject liquidity to improve domestic markets, enhance credit through government and local banks, and implementing measures to stabilize the debt and foreign exchange markets in Mexico.⁷⁴³ BANXICO adjusted the Ordinary Additional Liquidity Facility rate and reduced the Monetary Regulation deposit by MXN 50 million.⁷⁴⁴

On 8 May 2020, the Secretary for Economic Development and Nacional Financiera, announced the MXN 1,113 million Impulso program to provide credits ranging from MXN 25,000 to MXN 5 million to support small and medium-sized enterprises.⁷⁴⁵ Before implementing the program, the federal government had not opened credit-lines that could support medium or larger enterprises, while various states were implementing independent measures at a local level.⁷⁴⁶

⁷³⁸ AMLO anuncia un millón de créditos más a pequeñas empresas, Forbes México. 16 April 2020. Access date 23 May 2020. <https://www.forbes.com.mx/politica-extension-de-cuarentena-amlo-anuncia-un-millon-de-creditos-mas-a-pequenas-empresas/>

⁷³⁹ Estos son los 11 puntos del plan económico de AMLO para enfrentar covid-19, Milenio. 22 April 2020. Access date 23 May 2020. <https://www.milenio.com/politica/coronavirus-mexico-plan-economico-amlo-11-puntos>

⁷⁴⁰ Mexico in OECD Policy Tracker, OECD. Access date 23 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁷⁴¹ Ante la pandemia del coronavirus, fortalece Gobierno Federal apoyo a pequeños negocios, Secretaría de Economía. 23 April 2020. Access date 24 May 2020. <https://www.gob.mx/se/articulos/ante-la-pandemia-del-coronavirus-fortalece-gobierno-federal-apoyo-a-pequenos-negocios>

⁷⁴² Coronavirus: SME Policy Responses, OECD. 19 May 2020. Access date 23 May 2020. https://read.oecd-ilibrary.org/view/?ref=119_119680-dí6h3qgi4x&title=Covid-19_SME_Policy_Responses

⁷⁴³ Mexico in OECD Policy Tracker, OECD. Access date 23 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁷⁴⁴ 10 medidas de Banxico para fortalecer el sector financiero ante Covid-19, El Economista. 21 April 2020. Access date 23 May 2020. <https://www.economista.com.mx/sectorfinanciero/10-medidas-de-Banxico-para-fortalecer-el-sector-financiero-ante-Covid-19--20200421-0077.html>

⁷⁴⁵ Sedeco y Nafin aportan mil 113 mdp para créditos Pymes, Excelsior. 8 May 2020. Access date 23 May 2020. <https://www.excelsior.com.mx/comunidad/sedeco-y-nafin-aportan-mil-113-mdp-para-creditos-pymes/1380649>

⁷⁴⁶ Mexico in OECD Policy Tracker, OECD. Access date 23 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

The BANXICO lowered the overnight interbank interest rate by 150 basis points in the period from March to May 2020, which was at 5.5 per cent on 14 May.

Mexico has not considered taking on debt to fund a stimulus package, and instead, has implemented austerity measures and has not offered any tax benefits.⁷⁴⁷ Also, support through credits was very limited and is only offered to a reduced segment of the population. Mexico has not implemented fiscal policies like direct transfers, unemployment benefits, forbearance, wage subsidies, tax cuts, or any other measures. Instead, most of their stimulus has been through granting credits, advancing benefit payments, and delaying tax processes. At a Federal level, little has been done to support the consumer side or the industry. BANXICO has made efforts to implement monetary policies that help sustain the economy, inject liquidity and increase credit through commercial banks.

Thus, Mexico receives a score of 0.⁷⁴⁸

Analyst: Eri Kimura

Russia: +1

Russia fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 27 March 2020, President Vladimir Putin announced a series of economic measures that would be put in place in response to the pandemic. An additional RUB 5,000 per month will be granted to families eligible for maternity capital for each child under three years old.⁷⁴⁹ Payments were increased at minimum wage to provide unemployment allowance until the end of the year for workers that between April and June experience losing their job or take sick leave because of the pandemic will be given.⁷⁵⁰ From April 1 until December 2020, sickness benefit will be increased to minimum wage.⁷⁵¹

From 1 April 2020, the Central Bank of Russia (CBR) provided additional funding of RUB 500 billion, beyond its previous operational limit of RUB 175 billion, to increase and support growth in bank lending to SMEs.⁷⁵² Also, it started to offer one-year loans at a 4% annual rate to credit institutions while offering unsecured loans to “highly rated credit institutions.”⁷⁵³ From April 1, 2020,

⁷⁴⁷ Mexico’s economy shrinks under pressure from coronavirus, Financial Times. 30 April 2020. Access date 24 May 2020. <https://www.ft.com/content/b91c4ac7-76ad-4c1e-bbb5-2caebe148feb>

⁷⁴⁸ Sources consulted include Mexico’s Office for Economic Affairs and other respective government agencies, organizations that track economic policy updates due to COVID-19 such as the IMF, as well as news sources found through Google News, including La Jornada, El Universal and Reforma.

⁷⁴⁹ In First Address to Nation on the Coronavirus, Putin holds back from stringent measures, The Moscow Times. 27 March 2020. Access date 30 May 2020. <https://www.themoscowtimes.com/2020/03/25/in-first-address-to-nation-on-the-coronavirus-putin-holds-back-from-stringent-measures-a69748>

⁷⁵⁰ In First Address to Nation on the Coronavirus, Putin holds back from stringent measures, The Moscow Times. 27 March 2020. Access date 30 May 2020. <https://www.themoscowtimes.com/2020/03/25/in-first-address-to-nation-on-the-coronavirus-putin-holds-back-from-stringent-measures-a69748>

⁷⁵¹ Russia in OECD Policy Tracker, OECD. Last updated July 3, 2020. Access date July 10, 2020. <https://www.oecd.org/coronavirus/country-policy-tracker/#Fiscalmeasures>

⁷⁵² Bank of Russia approves measures to support people, economy and financial sector during coronavirus, Bank of Russia Press Service. 20 March 2020. Access date July 10, 2020. http://www.cbr.ru/eng/press/PR/?file=23032020_170800eng2020-03-23T17_07_10.htm

⁷⁵³ Bank of Russia approves measures to support people, economy and financial sector during coronavirus, Bank of Russia Press Service. 20 March 2020. Access date July 10, 2020. http://www.cbr.ru/eng/press/PR/?file=23032020_170800eng2020-03-23T17_07_10.htm

the CBR reduced add-ons to risk weights on mortgage loans and loans under equity construction contracts and changed the procedures to determine risk weight surcharges on loans.⁷⁵⁴

From April to June 2020, the government will offer additional family benefits of RUB 5000 per child per month for all families. Also in April and June 2020, people that lost their jobs because of the COVID-19 crisis as well as individual entrepreneurs who seized their activities can access the maximum level of unemployment benefits of RUB 12130 per month, regardless of their previous wage and employment record.⁷⁵⁵ From June to August, unemployed parents will be entitled to an additional RUB 3000 per month for each dependent child.⁷⁵⁶

On 1 April, Federal Law 98-FZ entered into force which forced landlords to defer rent payments if the tenants requested it.⁷⁵⁷

On 2 April 2020, Russia implemented Decision No. 409, to provide additional measures to support the most affected businesses by the crisis. Payments of corporate income tax, simplified tax system and unified social tax will be deferred for six months for small and medium-sized enterprises (SMEs), while smaller businesses will get a six-month deferral on their tax bills and no-penalty extensions to their loans. Also, all taxpayers will get an extension until May 2020 to submit their tax returns and calculations.⁷⁵⁸ Larger businesses in the most affected sectors are also eligible to defer their tax payments for up to 12 months, with the ability to extend it up to five years in specific cases.⁷⁵⁹ For businesses that are not in the list of “most affected” provided by the government, the deadline for submissions of reports is postponed while the date for payments of taxes is the same.⁷⁶⁰

