

UPDATE COVID 19



June 25, 2020

Dear BGA Clients,

Our report this week surveys the steps toward economic recovery across the Asia-Pacific. Recent projections released by the International Monetary Fund (IMF) and Asian Development Bank (ADB) reflect the growing consensus that the economic effects of the Covid-19 pandemic will be both deeper and longer-lasting than originally hoped. They dashed a belief in some quarters that a “v-shaped” recovery would inevitably follow the sudden crashes seen earlier this year. However, the economic projections nearly uniformly predict a return to growth next year even in the markets most strongly affected by the outbreak.

A common thread across even our best-performing markets is the growing risk of second and third waves of the disease. From China to Korea, outbreaks have emerged in areas previously deemed under control, causing governments to reevaluate their pace of lifting restrictions. While the rolling eruption and suppression of local outbreaks in the United States has captured much of the global media’s attention with the unparalleled scale of the American outbreak, the same pattern is being replicated on a smaller scale across the world.

However, policy responses have evolved to reflect our growing understanding of the disease and its spread. Even in areas with surging cases, governments are reticent to reimpose economically devastating lockdowns, instead relying on social distancing measures and increased use of personal protective equipment. While some countries, like New Zealand, are strictly sticking to their positions of continued isolation, many more markets are cautiously but firmly moving to reopen the movement of goods and people internationally.

Next week, BGA will run a special report on the effects of the Covid-19 pandemic on the pharmaceutical industry in the Asia-Pacific. Questions and comments are welcome and can be directed to BGA Head of Research Murray Hiebert at mhiebert@bowergroupasia.com.



Best Regards,

Murray Hiebert
Director of Research, BowerGroupAsia



“Some have asked whether there’s a limit to what we can achieve. My answer is that limit does not exist.”

Leo Varadkar, Taoiseach of Ireland

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| Pakistan | PNG | Philippines | Singapore | South Korea |
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Social Intelligence Spotlight: Japan

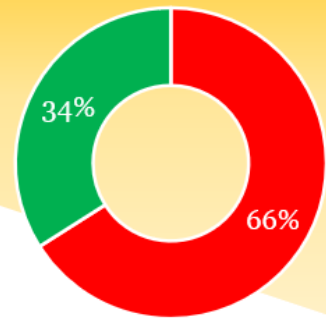
Conversations on the government’s handling of Covid-19 centered on the timeliness and adequacy of fiscal stimulus and containment measures; the performance of various ministries, healthcare professionals and the Covid-19 task force; and government transparency. Overall public sentiment was mixed: though 59 percent of all mentions reflected positive or neutral sentiment, mentions identified as negative — the plurality — nearly doubled those categorized as positive.

In discussions criticizing the government’s Covid-19 response, users disapproved of austerity measures, calling instead for more business relief and support for the poor, and complained of containment policies that have restricted personal freedoms and retarded economic activity. In general, there was resentment toward the government’s dilatory response in helping workers,

SMEs and those heavily impacted by Covid-19 disruptions. On specific government initiatives, users were disappointed with the COCOA contact tracing app and the “Abenomask scheme” — citing delays in distribution — while some claimed remote learning policies for schools were unrealistic. Other criticisms were more ambiguous, reproaching the Abe administration for its lack of transparency and accusing it of profiteering.

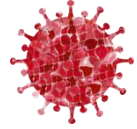
Mentions commending the government’s handling of Covid-19 tended to be more diverse and better articulated. The bulk of comments applauded healthcare professionals and government staff for their dedicated work in addressing the pandemic. **Users expressed satisfaction with Abe’s handling of the unprecedented crisis and approved of the priority the administration has placed on saving lives in addition to government loans for businesses and the relaxation of restrictions on foreign workers.**

