



**SUMMARY OF THE MAIN ECONOMIC, MONETARY AND FINANCIAL POLICY
MEASURES TAKEN IN THE FACE OF THE GLOBAL PANDEMIC COVID-19**

09-10-2020

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- RESUMEN DE POLÍTICAS POR REGIÓN / POLICY SUMMARY PER REGION

- a. Summary by Types of Measures: Latin America and the Caribbean

Types of Measures	Country
Increased investment spending (infrastructure)	Argentina Barbados Chile Colombia Costa Rica Guatemala Honduras Mexico
Control of interest rates at SMS	Argentina
Vulnerable Population Subsidies (subsidized credits)	Argentina Bolivia Brazil Chile Costa Rica El Salvador Guatemala Jamaica Peru
Temporary moratorium of Loans	Bahamas Barbados Belize Brazil Bolivia Costa Rica Chile Colombia Dominican Republic El Salvador Ecuador Honduras Mexico Panama Paraguay Peru Uruguay Trinidad and Tobago
Temporary moratorium or deferral on the payment of taxes	Bahamas Bolivia Brazil Colombia

	Costa Rica Chile Ecuador El Salvador Guatemala Jamaica Panama Paraguay Peru Dominican Republic Trinidad and Tobago Uruguay
Temporary suspension of collection and penalty for non-payment of utilities (freezing fees)	Bolivia Colombia Costa Rica Dominican Republic Ecuador El Salvador Peru
Increased liquidity (increased credit generation) Credit to SMEs	Argentina Barbados Bolivia Brazil Chile Colombia Costa Rica Guatemala Honduras Jamaica Mexico Paraguay Peru Dominican Republic Trinidad and Tobago Uruguay
Intervention in the exchange market (reduction of exchange rate volatility)	Barbados Brazil Colombia
Intervention in the money market (increase in liquidity and interest rate reduction)	Brazil Barbados Colombia Chile Costa Rica Guatemala Honduras Mexico

	Paraguay Peru Dominican Republic Trinidad and Tobago Uruguay
Transitional suspension of financial regulatory adjustments (Basel III)	Chile
Increased taxes and withholdings	Ecuador
Price control for necessities	Argentina Bolivia El Salvador Honduras Panama
Deferral of social security contributions	Colombia Costa Rica Guatemala Panama Peru Uruguay
Accelerating payments to state suppliers	Chile
Aids for highly affected sectors (air sector, tourism)	Colombia
Payments to vulnerable sectors	Argentina Bahamas Barbados Bolivia Brazil Colombia Costa Rica Chile Ecuador Jamaica Paraguay Peru Venezuela

b. Summary by Types of Measures: Europe

Types of Measures	Country
State Loans or Credit Guarantees for Enterprises	Germany France Italy UK Spain Romania Belgium Sweden
Income subsidies for workers	Germany France Italy Spain Portugal
Tax Deferrals	Germany France UK Spain
Social Security Deferrals or Subsidies	Germany France Spain
Debt Repayment Holidays	Italy UK Spain
Supplementary Budget	Ukrain

c. Summary by Types of Measures: North America

Types of Measures	Country
Income subsidies for workers	US government proposal Canada
Tax Deferrals	US government Canada
Credit deferral	Canada US Banks
Credit Support	FED
U.S. Swap Facility	FED
Liquidity facility	FED
Credit Flow facility	FED
Spending	US Government Canada
Aid Package	Canada

d. Summary by Types of Measures: Asia-Pacific / Other Regions

Types of Measures	Country
Fiscal Stimulus	Australia Bahrein China Hong Kong India Indonesia Japan Malaysia New Zealand Oman Qatar Pakistan Philippines Saudi Arabia Singapore Sri Lanka Taiwan Thailand United Arab Emirates Uzbekistan
Quantitative easing	Australia Bangladesh Iran Japan New Zealand

