

This brief aims to give Executives **information on the development and recovery process post COVID-19** which has impacted lives, societies and businesses **worldwide**

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COVID-19 Global Executive Brief

The road to recovery

Business Sweden

Updated 9 June 07:00 CET



Agenda

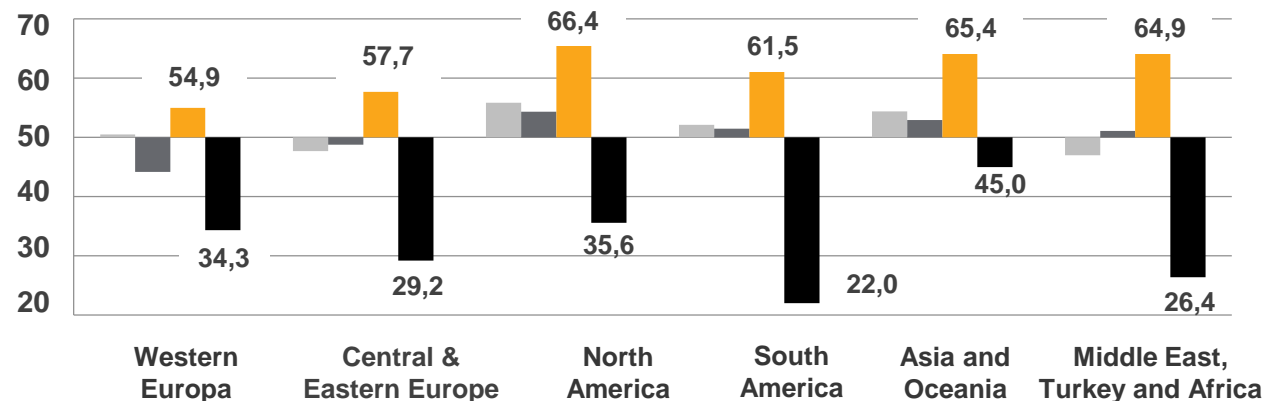
- **Weekly feature: Covid-19 effects on Swedish Exports**
- Global overview
- Europe overview
- Middle East & Africa overview
- Asia-Pacific overview
- Americas overview
- About Business Sweden



Severe impact on Swedish exporters – some light in the tunnel with fewer companies seeing negative exports and production scale back next 4 weeks

Export Managers' Index Forecast* Q1 2020

EXPORT DEMAND PER REGION: 3-MONTH FORECAST



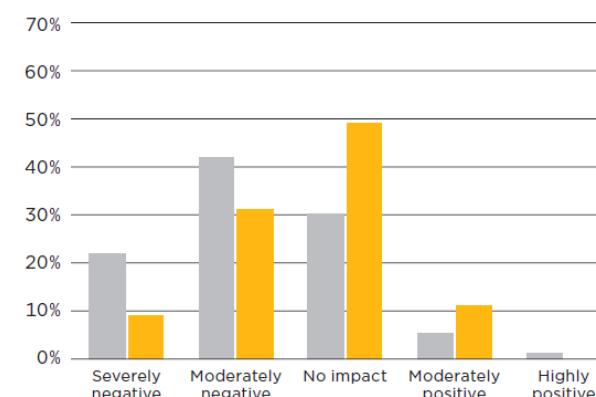
- **Global Export Manager's Forecast Index* drops to financial crisis level in second quarter from 62.1 to 38.2 – well below the 50-division line**
- Export companies have a pessimistic view of export development over the next 3-month period across all regions
 - Index drop most **severe in South America, the Middle East, Turkey and Africa**
 - The decline in **Western Europe and Asia and Oceania is not as severe**
- Large companies are consistently more pessimistic than small and medium-sized companies



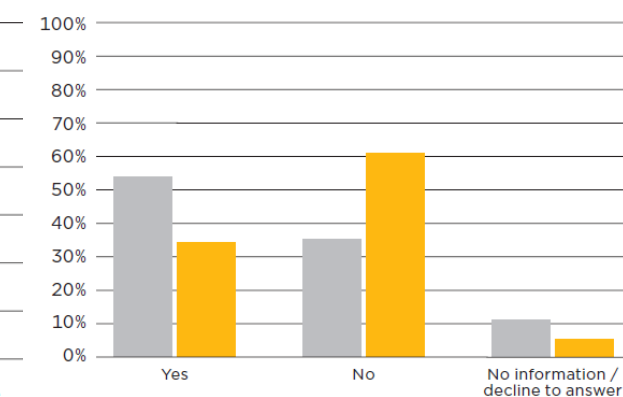
Corona survey with Swedish companies**

March May

EXPORTS 4-WEEK FORECAST



PRODUCTION SCALE BACK 4-WEEK FORECAST



- **Survey gives some room for optimism**, although exporters' continue to see negative impact on present sales and production
- **More optimism can be seen in impact on exports from Sweden and production scale-back**
 - Fewer companies expecting exports from Sweden to be severely hit or moderate negative in next four weeks in May compared to March
 - Less exporters plan to scale back in production in coming weeks in May compared to March
- **The survey shows that Sweden's heavy manufacturing industries are worst affected**



Including more production and sales survey results

[Link](#) to all Export Manager Index reports

[Link](#) to Business Sweden's Corona Survey Report

Source: Business Sweden Surveys May 2020 *The EMI index has been published quarterly since 2007 and serves as an important economic indicator of Swedish exports. The survey covers large and MSME companies (214) and the result is weighted with the companies' export value. 50 is the dividing line between strengthening and weakening. **Second survey conducted with Swedish exports (285) to understand how companies view their current and future situation in the middle of the crisis

Agenda

- Weekly feature: Covid-19 effects on Swedish Exports
- **Global overview**
- Europe overview
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Virus remains a threat in Americas, EU sees increased stimulus and most internal borders open from June 15 as Asia also eases restrictions and increases stimulus

Americas

- U.S. sees daily BLM protests and states focus on prioritising testing of protesters to limit increased infections
- U.S. surprised analysts in May with 2.5 mn jobs (13.3% unemployment vs 14.7% in April). However, numbers included furloughed jobs, whilst permanent job-losses were higher and will be harder to recover. U.S. is expected to see it's worst year since WWII and 61% of surveyed small businesses believe they might file for bankruptcy during the year
- LatAm sees fastest spread in the world and there are no signs of transmission slowdown in worst hit countries: e.g. Brazil, Mexico and Peru
- Parts of Brazil prepares to reopen even though transmissions has not yet reached its plateau – a study forecasts that the country will reach 1 million cases in only a few weeks

EMEA

- Most European countries open their borders in some form on June 15 as leaders hope to see intra-regional travel back to normal by the end of June. UK to hold on to 14-day travel quarantine
- ECB succeeds to unify efforts and double pandemic purchase programme to 1,524 bn USD. Moreover, Germany announced 146 bn USD post-covid package to shorten recession (4% of GDP)
- Multiple governments have announced a focused green and sustainable recovery with dedicated funds, e.g. Spain, Italy, UK and France.
- Saudi re-imposes stricter curfews as cases exceeds 100,000
- Cases in Africa nears 200,000, as South Africa (25% of cases) opened schools on Monday after one week delay

Asia-Pacific

- China's economy is struggling to recover. Exports decreased less than expected in May (-3% y-o-y), however imports fell more than expected (-17% y-o-y) due to weak global and domestic demand
- Overall infection spread is under control in Southeast Asia. Pockets of infections spike in South Korea and Japan, which are linked to bars, door-to-door sales and logistic centers
- Japan sees increased consumer confidence while South Korea and Hong Kong increase economic stimulus targeting tech and supply chain support
- India eases restriction amidst breaking records in daily infections numbers. Malls, temples and Delhi's borders reopened on Monday, while hard-hit Mumbai remains under restrictions

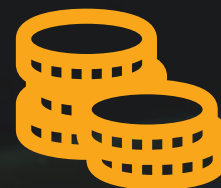


397,388

Total fatalities

4,586

Fatalities last 24 hours



\$21 bn

Amount of money pledged by G20 countries to the medical fight against the virus



92.9%

Share of economies that are expected to enter a recession in 2020. The highest level since 1870



-55.3%

Significant Drop in FDI Index (YoY) in April 2020, however, positive signals indicates investors prepare to invest post-crisis



\$1.5 tn

Total amount of “fiscal firepower” announced by the ECB to kick-start eurozone economies post lockdown



30%

Germany’s total fiscal support and stimulus measures to mitigate C19 impact, as a share of GDP*

“

I suspect we will see slow revivals, episodic setbacks and costly adjustments — **but not a decade of economic disaster.**

Robert Zoellick, Former World Bank President

There is some evidence that European economies are **through the worst of this really sharp fall in output**

Neil Shearing, Group Chief Economist at Capital Economics

”

2-WEEK DEVELOPMENT OF VIRUS SPREAD

Thousands

Total cases

7 000

6 000

5 000

4 000

3 000

2 000

1 000

0

27 May

7 June

Fatalities

600

500

400

300

200

100

0

— Total cases — Fatalities

Daily COVID-19 fatalities in USA and India continue to increase

DEVELOPMENT IN THE LARGEST ECONOMIES

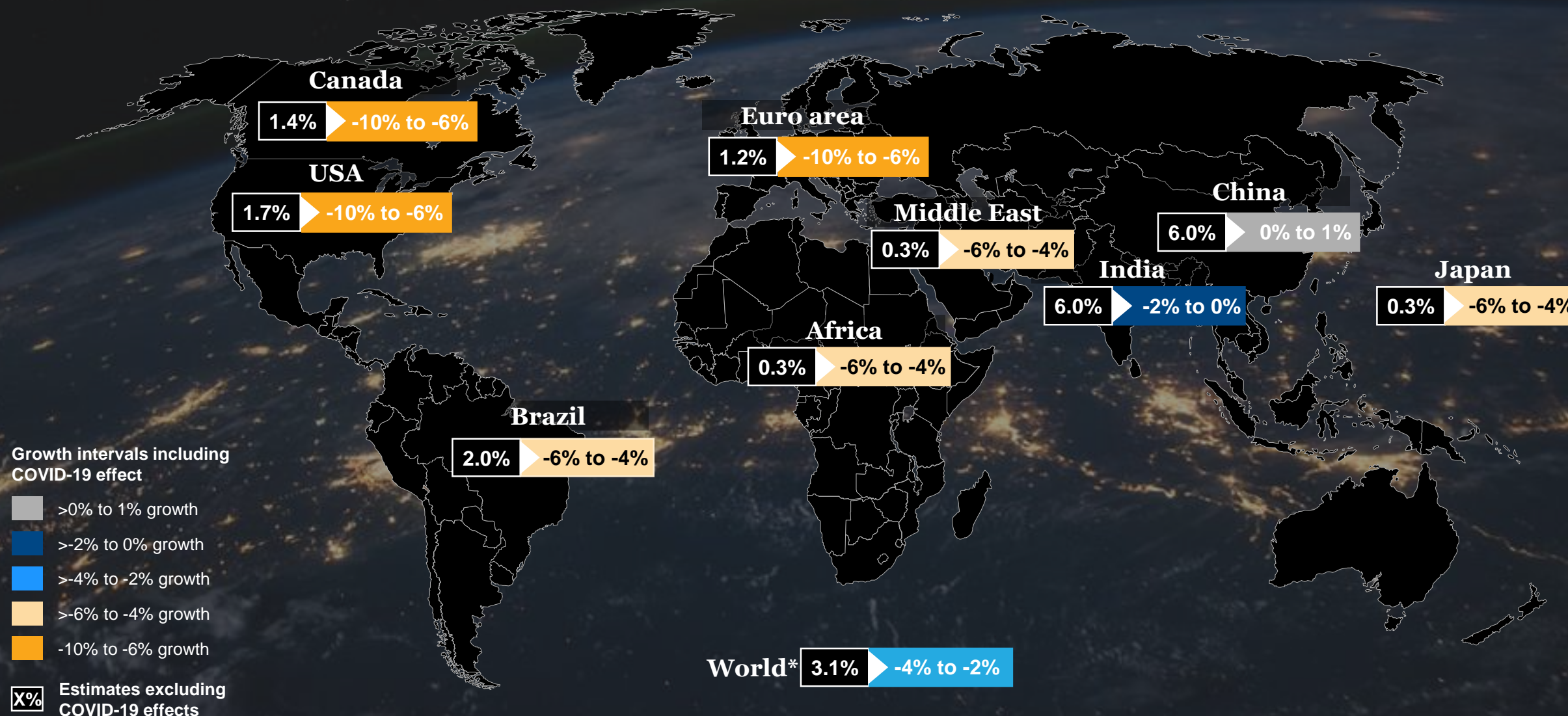
Top 10 economies

	Confirmed cases	Cases/ Million	Fatalities	Fatalities/ Million	Fatalities 10-day trend % growth	Plateau date(s)
USA	1 886 794	5 734	109 038	331	4%	16 May
China	84 629	59	4 645	3	0%	Feb
Japan	17 141	135	916	7	-13%	Early May
Germany	183 979	2 203	8 668	104	-6%	No information announced
UK	284 872	4 218	40 465	599	-7%	3 May
India	246 628	180	6 929	5	6%	August End
France	150 022	2 303	29 084	447	-8%	14-16 April
Italy	234 801	3 878	33 846	559	0%	31 March
Brazil	645 771	3 060	35 026	166	-1%	June
Canada	94 335	2 522	7 703	206	-10%	2 May

The economic effects on the world, especially in Americas and Europe are severe

COVID-19 ECONOMIC EFFECT PER MARKET

Real GDP estimated growth rates 2020 excluding and including COVID-19 effects




































Agenda



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Restrictions are continuously eased and additional businesses are allowed to reopen throughout Northern Europe


COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY				Restrictions		
	Fatalities		10-day trend Daily fatal.	Economic Activity 0-100%	GDP 2020 Forecast Pre- vs. post-covid	Economic stimulus measures Fiscal measures % of GDP	Primary focus of measure & available support	Restrictions		Comment
	Total	/million						Current phase	Future Key dates	
 Sweden	4656	464	 -10%		 1% > -7%	 16%	<ul style="list-style-type: none"> Support viable companies and reduce the number of jobs lost by job retention scheme, tax relaxation and access to financing 4 bn USD support package to businesses that lost more than 30% of sales 	MED	<div>High schools and universities reopen</div> <div>Rest. travel advice abroad lifted</div> <div>15 June</div> <div>15 July</div>	Restrictive travel advisory within Sweden will be lifted June 15
 Denmark	587	102	 -11%		 2% > -5%	 10%	<ul style="list-style-type: none"> Aid packages to be prolonged and phased out by 29 August 17 bn USD in tax payment extensions for companies C19 guide and how to apply for compensation on this link Financial statement from the Ministry of Finance available here 	MED	<div>Open borders with DE, NO & IS</div> <div>Phase 4 of reopening</div> <div>15 June</div> <div>TBD August</div>	Phase 3 of reopening with fitness centers & pools; gatherings of up to 50 ppl
 Norway	238	44	 -100% Reporting one-digit fatalities		 2% > -5%	 6%	<ul style="list-style-type: none"> 9.8 bn USD in measures for businesses 5 bn USD income protection for private persons Gov proposes wage support for companies that bring back temporarily laid off personnel to get people back to work faster 	MED	<div>Gyms open, pro football allowed</div> <div>500 ppl events allowed (TBD)</div> <div>15 June</div> <div>1 sep</div>	29 May the government proposed several new measures to "create more and include more"
 Finland	322	58	 0%		 1% > -8%	 16%	<ul style="list-style-type: none"> 13 bn USD in loan guarantees for all sized companies and 1,57 bn USD in direct business subsidies Re-employment support (45 mn USD) and compensation for restriction on activity (94 mn USD) for the restaurant industry 	HIGH	<div>Cross-border traffic restricted until</div> <div>Remote work & remote teaching for higher education advised until</div> <div>14 June</div> <div>31 July</div>	Tallink Silja is offering cruises from Helsinki to Riga instead of Stockholm during summer 2020
 UK	40465	599	 -7%		 4% > -14%	 5%	<ul style="list-style-type: none"> Job Retention and Self-employed Schemes – extended until Oct Corona Business Interruption Loan Scheme: up to 6.2 mn USD Bounce Back Loan Scheme for SMEs: up to 63.000 USD Deferred VAT, Income Tax payments and Business rates holiday 	MED	<div>Non-essential shops to open</div> <div>Hospitality industry to return</div> <div>15 June</div> <div>4 July</div>	Restrictions eased, public gatherings outdoors up to 6 people and indoor gathering up to 2 people allowed
 Latvia	25	13	 -100% Reporting one-digit fatalities		 2% > -8%	 10%	<ul style="list-style-type: none"> Step 1: support liquidity to companies directly affected by outbreak (postpone tax payments, state loan guarantees and special loans etc.), pay out idle time benefits to employees Step 2: support recovery of exporters and invest in transport and other national infrastructure to stimulate domestic demand 	HIGH	<div>Emergency situation planned to end, various restrictions still in place</div> <div>9 June</div>	Arrivals from Sweden, UK, Belgium and Portugal must stay 14 days in quarantine

 CAGR positive past 5 days
  CAGR stagnant past 5 days
  CAGR negative past 5 days

 VERY HIGH Curfew imposed, only groceries and pharmacies open. Public meetings <10
  HIGH Most schools and stores closed. Public meetings restricted to <100








 MED Some schools and stores closed. Public meetings restricted to <500
  LOW Most schools, stores open. No Public meeting restriction

 NORM Normal societal functionality

 Recent key updates

















Source: IMF, WHO, The Ministry of Finance, Financial Statement May 2020 (DK), ETLA Economic Research, Economic Forecast May 2020 (FI), Finance Ministry of Latvia (LV), Bank of England, Monetary Policy Report May 2020 (UK), Norges Bank Pengepolitisk oppdatering May 2020 (NO), National Institute for Economic Research April 2020 (SE)

Central and Southern Europe opens up further with eased restrictions on borders, travel, social activities and public transport

COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY							
	Fatalities			Economic Activity	GDP 2020 Forecast	Economic stimulus measures		Restrictions			
	Total	/million	10-day trend <i>Daily fatal.</i>	0-100%	Pre- vs. post-covid	Fiscal measures % of GDP	Primary focus of measure & available support	Current phase	Future Key dates	Comment	
	Germany	<div><div></div></div> 8668	<div><div></div></div> 103,8	<div><div></div></div> -6%	<div><div></div></div>	<div><div></div></div> 0% <div><div></div></div> -6%	<div><div></div></div> 18%	<ul style="list-style-type: none">50 bn USD in emergency-aid to small businesses and freelancers600 bn USD in liquidity support for large businesses147 bn USD for ensuring employment and stimulus economy	MED**	<div><div>Contact restrictions end</div><div>29 June</div></div> <div><div>Large events resume</div><div>1 Sept</div></div>	Lockdown measures decided on state level
	Netherlands	<div><div></div></div> 6011	<div><div></div></div> 351,6	<div><div></div></div> -17%	<div><div></div></div>	<div><div></div></div> 2% <div><div></div></div> -7%	<div><div></div></div> 14%	<ul style="list-style-type: none">Up to 90% of salaries are covered if income has decreased >20%433 USD reimbursement for entrepreneursTax payment extensions and credits/guarantees offered	MED**	<div><div></div><div>1 Sept</div></div> <div><div>Lockdown ends</div><div>1 Sept</div></div>	Primary schools opened 100% on 8 June. Public transport at 100% again. Facemask required
	Belgium	<div><div></div></div> 9580	<div><div></div></div> 830,2	<div><div></div></div> -6%	<div><div></div></div>	<div><div></div></div> 2% <div><div></div></div> -7%	<div><div></div></div> 18%	<ul style="list-style-type: none">70% of salaries are covered at (partial) lay offs4-5 000 Euro reimbursement for entrepreneursTax payment extensions and credits/guarantees offered	MED**	<div><div>3rd phase of opening</div><div>8 June</div></div> <div><div>Lockdown ends</div><div>1 Sept</div></div>	Horeca opened up on 8 June. All non-contact sports including gyms opened up on 8 June
	Switzerland	<div><div></div></div> 1660	<div><div></div></div> 193,2	<div><div></div></div> -18%	<div><div></div></div>	<div><div></div></div> 2% <div><div></div></div> -5%	<div><div></div></div> 10%	<ul style="list-style-type: none">40 bn USD in credit guarantees for liquidity supportEmergency aid for freelancers300 mn USD in support for cultural institutions	MED**	<div><div>Borders opening</div><div>15 June</div></div> <div><div>Large events resume</div><div>1 Sept</div></div>	Three step approach to re-start social activity. Third stage began on 8 June
	France	<div><div></div></div> 29084	<div><div></div></div> 446,6	<div><div></div></div> -8%	<div><div></div></div>	<div><div></div></div> 1% <div><div></div></div> -8%	<div><div></div></div> 19%	<ul style="list-style-type: none">329 bn USD in loans; available to all kinds of companiesFrom 1 June, gov. finances 60% of short-time gross salary, companies contribute with 15% to ensure 84% of net salaryDeferred tax payments to improve cash flow	HIGH	<div><div>Final ease of restrictions</div><div>22 June</div></div> <div><div>State of alarm ends</div><div>10 July</div></div>	Borders with Schengen area to be opened from 15 June
	Italy	<div><div></div></div> 33846	<div><div></div></div> 559	<div><div></div></div> 0%	<div><div></div></div>	<div><div></div></div> 0% <div><div></div></div> -9%	<div><div></div></div> 9%	<ul style="list-style-type: none">28 bn USD emergency package to support businesses (17 March)435 bn USD liquidity decree for businesses, to boost exports and loans to companies (6 April)“Relaunch Decree” worth 168 bn USD (13 May)	HIGH	<div><div></div><div>31 July</div></div> <div><div>State of alarm ends</div><div>31 July</div></div>	The R-number continues to decrease (down to 0.61 from last week’s 0.69) in the midst of reopening
	Spain	<div><div></div></div> 27135	<div><div></div></div> 580,6	<div><div></div></div> 0%	<div><div></div></div>	<div><div></div></div> 2% <div><div></div></div> -9%	<div><div></div></div> 7%	<ul style="list-style-type: none">50% of package: 110 bn USD tied to liquidity loans to at-risk businessesTemporary lay-off (ERTE) until 30 JuneExemption and postponement of social tax contributions	HIGH	<div><div>State of alarm ends</div><div>21 June</div></div> <div><div>Borders opening</div><div>1 July</div></div>	Travel restrictions lifted on national level, no regional differences


Source: Bundesregierung May 2020, Ifo Institute May 2020, ADAC May 2020, Swissinfo May 2020j, SECO May 2020, Bank of Spain May 2020, Insee Point de conjuncture 27 May, Confindustria May 2020 * HoReCa – abbreviation for Hotel/Restaurant/Catering industries ** Schools, stores & restaurants are open again, public meeting are still restricted to 10 people (can vary between states)

Most countries in Eastern Europe are opening up borders and international flights, however, Russia will not resume international flights until end of Q3

COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY					Restrictions		
	Fatalities			Economic Activity 0-100%	GDP 2020 Forecast Pre- vs. post-covid	Economic stimulus measures Fiscal measures % of GDP		Primary focus of measure & available support	Restrictions		Comment
	Total	/million	10-day trend Daily fatal.						Current phase	Future Key dates	
 Russia	5859	40	-6%		2% → -6%	3%	<ul style="list-style-type: none"> Reduced pension and social insurance payments until Dec 2020 Tax deferral and subsidies for partial compensation of costs in 10 most affected industries including aviation, hospitality and healthcare, incl. for the preservation of employment 	MED	<div>Expected end of remote work.</div> <div>Domestic tourist season opens</div>	<div>14 June</div> <div>1 July</div>	Parks and non-grocery shops re-open. International flights will not resume until the end of Q3
 Czech Republic	327	31	-100%		2% → -6%	7%	<ul style="list-style-type: none"> 4 bn USD direct support to companies incl. e.g. wage compensations, interest free loans, rent support & tax holiday Up to 36 bn USD in indirect support guarantees (e.g. company loans) 	LOW	<div>Travel allowed to all EU countries except SE & UK</div>	<div>15 June</div>	All land borders are now open
 Austria	672	75	-100%		1% → -6%	16%	<ul style="list-style-type: none"> Short time work grants up to 90% of salary Instant cash grant of up to 1 000 USD for SMEs State credit grants for bridging up to 500 000 USD at local bank 	MED	<div>International flights opens broadly</div>	<div>15 June</div>	Borders to DE, CH, LI, HU, CZ, SK are now open
 Turkey	4669	56	-4%		3% → -5%	4%	<ul style="list-style-type: none"> Unpaid office rents are not subject to voided contracts or evictions Covid-19, 1 000-bed hospital under construction VAT & social security payments to be postponed 6 months 	MED	<div>Int. flights starts</div>	<div>10 June</div>	Domestic flights open, Sweden is not included in int. flights that are planned to open 10 June
 Hungary	542	56	-100%		5% → -7%	4%	<ul style="list-style-type: none"> Short time work grants up to 70% of salary Tax reduction for employers in tourism from 32.5 to 15% SME tax cut by 1% & social contribution tax cut by 2% 	HIGH	<div>Tax postponed</div>	<div>30 Sept</div>	Travel from CZ, PL, South Korea, DE, AT, SK now allowed
 Poland	1153	30	5%		3% → -4%	12%	<ul style="list-style-type: none"> ~24 bn USD (up to ~15 bn USD to be forgiven) of preferential SME loans and loans, bonds or acquisitions of stocks for larger companies Subsidies for employee remuneration costs for up to 3 months 	MED	<div>New date for Presidential elections</div>	<div>28 June</div>	Mask in public and outdoor spaces no longer required
<div>  CAGR positive past 5 days  CAGR stagnant past 5 days  CAGR negative past 5 days </div> <div> <div>VERY HIGH</div> <div>HIGH</div> </div> <div> <div>Curfew imposed, only groceries and pharmacies open. Public meetings <10</div> <div>Most schools and stores closed. Public meetings restricted to <100</div> </div> <div> <div>MED</div> <div>LOW</div> </div> <div> <div>Some schools and stores closed. Public meetings restricted to <500</div> <div>Most schools, stores open. No Public meeting restriction</div> </div> <div> <div>NORM</div> </div> <div>Normal societal functionality</div> <div>  Recent key updates </div>											

Source: Local press, national governments, European Commission, IMF & WHO, GDP forecast Austria: WIFO April 2020, GDP forecast GDP Hungary & Poland: EC Spring 2020, GDP Forecast Czech Rep.: Czech MoF April 2020, GDP Forecast Turkey: IMF May 2020

Sweden: The negative effects on the economy may not be as bad as expected, consumer confidence rises and bankruptcies decline from April

2020 WEEKLY CALENDAR 			
June	15 th High schools and universities reopen Entry ban to the EU via Sweden lifted		
July	1 st Support for lost sales will go into force	15 th Ban on unnecessary travel abroad lifted	
Aug.			
Sept.			
Oct.			
Nov.			
Dec.		31 st Short-time work allowance ends (preliminary)	