Social Media Sentiment on Government Response
June 18 to 24



NEGATIVE

POSITIVE



Covid-19 Recovery Across the Asia-Pacific

		Covid-19		% GROWTH				Covid-19		% GROWTH	
		6/25 Cases	6/18 Cases	Est. GDP 2020	Est. GDP 2021			6/25 Cases	6/18 Cases	Est. GDP 2020	Est. GDP 2021
	Australia	7,521	7,370	-4.5 [^]	4.0 [^]		Nepal	10,728	7,177	2.5	5.0
	Bangladesh	122,660	98,489	2.0	9.5		New Zealand	1,169	1,157	-7.2	5.9
	Brunei	141	141	1.3	3.5		Pakistan	192,970	160,118	-0.4 [^]	1.0 [^]
	Cambodia	130	129	-1.6	6.1		PNG	10	8	-1.0	2.9
	China	85,119	84,903	1.0 [^]	8.2 [^]		Philippines	32,296	27,238	-3.6 [^]	6.8 [^]
	Hong Kong*	1,180	1,125	-4.8	3.9		Singapore	42,623	41,216	-3.5	3.0
	India	473,105	366,946	-4.5 [^]	6.0 [^]		South Korea	12,563	12,257	-2.1 [^]	3.0 [^]
	Indonesia	49,009	41,431	-0.3 [^]	6.1 [^]		Sri Lanka	2,001	1,924	-0.5	4.2
	Japan	18,110	17,668	-5.8 [^]	2.4 [^]		Taiwan**	447	446	-4.0	3.5
	Laos	19	19	0.7	5.6		Thailand	3,158	3,141	-7.7 [^]	5.0 [^]
	Malaysia	8,596	8,515	-3.8 [^]	6.3 [^]		U.S.A.***	2,336,615	2,123,321	-8.0 [^]	4.5 [^]
	Mongolia	215	197	-1.0	8.0		Vietnam	352	335	2.7	7.0
	Myanmar	293	263	1.8	7.5						
Sources:		(WHO)	(WHO)	(IMF)	(IMF)			(WHO)	(WHO)	(IMF)	(IMF)

Covid-19 Data (except as noted): World Health Organization; *Government of Hong Kong SAR; **Taiwan Centers for Disease Control, ***U.S. Centers for Disease Control and Prevention
 GDP: International Monetary Fund, World Economic Outlook April 2020, ^WEO Update June 2020



Australia

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	7,571	7,370		-4.5%	4.0%

- Due to quick shutdown measures, border closures and mandatory quarantine of travelers, Covid-19 did not take hold in Australia as feared. Since May, the country has entered a phased exit from lockdown restrictions as the curve flattened. But since last week, there has been a rise in cases in the state of Victoria. Australia has seen the greatest increase in Covid-19 cases in the last week since its peak in March.
- With fears of a second wave rising, the Victorian government brought back tougher restrictions, extended a state of emergency and requested support from the Australian Defense Force for testing and logistics. Other Australian states are warning people not to travel to Victoria.
- Prime Minister Scott Morrison has indicated that regional areas and zones dependent on tourism are likely to receive support for their economies beyond the September cut-off date. This would be through the JobKeeper wage subsidy, which allows businesses to continue paying their employees through government payments of AUD 1,500 (\$1,032) to eligible employees every two weeks. There are calls for a country-wide extension of JobKeeper and JobSeeker support packages beyond the September sunset clause.



Bangladesh

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	122,660	98,489		2.0%	9.5%

- Officials have not been able to finalize a complete zone-based containment strategy. The implementation of the zone-based lockdown in Dhaka, which is the worst affected region with more than half of the confirmed coronavirus cases in the country, remains uncertain. Indecision, incompetence and a lack of coordination among the government agencies dealing with the crisis are to blame for the present confusing situation. However, both mayors of Dhaka have said they are now ready to execute a zone-based lockdown with 48-72 hours of notice.
- With the ban on flights lifted on June 15, passengers are supposed to go through several layers of screening before they fly. The airlines are bound to follow the health protocols the Civil Aviation Authority sets. Several airlines said they are now planning to resume flight operations to and from Bangladesh, including on routes to London, the transit hubs of the Middle East and to China. However, cases linked to Bangladeshi passengers have appeared in China, Japan and South Korea, leading to renewed restrictions on flights to and from the country.
- As of June 24, the Bangladesh Bank has approved around BDT 30 billion (\$354 million) in loan proposals for 140 entities, which different banks submitted for approval under the government-announced package meant for the industry and service sectors affected by the pandemic. The process of approval for another BDT 20 billion (\$236 million) in stimulus loans will be completed in a few days, which would take the total amount of BB-approved stimulus loans to around BDT 50 billion (\$590 million).



