

UPDATE COVID 19



July 9, 2020

Dear BGA Clients,

Our report this week surveys the steps toward economic recovery across the Asia-Pacific. As global cases rapidly reach new heights, driven largely by exploding caseloads in the United States, Latin America and South Asia, economic growth remains threatened by the impact of the pandemic. However, disparities within regions and within countries continue to stymie responses to the situation, as some regions and areas have become essentially Covid-19 free while others have fallen victim to a resurgence.

While travel largely remains constrained, a few markets have been keen to restart the previously widespread flow of business travelers. Aside from a few outliers like Pakistan, which has essentially no travel restrictions, many of the best performers like Vietnam, Japan and Korea have moved tentatively toward facilitating business travel under strict restrictions.

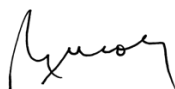
Across the region, however, policy responses lean heavily toward economic recovery regardless of the state of the pandemic. Most notably, while several states in the United States have moved to restrict the riskiest economic activities — such as night life events or eating in restaurants — none have returned to the strictest lockdowns of April and May. Similarly, though highly visible outbreaks have appeared in previously controlled areas of Australia or Korea, the response has focused much more heavily on limited lockdowns and extensive contact tracing rather than a widescale economic lockdown.

Political imperatives are largely responsible for the widespread emphasis on economic recovery, as the pandemic also continues to affect domestic political landscapes across the region. Responses vary, as some countries are still seeing “rally around the flag” effects while others have seen a rapid deterioration in support for incumbent governments due to perceived failings in the coronavirus response. Meanwhile, as immediate economic responses have largely been enacted and most stimulus programs are already underway, many governments are now turning their focus toward the post-pandemic environment by exploring possible reforms and the implications of trade rebalancing.

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



“The Covid-19 pandemic is a test of global solidarity and global leadership.

The virus thrives on division but is thwarted when we unite.”

Tedros Adhanom Ghebreyesus, World Health Organization Director-General

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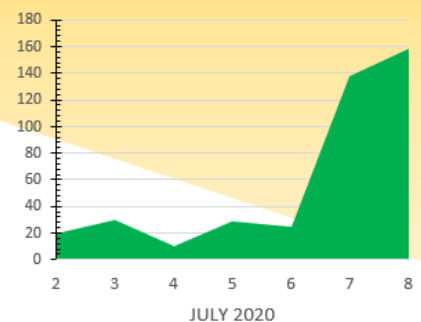


Social Intelligence Spotlight: Pakistan

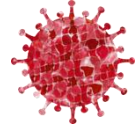
Overall, public sentiment on the Pakistani government’s handling of Covid-19 trended positively. Conversations specifically mentioning Covid-19-related terms spiked from June 7 following a videoconference between Prime Minister Imran Khan and WHO Director-General Tedros Adhanom in which Tedros praised Pakistan’s efforts to contain the virus through “smart lockdown” measures. Social media users applauded the government’s cooperation with healthcare professionals — to which they attributed declining cases in Khyber Pakhtunkhwa — and hailed the prime minister’s Covid response as a model for the region.

Though negative sentiment remained low during the reporting period, criticism centered on specific instances in which efforts to contain the spread of Covid-19 foundered. There was chatter on the decision to lift the lockdown before the Eid al-Fitr holiday in late May as well as on the relatively high rate of transmission at the Taftan quarantine camp. Social media users also mentioned the need for greater government transparency on Covid-related issues. Beyond discussion of the government, users were disappointed in the WHO’s messaging inconsistencies on the airborne transmission of Covid-19. The low amount of testing in the last two weeks continues to be a source of negative sentiment.