On 2 April 2020, Prime Minister Mikhail Mishustin announced that RUB 2.6 billion would be allocated to support struggling SMEs access loans to maintain employment in the tourism, transport, trade show, catering, sports, and extended education industries. The state-owned banks will pay two thirds of the interest paid on loans payments to banks to offer loans to SMEs for a six-month period.⁷⁶¹ Additionally, RUB 5 billion would be granted to credit-providing organizations to enable delaying credit payment deadlines for businesses.⁷⁶²

On 2 April 2020, the CBR expanded the support measures offered to borrowers, commercial and national banks, and the local economy. The risk weights on mortgage loans issued prior to 1 April were softened, which increases around RUB 110 billion for additional lending through commercial

⁷⁵⁴ Bank of Russia approves measures to support people, economy and financial sector during coronavirus, Bank of Russia Press Service. 20 March 2020. Access date July 10, 2020.

http://www.cbr.ru/eng/press/PR/?file=23032020_170800eng2020-03-23T17_07_10.htm

⁷⁵⁵ Russia in OECD Policy Tracker, OECD. Last updated July 3, 2020. Access date July 10, 2020.

<https://www.oecd.org/coronavirus/country-policy-tracker/#Fiscalmeasures>

⁷⁵⁶ Russia in OECD Policy Tracker, OECD. Last updated July 3, 2020. Access date July 10, 2020.

<https://www.oecd.org/coronavirus/country-policy-tracker/#Fiscalmeasures>

⁷⁵⁷ Support measures for those affected by COVID-19, Deloitte. 16 June 2020. Access date July 19, 2020.

<https://www2.deloitte.com/content/dam/Deloitte/ru/Documents/tax/support-measures-covid-en.pdf>

⁷⁵⁸ Russian government start to implement measures to support businesses, Schneider Group. Access date 30 May 2020. <https://schneider-group.com/en/news/russian-government-starts-to-implement-measures-to-support-business/>

⁷⁵⁹ COVID-19- The Russian government’s measures to support the Russian economy, White and Case. 1 May 2020.

Access date 30 May 2020. <https://www.whitecase.com/publications/alert/covid-19-russian-governments-measures-support-russian-economy>

⁷⁶⁰ Russian government start to implement measures to support businesses, Schneider Group. Access date 30 May

2020. <https://schneider-group.com/en/news/russian-government-starts-to-implement-measures-to-support-business/>

⁷⁶¹ Government meeting, Russian Government. 2 April 2020. Access Date: 30 May 2020. <http://government.ru/news/39341/>

⁷⁶² Government meeting, Russian Government. 2 April 2020. Access Date: 30 May 2020. <http://government.ru/news/39341/>

banks.⁷⁶³ It also extended the number of banks able to grant Russia's loan program for small businesses from 31 to 64, by easing the rating criteria. Further, it extended the number of eligible securities to include securities accepted as collateral for the loans issued to banks by the government.⁷⁶⁴

On 2 April 2020, through Government Resolution No. 428, moratoriums on the filings of insolvency claims from 6 April until 6 October 2020 were introduced for entrepreneurs and businesses in the most affected sectors. During this period, debtors are not obliged to file insolvency petitions.⁷⁶⁵

On 4 April 2020, Federal Law No. 50-FZ passed, and will allow banks to give vacations until September 2020, on mortgages and consumer loans repayment for individuals who experience a drop on income of more than 30 per cent.⁷⁶⁶

On 15 April 2020, President Vladimir Putin announced a second package of measures to support businesses struggling because of the pandemic. First, the government will pay RUB 12,130 per employee per month to small and medium businesses in the designated "most-affected sectors" that maintain at least 90 per cent of their employees. Second, the federal government will grant RUB 200 billion to support for regional budgets. Third, at least RUB 23 billion will be offered to support airlines.⁷⁶⁷ On 23 April 2020, Government Resolution No. 566 passed to subsidise interest rates under mortgage loans so banks can provide lower-interest rates loans to the construction sector.⁷⁶⁸

On 24 April 2020, the CBR lowered the interest rate by 50 basis points to 5.5 per cent and suggested more cuts to follow.⁷⁶⁹ The same day, the CBR increased the limit on its foreign exchange swap operations to USD 5 billion.⁷⁷⁰ On 27 April 2020, the CBR lowered interest rate from 4 per cent to 3.5 per cent on loans to support lending to SMEs.⁷⁷¹

⁷⁶³ Russian Central Bank bolsters support for banks, economy amid COVID-19 outbreak, S&P Global. 6 April 2020. Access date 30 May 2020. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/russian-central-bank-bolsters-support-for-banks-economy-amid-covid-19-outbreak-57921215>

⁷⁶⁴ Russian Central Bank bolsters support for banks, economy amid COVID-19 outbreak, S&P Global. 6 April 2020. Access date 30 May 2020. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/russian-central-bank-bolsters-support-for-banks-economy-amid-covid-19-outbreak-57921215>

⁷⁶⁵ COVID-19- The Russian government's measures to support the Russian economy, White and Case. 1 May 2020. Access date 30 May 2020. <https://www.whitecase.com/publications/alert/covid-19-russian-governments-measures-support-russian-economy>

⁷⁶⁶ Russian Central Bank bolsters support for banks, economy amid COVID-19 outbreak, S&P Global. 6 April 2020. Access Date: 30 May 2020. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/russian-central-bank-bolsters-support-for-banks-economy-amid-covid-19-outbreak-57921215>

⁷⁶⁷ Russian government adopts a third economic stimulus package, calls for rescue plans by June 1, Intellinews. 12 May 2020. Access Date: 30 May 2020. <https://www.intellinews.com/russian-government-adopts-a-third-economic-stimulus-package-calls-for-rescue-plans-by-june-1-182674/>

⁷⁶⁸ COVID-19-The Russian government's measures to support the Russian economy, White and Case. 1 May 2020. Access date 30 May 2020. <https://www.whitecase.com/publications/alert/covid-19-russian-governments-measures-support-russian-economy>

⁷⁶⁹ Russia cuts key interest rate and slashes forecasts as coronavirus and oil Price plunge take hold, CNBC. 24 April 2020. Access Date: 30 May 2020. <https://www.cnbc.com/2020/04/24/russia-cuts-key-interest-rate-as-coronavirus-and-oil-price-plunge-take-hold.html>

⁷⁷⁰ COVID-19 Policy Response to Macro-Fiscal Policy in Russia, The World Bank. Access date July 10, 2020. <https://www.worldbank.org/en/country/russia/brief/covid-19-response-macro-fiscal-russia#russia>

⁷⁷¹ Russia in IMF Policy Tracker, International Monetary Fund. Access date 30 May 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>

On 24 April 2020, Government Resolution No. 582 passed which allowed “systemically important” companies (in transportation, manufacturing and energy sectors) access up to RUB 3 billion working capital bank loans for up to twelve months where the government will subsidize any banks’ loss from lower interest rates.⁷⁷² Additionally, the Ministry of Economic Development announced it would provide individual support to systemically important companies after the owners and banks exhaust their ability to support the company.⁷⁷³ Also, on 24 April 2020, Government Resolution No. 576 was amended that will provide state aid to the most affected SMEs to cover costs of wages and immediate needs during April and May 2020.⁷⁷⁴

Effective 1 May 2020, the CBR lowered the limits for online cash transfers between individuals transfers of up to RUB 100,000 per month at no charge, and over RUB 100,000 per month at fees not exceeding 0.5 per cent of the payment amount, to ease and lower the cost for online cash transactions.⁷⁷⁵