	Singapore Thailand
Airline support	Australia Proposal in India New Zealand Russia Turkey
Dollar supply	Hong Kong Indonesia Korea
Currency Buying	Japan
Supplementary budget	Bangladesh Cambodia Korea Singapore
Lending quotas	China
Cash transfers	Bahrein Hong Kong India Indonesia Iran Kazakhstan Korea Malaysia Pakistan Singapore Thailand Uzbekistan
Credit support to enterprises	Australia Azerebaijan Bahrein China Hong Kong India Indonesia Israel Kazakhstan Korea Lebanon Malaysia Myanmar New Zealand Philippines Russia Samoa Saudi Arabia Singapore

	Thailand United Arab Emirates Uzbekistan Vietnam
Subsidies	Abu Dhabi Indonesia Israel Japan New Zealand Pakistan Singapore Uzbekistan
Credit deferral	Brunei Darussalam Hong Kong India Iran Jordan Kazakhstan Korea Kuwait New Zealand Oman Pakistan Qatar Samoa Saudi Arabia Seychelles Sri Lanka Thailand Turkey United Arab Emirates Uzbekistan
Tax deferrals	India

- AMÉRICA LATINA Y EL CARIBE / LATIN AMERICA AND THE CARIBBEAN

Economic and Financial Policy Responses against COVID-19

Latin America and the Caribbean Overview

Key measures taken until May 14th, 2020.

- Macroeconomic, Monetary, Financial and Fiscal Measures

Country/Institution	Date	Measures
Brazil	09-09	<p>Proposal: The Brazilian Senate approved on Wednesday a bill that extends until the end of 2021 the period for the application of funds transferred by the Union to face the coronavirus crisis. With that, States, Federal District and municipalities will be able to use, until December 31, 2021, the resources linked to the areas of social assistance and health to combat the coronavirus crisis transferred by the Union this year. The proposal that still needs to be analyzed by the Chamber of Deputies, prohibits the return of resources to the Union for other purposes, unless the misappropriation of public money is proven.</p> <p>Link</p>
	09-09	<p>The Chamber of Deputies approved on Wednesday two provisional measures that open credit to the Ministry of Health to fight the coronavirus pandemic. The first one opens an extraordinary credit of R \$ 5.566 billion (US\$ 1.034 billion) in favor of the Ministry of Health. The funds are fully allocated, according to the text of the measure, to reinforce the confrontation of the public health emergency of international importance resulting from the coronavirus. Of this amount, R \$ 4.853 billion (US\$ 912 billion) will be executed by the National Health Fund, while the other 713.2 million (US\$ 134) will be allocated to the Oswaldo Cruz Foundation.</p> <p>The second measure opens an extraordinary credit in favor of the Ministry of Health in the amount of 10 billion reais (~USD 1.88 billion), also earmarked for action to deal with the emergency, and the amount will be fully allocated to the National Health Fund.</p> <p>Link</p>
Colombia	09-10	Colombia has placed 4.8 trillion pesos (US\$1.3 billion) in local treasury bonds. The 30-year TES bonds - the longest placement period ever for bonds in local currency - are due

		<p>in 2050. The bonds, which saw demand of almost double the offer, have an interest rate of 7.25%.</p> <p>Link</p>
El Salvador		<p>The Central Bank of El Salvador issued a “Temporary Technical Rule” for the treatment of loans affected by the Covid-19 pandemic. The rule establishes an extension for the payment moratoriums, leaving the management to the financial institutions. With the rules, they will be able to modify the conditions of the credits agreed with the debtors, establish new conditions for the payment of obligations, review the terms and conditions of the loans, in terms of interest rates and terms, and to agree and grant grace periods while maintaining the risk category for debtors.</p> <p>Link</p>
Honduras	09-01	<p>The Central Bank of Honduras approved a reduction of 3.0 percentage points (pp) in the legal reserve in national currency, passing it from 12.0% to 9.0%. In addition, in order to generate a stimulus conducive to the reorientation of liquid resources to priority sectors, the BCH established in 3.0% the requirement for compulsory investments in national currency, to register it with the total value guaranteed by the Guarantee Fund for MSME of new loans granted to priority sectors. The eligibility period for the calculation of compulsory investments in these appropriations is established between 24 September 2020 and 29 December 2021</p> <p>Link</p>
Dominican Republic	08-31	<p>At its monetary policy meeting in August 2020, the Central Bank of the Dominican Republic (BCRD) approved a 50-point reduction in its monetary policy interest rate from 3.50% to 3.00% per annum. In addition, it decided to narrow the interest rate corridor by lowering the interest rate of the permanent liquidity expansion facility (Repos at 1 day) from 4.50% to 3.50% per annum, while the interest rate on paid deposits (Overnight) remains at 2.50% per annum. In this way, the corridor of the Central Bank's permanent liquidity facilities will have a range of 50 basis points with respect to the monetary policy rate.</p>