Public Sentiment on Government Covid-19 Policy July 2020



MENTIONS



Covid-19 Recovery Across the Asia-Pacific

		Covid-19		% GROWTH				Covid-19		% GROWTH	
		7/9 Cases	7/2 Cases	Est. GDP 2020	Est. GDP 2021			7/9 Cases	7/2 Cases	Est. GDP 2020	Est. GDP 2021
	Australia	8,886	7,920	-4.5 [^]	4.0 [^]		Nepal	16,423	14,046	2.5	5.0
	Bangladesh	172,134	149,258	2.0	9.5		New Zealand	1,190	1,180	-7.2	5.9
	Brunei	141	141	1.3	3.5		Pakistan	240,848	217,809	-0.4 [^]	1.0 [^]
	Cambodia	141	141	-1.6	6.1		PNG	11	11	-1.0	2.9
	China	85,399	85,263	1.0 [^]	8.2 [^]		Philippines	50,359	38,511	-3.6 [^]	6.8 [^]
	Hong Kong*	1,366	1,243	-4.8	3.9		Singapore	45,298	44,122	-3.5	3.0
	India	767,296	604,641	-4.5 [^]	6.0 [^]		South Korea	13,293	12,904	-2.1 [^]	3.0 [^]
	Indonesia	68,079	57,770	-0.3 [^]	6.1 [^]		Sri Lanka	2,094	2,054	-0.5	4.2
	Japan	20,371	18,874	-5.8 [^]	2.4 [^]		Taiwan**	449	448	-4.0	3.5
	Laos	19	19	0.7	5.6		Thailand	3,202	3,179	-7.7 [^]	5.0 [^]
	Malaysia	8,677	8,640	-3.8 [^]	6.3 [^]		U.S.A.***	2,982,900	2,624,873	-8.0 [^]	4.5 [^]
	Mongolia	227	220	-1.0	8.0		Vietnam	369	355	2.7	7.0
	Myanmar	318	304	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)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	8,886	7,920		-4.5%	4.0%

- Metropolitan Melbourne returned to six weeks of stage three lockdown from stage two on July 8 after the state recorded 191 new cases of coronavirus the previous day — the highest daily increase since the pandemic began. For the first time since the pandemic started, New South Wales has closed its 50,000-kilometer border to Victoria.
- Health experts say community transmission is responsible for this second wave. In the first wave, 90 percent of cases in Australia were from overseas, and they were contained and quarantined; in contrast, the vast majority of second wave cases were from within Australia. Australia's other states and territories are continuing to relax pandemic restrictions.
- Currently, Australia's JobKeeper and JobSeeker programs have a September sunset clause. Prime Minister Scott Morrison has indicated that there will be second phases of the programs once they end, but they may be available only in some sectors or locations.
- Fitch expects the Australian economy to contract by 1.9 percent in 2020. Economic woes due to trade tensions with China will be compounded by the lockdown in Victoria, which contributes to a quarter of the national economy.



Bangladesh

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	172,134	149,258		2.0%	9.5%

- Amid the worsening coronavirus epidemic, the government from July 1 has allowed offices and other workplaces to continue operating on a limited scale until August 3. Shops are now allowed to remain open from 10 a.m. to 7 p.m. Educational institutions, however, remain closed. Changes are expected after Eid ul-Adha (July 30).
- Bangladesh Biman resumed international flights from June 21. In the first week of July, the national carrier announced it had suspended all flight operations to international destinations, except London, until July 30. However, Biman's regular commercial flights on Dubai and Abu Dhabi routes resumed July 9.
- The government has so far announced a total of 19 stimulus packages amounting to BDT 1.03 trillion (\$12.2 billion), which is equivalent to 3.7 percent of GDP, to offset the impact of the Covid-19 pandemic on various sectors of the country. The stimulus packages will be implemented under the supervision of the central bank and the Ministry of Finance. On July 2, the central bank asked all banks to take effective measures to implement the stimulus within the next month.



Brunei

COVID-19 DATA (WHO)	7/9 CASES	7/2 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 several hundred individuals are undergoing mandatory quarantine. Brunei implemented its third phase of reopening on July 7, raising capacity limits for restaurants, fitness centers and mosques.
- The government has implemented strict testing and surveillance regimes and has begun fining business establishments that do not adhere to Ministry of Health directives. Brunei’s contact tracing app BruHealth facilitates access to businesses and institutions, and over 90 percent of the population has registered for the app.