On 11 May 2020, President Putin adopted a third stimulus package adding more measures to support SMEs and the economy. The new package offers loan-guarantees of 85 per cent for a new subsidised interest-free salary loans to support employment in the most affected sectors of the economy. Through these loans, the government is offering loans that can pay for the minimum wage of employees up to six months and can be repaid until April 2021.⁷⁷⁶ Also, SMEs in the most affected sectors will be exempted from all their social contributions and tax obligations, except for value-added tax, for the second quarter of 2020.⁷⁷⁷ Also on 11 May 2020, President Putin announced that the government along with regional authorities and business unions will draft a National Recovery Plan for 1 June aiming to repair the damage from the pandemic.⁷⁷⁸

On 15 May 2020, the Ministry of Industry and Trade of the Russian Federation and the Russian Export Center announced “anti-crisis” amendments to support exports had been put in place. Amendments to Government Decree No. 191 were enacted to simplify and reduce times for exporters’ application consideration, as well as for Government Decree No. 496 to expand the number of companies able to access the transport subsidy and offers the possibility to provide a quarterly instead of annual subsidy payment.⁷⁷⁹

⁷⁷² COVID-19-The Russian government’s measures to support the Russian economy, White and Case. 1 May 2020. Access Date: 30 May 2020. <https://www.whitecase.com/publications/alert/covid-19-russian-governments-measures-support-russian-economy>

⁷⁷³ COVID-19-The Russian government’s measures to support the Russian economy, White and Case. 1 May 2020. Access date 30 May 2020. <https://www.whitecase.com/publications/alert/covid-19-russian-governments-measures-support-russian-economy>

⁷⁷⁴ COVID-19-The Russian government’s measures to support the Russian economy, White and Case. 1 May 2020. Access date 30 May 2020. <https://www.whitecase.com/publications/alert/covid-19-russian-governments-measures-support-russian-economy>

⁷⁷⁵ Bank of Russia approves measures to support people, economy and financial sector during coronavirus, Bank of Russia Press Service. 20 March 2020. Access date July 10, 2020. http://www.cbr.ru/eng/press/PR/?file=23032020_170800eng2020-03-23T17_07_10.htm

⁷⁷⁶ COVID-19: New measures to support businesses in Russia, Accace. 18 May 2020. Access date 30 May 2020. <https://accace.com/covid-19-new-measures-to-support-businesses-in-russia-may-2020-news-flash/>

⁷⁷⁷ COVID-19: New measures to support businesses in Russia, Accace. 18 May 2020. Access date 30 May 2020. <https://accace.com/covid-19-new-measures-to-support-businesses-in-russia-may-2020-news-flash/>

⁷⁷⁸ Russian government adopts a third stimulus, calls for rescue plans by June 1, Intellinews. 12 May 2020. Access date: 18 June <https://www.intellinews.com/russian-government-adopts-a-third-economic-stimulus-package-calls-for-rescue-plans-by-june-1-182674/>

⁷⁷⁹ Developed proposals for Anti-crisis export support measures, Ministry of Industry and Trade of Russia. May 14, 2020. Access date July 10, 2020. https://minpromtorg.gov.ru/press-centre/news/#!razrabotany_predlozheniya_po_antikrizisnym_meram_podderzhki_eksporta

On 16 May 2020, the government passed Resolution No 696, which made available soft loans to companies affected by the pandemic to cover business operation costs.⁷⁸⁰

Russia has implemented both fiscal and monetary policy measures to support the economic recovery from the pandemic. The sharp drop in oil prices might explain why the government spending of around 2 per cent is low compared to other G20 economies, such as India with 5.2 per cent, Turkey with 4.3 per cent or the Euro zone with 4.3 per cent. Still, the fiscal measures put in place have supported individuals facing unemployment, struggling companies, and vulnerable households. Russia has extended loan restructuring, tax deferrals, and social security contributions for SMEs and larger companies in affected industries to continue their operations and support employment. The CBR has lowered the interest rate and passed changes to support lending and economic activity. Russia is also supporting at-risk populations through extending the benefits of existing social programs to support unemployed individuals.

Thus, Russia receives a score of +1.

Analyst: Eri Kimura

Saudi Arabia: 0

Saudi Arabia partially complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 29 March 2020, the Saudi Arabian Monetary Authority (SAMA) launched precautionary measures to respond to the COVID-19 crisis. Through this measures, SAMA has requested banks to 1) work to provide lending support to businesses and individuals affected by the pandemic, 2) provide support to businesses through concessional loans to maintain employment, 3) support individuals that are unemployed because of the crisis, 4) waive all fees and charges arising from the use of digital channels for six months, 5) waive all minimum balance charges for all bank accounts for up to six months, 6) exempt individuals from all refinancing and breakage costs, and 7) reassess credit cards and refund charges from cancellations because of the coronavirus pandemic.⁷⁸¹

On 3 April 2020, King Salam Bin Abdulaziz announced the government would subsidize 60 per cent of the salaries of workers in the hardest-hit private sector industries. This measure will be implemented in accordance with conditions for the unemployment insurance system and are expected to cover 1.2 million Saudis from May to July 2020.⁷⁸²

On 10 April 2020, Saudi Arabia with the alliance of the Organization of Petroleum Exporting Countries and others decided to cut production at an historical 9.7 million barrels per day during May and June to balance the market.⁷⁸³

On 15 April 2020, the Government of Saudi Arabia approved additional measures as part of its support package to further help the economy. The package includes SAR 50 billion to speed up

⁷⁸⁰ Support measures for those affected by COVID-19, Deloitte. 16 June 2020. Access date July 19, 2020. <https://www2.deloitte.com/content/dam/Deloitte/ru/Documents/tax/support-measures-covid-en.pdf>

⁷⁸¹ SAMA Approves Precautionary Measures Package to Confront Impacts of COVID-19 Pandemic on Economic Sectors, Saudi Press Agency. March 29, 2020. Access date June 6, 2020. <https://www.spa.gov.sa/2052727>

⁷⁸² Saudi government to cover 60 per cent of salaries amid coronavirus, The National. April 3, 2020. Access date June 2, 2020. <https://www.thenational.ae/world/gcc/saudi-government-to-cover-60-per-cent-of-salaries-amid-coronavirus-1.1001035>

⁷⁸³ Timeline: Saudi Arabia's precautionary measures against COVID-19, The National. May 11, 2020. Access date June 1, 2020. <https://www.thenational.ae/business/timeline-saudi-arabia-s-precautionary-measures-against-covid-19-1.1017970>

payments to the private sector. It will deliver a 30 per cent discount on electricity bills for businesses in industrial, commercial and agricultural sectors on April and May. Also, the package will offer subscribers in the industrial and commercial sectors the possibility to pay 50 per cent of their electricity bill from April to June and pay the owing amount in a six-month period starting January 2021.⁷⁸⁴

On 23 April 2020, Saudi Arabia's Minister of Finance Mohammed al-Jadaan announced they would increase borrowing and reduce government spending to deal with the impacts from the coronavirus crisis and lower oil prices. Thus, it will borrow SAR 100 billion on top of the already announced SAR 120 billion from its central bank's reserves to cover for a rising deficit.⁷⁸⁵

On 25 April 2020, the SAMA launched a program to guarantee 95 per cent of loans to provide financing to small and medium-sized enterprises (SMEs) and will exempt them from administrative fees or guarantees in kind.⁷⁸⁶

On 2 May 2020, the Social Development Bank announced a SAR 9 billion contribution to fund financing in loans for SMEs and independent workers and to create a portfolio that will support businesses healthcare sector.⁷⁸⁷

On 3 May 2020, the Ministry of Human Resources and Social Development announced that companies in the private sector can lower salaries by up to 40 per cent for reduced working hours and can terminate workers if they cannot pay salaries even when receiving the government salary subsidies.⁷⁸⁸ Finance Minister al-Jadaan acknowledged the measures were "painful but necessary" to stabilize the economy.⁷⁸⁹