RECOVERY OVERVIEW



Stimulus packages & policies

- Financial support to businesses that lost more than 30% of sales - with a limit of 15 mn USD per company
- Job retention scheme available, possibility to postpone tax payments for one year and reduced employer fees for up to 30 employees



Transformational effects

- Sharp decline of bankruptcies – the number decreased with 14% in May compared to April and was even 5% lower compared to May 2019
- GDP effects may not be as bad as expected - preliminary data from Statistics Sweden made Nordea revise their GDP outlook from -7% to -4% for 2020

CALL TO ACTION

- Stay updated on international border openings in order to optimize your shipping and supplier alternatives
- SMEs are facing difficulties accessing the state guaranteed loans, consider other support from the Government such as support for lost sales

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<https://tillvaxtverket.se/english.html>

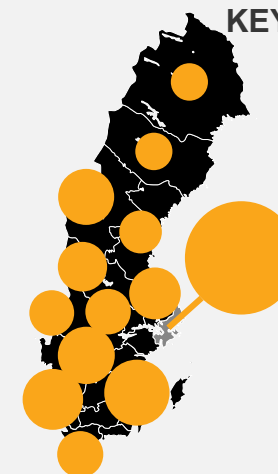
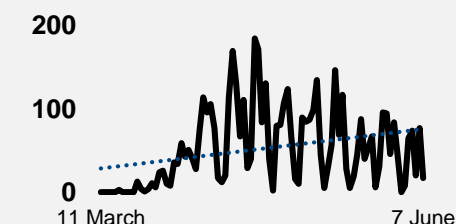
<https://www.skatteverket.se>

KEY RECOVERY DATA



R-number*	0,85
Plateau date**	25 April

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Work from home



Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- Initially 30% of producing companies faced bankruptcy risk. This is now down to 23%
- Production on record low levels but higher than expected



Logistics - Transportation

- Exceptions from driving and rest times to mitigate the risk of disrupted supply chains
- SAS resumes traffic in June, mainly domestic flights and to the Nordics



Customer demand

- Lifted advisory on restrictive travel in Sweden increases demand for hotels
- Consumer confidence indicator continues to rise at the end of May survey
- Change in consumer behaviour to save more of their disposable income
- Digital services will likely see a continuous upswing in demand

Current situation


Long term effects (6-12 months)

- High share of lay-offs due to reduced activity
- Shortage of critical components owing to a dysfunctional inner market of the EU's

- Pressure on last mile delivery
- Increased number of bankruptcies expected in the transportation and manufacturing industry by the end of the summer

Source: The National Institute for Economic Research, The Swedish Transport Agency, The Swedish Public Health Authority, Verksam.se, UC, Business Sweden, Nordea Markets *The number of people infected by each virus holder **Infection plateau

United Kingdom: The economy has started to recover with looser restrictions and PM has ordered ministers to speed up plans for further easing the lockdown

2020 WEEKLY CALENDAR 		
June	15 th All non-essential shops can open	22 th Restaurants and pubs open outdoor serv.
July	4 th Plan on fully reopening restaurants, pubs & other public places	
Aug.		
Sept.	31 st Gyms could reopen	
Oct.	1 st Remaining activities set to reopen	
Nov.		
Dec.		

RECOVERY OVERVIEW



Stimulus packages & policies

- 432 bn USD package - 407 bn USD in loans
- Job Retention and Self-employed Schemes
- Business Interruption Loan Scheme
- Deferred VAT and Income Tax payments
- Business rates holiday for some sectors



Transformational effects

- The UK appears to reopen more slowly than other countries due to the scale of the public health emergency compared with other nations
- Some economist believe the pandemic has made a no-deal (between EU-UK) Brexit more likely since the government may want a freer hand in reshaping the economy

CALL TO ACTION

- Several industries to return next week – review eased restrictions to adapt business and keep close dialogues with UK partners to secure opportunities
- Be aware that Brexit is back on the agenda despite the pandemic, and lockdown ends with a sector by sector easing - assess your readiness to leverage the new normal to tap into reorganised supply chains and potential

LINKS TO AVAILABLE SUPPORT & GUIDELINES

www.gov.uk/business-coronavirus-support-finder
www.gov.uk/coronavirus

FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production



Logistics - Transportation



Customer demand

Current situation

- Almost 80% of firms are trading, although the vast majority are using emergency state support
- Manufacturing shows hint of recovery - worst is probably over as fall in factory output slows
- 14-day quarantine period for incoming travelers from June 8
- International and domestic cargo operating normally
- Worse impact on the imports of businesses than on export
- Regional PMI decline slows down across all industries - first signs of the impact of looser lockdown restrictions on economic performance

Long term effects (6-12 months)

- Government has created five 'recovery roundtables' to boost the economy – focus on: future industry, a green recovery, new businesses, boosting skills and attracting investment
- The UK has updated its aid-for-trade program portfolio to better respond to C19
- Focus on agile methods that protect from the immediate impact of breaks in supply
- Changes in consumer buying habits is expected to have substantial supply chain implications, e.g. improved forecasting and increased visibility

KEY RECOVERY DATA



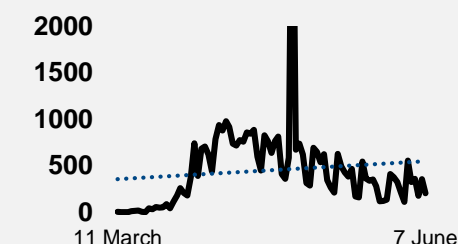
Main affected areas

-  Infection hubs
-  Curfews

R-number*	0.7-0.9
Plateau date**	3 May

FATALITY CURVE

Daily reported fatalities



Further questions?
Amanda.Hallberg@business-sweden.se

Italy: The country leaves the acute health crisis behind and enters the next phase, focusing on the economic and social challenges of the recovery

2020 WEEKLY CALENDAR			
June		15 th "Immune" App introduced on national level	
July		31 st State of emergency ends	
Aug.			
Sept.	1 st Schools start		
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- 463 bn USD emergency package
- "Relaunch Decree" worth 168 bn USD for the restart of the economy, including businesses
- Italy to receive 192 bn USD (100 bn USD as loan) of the 835 bn USD EU Recovery Fund
- Tax credits of 30-60% for rents for commercial properties



Transformational effects

- The Government sees the recovery as an opportunity to modernize the country and invest in a sustainable, digital and inclusive Italy
- Transition plan 4.0 will mobilize resources for companies to focus on innovation and green investments

CALL TO ACTION

- Secure efficient digital sales channels as Covid-19 has altered consumer behavior towards e-commerce
- Investigate possibility to receive retroactive tax credits for rental payments for commercial properties and/or business leases, during lockdown period (March - May)

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<https://www.sviluppoeconomico.gov.it/index.php/it/per-l-impresa>

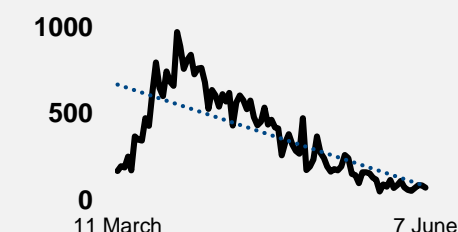
KEY RECOVERY DATA



R-number*	0.61
Plateau date**	31 March

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Free travel within Italy



Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production



Logistics - Transportation



Customer demand

Current situation	<ul style="list-style-type: none"> • Industry and commercial activities operational, but far from normal levels • Industrial production -33.8% in May 2020 (y-o-y) 	<ul style="list-style-type: none"> • Domestic and international cargo operating as normal • Transport sector lost around 2 bn USD of revenues in March-April 2020 	<ul style="list-style-type: none"> • Decrease in household consumption, especially in terms of non-essential goods • Increased drive towards e-commerce, consumer products +178.1% in May (y-o-y)
Long term effects (6-12 months)	<ul style="list-style-type: none"> • Slow recovery of the industry due to weak internal and foreign demand • Production is expected to decline even further in the upcoming months 	<ul style="list-style-type: none"> • Focus on a sustainable recovery of the transport sector • Business travel expected to remain low due to security measures 	<ul style="list-style-type: none"> • Slow recovery in demand as household budgets will remain constrained • Continuous digital upswing, Click&Collect expected to grow in the coming months

Source: Italian Government, Ministry of Health, ISS, Ansa, IMF, Ministry of Economic Development, Confcommercio, Confindustria, Reuters, Nielsen

*The number of people infected by each virus holder ***Infection plateau

France: Experiences a steady increase in economic activity as most sectors are now allowed to resume activity, with a final ease of restrictions on 22 June

2020 WEEKLY CALENDAR			
June	15 th National borders gradually reopen	22 nd Final ease of restrictions in all regions	
July	4 th Beginning of holidays in France	10 th State of alarm ends	
Aug.			
Sept.	Large events allowed again		
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- 329 bn USD to enable state backed loans to companies in need of financing. State-backed financing of 60% of short-time gross salaries
- Tourism, restaurant and culture sector will resume activity in this phase of reopening
- Will receive 43 bn USD in budgetary credit from EU Recovery Fund
- Government has launched a plan of 283 mn USD to encourage SMEs to focus on a sustainable transformation



Transformational effects

- Employment situation expected to remain stable in near future because of gov. financing, however risk for lay-offs in long-term

CALL TO ACTION

- Keep close dialogues with French industrial partners to secure opportunities in the ongoing reindustrialization (e.g. reorganizations of supply chains)
- Be prepared for a ramp-up in activity as restrictions are eased across the country and customer demand increases

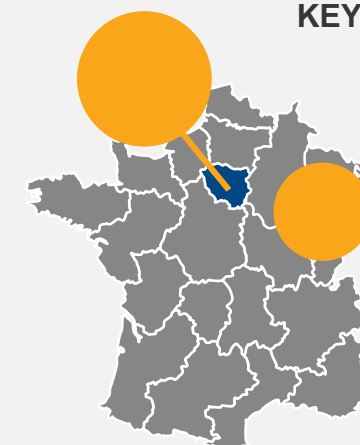
LINKS TO AVAILABLE SUPPORT & GUIDELINES

www.economie.gouv.fr/covid19-soutien-entreprises/les-mesures
Guidelines and advices for companies reopening their activity

FUTURE EFFECTS ON BUSINESS OPERATIONS

	Supply - Production	Logistics - Transportation	Customer demand
Current situation	<ul style="list-style-type: none"> • Industry down by 24% compared to pre-crisis levels • Government's recovery plan for automotive sector assists the production of vehicles with low CO2 emission levels 	<ul style="list-style-type: none"> • No restrictions in place for transports of goods • Travel ban inside of France has been lifted, however still very restricted access from abroad until at least 15 June 	<ul style="list-style-type: none"> • Customer demand is down by 6% compared to pre-crisis (-32% beginning of May) • Stores have registered more visitors than first expected, mostly "essential purchases"
Long term effects (6-12 months)	<ul style="list-style-type: none"> • Ongoing reindustrialization of the country • Relocation of production from foreign to national sites • Growing focus on sustainable production methods 	<ul style="list-style-type: none"> • Transport companies fear slow recovery due to low demand in the near future • Ongoing incentives for the purchase of vehicles with low CO2 emission levels 	<ul style="list-style-type: none"> • Consumption expected to remain steady as long as gov. finances short-time salaries • Households' fear of a national economic crisis may impact consumption negatively

KEY RECOVERY DATA



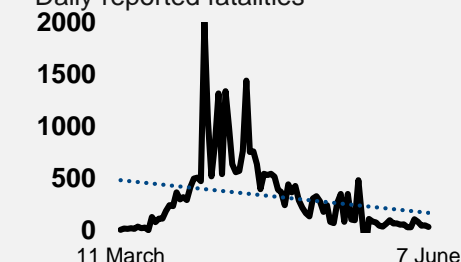
Main affected areas

	Infection hubs
	Regions with harder restrictions
	Less restrictions

R-number*	0.76
Plateau date**	14-16 April

FATALITY CURVE

Daily reported fatalities



Further questions?
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Spain: The 4-phase de-escalation plan continues; all of Spain is currently in phase 2 or 3; meanwhile government acknowledges need for a green recovery

2020 WEEKLY CALENDAR				
June		8 th Phase 3 starts	21 st state of alarm ends	30 th ERTE set to expire
July	1 st Border open for international travelers			
Aug.				
Sept.	1 st Schools start			
Oct.				
Nov.				
Dec.				