Brunei

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2020 est.
	141	141		1.3%	3.5%

- Brunei has not reported any new Covid-19 cases since May 8, though over 400 individuals remain in quarantine after traveling abroad. Outbound international travel is subject to government permission, and approved travelers must pay for testing and submit to a mandatory 14-day quarantine. The government announced updates to the national welfare system to be implemented July 15. The updated system will change eligibility criteria for some programs and include new digital services, and the government anticipates extending benefits to those who have been impacted by Covid-19 especially.
- Brunei entered its second phase of reopening on June 18 and is permitting increased capacity at restaurants, businesses and mosques. The minister of health reported that over 90 percent of the population has registered for the BruHealth contact tracing app, which will help facilitate access to businesses and institutions.



Cambodia

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	130	129		-1.6%	6.1%

- On June 24, the Cambodian government launched a cash transfer program for poor and vulnerable households affected by Covid-19. The package includes \$125 million in cash handouts for five months to over 600,000 poor and vulnerable families in hard-hit areas. A sub-decree signed on June 12 approved government cash handouts of KHR 120,000 (\$30) per month to poor families in Phnom Penh and those in cities outside the capital. The Ministry of Planning said it has identified 560,000 poor families consisting of 2.3 million people who are eligible for the cash handouts.
- The government plans a 50 percent drop in spending for 2021 from \$8.2 billion to \$4 billion as part of the 2020 budget, including an 11.3 percent drop for social affairs and 6.4 percent for general administration.
- On June 15, Cambodia officially launched its latest online business registration system. The “single portal” aims to approve applications within eight working days. Six ministries and state-run institutions have been integrated into the system. These include the Ministry of Interior, the Ministry of Economy and Finance, the Ministry of Commerce, the General Department of Taxation, the Council for the Development of Cambodia and the Ministry of Labor and Vocational Training.



China

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	85,119	84,903		1.0%	8.2%

- A series of Covid-19 outbreaks in Beijing near the Xinfadi market led to brief fear of a second-wave outbreak in the capital and a temporary ban on imported food. Over 200 people have been infected in Beijing since June 13.
- According to the International Monetary Fund’s World Economic Outlook Update, China will likely see 1 percent GDP growth in 2020, down from 6.1 percent in 2019. The IMF expects only China’s economy will expand amid the pandemic.
- Economic stimulation continued with Premier Li Keqiang’s announcement to increase the amount of loans available to businesses, lower interest rates and cut taxes.



Hong Kong

COVID-19 DATA (HKSAR)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	1,180	1,125		-4.8%	3.9%

- This week, the death toll from Covid-19 grew to seven as three patients succumbed to the virus. As of June 25, the total number of infections stands at 1,180, with all new cases coming from abroad. This week saw the reopening of some free public leisure facilities, including outdoor soccer pitches, basketball courts, volleyball courts and playgrounds.
- The Hong Kong government is working on a plan to create a “travel bubble” between Hong Kong, Macau and Guangdong, allowing people to travel between the three locations without a 14-day quarantine, but this week Chief Executive Carrie Lam said “technical issues” have stalled the plans.