Cambodia

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	141	141		-1.6%	6.1%

- On July 3, Cambodia Prime Minister Hun Sen allowed casinos to reopen in the country; however, activities will be limited to gambling and slot machines. Casino operators must request permission from the Ministry of Health and abide by certain requirements for implementing preventive measures for Covid-19. The prime minister also allowed entertainment clubs across the country to be converted into restaurants if they adhere to safety measures.
- The Ministry of Economy and Finance’s secretary of state said on July 8 that the government has budgeted \$1.2 billion to cover the costs of the disease, help the private sector and address social impacts and social issues. Out of the total, \$564 million targets health and social interventions and \$600 million has been earmarked for business recovery by providing credit or guaranteed private sector loans.
- Poverty remains a huge concern for the government, despite government efforts to subsidize families. The Asia Development Bank on July 8 approved a \$250 million loan to help the government respond to the Covid-19 pandemic by strengthening the country’s healthcare system with a focus on increasing social assistance to the poor and vulnerable.



China

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	85,399	85,263		1.0%	8.2%

- The number of new infected cases per day has stayed in single digits for the past week, according to official figures. All cases showing symptoms are reported to be imported from overseas.
- China has been proactive in engaging partners on addressing the Covid-19 pandemic. The Chinese Hospital Association on July 7 held a videoconference session with the Shanghai Cooperation Organization's Good-Neighborly and Friendly Cooperation Committee to discuss their pandemic response. Meanwhile, Foreign Minister Wang Yi discussed China's responses with his Pakistani counterpart on July 2. However, no new fast lanes or agreements with nearby countries for international travel have been announced this week.



Hong Kong

COVID-19 DATA (HKSAR)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	1,366	1,243		-4.8%	3.9%

- This week, there has been a sharp increase in Covid-19 cases in patients without recent travel history, leading health officials to warn that the city is now in its third wave of coronavirus infections. On July 9, there were 34 cases of local infection, preceded by 19 on July 8 and nine on July 7. The sources of some of the recent local infections are unknown, though medical experts warn that the outbreak is due to insufficient testing and lax quarantine rules. At least 13 schools linked to the new cases or whose teachers had encountered known cases are suspending face-to-face classes.
- Due to the increase in cases, the government has announced additional social distancing and testing measures. Covid-19 testing will now be required for all air and sea crew members entering Hong Kong, and foreign domestic helpers entering Hong Kong are required to quarantine at designated hotels. Restaurants can only operate at 60 percent capacity, with no more than eight people at a table, while no eating or drinking is allowed in cinemas.



India

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	767,296	604,641		-4.5%	6.0%

- India is still some distance from reaching its peak. It is likely that India will cross the 1 million mark as local authorities proceed toward “unlocking” the economy while increasing testing. It is worth noting that the country’s recovery rate is over 60 percent, while the mortality rate is around 3 percent. The government has opened new Covid care facilities in the capital with capacity exceeding 10,000 beds.
- Cities such as Mumbai, Delhi, Chennai, Ahmedabad and Kolkata continue to account for the bulk of cases. Most state governments are adopting a nimble approach for containing the spread through various measures, including by imposing temporary lockdowns in certain areas with high caseloads.
- The central government’s recent guidelines extended the lockdown in containment zones until July 31. Despite significant liberalization, the government has not permitted mass transit, cinema screenings or large social or political gatherings. All schools and colleges will remain closed until July 31. International flights are not permitted until July 31, except for repatriation with prior government approval, while domestic flight capacity has been increased to around 45 percent.