RECOVERY OVERVIEW

Stimulus packages & policies

- Temporary layoff (ERTE) set to expire 30 June, may be extended for some sectors e.g. tourism
- 220 bn USD package: loans to at-risk-businesses. Tax deferral for SME:s up to 33 000 USD for 6 months
- Spain expected to receive 155 bn USD (85 bn USD in loans) of the EU Recovery Fund

Transformational effects

- Government plans for a recovery that addresses major environmental challenges and harnesses opportunities offered by ecological transition to generate economic activity and jobs
- Government to resume discussion with business associations and unions about changes of 2012 labour reform once health situation is stabilized

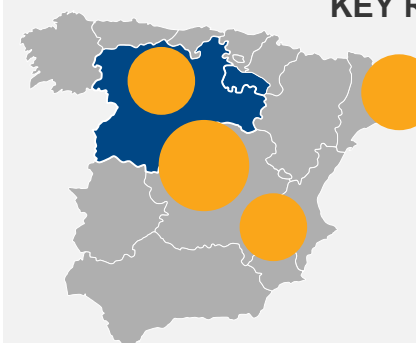
CALL TO ACTION

- Make use of phone number to newly launched phone service; CONECTA International Mobility to make specific enquiries on the conditions and requirements for entry from different countries for business travels
- SME:s: investigate opportunity to apply for another month of interest free deferral of tax obligations - now for 4 instead of 3 months

LINKS TO AVAILABLE SUPPORT & GUIDELINES

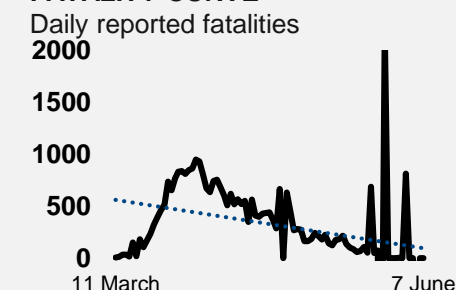
[CONECTA:https://www.lamocloa.gob.es/lang/en/gobierno/news/Paginas/2020/20200605conecta.aspx](https://www.lamocloa.gob.es/lang/en/gobierno/news/Paginas/2020/20200605conecta.aspx)

KEY RECOVERY DATA



R-number*	0.82
Plateau date**	26 March

FATALITY CURVE



Main affected areas

	Infection hubs
	Phase 2: Some restrictions apply for businesses & people
	Phase 3: Less restrictions

Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS

	Supply - Production	Logistics - Transportation	Customer demand
Current situation	<ul style="list-style-type: none"> 52% of regions in phase 3: businesses can operate at 50-75% capacity. Madrid & Barcelona in phase 2 Strict hygiene routines to be followed by all 	<ul style="list-style-type: none"> Transportation of goods is operational To facilitate business travels, a new phone service to make inquiries on conditions of entry has been launched 	<ul style="list-style-type: none"> Five-fold increase in savings On 26 June, 225 000 Spaniards will start receiving payments from new guaranteed minimum income scheme
Long term effects (6-12 months)	<ul style="list-style-type: none"> The aim for a green recovery will lead to new challenges and opportunities for businesses as new legislations (e.g. tax on plastics) is on the rise 	<ul style="list-style-type: none"> Increasing incentives for a sustainable recovery by reducing CO2 emission caused by transport sector Diesel, gas, petrol and hybrid cars to be banned as of 2040 	<ul style="list-style-type: none"> Record high savings are worrying as it can lead to long-term economic crisis Tourist sector's ability to bounce back will greatly impact national recovery

Source: Spanish Government, Ministry of Health, European Union, Mobility & Transport, La Vanguardia, El País, El Confidencial, Cinco días, El Periódico, Financial Times

*The number of people infected by each virus holder **Infection plateau

Germany: A further 147 bn USD announced last week to ensure employment and stimulate the economy as the R-number again increases to 0.92

2020 WEEKLY CALENDAR 			
June	29 th : Contact restrictions lifted	Regional measures vary across federal states	
July			
Aug.			
Sept.	1 st Large gatherings allowed		
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- 600 bn USD to ensure liquidity of firms and 50 bn USD in emergency aid for small businesses and the self-employed
- 550 mn USD in emergency aid towards digitalization of schools
- 147 bn USD to ensure employment and stimulate the economy



Transformational effects

- Reorganization of supply chains towards more resilient, localized structures
- Reduction of work force as temporary contracts are not prolonged

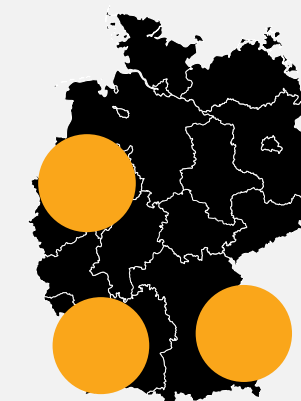
CALL TO ACTION

- Continuous easing does not necessarily mean everything is going back to how it was before, be prepared for several different scenarios going forward
- Stay on top of opportunities in the wake of the potential long-term effects on the German industrial landscape with e.g. reorganization of supply chains and stimulus packages within specific sectors

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<https://www.bundesregierung.de/breg-de/themen/coronavirus>
<https://www.bundesfinanzministerium.de/Web/EN/>

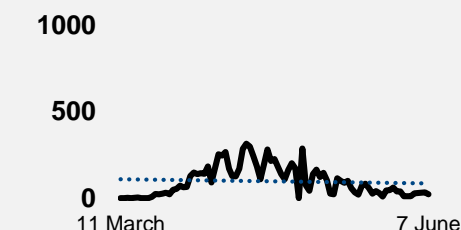
KEY RECOVERY DATA



R-number*	0.92***
Plateau date**	N/A

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Curfews



Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- Return to production varies by company. Production is reduced as factories need to meet safety measures and work in shifts



Logistics - Transportation

- Transport of goods can face delays due to restricted border but planned openings will decrease impact
- Discussions of stimulus for infrastructure ongoing



Customer demand

- All retail stores are open but with limits in terms of number of shoppers allowed
- Temporary VAT decrease from 19% to 16% between 1st July to 31st Dec 2020

Current situation

Long term effects (6-12 months)

- Relocation of production to other countries
- More security measures likely to impact overall productivity
- Long term shortage of labor in construction

- Changes in logistic routes and higher handling cost due to shortage of international flights and more check points

- Long term effects depends on federal states' ability to address income uncertainty and labor market stimuli











Source: bundesregierung.de June 2020, Robert-Koch-Institute June 2020, German Ministry of Finance June 2020, GfK June 2020, Johns Hopkins University June 2020 *The number of people infected by each virus holder **Infection plateau *** Increase vs. last week's 0.78

Agenda

- Weekly feature: Covid-19 effects on Swedish Exports
- Global overview
- Europe overview
- **Middle East & Africa overview**
- Asia-Pacific overview
- Americas overview
- About Business Sweden



UAE continues with gradual re-opening, government extends curfew in Kenya with 30 days and there are more than 100 000 cases in Saudi Arabia

COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY					Restrictions		
	Fatalities			Economic Activity 0-100%	GDP 2020 Forecast Pre- vs. post-covid	Economic stimulus measures Fiscal measures % of GDP		Primary focus of measure & available support	Restrictions		Comment
	Total	/million	10-day trend Daily fatal.								
 UAE	275	28,1	-11%		3% → -4%	2%	<ul style="list-style-type: none"> 70 bn USD central bank, 4.4 bn USD from federal government Separate packages from Dubai (408 mn USD) & Abu Dhabi (2.5 bn USD) Free zones and retail operators allowing postponed rent 	MED	<div>More flights open</div> <div>Public sector 100%</div>	<div>11 June</div> <div>14 June</div>	Gradual re-opening of commercial activities allowing almost full capacity but nightly curfews still in place
 KSA	676	19,7	9%		1% → -2%	-3%	<ul style="list-style-type: none"> Total 58.3 bn USD, targeted to SMEs to alleviate liquidity issues Concessional financing for SMEs made available Facilitation of increased loans available for SMEs 	VERY HIGH	<div>Increased custom duty</div> <div>Int. flights open</div>	<div>10 June</div> <div>1 Sept.</div>	Re-imposing stricter curfews to curb virus spread in Jeddah
 Kenya	83	1,6	3%		5% → 1%	1%	<ul style="list-style-type: none"> Central bank lowered its policy rate by 25 bps to 7.0% Tax relief for low income earners and reduction from 30 to 25% for high income earners VAT reduced from 16% to 14% 	VERY HIGH	<div>Domestic flights</div> <div>Production ramp-up</div>	<div>8 June</div> <div>1 July</div>	Government extends the curfew for 30 days but allows movement until 9 pm
 Morocco	208	5,7	0%		4% → -4%	3%	<ul style="list-style-type: none"> Central bank reduced the policy rate by 25 bps to 2.0% Companies with annual turnover of 5 m USD can defer tax Bank al Maghrib decided on increasing liquidity provision to the banking sector 	VERY HIGH	<div>SoE ends</div> <div>Production ramp-up</div>	<div>10 June</div> <div>30 June</div>	Morocco aims to ramp up Covid-19 tests targeting 1.8 million tests by end of July
 South Africa	952	16,3	6%		1% → -6%	0.2%	<ul style="list-style-type: none"> Central bank reduced the policy rate by 200 bps to 4.25% President Ramaphosa announced a 26.3 bn USD relief package, ANC plans public works programme worth 20,5 bn USD Companies affected by the coronavirus can apply to defer taxes 	VERY HIGH	<div>More domestic flights</div> <div>Lockdown update</div>	<div>15 June</div> <div>30 June</div>	Limited flights planned to restart in June, industrial sectors ramping up to 100% capacity

- ➡ CAGR positive past 5 days
- ➡ CAGR stagnant past 5 days
- ➡ CAGR negative past 5 days

VERY HIGH

Curfew imposed, only groceries and pharmacies open. Public meetings <10

MED

Some schools and stores closed. Public meetings restricted to <500

NORM


Normal societal functionality



Recent key updates

Sources: GDP forecast 2020 – IMF WEO April 2020, GDP forecast Saudi Arabia - The Economist Unit 26 March 2020, OECD, North Africa Post, IMF, WHO, SVD, DHL, Cytonn Report, City Press South Africa, Kenya Broadcasting Corporation, EMIR, Gulf News, Bloomberg, Reuters, Khaleej Times, Oxford Economics, Economist. Note: Curfews to be reviewed continuously

UAE: More announcements of international flights to start up gradually, and both public and private sector are allowed to operate on almost full capacity

2020 WEEKLY CALENDAR 			
June	9 th Abu Dhabi restrictions to end (might extend) 11-15 th Additional flight routes to start 14 th 100% office capacity		
July	1 st Flights to certain Middle East countries		
Aug.			30 th School year starts, e-learning to continue
Sept.			
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- Central Bank: 70 bn USD aimed at alleviating liquidity issues, Federal gov: 4.4 bn USD
- Dubai (408 mn USD) and Abu Dhabi (2.5 bn USD) launched in separate packages
- New support for SMEs through Dubai Economy, rent delays and access to finance



Transformational effects

- Population could decline up to 10% due to the exodus of expats, potentially impacting long-term labour supply in certain sectors
- Base salary levels expected to be permanently altered, 28% of UAE companies have already done or plan to reduce salary levels

CALL TO ACTION

- Initiatives and information decentralized, follow up with your immediate authority (such as free zones) to stay up to date with relevant information
- Stay up to date on info from each Emirate, as restrictions differ
- Plan for and expect increased lead times for shipments and cargo

LINKS TO AVAILABLE SUPPORT & GUIDELINES

[Economic support to minimise the impact of COVID-19 \(link\)](#)

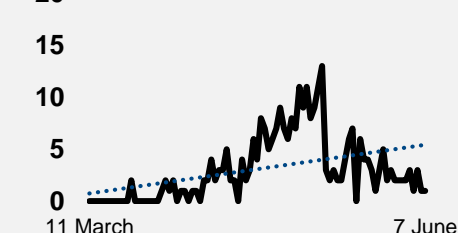
KEY RECOVERY DATA



R-number*	N/A
Plateau date**	N/A

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Curfews



Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- New oil cuts agreed for July within OPEC+, 9.6 mn bpd
- Expo postponed to 2021
- N95 respirators to be manufactured in Al Ain



Logistics - Transportation

- Restriction on movement to and from Abu Dhabi remains
- Restrictions lifted on flights, re-opening of more routes expected 11 June and 15 June



Customer demand

- Sharp decline in tourism leading to reduced demand
- Private sector 100% capacity (still curfew hours) from 3 June, public sector 14 June

Current situation

Long term effects (6-12 months)

- Oil and gas sector expected to continue to remain stable but with slightly lower output
- Other industries highly dependent on demand

- Expect longer lead times for shipments to continue
- International travel not expected to return to normal during mid- to long-term

- Long-term effects on leisure/tourism expected
- Low-cost carrier Air Arabia confirmed layoffs, Emirates extends salary cuts to Sept.

Sources: WHO, Financial Times, Reuters, Gulf News, Khaleej Times, DP World, UAE Central Bank, Arab Weekly, Bloomberg, Oxford Economics, EMIR, Business Sweden

*The number of people infected by each virus holder **Infection plateau ***Gulf Cooperation Council

Saudi Arabia: Re-imposed the stricter curfew in Jeddah for 2 weeks, certain domestic flights open for booking and increased custom duties from 10 June

2020 WEEKLY CALENDAR			
June	1 st Domestic flights open 10 th Custom duties hike	21 st All curfews lifted (TBC)	
July			
Aug.			
Sept.	1 st International flights open for bookings		
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- 45 bn USD, aimed primarily at SMEs and private sector to alleviate liquidity issues
- 13.3 bn USD by the central bank to support banks to support private sector liquidity
- Government to pay up to 60% of Saudi nationals' salaries in private sector



Transformational effects

- Heavy contraction expected with long-term effects includes 1.7 m job losses, 4% pop. decline due to expat exodus and a double effect from declining oil prices and covid-19
- Tripling VAT (to 15%) to curb reduced gov. revenues likely to impact economy long-term

CALL TO ACTION

- Engage with local contacts to understand implications of new financial measures, including increased VAT and certain expenditure cut-backs
- Assess impact of continued curfew restrictions on local operations
- Expect continued long lead times when engaging with governmental entities

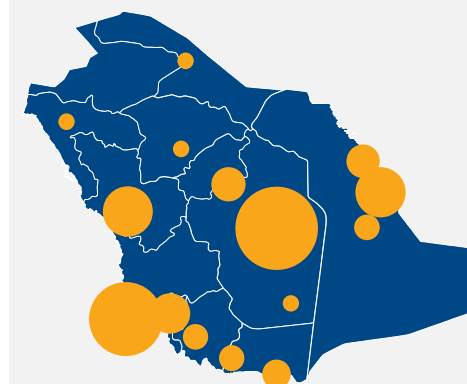
LINKS TO AVAILABLE SUPPORT & GUIDELINES

[Saudi Arabia government and institution measures \(link\)](#)