India

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	473,105	366,946		-4.5%	6.0%

- India is still some distance from reaching its peak. It is becoming exceedingly likely that by next month, India will cross the 1-million mark as local authorities proceed toward “unlocking” the economy while increasing testing. New Delhi currently has the most cases, with other cities such as Mumbai, Chennai, Ahmedabad and Kolkata accounting for the bulk of cases. Besides containment zones, certain districts in Tamil Nadu and West Bengal are under lockdown.
- The central government is expected to release “Unlock 2.0” guidelines early next week to further reduce restrictions beginning July 1. It is expected that additional leeway on transportation by air, rail and road will be provided: increasing air and rail operations for inter-state travel, permitting mass transit systems to operate, allowing limited international flights with select nations and altering curfew times to permit restaurants to function in the evening are under consideration. Indian officials are in discussions with several countries including the United States, United Kingdom, Germany and France to establish air travel “bubbles.”
- Most economic forecasts agree that the Indian economy will shrink by single digits this fiscal year (April 2020 to March 2021) but project a v-shaped recovery exceeding 6 percent GDP growth the following year. Considering the present conflict with China, closer economic ties with the United States, such as initiating discussions on a free trade deal, are now being reexamined.



Indonesia

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	49,009	41,431		-0.3%	6.1%

- The Ministry of Health has issued a decree on health protocols and guidelines for workplaces and industries, with implementation given to local administrations. Companies in Jakarta can reopen their offices in adherence with Covid-19 health protocols, such as maximum 50 percent capacity, implementation of shift work hours and the use of masks. The recent spike in cases may reflect the return to Jakarta of those who left for the Eid ul-Fitr holidays in May and the easing of mobility and commercial restrictions.
- The government appears to be using the pandemic as a rationale to issue several regulations that are not necessarily favorable to global industry. The Ministry of Industry, for example, issued local content requirements for pharmaceuticals and medical devices that will impact products listed on government procurement lists.
- The government and Parliament are continuing to deliberate the omnibus bill on job creation, which is expected to improve the investment climate. In addition, the Investment Coordinating Board (BKPM) has formed a taskforce to attract investment relocations from China. The taskforce aims to craft a strategy to better attract relocation of global manufacturing hubs from China to Indonesia as well as attract foreign investment after the pandemic.



Japan

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	18,110	17,668		-5.8%	2.4%

- Since the emergency declaration was lifted a month ago, Covid-19 cases have been on a gradual rise, especially in the capital city. On June 24, Tokyo saw 55 cases (out of 84 cases nationwide) — the highest number since the beginning of May. The metropolitan government had gradually relaxed voluntary restrictions placed on business activities and the movement of people. The government has indicated it will reinstate the business closure requests if all three of the following occur: new cases exceed 50, more than half are untraceable and new cases double in the span of a week.
- The government launched its own coronavirus contact-tracing app on June 19, which is designed to notify users who are thought to have been in close contact with someone infected with the virus. The app had around 3.7 million downloads as of June 23, but since then, bugs have been found that have forced the app to shut down. A fix is in the works, and the Ministry of Health is expected to launch an updated version within a week.
- On June 19, the ruling Liberal Democratic Party (LDP) agreed to the government’s proposal of a single payout of rent relief subsidies to struggling SMEs. While the LDP had been weary of a lump-sum payment, fearing inappropriate usage, monthly checks and reconciliation would have caused further delays in the distribution of the much-needed aid, and LDP members finally gave in. The subsidy will be capped at JPY 6 million (\$55,710) for maximum coverage of six months of rent.



Laos

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	19	19		0.7%	5.6%

- The Lao government declared the elimination of Covid-19 on June 10 and has reopened almost all sectors. Despite widespread discussion about a travel bubble, international travel remains banned until June 30 with limited exceptions. Addressing the National Assembly, Prime Minister Thongloun Sisoulith proposed lowering the GDP target for 2020. To account for lower revenue and expenditure targets, the government has proposed cutting administrative budgets by 30 percent at the central level and 10 percent at local level and postponing payments to the state investment budget.
- In the last week, Laos received additional medical supplies from the Chinese government, a \$2.5 million commitment from the U.S. Agency for International Development and an additional AUD 4.8 million (\$3.3 million) commitment from the Australian government to fight the pandemic and boost recovery.