On 5 May 2020, the Ministry of Industry and Mineral Resources launched additional measures to support the industry and mining sectors. The measures included deferring and restructuring loan payments, supporting working capital through new products development, extending industrial licences period of expiration and release constrains for new plant constructions, exempting, reducing, or postponing payments due to the ministry, automatic renewal of industrial licences, labour support documents and customs exemption and clearance documents.⁷⁹⁰

On 10 May 2020, the Ministry of Finance announced they will suspend the cost of living allowance as of 1 June and that the value-added tax (VAT) would increase from 5 per cent to 15 per cent as part of austerity measures aimed at economic recovery after it has been hardly hit by the coronavirus crisis

⁷⁸⁴ Saudi Arabia allocates SR50 billion for private sector support, Arab News. 15 April 2020. Access date 1 June 2020. <https://arab.news/wf8j8>

⁷⁸⁵ Saudi Arabia to boost borrowing as oil glut weighs on virus-hit economy, Reuters. April 22, 2020. Access date June 1, 2020. <https://www.reuters.com/article/us-health-coronavirus-saudi-debt/saudi-arabia-to-boost-borrowing-as-oil-glut-weighs-on-virus-hit-economy-idUSKCN224338>

⁷⁸⁶ SAMA launches new program, guarantees 95% of SMEs loans, Argaam. 25 April 2020. Access date 1 June 2020. <https://www.argaam.com/en/article/articledetail/id/1370359>

⁷⁸⁷ Saudi Arabia grants \$2.4 bn to help small businesses amid Covid-19 crisis, Arabian Business. 2 May 2020. Access date 1 June 2020. <https://www.arabianbusiness.com/banking-finance/446008-saudi-arabia-grants-24bn-to-help-small-businesses-amid-covid-19-crisis>

⁷⁸⁸ Saudi Arabia: COVID-19 Employment Related Developments, Baker McKenzie. 9 April 2020. Access date 1 June 2020. <https://me-insights.bakermckenzie.com/2020/04/09/saudi-arabia-covid-19-employment-related-developments/>

⁷⁸⁹ Timeline: Saudi Arabia's precautionary measures against COVID-19, The National. 11 May 2020. Access date 1 June 2020. <https://www.thenational.ae/business/timeline-saudi-arabia-s-precautionary-measures-against-covid-19-1.1017970>

⁷⁹⁰ Saudi Arabia's Government launches measures to support industrial & mining sectors in response to COVID-19 pandemic, Saudi Press Agency. 5 May 2020. Access date 1 June 2020. <https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2082598>

and low oil prices.⁷⁹¹ The allowance had been introduced in 2018 and provided SAR 1,000 per month to state employees to support increases in VAT and oil prices.⁷⁹²

Saudi Arabia has partially complied with this commitment. Saudi Arabia has taken action on the global stage through its G20 presidency. However, its domestic response has been largely focused in providing loans to SMEs in the most affected sectors and have failed to protect employment or support the most affected populations.

Thus, Saudi Arabia receives a score of 0.⁷⁹³

Analyst: Eri Kimura

South Africa: +1

South Africa fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 21 April 2020, President Cyril Ramaphosa announced the first COVID-19 economic rescue package valued at ZAR 500 billion or 10 per cent of gross domestic product.⁷⁹⁴ The package will increase social security transfers by increasing child support grants by ZAR 500 per month and old age pensions, disability grants, and foster grants by ZAR 250 per month. Also, a ZAR 3350 monthly grant will be introduced to support individuals that are unemployed and do not receive any other kind of social security payment. The grants are expected to cover 8 million people earning below ZAR 3,500, who are unemployed or who are not receiving unemployment insurance funds payments.⁷⁹⁵ The package will include ZAR 100 billion to protect and create jobs and support small and medium-sized enterprises (SMEs) and informal businesses, with ZAR 40 billion to support wage payments for employers that are unable to pay their workers. The COVID-19 economic rescue package will also allocate ZAR 200 billion for a credit-guarantee scheme. The National Treasury and South African Reserve Bank will provide guarantees for commercial banks to extend special loans to businesses suffering from the pandemic.⁷⁹⁶ It will also allocate ZAR 70 billion in measures for income support, in tax relief, mostly through tax deferrals and holidays on skills development levy contributions. The package will also include ZAR 20 million in support to municipalities.⁷⁹⁷

⁷⁹¹ Saudi Arabia suspending cost of living allowance, raising VAT to mitigate economic impact of COVID-19 crisis, Arab News. 11 May 2020. Access date 1 June 2020. <https://arab.news/y5wy6>

⁷⁹² Saudi Arabia triples VAT to support coronavirus-hit economy, BBC News. 11 May 2020. Access date 1 June 2020. <https://www.bbc.com/news/business-52612785>

⁷⁹³ Sources consulted include the Ministry of Economy and Planning and other respective government agencies, organizations that track economic policy updates due to COVID-19 such as the IMF, as well as news sources found through Google News, including Arab News and Saudi Gazette.

⁷⁹⁴ Unpacking the South Africa's government's COVID-19 "rescue package," Gilad Isaacs. 21 April 2020. Access date 2 June 2020. <https://africasacountry.com/2020/04/unpacking-the-rescue-package-from-south-africas-government>

⁷⁹⁵ Unpacking the South Africa's government's COVID-19 "rescue package," Gilad Isaacs. 21 April 2020. Access date 2 June 2020. <https://africasacountry.com/2020/04/unpacking-the-rescue-package-from-south-africas-government>

⁷⁹⁶ Unpacking the South Africa's government's COVID-19 "rescue package," Gilad Isaacs. 21 April 2020. Access date 2 June 2020. <https://africasacountry.com/2020/04/unpacking-the-rescue-package-from-south-africas-government>

⁷⁹⁷ Economic measures for COVID-19, Department of National Treasury Republic of South Africa. 30 April 2020. Access date 2 June 2020.

http://www.treasury.gov.za/comm_media/press/2020/20200428_COVID_Economic_Response_final.pdf

On 1 April 2020, the Department of Employment launched a ZAR 30 billion temporary employee relief scheme to provide income support to workers who have been temporarily or permanently laid-off because of coronavirus.⁷⁹⁸

On 2 April 2020, the Department of Small Business Development launched a debt relief scheme to support SMEs that have been affected by the pandemic.⁷⁹⁹

On 23 April 2020, Finance Minister Tito Mboweni announced a second set of tax measures to support businesses and individuals through the pandemic. From 1 May, skills development levy contributions, which are around 1 per cent of salaries, will go through a four-month holiday. Individuals who receive living annuity funds will be allowed to increase up to a maximum of 2 per cent their proportion of annuity income to assist individuals who need immediate cash flow needs. Also, value-added tax refunds will be speeded up by allowing smaller businesses to file monthly instead of bi-monthly tax refunds to increase their cash flows.⁸⁰⁰ The filling and payment of carbon tax liabilities will be delayed from 31 July to 31 October 2020 to provide cash flow relief for businesses. As part of the new measures, South Africa will also postpone the implementation of some measures for the 2020 Budget to broaden the corporate income tax base through restrictions on the net interest expense deductions and limiting the carry forward of assessed losses to 80 per cent of taxable income.⁸⁰¹

On 23 April 2020, Finance Minister Mboweni announced extensions to the first set of tax measures that had been announced earlier in March 2020. The expanded employment tax incentive amount will be increased from ZAR 500 to ZAR 750 per month to provide wage subsidies for employees earning less than ZAR 6,500 per month. Also, the initial deferrals of 20 per cent of businesses employees' tax liabilities and a portion of provisional corporate income tax payments for four months were extended to allow deferrals of 35 per cent while the income threshold was doubled from ZAR 50 million to ZAR 100 million to provide cash flow relief to more enterprises.⁸⁰² Finally, large businesses with income of more than ZAR 100 million struggling to pay taxes, can apply to defer tax payments without penalties in a case-by-case application.⁸⁰³