FUTURE EFFECTS ON BUSINESS OPERATIONS

	Supply - Production	Logistics - Transportation	Customer demand
Current situation	<ul style="list-style-type: none"> New oil cuts agreed for July within OPEC+, 9.6 mn bpd, gov. hikes crude prices Mega project in Vision 2030 to be reduced by ~8 bn USD 	<ul style="list-style-type: none"> All public transportation and international flights closed Curfews 8 PM-6 AM, except Makkah and Jeddah (3 PM-6 AM) 	<ul style="list-style-type: none"> Large decline in customer demand, closures of stores Landlords increasingly allowing delayed rent payments from tenants
Long term effects (6-12 months)	<ul style="list-style-type: none"> Delays expected in leading sectors such as construction Oil and gas to be more resilient, but still expected subdued activity until 2021 	<ul style="list-style-type: none"> Air travel not expected to normalize in short term Heightened custom duties for wide range of products, from between 0% to 25% 	<ul style="list-style-type: none"> Impact on retail sector expected to remain Long-term impact on demand expected particularly from increased VAT (15%)

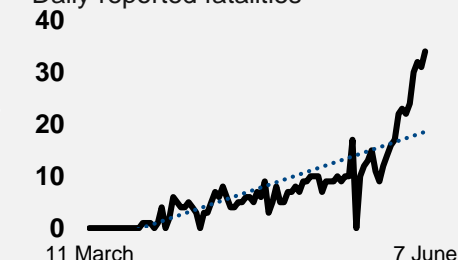
KEY RECOVERY DATA



R-number*	N/A
Plateau date**	N/A

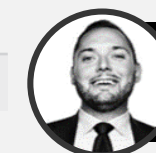
FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Curfews




Further questions?
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Sources: WHO, Financial Times, Gulf News, Khaleej Times, Arab Weekly, Arab News, Bloomberg, Reuters, Business Sweden, Gulf Business, KPMG

*The number of people infected by each virus holder **Infection plateau

South Africa: Government planning 20.5 bn USD public works project, agrees to deal with private hospitals as cases begin to rise

2020 WEEKLY CALENDAR 			
June	Lockdown level 3, high school to restart	Limited domestic flight service to resume	
July			
Aug.			
Sept.	Plateau expected		
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- Lockdown entered level 3 on 1 June. COVID-19 hotspots will remain under tighter measures
- ANC planning 20.5 bn USD public works programme to spur economy
- Employers urged to save jobs by applying to the UIF COVID-19 Fund



Transformational effects

- South Africa's credit downgrade will make it more costly and difficult to finance its 26.3 bn USD rescue package. This is exacerbated by falling tax revenues which could fall by 32%
- If passed, the ANC's 20.5 bn USD public works programme could help revitalize economy

CALL TO ACTION




- Review level 3 restrictions to understand how the easing will affect your business internally and externally – e.g. partner companies, transport, etc.
- Track regulations as requirements for restarting operations and bringing back employees (e.g. screening, protective gear, etc.) are released

LINKS TO AVAILABLE SUPPORT & GUIDELINES

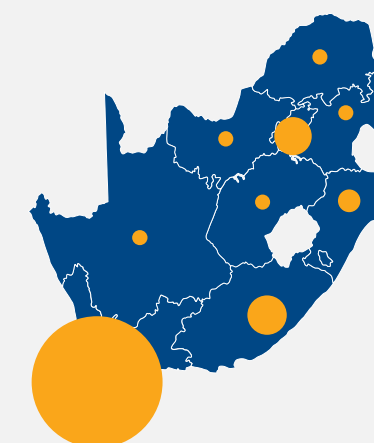
[General information for SA](#)
[Tax relief](#)

[Employee Relief Scheme](#)
[South African Future Trust](#)

FUTURE EFFECTS ON BUSINESS OPERATIONS

	 Supply - Production	 Logistics - Transportation	 Customer demand
Current situation	<ul style="list-style-type: none"> The automotive, textiles, chemical, mining, and steel sectors are ramping up to 100% Uptick in cases in the mining industry is threatening the sector's recovery 	<ul style="list-style-type: none"> Limited postal/delivery services and domestic air travel is allowed Public transport is permitted at limited capacity without time restrictions 	<ul style="list-style-type: none"> Under level 3, sales will be expanded to include all clothing, alcohol, hardware, stationary, books, household appliances, and vehicles
Long term effects (6-12 months)	<ul style="list-style-type: none"> Uncertainty caused by the threat of changing lockdown levels/regulations to depress output in major sectors Weak global demand will hurt South African exports 	<ul style="list-style-type: none"> Essential goods are prioritized which may slow non-essential imports Border closures are precluding companies from servicing clients in neighbouring markets 	<ul style="list-style-type: none"> Low consumption levels; credit-card purchases dropped to a 9-year low Changing consumption habits, 100% y-o-y growth in online turnover during the lockdown

KEY RECOVERY DATA



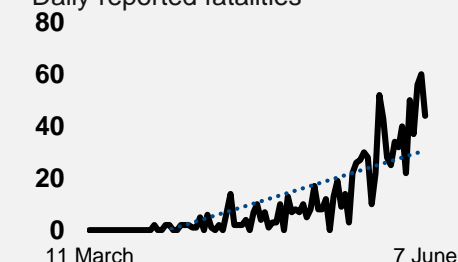
Main affected areas

	Infection hubs
	Curfews

R-number*	N/A
Plateau date**	September

FATALITY CURVE

Daily reported fatalities



Further questions?
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Sources: WHO, World Bank, South African Reserve Bank, South African National Treasury, Solidarity Fund, Independent Communications Authority of South Africa, Trading Economics, Corona Tracker South Africa







*The number of people infected by each virus holder **Infection plateau

Agenda

- Weekly feature: Covid-19 effects on Swedish Exports
- Global overview
- Europe overview
- Middle East & Africa overview
- **Asia-Pacific overview**
- Americas overview
- About Business Sweden

















More economic stimulus in Japan, South Korea and Hong Kong while India ease restrictions amid a rapid increase in number of new cases

COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY							
	Fatalities			Economic Activity	GDP 2020 Forecast	Economic stimulus measures		Restrictions			
	Total	/million	10-day trend <i>Daily fatal.</i>	0-100%	Pre- vs. post-covid	Fiscal measures <i>% of GDP</i>	Primary focus of measure & available support	Current phase	Future Key dates	Comment	
	China	<div><div></div></div> 4645	<div><div></div></div> 3	<div><div></div></div> 0%	<div><div></div></div>	<div><div></div></div> 6% <div><div></div></div> 1%	<div><div></div></div> 4%	<ul style="list-style-type: none">559 bn USD in cost cuts for factories and merchants in the form of tax exemptions and lower interest rates280 bn USD in additional fiscal spending and bond issuances90+ industry and province specific support measures	LOW	<div>No date announced for full reopening of borders</div>	All lockdowns have been lifted
	Taiwan	<div><div></div></div> 7	<div><div></div></div> 0	<div><div></div></div> 0%	<div><div></div></div>	<div><div></div></div> 2% <div><div></div></div> 1%	<div><div></div></div> 5%	<ul style="list-style-type: none">2.72 bn USD for employment support, especially the service, manufacturing and tourism sectorThe plan for spurring consumer spending is to allow anyone to pay 33 USD to obtain 100 USD-worth of vouchers to shop at select stores, from 15 July to 31 December	LOW	<div>No mask wearing on public transportation</div> <div>Borders reopen</div>	Limits on number of participants in public events lifted. Foreigners still not allowed to enter Taiwan
	Hong Kong	<div><div></div></div> 4	<div><div></div></div> 1	<div><div></div></div> 0%	<div><div></div></div>	<div><div></div></div> -2% <div><div></div></div> -7%	<div><div></div></div> 10%	<ul style="list-style-type: none">10.2 bn USD Employment Support Scheme to subsidize wages2.7 bn USD measures for 16 sectors, including aviation and tourism industry; 75% government premises rental concession1,200 USD cash hand-out to adult permanent residents announced in Budget 2020, application on 21 June	LOW	<div>Review social-distancing measures</div> <div>Review foreign entry restrictions</div>	No reopening entry for non-residents. Gradually reopen transit flights excluding mainland flights
	Japan	<div><div></div></div> 916	<div><div></div></div> 7	<div><div></div></div> -13%	<div><div></div></div>	<div><div></div></div> 1% <div><div></div></div> -6%	<div><div></div></div> 21%	<ul style="list-style-type: none">Loans and funding for SMEs and households include monetary stimuli and support for overseas supply chains. Supplementary budget to be decided in June (additional 21% of GDP)So far, additional 9 bn for employment support, 18 bn for business and 18 bn or medical provision are decided	MED	<div>Submission of supplementary budget plan</div>	International travel ban expected to continue, although it may be eased for 4 countries in/after summer
	India	<div><div></div></div> 6929	<div><div></div></div> 5	<div><div></div></div> 6%	<div><div></div></div>	<div><div></div></div> 6% <div><div></div></div> 0%	<div><div></div></div> 4%	<ul style="list-style-type: none">Largest part of the stimulus package is >105 bn USD in liquidity measures announced by the RBI to MSME. RBI has also lowered the repo rate to 4 percent to increase short-term lendingStimuli also include tax break for SMEs and job retention support	HIGH	<div>Phase 1: Unlock restrictions</div> <div>Unlock Phase 2</div>	Night Curfews between 9PM and 5AM except for essential services
	South Korea	<div><div></div></div> 273	<div><div></div></div> 5	<div><div></div></div> 0%	<div><div></div></div>	<div><div></div></div> 2% <div><div></div></div> 0%	<div><div></div></div> 4%	<ul style="list-style-type: none">Main stimulus includes direct and indirect support for households, SMEs, and large-corpsAdditional stimulus aimed at boosting consumption, supporting the unemployed and stabilising financial markets	LOW	<div>Schools gradually re-open</div> <div>Int'l air routes will be expanded</div>	The new supplementary budget marks the “first” third extra budget in 48 years
<div><div><div><div></div></div> CAGR positive past 5 days</div><div><div><div></div></div> CAGR stagnant past 5 days</div><div><div><div></div></div> CAGR negative past 5 days</div><div><div><div></div></div> VERY HIGH</div><div>Curfew imposed, only groceries and pharmacies open. Public meetings <10</div><div><div><div></div></div> HIGH</div><div>Most schools and stores closed. Public meetings restricted to <100</div><div><div><div></div></div> MED</div><div>Some schools and stores closed. Public meetings restricted to <500</div><div><div><div></div></div> LOW</div><div>Most schools, stores open. No Public meeting restriction</div><div><div><div></div></div> NORM</div><div>Normal societal functionality</div><div><div><div></div></div></div> Recent key updates</div>											

Source: IMF, MOTIE, Korea Herald, Bloomberg, Goldman Sachs, MOF, WHO

Australia and Southeast Asia continue to ease restrictions as the number of new cases remain low. Malaysia and Vietnam open up for domestic travel in Mid-June

COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY				Restrictions		
	Fatalities			Economic Activity 0-100%	GDP 2020 Forecast Pre- vs. post-covid	Economic stimulus measures Fiscal measures % of GDP		Restrictions		
	Total	/million	10-day trend Daily fatal.							
 Australia	102	4	0%		2% → -6%	12%	<ul style="list-style-type: none"> JobKeeper: The Government will provide 980 USD per fortnight per employee until 27 Sep 2020 given certain criteria is met Cash flow support of up to 65,000 USD for eligible SMEs 1 bn USD to impacted regions or industries and to support construction 	HIGH	100 ppl rule, interstate travel July	Ease of restrictions from 1 June, although measures differ between states
 Indonesia	1801	6,7	3%		5% → 1%	4%	<ul style="list-style-type: none"> The economic recovery budget is being slightly revised at total 45 bn USD (from 43 bn USD). Major portions are 13,6 bn social payment, 5,8 bn for health sector, 8 bn for corporate tax incentives, 8 bn for SMEs and 6,5 bn transfer to local government 	VERY HIGH	Transition 5 June Restriction ends 1 Aug	Jakarta's transition phase starts on 5 June. Offices reopen on 8 June and malls on 15 June
 Thailand	58	0,8	0%		3% → -6%	10%	<ul style="list-style-type: none"> 20 bn USD in soft loans to SMEs 8,5 bn USD in pay-outs to 17,5 million workers and farmers 12 bn USD for government investment program 	LOW	Gov. investment package launch 31 July Some Intl' flights resume 1 Aug	Ministries are drafting investment projects. Agriculture & transport infrastructures expected to get most money
 Vietnam	0	-	0%		6% → 1%	10%	<ul style="list-style-type: none"> 25.8 bn USD package including loans State Bank cuts refinancing rate from 5% to 4.5%, discount rate from 3.5% to 3% 20-50% reduction of administrative fees 	LOW	Domestic flights normalize Mid-June	Most domestic flights resume, intl. flights undecided. State plans to reach 5% GDP growth target
 Malaysia	117	3,7	100% Reporting 1-digit fatalities		4% → -3%	3%	<ul style="list-style-type: none"> 4.4 bn USD for 6-month wage subsidies Grants and loans worth 163 mn USD for companies to adopt digitalisation 6 months moratorium for bank loans 	MED	Recovery MCO begins 10 June Lockdown ends 31 Aug	Interstate travel is permitted by 10 June. Schools to reopen soon. Further lifting is expected by 1 Sep
 Singapore	25	4,3	100% Reporting 1-digit fatalities		2% → -7%	20%	<ul style="list-style-type: none"> Wage subsidies for local staff for 10 months, instead of 9 Wage support: more firms will be eligible for higher tiers of wage subsidies – 25-75% of first 3,240 USD of gross monthly wages – for local staff 	VERY HIGH	Safe transitioning 1 July	Gradual reopening in three phases from 2 June as Singapore transitions into a new normal
 Philippines	994	9,2	-9%		6% → 1%	3%	<ul style="list-style-type: none"> Over 28 bn USD to be reallocated from fiscal budget to COVID Initial 5 bn USD to support low income households, healthcare Reallocation to "Enhanced Build x 3", SMEs, emergency fund 	HIGH	Quarantine ends 15 June	Metro Manila to be placed under less restrictive, general quarantine from 1-15 June