Malaysia

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	8,596	8,515		-3.8%	6.3%

- Public and private schools reopened on June 24 but will be limited to students at advanced levels sitting for public examinations and equivalent international examinations. The Ministry of Education will announce the further reopening of schools, which will happen in stages. All primary and secondary school teachers are required to return to school premises to conduct online learning for students at home using school resources. The first stage of the reopening will gather 500,000 students in 2,440 schools nationwide.
- The government will prohibit new employment of foreign workers in all sectors until the end of the year to prioritize unemployed Malaysians. The unemployment rate stood at 5 percent in April 2020, the highest since 1990, due to the closure of businesses and non-essential services during the Movement Control Order period.
- The government is in discussions about reopening the country's borders starting with the "green zone" countries of Singapore, Brunei, Thailand, New Zealand, Australia, Japan and South Korea. However, implementation will depend on the outcome of bilateral discussions with the countries involved, with primary consideration given to standard operating procedures and mutually agreed upon public health protocols to preserve the health and safety of citizens on both sides.
- On June 19, Malaysia agreed in principle to allow Singaporeans and Bruneians to enter the country's borders without applying for approval from the Malaysian Immigration Department or undergoing Covid-19 screening or home quarantine. However, this condition will only apply when Singapore and Brunei extend the same privileges to Malaysians.



Mongolia

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	215	197		-1.0%	8.0%

- The ruling government was reelected with a super majority on June 24, and businesses expect more stimulus and support in coming weeks. Many want a quicker easing of the state of high alert, which has been in effect since February 13, because there has not been a local or community spread.
- Despite fear of the virus, the election had exhausted all of the country's efforts and resources in the past few months. With the election now concluded, the prime minister will be able to freely form his cabinet without facing opposition and ensure policy certainty and stability, which is essential to overcome the current economic crisis. Voters also endorsed the prime minister's heavy-handed measures in preventing a local virus outbreak, because Mongolia has seen no deaths.
- The control of the state and its role in the economy are both likely to increase. Since the government was elected on its promise of cheap loans and mortgages, there is elevated risk for increased public debt and international bond repayment pressure in the coming months. Although a \$2-billion loan repayment to China was suspended until December 2020, Mongolia may face difficult negotiations and may have to earmark extractive revenues or sell major mineral assets to repay the debt in 2021.



Myanmar

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	293	263		1.8%	7.5%

- The next session of Parliament will resume on July 13 and will last for over a month. It will be the last under the National League for Democracy-majority government before the November general election.
- Some officials believe that the first wave of Covid-19 is over and containment policies have done well. However, the government continues to remind people to keep their guard up for the expected second wave, given the daily rising imported cases.
- The Planning and Finance Ministry forecasts that economic hardships will worsen in the last quarter of 2020. To cushion the impact, the government is working to give out low-interest loans to 4,000 applicants, most of which are SMEs. To mitigate the impact of Covid-19, the Myanmar Investment Commission aims to meet a foreign investment target of \$5.8 billion and has been approving labor-intensive projects including an industrial complex project — the first joint venture between the Myanmar and Korean governments.
- The government has eased more restrictions on land and sea trade over recent weeks. The Ministry of Commerce reported that over 180,000 tons of rice were exported to several countries by sea.



Nepal

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	10,728	7,177		2.5%	5.0%

- Nepal’s agricultural sector has taken a strong hit from the Covid-19 crisis, limiting access and increasing prices of common agricultural goods in the country. For example, the National Tea and Coffee Development Board has projected that domestic tea consumption is on track to decline by 25 percent this year, while the government has raised the floor price for rice by 8 percent. To make matters worse, the government has also halted the import of fruits and other food items to conserve foreign currency reserves.
- The government has taken steps to invest in the energy sector with an eye toward improving the country’s long-term recovery. The Investment Board of Nepal announced five new hydropower investments worth NPR 137 billion (\$1.1 billion), and the government received a \$100 million Development Policy Credit from the World Bank to reform energy sector governance.