On 12 May 2020, the South African Reserve Bank (SARB) launched a ZAR 300 million loan scheme, as planned as part of the economic rescue package announced on 21 April. It provides government-guaranteed loans to businesses with annual turnover below ZAR 300 million to help cover operating expenses.⁸⁰⁴

⁷⁹⁸ UIF has R30bn available for Covid-19 income support to laid-off workers, Business Maverick. 1 April 2020. Access date 2 June 2020. <https://www.dailymaverick.co.za/article/2020-04-01-uif-has-r30bn-available-for-covid-19-income-support-to-laid-off-workers/#gsc.tab=0>

⁷⁹⁹ Debt Relief Finance Scheme, Department of Small Business development. Access date 2 June 2020. https://www.gov.za/sites/default/files/gcis_documents/SMME%20Debt%20Relief%20Scheme.pdf

⁸⁰⁰ Further tax measures to provide support, South African Government News Agency. 23 April 2020. Access date 2 June 2020. <https://www.sanews.gov.za/south-africa/further-tax-measures-provide-support>

⁸⁰¹ Further tax measures to provide support, South African Government News Agency. April 23, 2020. Access date June 2, 2020. <https://www.sanews.gov.za/south-africa/further-tax-measures-provide-support>

⁸⁰² Further tax measures to provide support, South African Government News Agency. April 23, 2020. Access date June 2, 2020. <https://www.sanews.gov.za/south-africa/further-tax-measures-provide-support>

⁸⁰³ Further tax measures to provide support, South African Government News Agency. April 23, 2020. Access date June 2, 2020. <https://www.sanews.gov.za/south-africa/further-tax-measures-provide-support>

⁸⁰⁴ South Africa opens new coronavirus loan scheme – what you need to know, Business Tech. May 12, 2020. Access date June 2, 2020. <https://businesstech.co.za/news/banking/397199/south-africa-opens-new-coronavirus-loan-scheme-what-you-need-to-know/>

On 23 April 2020, Finance Minister Mboweni announced that the 10 per cent deductions will be increased by additional 10 per cent for donations to the Solidarity Fund. Also, the “pay-as-you-earn” donations of up to 5 per cent of monthly salaries factored by employers were extended to up to 33.3 per cent to encourage more donations to the fund.⁸⁰⁵

On 28 March 2020, the SARB announced temporary relief for bank capital requirements and reduced the liquidity ratio from 100 per cent to 80 per cent.⁸⁰⁶ On April 6, the SARB issued guidance on dividend and cash bonuses distribution.⁸⁰⁷

On 14 April 2020, the SARB cut repo rates by 100 basis points to 4.25 per cent in efforts to mitigate the economic impact.⁸⁰⁸ Later, it lowered the rate further by 50 basis points to 3.75 per cent on 21 May.⁸⁰⁹ On 11 and 12 May, it reduced number of repo auctions to once a day and announced measure to cooperate with financial institutions on prudential matters, governance and operational activities, and supervision.⁸¹⁰

South Africa implemented an economic relief package that provided monetary and fiscal policy measures that provide support to struggling individuals and businesses. South Africa has showed it is using all available policy tools by offering grants and income support to unemployed workers, loan guarantees for SMEs, income support, tax deferrals, wage subsidies and extensions of cash transfers for vulnerable populations.

Thus, South Africa receives a score of +1.

Analyst: Eri Kimura

Turkey: 0

Turkey partially complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 30 March 2020, the Central Bank of the Republic of Turkey (CBRT) reduced the minimum front payment for credit card transactions from 30 per cent to 20 per cent and authorized credit-card holders to postpone their reimbursements until December 2020.⁸¹¹ The same day, CBRT announced additional measures against the financial and economic impacts of the pandemic. The measures will increase the flexibility for conducting open market operations, increase in the limits of liquidity facilities to support credit flow to corporations, accepting asset-backed and mortgage-backed

⁸⁰⁵ Further tax measures to provide support, South African Government News Agency. April 23, 2020. Access date June 2, 2020. <https://www.sanews.gov.za/south-africa/further-tax-measures-provide-support>

⁸⁰⁶ Press release on regulatory relief measures and guidance to the banking sector in response to COVID-19, Prudential Authority of South African Reserve bank. April 6, 2020. Access date June 2, 2020. <https://www.centralbanking.com/central-banks/financial-stability/7516671/sarb-consults-on-covid-19-regulatory-easing>

⁸⁰⁷ South Africa in IMF Policy tracker, International Monetary Fund. Access date June 2, 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>

⁸⁰⁸ SAR B cuts rates in latest response to COVID-19, Polity. April 14, 2020. Access date June 2, 2020. <https://www.polity.org.za/article/sarb-cuts-rates-in-latest-response-to-covid-19-2020-04-14>

⁸⁰⁹ SAR B cuts rates in latest response to COVID-19, Polity. April 14, 2020. Access date June 2, 2020. <https://www.polity.org.za/article/sarb-cuts-rates-in-latest-response-to-covid-19-2020-04-14>

⁸¹⁰ SAR B cuts rates in latest response to COVID-19, Polity. April 14, 2020. Access date June 2, 2020. <https://www.polity.org.za/article/sarb-cuts-rates-in-latest-response-to-covid-19-2020-04-14>

⁸¹¹ Turkey in OECD Policy Tracker, OECD. Access date June 4, 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

securities as collateral in bank transactions, and expanding available rediscount credits for exporters.⁸¹²

On 3 April 2020, the Government of Turkey announced it would pay 60 per cent of workers' salaries for a period of 3 months for businesses that were forced to close because of the pandemic. Through this short-term employment allowance program, the government will make direct transfers and will also pay for health insurance during the period. For employees that are laid-off after the three-month period, the State will offer monthly unemployment benefits of TRY 2,354 per month for up to seven months.⁸¹³

On 7 April 2020, President Tayyip Erdoğan announced additional support for the 136,000 small and medium-sized enterprises that are part of the loan support program offered by the Administration of Small and Medium Sized Industrial Enterprises (KOSGEB). He announced that KOSGEB will cover the deferral costs for companies that are postponing their loan payments on April, May and June.⁸¹⁴

On 15 April 2020, the Ministry of Treasury and Finance declared force majeure for taxpayers that have been directly impacted by the pandemic, specifically in the commercial, agricultural, and self-employment industries. Taxpayers will be allowed to defer the filling of withholding tax and value-added tax returns from 27 May to 27 July 2020 and extended the deadline for payments of these taxes until the end of 2020.⁸¹⁵

On 15 April 2020, custom tariffs were increased by 5 per cent for some steel products. From April 18, a surcharge of 50 per cent will be applied to imports of game consoles, to be reduced to 20 per cent in October.⁸¹⁶

On 17 April 2020, the CBRT announced a third package of measures to support the economy recover from the financial impacts of coronavirus. These include an increase from 5 per cent to 10 per cent in the limit of CBRT funding through open market operations, regulation of the primary dealer banks outright sovereign bond sales, and support for the primary dealership system by easing the conditions for primary dealer banks to sell government domestic debt securities to the CBRT.⁸¹⁷

On 17 April 2020, the Omnibus Bill came to force to provide additional measures to laws to respond to the pandemic. The additional article of the Law No. 6585 regulates that a fair price is being offered on goods and services, encourages friendly competition in the market, and established an

⁸¹² Press release on Additional Measures taken against the Economic and Financial Impacts of the Coronavirus (2020-21), Central Bank of the Republic of Turkey. March 31, 2020. Access date June 4, 2020.