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4. Measures towards vulnerable or excluded population

Country/Institution	Date	Measure
Guatemala	08-31	<p>The Inter-American Development Bank (IDB) approved a US\$100 million operation to support vulnerable populations. The programme will have a single component of money transfers for the protection of vulnerable populations, which will be implemented through the Bono Familia fund. Beneficiaries eligible for this benefit will be persons living in households without access to electricity and in locations with high levels of poverty, as well as those with access to electricity with monthly consumption less than 200kWh by February 2020 registration. This is expected to cover around 10% of all Family Bonus beneficiaries, as well as coverage of indigenous populations, particularly in the population group without access to electricity. The transaction, totaling US\$100 million, has a repayment period of 23.5 years, with a disbursement period of 18 months and a LIBOR interest rate.</p> <p>Link</p>

- EUROPA / EUROPE

Economic and Financial Policy Responses against COVID-19

Europe Overview

Key measures taken by European Institutions and most affected countries until May 7th, 2020.

1. Monetary, Fiscal, and Macroeconomic Measures

Country/Institution	Date	Measure
Others	09/10	Albania: Albania's government said it has approved a 180 million euro (\$212.2 million) financial package from the European Union aimed to help the Western Balkans country limit the economic fallout from the coronavirus pandemic. The loan agreed in early August will be used to strengthen public finance and the resilience of the financial sector, improving governance and fighting corruption, and enhancing social protection, the government said in a statement on Wednesday (Reuters).

- Large Enterprises Measures

Country/Institution	Time	Measure
Italy	09/04	€199.45 million (US\$ 235 million) Italian support to compensate Alitalia for damages suffered due to coronavirus outbreak. The support will take the form of a direct grant, which corresponds to the estimated damage directly caused to the airline in that period.

- MSMEs Measures

Country/Institution	Time	Measure
UK		UK offers grants to firms hit by local COVID lockdowns in England. Businesses that have to shut because of local coronavirus lockdowns will be able to receive grants of up to 1,500 pounds (\$1,939.65) per property every three weeks. (Reuters)

- Measures towards vulnerable or excluded population

Country/Institution	Time	Measure
Others	09/07	<p>Czech Republic:</p> <p>A new law that would partially subsidize salaries of employees on reduced work schedules, should take effect in November to replace an expiring job furlough scheme adopted early in the coronavirus pandemic, Prime Minister Andrej Babis said. Industry and Trade Minister Karel Havlicek said the law would allow the government cover 50-70% of pay for 1, 2, or up to 4 days per week that employees are at home due to shocks to companies coming from pandemics or natural disasters. (Reuters)</p>
	09/07	<p>Sweden:</p> <p>Sweden's center-left government will boost funding to local authorities by 10 billion crowns (\$1.14 billion) in 2021 and invest an additional 9.7 billion (\$1.11 billion) in elderly care amid strains to the welfare system exposed by the pandemic. (Reuters)</p>

AMÉRICA DEL NORTE / NORTH AMERICA

Economic and Financial Policy Responses against COVID-19

US and Canada Overview

Key measures taken until May 14th, 2020.