New Zealand

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	1,169	1,157		-7.2%	5.9%

- New Zealand’s Deputy Prime Minister Winston Peters said that the Covid-19 pandemic has exposed the problems of building an economy on consumption driven by immigration and that New Zealand should tighten its liberal immigration policies and concentrate on improving the skills of its own workforce. Prime Minister Jacinda Ardern’s Labour-led coalition pledged to cut net annual migration when it came to power in 2017 but had little success until Covid-19 prompted the country to close its borders. This could be an impetus for a new population policy.
- New Zealand’s economy shrank by 1.6 percent in the March quarter — the largest drop in 29 years and the first quarterly fall since December 2010. This can be attributed to the harsh level 4 restrictions that paralyzed activity and spending. Finance Minister Grant Robertson said the decline is expected to have deepened in the current quarter.
- New Zealand is now at level 1 restrictions, where the country is operating as usual internally with border restrictions in place. By opening the economy more quickly than forecast, the country has had a head start on its recovery.



Pakistan

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	192,970	160,118		-0.4%	1.0%

- The government has pivoted to a strategy of “smart lockdowns” aimed at isolating areas hit by the disease rather than instituting a nationwide halt to economic activity. While Pakistan has seen a slowing in the spread of the disease, the government anticipates it will take a few weeks for the results of this strategy to be realized. Public polling that suggests a large portion of the population believes the Covid-19 threat is exaggerated has informed the government’s new strategy.
- Pakistan’s economic situation, while precarious, has improved relative to original worst-case projections. The International Monetary Fund’s June update to the World Economic Outlook has raised the country’s growth prospects, projecting that the economy will contract by 0.4 percent in 2020 rather than the original 1.5 percent forecast. However, even this relatively good news threatens the country’s long-term economic prospects as pandemic-related spending has exacerbated the country’s already substantial sovereign debt.



Papua New Guinea

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	10	8		-1.0%	2.9%

- Prime Minister James Marape said that Papua New Guinea must start opening for business again despite the threat of Covid-19.
- With Papua New Guinea’s Covid-19 state of emergency ending last week, schools reverted to normal classes, churches were able to conduct services again and sporting activities resumed. The easing of restrictions comes as new cases of Covid-19 have been confirmed following mass testing and evidence of community-based transmission in Port Moresby. However, the passage of the National Pandemic Act means international flights and border crossings are still banned. The new pandemic laws have also imposed controls on gaming venues, nightclubs and gatherings of more than 100 people.
- Planned legal changes allowing people to access their retirement savings early will be put before Parliament in August. The government hopes this will help alleviate some of the financial stress that Covid-19 has placed on the population.



Philippines

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	32,296	27,238		-3.6%	6.8%

- On June 19, House Speaker Alan Cayetano said that country’s stimulus packages will be in three tranches. The tranches will come first from the proposed Bayanihan II law, then the proposed economic stimulus packages and lastly, a fund allotted in the 2021 national budget. The proposed Bayanihan II Law is a supplemental measure to the Bayanihan to Heal as One Act, which provides various forms of relief during the public health crisis including an emergency subsidy to displaced workers, cash-for-work programs and programs to mitigate the virus.
- The ARISE bill, or the Accelerated Recovery and Investments Stimulus for the Economy of the Philippines, seeks to address the effects of the pandemic through a PHP 1.3 trillion (\$25 billion) economic stimulus package. The CURES bill, or the Covid-19 Unemployment Reduction Economic Stimulus Act of 2020, seeks to allocate PHP 1.5 trillion (\$30 billion) for infrastructure projects to stimulate the economy.



Singapore

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	42,623	41,216		-3.5%	3.0%

- While Singapore commenced the second phase of the gradual reopening of its economy on June 19, it remains to be seen if there is a noticeable impact from this easing. As Singapore resumes activities such as the reopening of physical retail outlets and food and beverage dine-in, telecommuting remains the default for all businesses where feasible and safe management measures for workplaces continue to be in force.
- Singapore will hold general elections on July 10, following the dissolution of Parliament on June 23. The ruling People’s Action Party is seeking a fresh mandate to tackle the pandemic and the ensuing economic disruptions.
- Singapore is negotiating reciprocal “green lanes” with countries such as South Korea and New Zealand to gradually open up channels for safe business and official travel. While Singapore and Malaysia are also in talks to ensure that necessary precautions are put in place to resume cross-border travel, Singapore’s Foreign Minister Vivian Balakrishnan noted that it could be “days to weeks away” before an agreement with Malaysia is in place.
- The Ministry of Health has acknowledged that with the resumption of more economic and community activities in Phase Two, there is increased risk of a resurgence in community transmission. Singapore has ramped up its medical capacity and also increased its testing and contact tracing capabilities.