⁸¹³ Turkey takes sweeping steps to cushion coronavirus fallout, Anadolu Agency. April 7, 2020. Access date June 4, 2020. <https://www.aa.com.tr/en/economy/turkey-takes-sweeping-steps-to-cushion-coronavirus-fallout/1795169>

⁸¹⁴ Good News from President Erdoğan for 136 thousand SMEs, Raily News. April 7, 2020. Access date June 4, 2020. <https://www.raillynews.com/2020/04/136-thousand-cookie-mujde-from-president-erdogan/>

⁸¹⁵ Turkey: COVID-19: Ministry of Treasury And Finance Declares Force Majeure, Monqad. 15 April 2020. Access date 4 June 2020. <https://www.mondaq.com/turkey/litigation-contracts-and-force-majeure/917558/covid-19-ministry-of-treasury-and-finance-declares-force-majeure>

⁸¹⁶ Turkey in OECD Policy Tracker, OECD. Access date 4 June 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁸¹⁷ Press Release on Additional Measures Taken against the Economic and Financial Impacts of the Coronavirus (2020-22), Central Bank of the Republic of Turkey. 17 April 2020. Access date 4 June 2020. <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Announcements/Press+Releases/2020/ANO2020-22>

Unfair Price Assessment Board to make regulations on unfair price increases and stockpiling of manufacturers, suppliers and in retail.⁸¹⁸

On 18 April 2020, the Banking Regulation and Supervision Agency introduced a new Active Ratio for all banks to follow from May, which will increase their credits, swap operations and holdings of domestic securities with the CBRT.⁸¹⁹

On 5 May 2020, President Erdoğan participated in the Coronavirus Global Response pledging event, where he reaffirmed Turkey's commitment to ensure global access to the vaccine and pledged to release their support amount by the end of the month.⁸²⁰

On 12 May 2020, various custom tariffs were increased for various product lines, including construction materials, consumer durables and textile products.

On 20 May 2020, additional custom tariffs were augmented to around 800 more product lines, including agricultural machinery and food processing and packaging equipment.⁸²¹

To support businesses, Turkey implemented measures that protect the domestic economy, extended loan provision, grant short-time work allowances, and extends tax payment deadlines. It has implemented various custom measures that limit global trade and thus, can have a negative impact in the global economy. Turkey has implemented various measures during the period of compliance that support businesses and employees from the most affected sectors and provides direct support to the most vulnerable populations; yet it has not engaged in any “extraordinary” measures like other G20 countries that support larger segments of the population.

Thus, Turkey receives a score of 0.⁸²²

Analyst: Eri Kimura

United Kingdom: +1

The United Kingdom fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 3 April 2020, the UK announced additional measures to support businesses affected by COVID-19. It launched the Coronavirus Large Business Interruption Loan Scheme to ensure that larger firms that were not eligible for loans can access 80% government-guaranteed loans of up to GBP 50

⁸¹⁸ Retail Industry Regulations within the scope of law 7244 on Reducing the Effects of Novel Coronavirus Outbreak, British chamber of commerce Turkey, Moral and Partners. 17 April 2020. Access date 3 June 2020.

<https://www.bcct.org.tr/news/retail-industry-regulations-within-the-scope-of-law-7244-coronavirus-outbreak/69999>

⁸¹⁹ Turkey in OECD Policy Tracker, OECD. Access date 4 June 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁸²⁰ EU Chief thanks Turkey for solidarity in COVID-19 fight, Daily Sabah. 5 May 2020. Access date 4 June 2020.

<https://www.dailysabah.com/politics/diplomacy/eu-chief-thanks-turkey-for-solidarity-in-covid-19-fight>

⁸²¹ Turkey in OECD Policy Tracker, OECD. Access date 4 June 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁸²² Sources consulted include the Ministry of Economy and other respective government agencies, organizations that track economic policy updates due to COVID-19 such as the IMF, as well as news sources found through Google News, including Hurriyet News.

million. Also, it will provide funding on business interruption loans to increase the number of small businesses that can benefit from financing.⁸²³

On 9 April 2020, it announced a temporary extension to the Ways and Means facility to provide additional liquidity in the case it that market financing and borrowing through debt management operations is not sufficient.⁸²⁴

On 12 April 2020, the UK announced a package of GBP 200 million to provide funding to charities and international organizations to support their efforts to aid developing countries which brought the total amount of UK international aid for coronavirus to GBP 744 million.⁸²⁵

On 20 April 2020, Chancellor Rishi Sunak announced a GBP 1.25 billion package to protect businesses driving innovation in the UK. The package will allocate GBP 500 million for an investment fund for high-growth companies impacted by the crisis, and GBP 750 million in grants and loans for small and medium-sized enterprises (SMEs) doing research and development.⁸²⁶

On 22 April 2020, the Bank of England (BoE) and the UK Debt Management Office announced they would more than double the proportion of gilts held in the Asset Purchase Facility. The gilts purchased are normally available for the Debt Management Office to use in its market operations and its standing and special repo facilities. Increasing the amount of gilts available every day can ensure that it can continue lending to the market.⁸²⁷

On 27 April 2020, the government launched the Bounce Back Loan Scheme to provide loans to struggling SMEs. The scheme will allow them to access 100 per cent government-guaranteed loans ranging from GBP 2,000 up to 25 per cent of their turnover, with a maximum of GBP 50,000 with no payable fees or interests for the first 12 months and an interest of 2.5 per cent afterwards.⁸²⁸

On 29 April 2020, the UK launched the COVID-19 Business Support Finder Tool to help businesses and self-employed individuals determine what kind of financial support they can access.⁸²⁹

On 2 May 2020, the UK announced it would increase funding by GBP 617 million for the Small Business Grants Fund and the Retail Hospitality and Leisure Grants Fund, that will provide to businesses in retail, hospitality and leisure. The additional funding is aimed at small businesses with

⁸²³ Chancellor strengthens support on offer for business as first government-backed loans reach firms in need, UK Government News. 3 April 2020. Access date 4 June 2020. <https://www.gov.uk/government/news/chancellor-strengthens-support-on-offer-for-business-as-first-government-backed-loans-reach-firms-in-need>

⁸²⁴ HM Treasury and Bank of England announce temporary extension to Ways and Means facility, Bank of England (London) 9 April 2020. Access Date: 6 June 2020. <https://www.bankofengland.co.uk/-/media/boe/files/news/2020/april/hmt-and-boe-announce-temporary-extension-to-ways-and-means-facility.pdf>.

⁸²⁵ UK leads global fight to prevent second wave of coronavirus, UK Department for International Development. 12 April 2020. <https://www.gov.uk/government/news/uk-leads-global-fight-to-prevent-second-wave-of-coronavirus>

⁸²⁶ UK businesses driving innovation and development will be helped through the coronavirus outbreak with a £1.25 billion government support package, the Chancellor announced today, UK Government News. 20 April 2020. Access date 5 June 2020. <https://www.gov.uk/government/news/billion-pound-support-package-for-innovative-firms-hit-by-coronavirus>

⁸²⁷ Statement on increase to APF gilt lending limits, Bank of England. 22 April 2020. Access date 4 June 2020. <https://www.bankofengland.co.uk/news/2020/april/statement-on-increase-to-apf-gilt-lending-limits>

⁸²⁸ Apply for a coronavirus Bounce Back Loan, UK Government. 27 April 2020. Access date 5 June 2020. <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

⁸²⁹ Regulatory, Monetary and fiscal policy initiatives in response to the COVID-19 pandemic, Deloitte. 1 June 2020. Access date 4 June 2020. <https://www2.deloitte.com/uk/en/pages/financial-services/articles/regulatory-monetary-and-fiscal-policy-initiatives-in-response-to-the-covid-19-pandemic.html>

fixed costs related to their property and will increase the funding by 5 per cent to a total of GBP 12.33 billion.⁸³⁰

On 12 May 2020, the UK announced it would extend the “Coronavirus Job Retention Scheme” until the end of October 2020 to avoid a sudden removal of wage support. The scheme allowed companies that had stopped their activities because of the pandemic to receive a grant covering 80 per cent of their retained workers’ wages. Also, it announced that between August and October, 80 per cent of wages will continue to be paid to workers experiencing a reduction in working hours.⁸³¹ On 15 May, the UK extended the Job Retention Scheme until October 2020.