- ASIA/PACÍFICO Y OTRAS REGIONES / ASIA PACIFIC AND OTHER REGIONS

Economic and Financial Policy Responses against COVID-19

Asia Pacific Overview

1. Monetary, Fiscal, and Macroeconomic Measures

Country/Institution	Date	Measure
India	9/07	<p>Reserve Bank of India today released the K V Kamath-led Committee report, which had recommended financial parameters to be factored in the resolution plans under the 'Resolution Framework for Covid19-related Stress' along with sector specific benchmark ranges for such parameters.</p> <p>The committee has recommended financial ratios for 26 sectors which could be factored by lending institutions while finalizing a resolution plan for a borrower. The financial aspects include those related to leverage, liquidity, debt serviceability.</p> <p>The RBI had formed a five-member committee under the chairmanship of Kamath to make recommendations on the financial parameters to be considered for the one-time restructuring of loans impacted by the Covid 19 pandemic. Other members of the committee are former State Bank of India executive Diwakar Gupta, current Canara Bank chairman TN Manoharan, consultant Ashvin Parekh and Indian Banks' Association (IBA) CEO Sunil Mehta who was also a secretary to the committee.</p> <p>It had asked the panel to recommend a list of financial parameters, including leverage, liquidity, and debt serviceability, to decide on the resolution plan. The committee will also vet the resolution plans for all the accounts where the exposure is more than ₹1,500 crore. The Kamath panel selected the following sectors for the purpose of recommending financial parameters to be factored in the resolution plan:</p> <ol style="list-style-type: none"> 1 Power 2 Construction 3 Iron & Steel Manufacturing 4 Roads 5 Real Estate 6 Trading-Wholesale 7 Textiles 8 Chemicals

		<p>9 Consumer Durables/FMCG 10 Non-ferrous Metals 11 Pharmaceuticals Manufacturing 12 Logistics 13 Gems & Jewellery 14 Cement 15 Auto Components 16 Hotel, Restaurants, Tourism 17 Mining 18 Plastic Products Manufacturing 19 Automobile Manufacturing 20 Auto Dealership 21 Aviation 22 Sugar 23 Port & Port services 24 Shipping 25 Building Materials 26 Corporate Retail Outlets</p> <p>"The recommendations of the Committee have been broadly accepted by the Reserve Bank. Accordingly, a follow up circular to the Resolution Framework guidelines announced in August 6, 2020, has been issued today by the Reserve Bank specifying five specific financial ratios and the sector-specific thresholds for each ratio in respect of 26 sectors to be taken into account while finalising the resolution plans," the central bank said in a statement.</p> <p>In respect of other sectors where certain ratios have not been specified, the lenders shall make their own assessment keeping in view the contours of the circular dated August 6, 2020 and the follow-up circular issued today, the circular added.</p> <p>The committee panel recommended lenders to mandatorily consider total outstanding liabilities/adjusted tangible net worth, total debt/EBITDA, Current Ratio, Debt Service Coverage Ratio, and average debt service coverage ratio.</p> <p>Signing inter-creditor pact will be mandatory to invoke debt resolution. To assess inter-creditor pact compliance is needed in supervisory review. Lenders are free to consider other financial parameters in addition to five mandatory ones, the report stated.</p> <p>The panel also recommended that debt service coverage ratio should be 1 and above in all eligible cases. Banks should consider pre-covid financial state of company and covid impact to finalise recast plan.</p> <p>However, only those borrower accounts shall be eligible for resolution which were classified as standard, but not in default for more than 30 days with any lending institution as on March 1, 2020. According to RBI, the resolution framework may be invoked not later than December 31, 2020 and the plan needs to be</p>
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		<p>implemented within 180 days from the date of invocation. Moreover, banks may restructure loans of more than ₹10 lakh crore largely attributed to 5-6 critical sectors, including aviation, commercial real estate and hospitality, that have been severely hit by the Covid-19 outbreak, according to bankers.</p> <p>Finance Minister Nirmala Sitharaman last week asked banks and NBFCs to roll out one-time loan restructuring scheme for Covid-19 related stress by September 15.</p> <p>Link</p>
Malaysia	9/10	<p>Malaysia's central bank kept its key interest rates steady at a record low on Thursday, holding fire after four consecutive rate cuts this year, as the coronavirus-hit economy showed tentative signs of recovery.</p> <p>Link</p>
Thailand	9/08	<p>Thailand's cabinet on Tuesday approved measures to create jobs, the prime minister said, as the government tries to revive an economy devastated by the coronavirus pandemic. But planned cash handouts had not been discussed yet, Prayuth Chan-ocha told a news briefing. Last week, the government announced fiscal stimulus plans worth a combined 68.5 billion baht (\$2.18 billion) - 45 billion baht for handouts and 23.5 for adding jobs.</p> <p>Link</p>