South Korea

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	12,563	12,257		-2.1%	3.0%

- Korea is not yet ready to ease pandemic-driven restrictions, due to an increase of newly diagnosed cases seen in several clusters and linked to inbound travelers. Health authorities are warning that Korea is already in the second wave of the outbreak.
- Earlier this week, the government imposed a moratorium on visas for nationals of Pakistan and Bangladesh and halted non-regular flights between Korea and the two nations, as they account for the largest portion of recently imported cases in Korea. Exceptions to the rules will be made for diplomatic or business purposes. This is in line with the government’s efforts to minimize the effect of Covid-19 on businesspeople. For example, the government has fast-tracked those traveling to and from China since April 29.
- The National Assembly has not approved as of June 24 the third supplementary budget President Moon Jae-in’s government submitted to combat the pandemic — worth KRW 35.3 trillion (\$29 billion).
- As part of plans to boost the economy, the government has emphasized fostering the concept of a “data and AI economy” and making the transition to a green economy, Korea’s version of the “Green New Deal,” as some ways to cope with Covid-19.



Sri Lanka

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	2,001	1,924		-0.5%	4.2%

- Easing of restrictions has continued, with the island-wide curfew relaxed and now operational from 12 am to 4 am each day. The restrictions on movement between Colombo and Gampaha districts have been removed, and free movement throughout the country has resumed. The Colombo Airport is expected to reopen to international flights and passengers from August 1, with no country restrictions.
- The complete relaxation of movement within the country is an indication that the first wave of the virus has peaked and subsided. While this is a positive development, there are also concerns that unless safety and other precautions are observed, a second wave could be possible.
- On June 16, the Monetary Board of the Central Bank of Sri Lanka decided to reduce the Statutory Reserve Ratio (SRR) applicable on all LKR deposit liabilities of licensed commercial banks by 200 basis points to 2 percent with immediate effect. This reduction in the SRR injects around LKR 115 billion (\$620 million) of additional liquidity into the domestic money market, enabling the financial system to expedite credit flows to the economy while reducing the cost of funds. The financial sector is expected to pass the benefits of the high level of liquidity and the reduced cost of funds to the economy by increasing lending to businesses and households at low cost.



Taiwan

COVID-19 DATA (TCDC)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	447	446		-4.0%	3.5%

- Three new cases were reported in the past two weeks, all involving returning nationals from the United States who traveled on the same flight. Meanwhile, Japan has reported one international student returning from Taiwan as a confirmed case; she returned to Japan on June 20 and was tested positive upon arrival. The Central Epidemic Command Center (CECC) has now traced her contacts and quarantined 125 people who had been in contact with her. This case has broken Taiwan's 72-day streak of no local infections. The CECC is currently in dialogue with Japan to rule out the possibility of a false positive and is urging citizens to practice caution.
- The CECC relaxed restrictions on business travel on June 22; however, foreign visitors have yet to enter the country under the newly expedited quarantine measures. These new measures are applicable to visitors from 15 countries with low or medium-low risk of infection.
- Overseas tourism is still forbidden and will remain so at least until the end of July. This has caused the tourism industry to improve the quality of domestic tourism, hoping to benefit from the NTD 800 billion (\$26 billion) in revenue previously spent on overseas tourism. As a case in point, the leading tourism company, Lion Travel, has expanded its domestic tourism department from 280 to 1,500 people.