On 13 May 2020, the UK government announced it would temporarily guarantee business-to-business transactions that are normally covered by the Trade Credit Insurance, to ensure that most of the insurance is available to the market. The guarantee will cover trading by domestic firms and exporting firms, which will reinforce global supply chains and help businesses trade without the fearing that a customer will default on payment.⁸³²

On 19 May 2020, the government announced extensions to the Coronavirus Large Business Interruption Loan Scheme launched early in April. It will increase the maximum loan size from GBP 50 million to GBP 200 million. Companies borrowing above GBP 50 million it will be restricted on dividend payments and cash bonuses during the period of the loan.⁸³³

On 22 May 2020, the BoE announced they discounted three-month Contingent Term Repo Facility operations at the end of May with the final operation scheduled on 28 May.⁸³⁴

The UK has implemented generous fiscal policy measures to support economic recovery, and in the compliance period, extended various programs to provide support and 100 per cent government-guaranteed loans to SMEs and large firms recover and support employees through the pandemic. Although it did not implement measures like universal cash transfers, it has provided income support for laid-off workers, self-employed individuals and generous funding to various sectors.

Thus, the UK receives a score of +1.

Analyst: Eri Kimura

United States: +1

The United States fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 27 March 2020, President Donald Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In the act, the government pledged it would provide 1) USD 293 billion

⁸³⁰ Top-up to local business grant funds scheme, UK Government News. 2 May 2020. Access date 4 June 2020.

<https://www.gov.uk/government/news/top-up-to-local-business-grant-funds-scheme>

⁸³¹ United Kingdom in OECD Policy Tracker, OECD. Access date 5 June 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁸³² Government to support businesses through Trade Credit Insurance guarantee, UK Government News. 13 May 2020.

Access date 5 June 2020. <https://www.gov.uk/government/news/government-to-support-businesses-through-trade-credit-insurance-guarantee>

⁸³³ Regulatory, Monetary and fiscal policy initiatives in response to the COVID-19 pandemic, Deloitte. 1 June 2020.

Access date 4 June 2020. <https://www2.deloitte.com/uk/en/pages/financial-services/articles/regulatory-monetary-and-fiscal-policy-initiatives-in-response-to-the-covid-19-pandemic.html>

⁸³⁴ Regulatory, Monetary and fiscal policy initiatives in response to the COVID-19 pandemic, Deloitte. 1 June 2020.

Access date 4 June 2020. <https://www2.deloitte.com/uk/en/pages/financial-services/articles/regulatory-monetary-and-fiscal-policy-initiatives-in-response-to-the-covid-19-pandemic.html>

for one-time tax rebates for individuals, 2) USD 349 billion for forgivable small business administration loans, 3) USD 25 billion to ensure food security for vulnerable populations, 4) USD 510 billion for loans and guarantees to avoid corporate bankruptcy, 5) USD 268 billion to expand unemployment benefits, 6) USD 100 billion for supporting hospitals, 7) USD 150 billion in aid for state and local governments, and 8) USD 49.9 billion to provide international assistance to fight the pandemic. This fiscal stimulus package is calculated to provide aid of around 11 per cent of gross domestic product.⁸³⁵

The CARES Act will support households and businesses during the crisis. Households with earning less than USD 75,000, received a one-time direct cash payment of USD 1,200, married couples received USD 2,400 and USD 500 per child. The unemployment insurance was expanded to include coverage to the self-employed and workers in the gig economy, and will also provide insurance payments of USD 600 per week until July.⁸³⁶ Interest and principal payments of federal student loans will be deferred, while banks and federally-insured residential mortgage loans financial institutions are required to apply forbearance in overdue or late payments.⁸³⁷

Businesses will benefit from the CARES Act through USD 221 billion in tax deferrals and reductions. Severely affected employers can receive a 50 per cent refundable payroll tax credit for wages paid during the crisis. Also, businesses can defer tax payments for payrolls from 2020 to 2021 and 2022, and can carry back losses for five years and are eligible for immediate refunds.⁸³⁸ The CARES Act will also provide lending of USD 25 billion for airlines, USD 4 billion for air cargo firms, and USD 17 billion in firms critical for national security.⁸³⁹

The CARES Act will provide USD 350 to support business interruption loans to aid small businesses, where the principal payment of the loans used for payroll, rent, interest rates, and utilities will be forgiven for 8 weeks if they maintain pre-crisis employment levels.⁸⁴⁰

On 30 March 2020, the Federal Reserve launched a six-month program to expand the ability of foreign central banks to access US dollars through exchange of US Treasury securities holdings for overnight dollar loans.⁸⁴¹ On 9 April, the Federal Reserve announced a USD 2.3 investment to offer small and medium-sized enterprises four-year loans to companies of up to 10,000 employees and is supporting local governments by directly buying bonds of states and large cities.⁸⁴²

On 1 April 2020, the Department of Labour announced new measures for the Families First Coronavirus Response Act. The act would now include reimbursement of tax credits for the costs of

⁸³⁵ United States in IMF policy tracker, International Monetary Fund. Access date 3 June 2020.

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>

⁸³⁶ Congress Approves Economic Relief Plan for Individuals and Businesses, Tax Foundation. 30 March 2020. Access date 3 June 2020. <https://taxfoundation.org/cares-act-senate-coronavirus-bill-economic-relief-plan/>

⁸³⁷ United States in OECD Country Policy Tracker, OECD. Access date 1 June 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁸³⁸ United States in OECD Country Policy Tracker, OECD. Access date 1 June 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁸³⁹ Congress Approves Economic Relief Plan for Individuals and Businesses, Tax Foundation. 30 March 2020. Access date 3 June 2020. <https://taxfoundation.org/cares-act-senate-coronavirus-bill-economic-relief-plan/>

⁸⁴⁰ United States in OECD Country Policy Tracker, OECD. Access date 3 June 2020.

<http://www.oecd.org/coronavirus/en/#policy-responses>

⁸⁴¹ Factbox: Global economic policy response to coronavirus crisis, Reuters. 14 April 2020. Access date 3 June 2020.

<https://www.reuters.com/article/us-health-coronavirus-economy-factbox/factbox-global-economic-policy-response-to-coronavirus-crisis-idUSKCN21W2AJ>

⁸⁴² Factbox: Global economic policy response to coronavirus crisis, Reuters. 14 April 2020. Access date 3 June 2020.

<https://www.reuters.com/article/us-health-coronavirus-economy-factbox/factbox-global-economic-policy-response-to-coronavirus-crisis-idUSKCN21W2AJ>

paid leave because of COVID-19 for employers with less than 500 workers.⁸⁴³ As well, the Federal Reserve Board announced a temporary change to its supplementary leverage ratio for banks to ease the provision of credit to households and businesses.⁸⁴⁴

On 14 April 2020, the Emergency Money for the People Act was introduced to the House but has not been approved by Congress. If approved, it would provide monthly direct cash payment of up to USD 5,500 for families with children USD 4,000 for a married couple and USD 2,000 for individuals and would increase the number of beneficiaries compared to the CARES Act cash transfers to include earning up to USD 130,000.⁸⁴⁵

On 24 April 2020, the government passed the Paycheck Protection Program and Health Care Enhancement Act, which provide USD 320 billion in forgivable federally guaranteed loans with 1 per cent interest rates to small businesses. Also, additional USD 62 billion were given to the Small Business Administration to increase loans and grants for small businesses. Finally, USD 100 billion will be allocated for virus testing and hospitals.⁸⁴⁶

On 7 May 2020, the Department of Commerce announced that the Economic Development Administration (EDA) received USD 1.5 billion in additional funding for the CARES Act Recovery Assistance. EDA will use that money to provide grants for comprehensive economic development and recovery strategies to state, counties, cities, tribes, universities and public or private non-for-profit organizations.⁸⁴⁷

The US has implemented strong fiscal and monetary measures to support households and businesses recover from the pandemic and maintain employment.