Source: GDP forecast Southeast Asia: Euromonitor, April 2020, GDP forecast Australia: Reserve Bank of Australia and Westpac Australia, Business Sweden Analysis, IMF, World Bank, Thai Ministry of Finance, WHO, Thai PBS, WHO, VNExpress, Straits times

China: China is encouraging exporters to shift towards domestic market while more fast track arrangements for cross-border travel are being implemented

2020 WEEKLY CALENDAR 				
June				
July				
Aug.				
Sept.				
Oct.				
Nov.				
Dec.				

14th 5-year plan to be released later this year

RECOVERY OVERVIEW



Stimulus packages & policies

- 559 bn USD in cost cuts in the form of tax exemptions and lower interest rates
- 280 bn USD in Covid-19 bonds
- More tax regulation on food stalls and street vendors in order to create more economic opportunities for the people



Transformational effects

- China is building bilateral fast track arrangements allowing for some foreigners to enter China
- So far fast track arrangements have been made with Germany, Singapore, and Korea, with more under negotiation

CALL TO ACTION

- China wants to become more attractive for foreign businesses, consider if now might be the right time to expand in China
- China to spend 1 -7 tn USD on 'new infrastructure' projects between 2020-2025, and there could be significant opportunities also for foreign companies

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<http://govt.chinadaily.com.cn/index/specials/expatsfightcoronavirus>

FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- Production has resumed across the entire country
- Business activity in China is back to around 88% of pre-COVID levels



Logistics - Transportation

- A new rail cargo service line was launched between Hefei in Anhui province and Tilburg in the Netherlands
- International flights to increase from 50 to 150 per week



Customer demand

- Ecommerce giant Alibaba has experienced 160% growth in export-oriented firms opening new online stores targeting the domestic market

Current situation

Long term effects (6-12 months)

- The lack of international demand remains a concern, with China's commerce minister Zhong Shan encouraging producers to sell domestically

- New rail lines are emerging as competitive options to ocean shipping for transporting goods between China and Europe

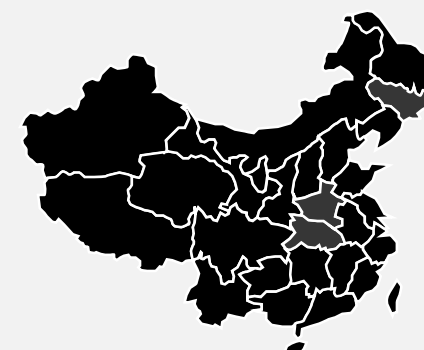
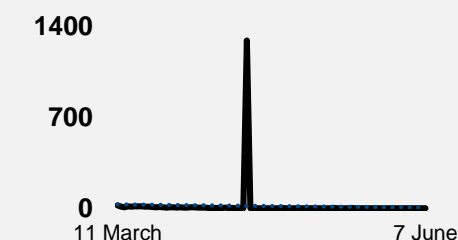
- Market competition may grow more fierce in some sectors as producers turn inward towards domestic market

KEY RECOVERY DATA

R-number*	N/A
Plateau date**	Mid-Feb

FATALITY CURVE

Daily reported fatalities



Main affected areas


	Infection hubs
	Curfews



Further questions?
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Source: China Daily, Trivium, Reuters. *The number of people infected by each virus holder **Infection plateau

Japan: Government is launching the 2nd supplementary budget plan and consumer confidence increased for the first time in five months in May

2020 WEEKLY CALENDAR 		
June	Second relief program aimed to be enacted	15 th Tokyo reviews on relaxing all restriction
July	Continuous review by central government will be conducted every 3 weeks to assess situations	
Aug.	1 st Domestic travel and event restriction may be completely lifted	
Sept.	School start being considered by gov	Borders may partially open (4 countries so far)
Oct.		
Nov.		
Dec.		

RECOVERY OVERVIEW



Stimulus packages & policies

- 1 tr USD economic stimulus measure, while banks offer 0% interest rates on loans, mainly targeting households, SMEs and overseas supply chain support
- More support for SMEs and business expected, but serious delay in cash and subsidy handouts



Transformational effects

- Slow economic recovery expected in 2020 while government limits FDI in core industries to have more control over and monitor domestic manuf.
- Digitalisation of businesses, public administration and education aimed to be achieved in private and public organisations

CALL TO ACTION

- Be alert to central government's upcoming recommendation on "New lifestyle" which will impact consumer and corporate behavior. Incorporate these changes in short and long-term strategies during June and July
- Apply for support offered by gov. in the new supplementary budget plan

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<http://japan.kantei.go.jp/>

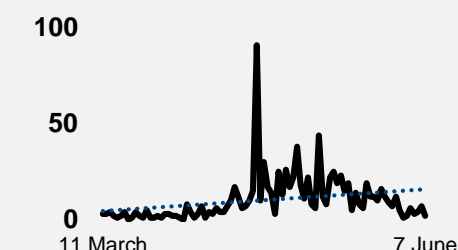
<https://www.meti.go.jp/english/covid-19/index.html>

KEY RECOVERY DATA

R-number*	0.99
Plateau date**	Start May

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Curfews



Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production



Logistics - Transportation




Customer demand

Current situation	<ul style="list-style-type: none"> • Factory output slipped 9.1 % in April • In May, Automaker production fell by a third from the previous month 	<ul style="list-style-type: none"> • International travel relaxation in 3 steps planned (business, students and then tourists) - looking at easing travel bans from Thailand, Vietnam, Australia and New Zealand 	<ul style="list-style-type: none"> • Consumer confidence is up again for the first time in five months, from all time low 21.6 in April to 24 in May • April consumption was -11.1% from the previous year
Long term effects (6-12 months)	<ul style="list-style-type: none"> • 2 bn USD gov stimulus for companies to relocate production to Japan, less dependency on China • Domestic development of medical supply and medicine 	<ul style="list-style-type: none"> • Tourism slowly recovers with coupon support systems by the government • Logistic improvement of wages and technologies will be in further demands 	<ul style="list-style-type: none"> • Conservative spending and investments are expected to remain throughout the year • Changing in shopping habits (ex. eat-at-home, wellness and health)

Source: METI, MOF, PM's Office in Japan, NHK, Japan Times, Nikkei, Nikkei Asian Review, Kyodo News, Asahi, Toyokeizai, FNN, CAN, Bloomberg *The number of people infected by each virus holder **Infection plateau

India: Promotes “Make in India” with favorable re-location plans for foreign companies to manufacturer in India, although with more conditions applied

2020 WEEKLY CALENDAR 			
June	8 th Malls, Religious places, Hospitality services open		
July	1 st week: Opening of educational campuses	Mid-July: All school and entrance examinations	
Aug.	1 st week: Unlock Phase 3	4 th week: Expected COVID-19 peak	
Sept.		Mid-Sep: New academic session for Universities	
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- Total stimulus package of 264 bn USD to counter macroeconomic stress (13 May) of which 22.6 bn USD was announced on 23 April to support the poor and food security
- Package includes 39.6 bn USD collateral free loans to ease pressure on MSME sector



Transformational effects

- India to be self-reliant by encouraging exports and incentivising localisation to improve resilience of supply-chain !
- Government prepares for fast liberalisation of otherwise centrally managed industries such as mining, defence production, space-, aerospace industries, and power distribution

CALL TO ACTION

- Stay updated on state relaxation measures and conduct detailed planning of how to adapt business measures as the economy opens up in three phases
- Analyse how regulatory amendments will impact your business when the Indian Government push the “Make in India” program (ex. 20% local supply)

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<https://www.investindia.gov.in/bip>

<https://www.mohfw.gov.in/>

FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- Industry power demand has almost come back to pre-covid level
- HIS Markit PMI rebounded to 30.8 in May compared to 27.4 in April



Logistics - Transportation

- No restriction on inter-state and intra-state movement of goods
- People have to abide state quarantine rules for interstate travel !



Customer demand

- Usage of digital payments by Indian consumers highest globally during the pandemic
- Low turnout amongst people venturing out to shop and eat as restrictions ease
- Digital interfaces throughout the sales journey will be crucial for long term survival
- Digital security will play vital role in driving digital and contactless payments

Long term effects (6-12 months)

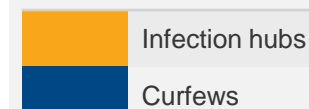
- Opting for locally produced products expected to become of higher importance both in B2B and B2C sales
- Domestic companies to leverage size of local market for exports

- Longer lead times and higher cost for transportation and logistics expected
- Consumers explore alternative ways to public transport

KEY RECOVERY DATA



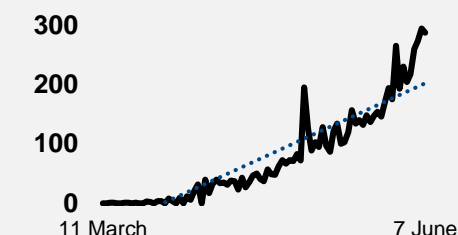
Main affected areas



R-number*	1.22
Plateau date**	August End


FATALITY CURVE

Daily reported fatalities



Further questions?
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South Korea: Government announces 62 USD bn 'New Deal' to create sources of growth and foster new industries in the post-covid economy

2020 WEEKLY CALENDAR				
June	1 st Re-entry permit exemption for long-term residents suspended		1 st Third supplementary budget	
July	Air carriers to open more international routes			
Aug.				
Sept.				
Oct.				
Nov.				
Dec.				

RECOVERY OVERVIEW



Stimulus packages & policies

- 225 bn USD worth of financial stimulus promised so far
- 62 bn USD 'New Deal' aims to refocus the economy through 2025 by supporting job growth and new industries



Transformational effects

- State-led investment in AI and 5G to will boost growth and jobs once the pandemic subsides and rear new industries such as system semiconductors
- Digitalisation of the economy and business is expected to accelerate

CALL TO ACTION

- Assess your readiness to leverage digital and ability to tap into digitally adaptable consumers, digitised supply chains and downstream partners
- Look into and apply for relevant government aid applicable for your industry
- Consider how your firm can leverage the opportunities of the 'New Deal'

LINKS TO AVAILABLE SUPPORT & GUIDELINES

[Support to self-employed & small business owners \(in Korean\)](#)

[Support to mid- to large-size businesses \(in Korean\)](#)

FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- Industry production dropped sharply in April due to waning domestic and global demand with lowest orders in 16 years



Logistics - Transportation

- Air freight capacity to all destinations significantly constrained
- Ocean freight capacity widely available to most regions



Customer demand

- Online sales in Korea grew 39% on year in April
- Sales at brick-and-mortar stores fell 19% in April



Current situation

Long term effects (6-12 months)

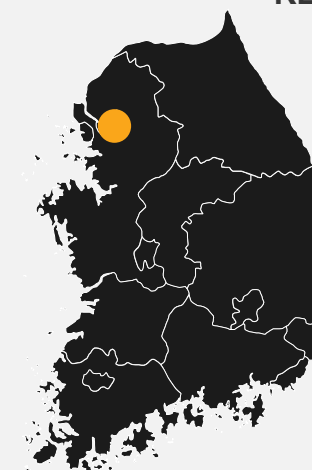
- The fragility of global supply chains will likely shift some production when companies explore re-shoring options
- Efforts to digitally connect factories will accelerate





- Air transport capacity expected to remain constrained for the foreseeable future due to the drastic drop in demand for passenger travel

- The pandemic will accelerate the already ongoing shift toward digital consumption of goods and services due to higher demand among consumers

KEY RECOVERY DATA



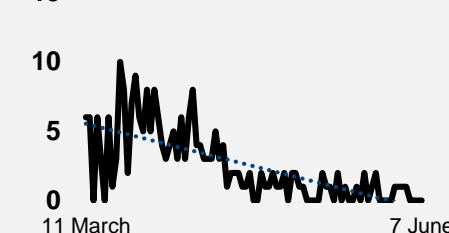
Main affected areas

	Infection hubs
	Curfews

R-number*	<1
Plateau date**	7-14 April

FATALITY CURVE

Daily reported fatalities



Further questions?
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Australia: Additional 482 mn USD stimulus to support construction and new rules for FDI as the country prepares for its first recession in 29 years

2020 WEEKLY CALENDAR				
June		9 June Mutual obligation requirements start for job seekers		
July	Phase 3: 100 people rule, interstate travel OK	Fully open except for international travel		
Aug.	Trans-Tasman travel arrangement (timing TBC), expanding into Trans-Pacific travel			
Sept.				
Oct.				
Nov.				
Dec.			International travel expected to resume 2021	

RECOVERY OVERVIEW




Stimulus packages & policies

- Total of 205 bn USD stimulus package injected incl. a JobKeeper programme
- Stimulus targeting 3 areas; individuals and households, businesses and flow of credit
- 1 bn USD for severely impacted sectors and to support construction



Transformational effects

- Large campaign: Buying Australian-made, i.e. supporting local and national producers will be more important
- New rules for FDI where the screening of foreign investment by the Foreign Investment Review Board will be adjusted to zero and take up to 6 months (exemptions exists) 