Thailand

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	3,158	3,141		-7.7%	5.0%

- The fifth reopening phase is expected to start in July, allowing night entertainment venues and certain massage parlors to resume operations with conditions. Public schools will fully open on July 1. The Center for Covid-19 Situation Administration (CCSA) will officially confirm the next reopening phase and provide updated guidelines on June 26. Despite no domestic transmission for 30 days, there is a possibility that the emergency decree currently in force may be extended.
- On June 29, the CCSA will announce guidelines for foreigners entering Thailand, expected to start July 1. The first group — businessmen, investors, skilled labors, permanent residents, medical and wellness tourists — may be required to undertake a 14-day state quarantine upon arrival. The second group, businessmen on short duration stays and government guests, will be exempted from state quarantine but must follow health measures. Tourists under the “travel bubble” scheme could be allowed to enter starting August 1 under the condition that they self-quarantine.
- Major coalition parties became embroiled in internal maneuvering in the lead-up to the highly speculated cabinet shake-up as political attention turns away from tackling the Covid-19 crisis. The prime minister hinted the long-delayed local poll races may occur by the end of 2020, though no clear budget, health or timing guidelines were offered.
- Over 43,000 projects worth up to THB 1.3 trillion (\$42 billion) have applied for a THB 400 billion (\$13 billion) budget set for economic and social rehabilitation, according to the National Economic and Social Development Council (NESDC). The first set of projects is expected to be submitted to the cabinet in July. On June 24, the Bank of Thailand's latest forecast predicted a deeper GDP contraction of 8.1 percent for 2020, a downgrade from the last prediction of 5.3 percent in March.



United States

COVID-19 DATA (CDC)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	2,336,615	2,123,321		-8.0%	4.5%

- The reopening process is grinding to a halt nationwide as case numbers have begun a disconcerting uptick. Driven largely by increased numbers in younger populations, particularly in the “Sun Belt” stretching from California to Florida, many states have begun to pause their previously planned moves to lift restrictions. Despite the uptick, rivaling the numbers of cases seen in early May, these new cases are spread over a much wider area of the country than the previous peak, which was focused in the New York City area. Cases per 1,000 in the new hotspots of Texas and Arizona are currently a tenth of what they were in New York during its peak, and experts are concerned that many of these new cases are in previously untested populations that are better able to recover.
- Unemployment data released on June 25 revealed that week-to-week unemployment claims have fallen below 20 million, while services and manufacturing purchasing managers indices (PMIs) reached 4-month highs on June 23. These data points suggest that the U.S. recession has likely bottomed out and begun its grueling return to growth, though IMF figures released on June 24 have also revised U.S. GDP growth for the year down to negative 8 percent, the worst rate since the Great Depression.



Vietnam

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	352	335		2.7%	7.0%

- Vietnam continues to close its borders and will not resume international commercial flights in July, despite the record of 70 consecutive days without any new Covid-19 cases in the community as of June 25. Speaking at the cabinet meeting on the pandemic on June 24, Prime Minister Nguyen Xuan Phuc emphasized that the country would not exchange public health for economic recovery. However, he also requested relevant government authorities to facilitate the safe entry of foreign experts, investors, businesspeople and Vietnamese citizens who want to enter Vietnam, while maintaining the 14-day quarantine and testing requirements.
- The National Assembly, at its 9th meeting session beginning June 15, decided to not adjust this year’s GDP growth target, keeping it unchanged at 6.8 percent, though the government previously proposed lowering the target to 4.5 percent. According to the Asian Development Bank’s latest forecast released on June 18, Vietnam’s 2020 GDP growth rate will be 4.1 percent, which is the highest in Southeast Asia but lower than the bank’s previous forecast of 4.8 percent in April. In response, the prime minister has reaffirmed the government’s resolve to strive for the highest possible GDP growth rate this year despite the impact of the pandemic.
- To further support businesses to overcome the impact of Covid-19, the National Assembly on June 19 approved a 30 percent corporate income tax cut in 2020 for businesses with this year’s annual revenue of no more than VND 200 billion (\$8.6 million). This will benefit medium, small and micro businesses, which account for 97 percent of all businesses in Vietnam. As a result, the government’s tax revenues will be reduced by VND 23 trillion (\$987 million). More support for businesses affected by the pandemic is expected to be rolled out in the future.