Thus, the US receives a score of +1.

Analyst: Eri Kimura

European Union: +1

The European Union fully complied with its commitment to do whatever it takes and use all available policy tools to minimize the economic damage from the pandemic.

On 9 April 2020, the European Council released the Report on the Comprehensive Economic Policy Response to the COVID-19 Pandemic, with policies valued at approximately EUR 540 billion or 4

⁸⁴³ U.S. Department of labor announces new paid sick leave and expanded family and medical leave implementation, U.S. Department of Labor. 1 April 2020. Access date 3 June 2020. <https://www.dol.gov/newsroom/releases/whd/whd20200401>

⁸⁴⁴ Federal Reserve Board announces temporary change to its supplementary leverage ratio rule to ease strains in the Treasury market resulting from the coronavirus and increase banking organizations' ability to provide credit to households and businesses, Federal Reserve. 1 April 2020. Access date 3 June 2020. <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200401a.htm>

⁸⁴⁵ Release: Representatives Ro Khanna and Tim Ryan introduce legislation to send Americans additional cash payments, Congressman Ro Khanna press release. 14 April 2020. Access date 3 June 2020. <https://khanna.house.gov/media/press-releases/release-representatives-ro-khanna-and-tim-ryan-introduce-legislation-send>

⁸⁴⁶ H.R.266 – Paycheck protection program and health care enhancement act, Congress of the United States. Access date 3 June 2020. <https://www.congress.gov/bill/116th-congress/house-bill/266>

⁸⁴⁷ Economic Adjustment Assistance Program, U.S. Economic Development Administration. Access date 3 June 2020. https://inks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDMsInVyaSI6ImJwMjppbGJjayl1bGxldGluX2lkjoiMjAyMDA1MDcuMjExNzkuODEiLCJ1cmwiOiJodHRwczovL3d3dy5lZGEuZ292L3BkZi9hYm91dC9FY29ub21pYy1BZGp1c3RtZW50LUFzc2lzdGFuY2UtUHJvZ3JhbS0xLVBhZ2VyLnBkZj91dG1fY29udGVudD0mdXRtX21lZGl1bT1lbWFpbCZ1dG1fbmFtZT0mdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSZ1dG1fdGVybT0ifQ.UBx_YDRQVQ8LL9l29Y3CC77VVY706otr20gQDAoz_tY/br/78360174962-l

per cent of the gross domestic product (GDP) of the 27 EU member states.⁸⁴⁸ This economic support package will help jobs and workers, businesses, and member states deal with the pandemic and will be divided in three programs: Pan-European Guarantee Fund for Loans to Companies, Pandemic Crisis Support through the European Stability Mechanism, and the Support to Mitigate Unemployment Risks during the Emergency (SURE).⁸⁴⁹

On 15 April 2020, the European Investment Bank (EIB) announced the creation of a EUR 25 billion Pan-European Guarantee Fund in the face of COVID-19. The fund will aim to support to small and medium-sized enterprises (SMEs), mid-caps and corporates through the provision of guarantee-support to commercial banks and other financial institutions. The EIB has calculated that up to EUR 200 billion will become available.⁸⁵⁰

On 20 May 2020, the European Council adopted an instrument for the temporary SURE instrument to support national short-time work schemes and similar measures for workers to keep the jobs despite the crisis. SURE is a safety net scheme that can provide loans to EU members of up to EUR 100 billion backed by the EU budget and guarantees. It will be available to member states that provide the required guarantees until the end of 2022.⁸⁵¹ Also, on 6 April, the EU provided EUR 1 billion to the European Investment Fund as guarantee to support SME financing.⁸⁵²

On 1 April 2020, the European Council and Parliament approved the Coronavirus Response Investment Initiative (CRII). Through the initiative, EUR 37 billion will be allocated in cohesion policy to effectively respond against the crisis in EU countries. Additionally, member states were instructed to use their unspent EU budget as national co-financing for the health sector, support for SMEs working capital and the labour market through short-time work schemes. The CRII also extended the Solidarity Fund and will allow the hardest-hit EU members access financial support of up to EUR 800 million in 2020 to support the implementation of immediate response measures.⁸⁵³

On 15 April 2020, the Coronavirus Response Investment Initiative Plus (CRII+) was adopted with proposed additional measures to the CRII.⁸⁵⁴ The legislative package allows member states use the non-utilized cohesion policy funds to be mobilized to address economic and public health concerns arising from the crisis. Also, the procedural steps for CRII implementation and audit will be simplified to provide a faster transfer of resources from the fund to the countries.⁸⁵⁵

On 23 April 2020, the European Council endorsed the Pandemic Crisis Support credit lines, and opened credit lines to all euro area countries of up to 2 per cent of their GDP. On 15 May, the Board

⁸⁴⁸ Report on the comprehensive economic policy response to the COVID-19 pandemic, European Council. 9 April 2020. Access date 8 May 2020. <https://www.consilium.europa.eu/en/press/press-releases/2020/04/09/report-on-the-comprehensive-economic-policy-response-to-the-covid-19-pandemic/>

⁸⁴⁹ Infographic: The EU's emergency response to the COVID-19 Pandemic, European Council. Access date 22 May 2020. <https://www.consilium.europa.eu/en/infographics/covid-19-eu-emergency-response/>

⁸⁵⁰ Coronavirus outbreak: EIB Group's response, European Investment Bank. Access date 9 May 2020.

<https://www.eib.org/en/about/initiatives/covid-19-response/index.htm>

⁸⁵¹ EU in OECD Country Policy Tracker, OECD. Access date 18 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁸⁵² EU in OECD Country Policy Tracker, OECD. Access date 18 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁸⁵³ Report on the comprehensive economic policy response to the COVID-19 pandemic, European Council. 9 April 2020. Access date 8 May 2020. <https://www.consilium.europa.eu/en/press/press-releases/2020/04/09/report-on-the-comprehensive-economic-policy-response-to-the-covid-19-pandemic/>

⁸⁵⁴ Cohesion policy action against coronavirus, European Commission. Access Date: 18 May 2020.

https://ec.europa.eu/regional_policy/en/newsroom/coronavirus-response/

⁸⁵⁵ Cohesion policy action against coronavirus, European Commission. Access Date: 18 May 2020.

https://ec.europa.eu/regional_policy/en/newsroom/coronavirus-response/

of Governors of the European Stability Mechanism (ESM) approved their establishment. The credit lines will be available to all members of the EU until the end of 2022, and the funds should be allocated to support domestic financing of direct and indirect costs arising from cure and prevention of the COVID-19 crisis.⁸⁵⁶

On 28 April 2020, the European Commission proposed changes to the Capital Requirements Regulation to provide with temporary capital relief to banks to increase the number of loans to SMEs or for infrastructure investments.⁸⁵⁷

On 30 April 2020, the European Central Bank (ECB) further reduced the interest rate by 50 basis points in targeted longer-term refinancing operations until June 2021. Also, the ECB engaged in seven non-targeted pandemic emergency long-term refinancing operations providing liquidity to the EU area.⁸⁵⁸

The EU has implemented various measures aimed at stabilizing the economy and supporting members of the EU deal with the economic crisis arising from the pandemic. Furthermore, the EU is engaging in international solidarity, by providing financial aid to other non-EU countries.

Thus, the EU receives a score of +1.

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⁸⁵⁶ ESM Pandemic Crisis Support, European Stability Mechanism. Access Date: 18 May 2020.

<https://www.esm.europa.eu/content/europe-response-corona-crisis>

⁸⁵⁷ EU in OECD Country Policy Tracker, OECD. Access Date: 18 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>

⁸⁵⁸ EU in OECD Country Policy Tracker, OECD. Access Date: 18 May 2020. <http://www.oecd.org/coronavirus/en/#policy-responses>