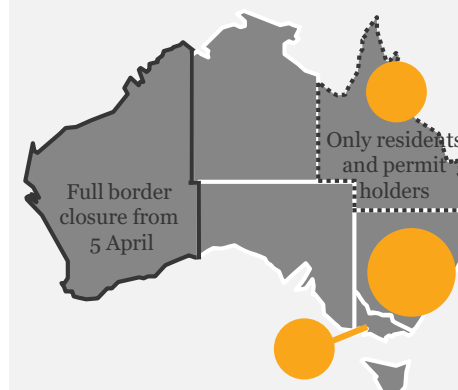
CALL TO ACTION

- Review opportunities to engage in the large projects announced in infrastructure, healthcare and manufacturing
- Conduct detailed planning of how to adapt business measures along with the three phases of relaxation e.g. define key focus themes across June to July
- Be transparent to customers in case expecting longer lead times

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<https://treasury.gov.au/coronavirus>

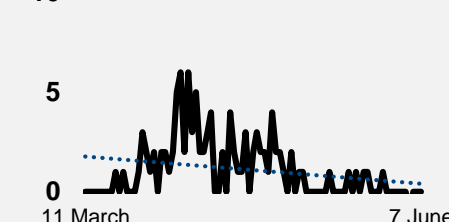
KEY RECOVERY DATA





R-number*	0.94
Plateau date**	29 March

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Less restrictions



Further questions?
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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- Productivity level remains on the lower side, >80% with modified operations in May
- Strict security measures, which also includes reduction of face-to-face meetings and travel




Logistics - Transportation

- 1.2 bn USD in additional stimulus to boost road and community projects
- Call to fast-track 750km of planned bicycle lanes to promote sustainable transportation



Customer demand

- Government helps eligible residents to build or renovate their homes with up to 17,323 USD to spur demand
- Free childcare ends on 12 July, followed by 3 months subsidise 
- ~50% of Australians have recorded less spending and expect it to last 12 months
- In store spending will continue to suffer in favor for digital channels

Current situation

Long term effects (6-12 months)


- Commission to increase Australian manufacturing competitiveness in sector such as agriculture, defense, telecom, steel and construction
- Shortage of labour in agriculture

- Longer lead times due to reduced supply of transport and logistics
- Post COVID-19, ~40% of Australians expect to decrease international travel and ~25% to decrease domestic travel

Source: Australia Government Department of Health, Australian Bureau of Statistics, Australian Government Treasury, Westpac, Reuters, ABC News Australia, McKinsey Survey: Australian consumer sentiment during the coronavirus crisis

Note: *The number of people infected by each virus holder **Infection plateau *** All guidelines are state dependent and relaxation measures differ e.g. NSW will go from 10 to 50 patrons in restaurants and allow intrastate travel on 1 June and to 20 in VIC

Singapore: New “fast lane” announced for business and official travel; approved travellers can now travel between Singapore-China

2020 WEEKLY CALENDAR				
June	1 st Circuit breaker end	Phase 1: “Safe reopening” – some businesses will reopen		
July	Phase 2: Safe transition (F&B dine-in will be allowed; retail outlets, gyms, sports centres etc will reopen with safe management practices)			
Aug.				
Sept.				
Oct.				
Nov.	Phase 3: Singapore enters a “new normal”: gatherings and events resume with ltd. crowd size			
Dec.				

RECOVERY OVERVIEW



Stimulus packages & policies

- ~71 bn USD package (20% of GDP)
- Wage support: more firms will be eligible for higher tiers of wage subsidies – 25-75% of first 3,240 USD of gross monthly wages
- 2.5 bn USD will be spent on the procurement of ICT in 2020 to boost the economy



Transformational effects

- Unemployment expected to increase from 3.6% to 5.0% (a job loss of ~200,000) – more than SARS (2003) and the financial crisis (2009)
- Tourism, 4.0% of Singapore’s GDP, have been heavily affected and is expected to take 3-5 years to recover

CALL TO ACTION

- Identify ways of formalising what worked well during the crisis: operating with urgency and a defined purpose can also be leveraged in a new normal
- Build a “momentum”-case to facilitate “new normal”-strategies: closely assess where pockets of growth can be found and build a business case

LINKS TO AVAILABLE SUPPORT & GUIDELINES

<https://www.moh.gov.sg/covid-19>

<https://www.mof.gov.sg/>

KEY RECOVERY DATA



R-number* N/a

Plateau date** N/a

FATALITY CURVE

Daily reported fatalities

10

5



Main affected areas

- Infection hubs
- Curfews



Further questions?

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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production



Logistics - Transportation



Customer demand

Current Situation

- Operating environment considerably weakened
- Singapore’s factory activity still in negative territory but rose slightly in May

- Some flights being resumed but Singapore Airlines still only operating at 6% of capacity

- Retail sales plunge 40,5% YoY in April as all non-essential shopping (that cannot be bought in supermarkets) have to be done online

Long term effects (6-12 months)

- Potential relocation of production to other countries
- More security measures likely to impact overall productivity
- Long term shortage of labour in construction

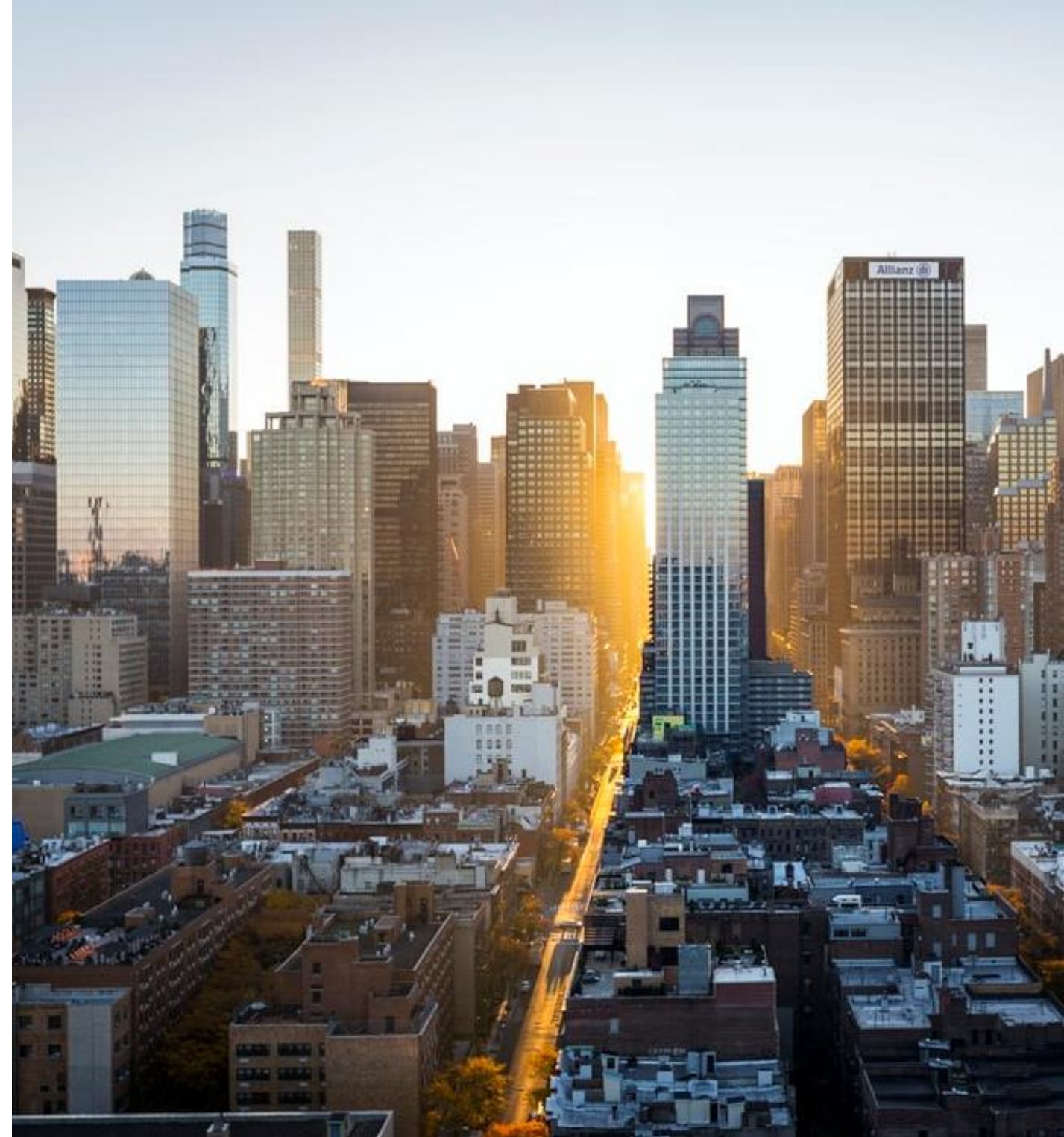
- Supply chain operating environment has weakened considerably, extension of local circuit breaker measures affect capacity and responsiveness

- A continued pivot toward digital channels and purchase of essential products, especially in the FMCG-segment


































Source: Business Sweden analysis, MOH, Straits times, CNBC, Tradingeconomics *The number of people infected by each virus holder **Infection plateau

Agenda

- Weekly feature: Covid-19 effects on Swedish Exports
- Global overview
- Europe overview
- Middle East & Africa overview
- Asia-Pacific overview
- **Americas overview**
- About Business Sweden




The rate of announcement and issuance of new stimuli packages slows for the region; by end of June most countries are expected to partially reopen economies

COUNTRY	HEALTHCARE IMPACT			ROAD TO RECOVERY					Restrictions		
	Fatalities			Economic Activity 0-100%	GDP 2020 Forecast Pre- vs. post-covid	Economic stimulus measures Fiscal measures % of GDP		Primary focus of measure & available support	Restrictions		Comment
	Total	/million	10-day trend Daily fatal.								
 USA	109038	331	4%		2% → -6%		14%	<ul style="list-style-type: none"> Republican Senate Majority leader has indicated that the next stimulus bill will be the last to be implemented The PPPFA* allows small businesses more time to pay back loans and extends re-hire deadlines as guidelines are eased 	HIGH	<div> <div>Last state begins re-opening</div> <div>15 June</div> </div>	Demonstrations in U.S. cities cause fear for new spike in cases and for return to harsher restrictions
 Canada	7703	206	-10%		2% → -6%		10%	<ul style="list-style-type: none"> Federal deficit anticipated at 89 bn USD in fiscal 2020-2021 due to stimulus funding from government Support of 11 bn USD to help Canadians with disabilities Gov. to provide 10 bn USD to provinces to re-open safely 	HIGH	<div> <div>National parks open</div> <div>1 June</div> </div> <div> <div>Provincial re-openings continue</div> <div>July</div> </div>	Opening of economies to move ahead despite continued increases in cases in Ontario and Québec
 Mexico	13170	103	3%		1% → -6%		1%	<ul style="list-style-type: none"> No new stimulus packages announced. Government continues to support through microcredits and infrastructure programs A loan of 1 bn USD from the World Bank was approved last week, but according to the ministry the use of it is not specified 	HIGH	<div> <div>Economic activities start based on a color-coded system</div> <div>1 June</div> </div>	Most regions in Mexico are still red, meaning that non-essential business are not allowed to re-open
 Brazil	35026	166	-1%		1% → -5%		10%	<ul style="list-style-type: none"> 64 bn USD in deposits given to low income pop. in 4 months Corporate credit, tax deferring and anticipation of social benefits Temporary suspension of contracts, reduction of working hours 15 bn USD federal aid to states and municipalities approved 	HIGH	<div> <div>Starts flexible quarantine in SP</div> <div>1 June</div> </div> <div> <div>Next quarantine phase in SP</div> <div>15 June</div> </div>	Malls and car dealerships will operate with reduced hours in Sao Paulo City from 8 June
 Chile	1541	81	7%		1% → -4%		7%	<ul style="list-style-type: none"> No new stimulus package announced. Support continues with delay of tax payments, tax reductions and increased credit limits Most stimuli packages are directed towards SMEs Measures taken to strengthen the health system and protect jobs 	VERY HIGH	<div> <div>Lockdown estimated to end</div> <div>June-July</div> </div>	40 municipalities in lockdown, affecting around 7 mn people
 Colombia	1145	23	9%		3% → -3%		3%	<ul style="list-style-type: none"> Government issued Solidarity Fund bonds aiming to bring in more than 2.6 bn USD Tax authority DIAN extends deadline for tax declaration Support to SMEs to reduce minimum salary costs to employer 	HIGH	<div> <div>Partial economic reopening</div> <div>1 June</div> </div> <div> <div>Quarantine est. end</div> <div>30 June</div> </div>	Bogotá continues quarantine while the rest of the country is slowly reactivating selected sectors
<div>  CAGR positive past 5 days  CAGR stagnant past 5 days  CAGR negative past 5 days </div> <div>  VERY HIGH  HIGH </div> <div>  MED  LOW </div> <div>  NORM  VERY HIGH </div> <div>  Curfew imposed, only groceries and pharmacies open. Public meetings <10  Some schools and stores closed. Public meetings restricted to <500  Normal societal functionality </div> <div>  Most schools and stores closed. Public meetings restricted to <100  Most schools, stores open. No Public meeting restriction </div> <div>  Recent key updates </div>											

Source: IRS, IMF, Washington Post, New York Times, CTV News, Brazil Ministry of Economy, NPR, Valor Economico, Folha S.P., gob.cl, Reuters, WHO, ABC 12, WSJ, IMF WEO April 2020, Government of Canada, Milenio, Forbes, Gobierno de Mexico, The Telegraph, The Conference Board of Canada *Paycheck Protection Program Flexibility Act, Colombia Minister of Finance

United States: Deadline for re-hiring personnel extended to 31 December for small businesses within the new Paycheck Protection Program Flexibility Act

2020 WEEKLY CALENDAR 			
June	15 th June last state projected re-opening	23 rd June Prel. opening of MX/U.S./CAN border	
July			
Aug.			
Sept.	1 st September Potential re-opening of schools		
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- The newly signed PPPFA* allows extended deadlines from 30 June to 31 December for re-hiring personnel, as well as loan spending deadline from 8 weeks to 24 weeks
- 4.5 million PPP loans worth 500 bn USD have been approved, with 120 bn USD funding left



Transformational effects

- While it may take years for the U.S. to recover, chief analysts at Moody's predict that the worst phase of economic downturn has passed
- May saw rebound of 2.5 mn rise in jobs, but economists caution it mostly reflects part time or furloughed jobs and permanent job losses were higher, which may take longer to recover

CALL TO ACTION

- Investigate the possibility of applying for the newly relaxed PPPFA* requirements and PPP business loans
- Consider continued work-from-home as several large U.S. companies have encouraged remote working throughout 2020 in order to remain socially distant and avoid a second wave of infections

LINKS TO AVAILABLE SUPPORT & GUIDELINES

www.coronavirus.gov

www.cdc.gov

[Relief options](#)

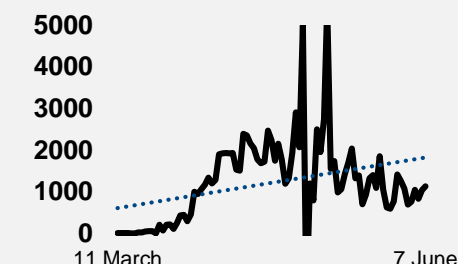
KEY RECOVERY DATA

R-number** 0.75 - 1.13

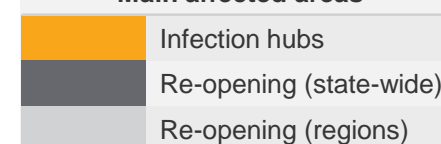
Plateau date*** 16 May

FATALITY CURVE

Daily reported fatalities



Main affected areas



Further questions?

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FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- The CEO of GM expects production levels in their North American automotive plants to return to pre-pandemic level as early as late June



Logistics - Transportation

- U.S. imports and exports have both declined with record numbers since March, decreasing by 13.7% and 20.5% respectively



Customer demand

- American airlines are set to fly 55% of domestic flights in July, a sharp rise from 20% in May, due to increasing customer demand

Current situation

Long term effects (6-12 months)

- While automotive production is resuming, continued caution and new company safety guidelines have been implemented and will persist for the foreseeable future

- While most of the U.S. has opened up and eased transport restrictions, the implemented safety precautions are expected to remain for 2020

- The hard-hit travel and aviation industry is slowly increasing flights, but will remain focused on domestic travel as the U.S. re-opens while the global situation remains uncertain

Source: Washington Post, USNBC, New York Times, The Guardian, CNN, Business Insider, World Bank, Rt Live, Forbes, WSJ, ABC News, Financial Times, The Telegraph, McKinsey, GEOTAB, CNBC, Business Insider, Bloomberg, SACCNY COVID-19 Action Study, Federal Aviation Administration, Comscore, Fortune, Moody's Analytics *Paycheck Protection Program Flexibility Act **Number of people infected by each virus holder, lowest in Hawaii and highest in South Carolina ***Infection plateau

🇨🇦 Canada: Bank of Canada shows optimism and predicts that the national economy will resume growth in Q3 as more provinces start to reopen

2020 WEEKLY CALENDAR			
June	Some national parks will open	US/CAN border open	
July	Phase two of three for Ontario's re-opening might commence		
Aug.			
Sept.	Schools expected to start again		
Oct.	Air Canada expects flights to be back to normal in Q4		
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- Government to offer provincial premiers 10 bn USD in funding to help them safely reopen and decrease the risk of triggering explosive second wave of cases
- Bank of Canada to hold interest rates steady at 0.25% saying that economic impact from COVID-19 on Canada seems to have peaked



Transformational effects

- Fears over contamination through physical bills and coins have seen many businesses deny cash payments with predictions that Canada might go cash-less post-covid; 62% of Canadians are now using less cash



CALL TO ACTION

- Ontario is considering moving into phase two of three of re-opening the economy which would include office spaces, more retail stores and allow for larger gatherings
- Swedish companies should monitor each province closely as reopening plans vary between provinces

LINKS TO AVAILABLE SUPPORT & GUIDELINES

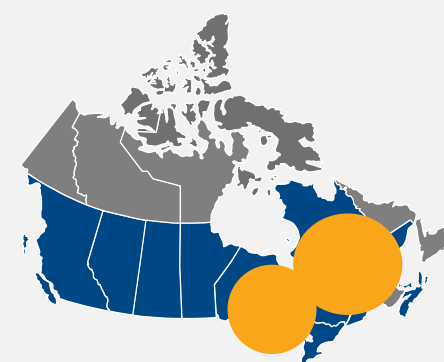
<https://www.canada.ca/en.html>

http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07662.html

<https://covid-benefits.alpha.canada.ca/en/start>

FUTURE EFFECTS ON BUSINESS OPERATIONS

	Supply - Production	Logistics - Transportation	Customer demand
Current situation	<ul style="list-style-type: none"> Bombardier to lay off 2 500 domestic and international workers as the company faces struggles to keep operations and demand afloat 	<ul style="list-style-type: none"> The Canada/U.S. border will remain closed until at least 21 June Land travel between the countries has declined by 87% amid border closure 	<ul style="list-style-type: none"> Statistics Canada reported that the Canadian economy added 290 000 jobs in May, while at the same time the country's unemployment rate climbed to 13.7 %
Long term effects (6-12 months)	<ul style="list-style-type: none"> Companies are rethinking the model of relying on foreign suppliers and manufacturing and instead turning to local production options to minimize uncertainty 	<ul style="list-style-type: none"> A survey shows that most Canadians think the border to the U.S. should remain closed until September or even until the end of 2020 	<ul style="list-style-type: none"> Economy is showing improved data on home sales, consumer spending and new jobs added as provinces ease restrictions predicting a positive recovery

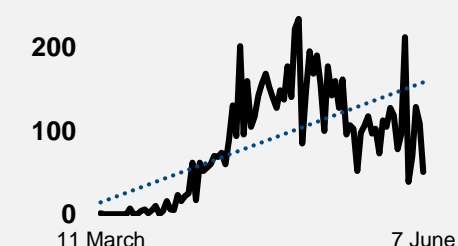


KEY RECOVERY DATA

R-number*	0.8
Plateau date**	2 May (flattened)

FATALITY CURVE

Daily reported fatalities



Main affected areas

	Infection hubs
	Restrictions



Further questions?

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Source: CTW News, Capital Economics Research, Globe and Mail, Government of Canada, Ontario Government, Financial Post, Moody's analytics, BNN Bloomberg, The Conference Board of Canada, CBC News, Statistics Canada

*The number of people infected by each virus holder **Infection plateau ***Canadian Medical Association

Brazil: Cities in Sao Paulo, Rio and Minas Gerais start to gradually reopen commercial activities even though transmission has not yet reached a plateau

2020 WEEKLY CALENDAR			
June	1 st June SP and RJ start to relax measures	15 th June SP second phase of relaxation	
July	Restriction measures may be extended		
Aug.			
Sept.			
Oct.			
Nov.			
Dec.			

RECOVERY OVERVIEW



Stimulus packages & policies

- Newly approved federal aid to states and municipalities worth 15 bn USD
- Deposits to low income population, self-employed and contract workers were extended for 2 more months, adding up to 64 bn USD
- SMEs reported challenges to get special credit



Transformational effects

- Acceleration of digital transformation of retail, business interactions and government reach
- Devaluated BRL to become the new normal for a longer period, favoring exports over imports
- Lack of response from Bolsonaro might cause loss of government popularity in the long term

CALL TO ACTION

- Companies should start planning for potential reopening of offices and car dealerships with limited operating hours, in Sao Paulo city and metropolitan region during the next 2 weeks
- With the transmission curve still on the rise, continue to keep an eye on regional lockdowns, mainly in the North and Northeast regions

LINKS TO AVAILABLE SUPPORT & GUIDELINES

www.saude.gov.br (in Portuguese)

www.seade.gov.br/coronavirus

FUTURE EFFECTS ON BUSINESS OPERATIONS



Supply - Production

- GDP in Q1 contracted -1.5% pulled down by automotive, clothing and service industries
- Industries like pharmaceuticals, food and hygiene products grew around 3% in May



Logistics - Transportation

- 12% of Swedish companies in Brazil noted major disturbances in supply chains in May
- Sales of trucks and buses recovers with 11% growth in May. Fuel consumption also increased



Customer demand

- Newly reopened shopping malls have 70% lower sales than in pre-pandemic times
- Some regions have reopened activities, but sales account for 40-60% of usual levels

Current situation

Long term effects (6-12 months)

- Oil market is heating up with expectation of a rebound of demand in China
- Chemical industry (10% of Brazil's industrial GDP) foresees a -5% retraction in 2020

- Road transport fell only 20% during isolation, and deliveries have been on schedule
- Private road operators are willing to invest 5 bn USD in infrastructure

- Unemployment reaches 12.6% (12.8 million) and will affect demand going forward
- Retail industry prepares for a scenario with customer credit default as high as 40%

KEY RECOVERY DATA

R-number* 1.4

Plateau date** June

FATALITY CURVE

Daily reported fatalities

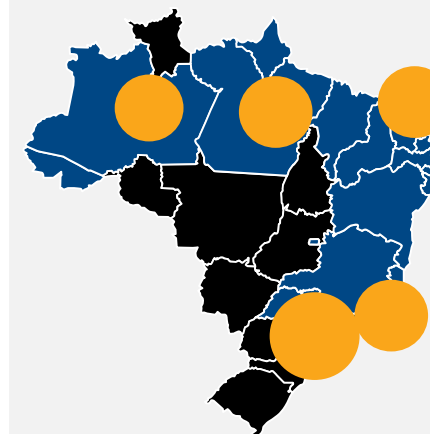
2000

1000

0

11 March

7 June



Main affected areas

- Infection hubs
- Curfews



Further questions?

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Source: Brazil Ministry of Health, Sao Paulo State Secretariat of Health, Brazil Ministry of Economy, Valor Economico, Folha S.P., O Globo, Swedcham BCS *The number of people infected by each virus holder **Infection plateau ***Public-private partnership

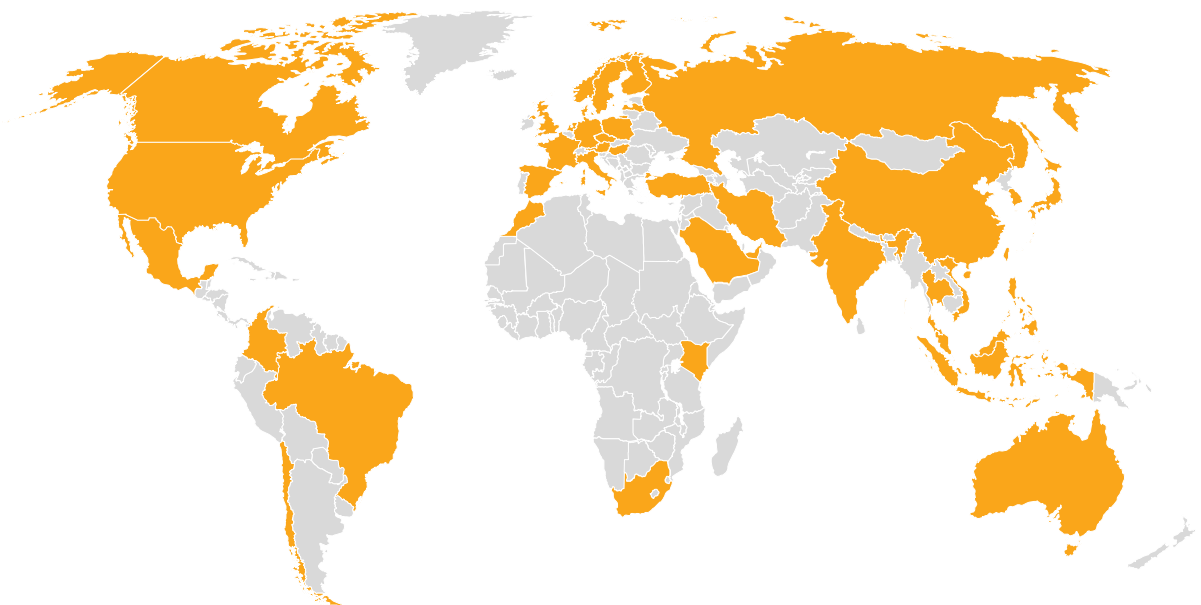
Agenda


- Weekly feature: Covid-19 effects on Swedish Exports
- Global overview
- Europe overview
- Middle East & Africa overview
- Asia-Pacific overview
- Americas overview
- **About Business Sweden**




Business Sweden is an international organization with a global footprint – we stand ready to support you in over 50 markets

BUSINESS SWEDEN OFFICES



 Markets with local Business Sweden office

 Markets covered by nearby offices

Business Sweden helps Swedish companies grow global sales and international companies invest and expand in Sweden

OUR PRESENCE AND EXPERIENCE

50+

Business Sweden is a truly global company, operating in more than 50+ markets across the world

500

Our staff force of ~500 people across the globe consists of multinational teams rooted in local business culture.

45

More than 45 years' experience in helping Swedish businesses succeed abroad.

Our presence and experience allows us to:



Provide feet-on-the-ground and practical support



Consult from a truly international perspective



Give strategic advice and ensure best practices



Disclaimer: This is a summary of a highly dynamic and rapidly evolving situation. Although great care has been taken in the production of the material, it represents a view at a particular point in time. This presentation is intended as guidance and not intended to constitute safety advice or as a formal recommendation for a particular response.