Indonesia

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	68,079	57,770		-0.3%	6.1%

- The government continued to relax restrictions on mobility and commercial activity in the past two weeks, with companies in Jakarta allowed to reopen offices under strict Covid-19 protocols, such as 50 percent maximum capacity and imposition of staggered working hours. The relaxation could lead to an increase in community transmission at a faster rate. The country recorded a new daily record high of 1,853 new cases on July 8.
- The government has implemented loan guarantee programs for micro, small and medium enterprises (MSMEs) through the issuance of a ministerial regulations. The budget for the program is IDR 12 trillion (\$830 million) or 1.7 percent of the country’s Covid-19 response budget. The government also aims to conclude the Regional Comprehensive Economic Partnership (RCEP) negotiations in November, which is expected to propel economic growth.
- The President’s Office recently released a video of President Joko ‘Jokowi’ Widodo criticising members of his cabinet for lacking a sense of crisis in mitigating the impact of the pandemic. Jokowi particularly reprimanded the health minister and several ministers responsible for the disbursement of the economic stimulus. The president also singled out of the Financial Service Authority’s (OJK) supposedly poor performance and is considering issuing a regulation to return banking supervisory authority to Bank Indonesia. BGA sees the increased likelihood of a cabinet reshuffle.



Japan

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	20,371	18,874		-5.8%	2.4%

- Covid-19 cases have seen an increase largely centered around Tokyo over the past week, reaching a record high of 224 cases in a single day on July 8, surpassing the previously recorded peak in mid-April when there were 206 cases. The majority of the recently infected are in their 20s and 30s, and there are a growing number of confirmed cases related to nightlife establishments. The municipal government explained that the increase is due to increased testing and has also announced plans to extend financial assistance to nightclubs and similar commercial establishments.
- Following the first group of 440 Japanese business travelers to Vietnam at the end of June, Japan is likely to start discussions with the governments of Taiwan and Brunei on easing travel restrictions for business travelers. China and South Korea are also under consideration, though discussion may take longer given the potentially high number of travelers from those countries.
- Japan will host U.S. Deputy Secretary of State Stephen Biegun for two days from July 9, during which time he will have meetings with Foreign Minister Toshimitsu Motegi, Defense Minister Taro Kono and Secretary General of the National Security Secretariat Shigeru Kitamura to discuss North Korea and the China-Hong Kong situation. This will be the first diplomatic visit since Japan introduced travel restrictions back in April.



Laos

COVID-19 DATA (WHO)	7/9 CASES	7/2 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. Thailand reopened its land borders with Laos to permit cross-border cargo transportation, but the Lao government has extended its ban on international entries, except diplomats, investors, entrepreneurs, experts and workers for important projects in Laos. Thousands of people, mostly returning Lao workers and nationals, have recently entered the country and remain under quarantine.
- The National Assembly has approved a new customs law that is designed to create favorable conditions for investment and business operations. However, Laos also downgraded its macroeconomic, trade and investment targets for 2020.
- Prime Minister Thongloun Sisoulith began a two-day state visit to Vietnam on July 5, the first in-person visit to the country since the beginning of the pandemic. Both governments agreed on additional bilateral cooperation in trade and people-to-people exchanges as well as collaboration to reopen air routes as soon as possible.



Malaysia

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	8,677	8,640		-3.8%	6.3%

- Starting July 1, the government has relaxed restrictions and allowed activities under the tourism sector such as meetings; conventions and exhibitions; travel and trade fairs; and spa, wellness and reflexology centers to begin operations. Cinemas, theater operations and indoor live events have been allowed to operate beginning July 1. However, strict operating procedures must be followed.
- The governments of Malaysia and Singapore are expected to reach a decision on reopening their borders by early August 2020 under the Reciprocal Green Lane (RGL) and Periodic Commuting Arrangement (PCA). Malaysia is in ongoing discussions with five other “green zone” countries (Brunei, New Zealand, Japan, Australia and South Korea) for conditional reopening of its international borders.
- Effective July 7, Bank Negara Malaysia has cut the overnight policy rate (OPR) by another 25 basis points, bringing it to 1.75 percent. The reduction of the OPR is expected to accelerate economic recovery.



Mongolia

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	227	220		-1.0%	8.0%

- Following the unveiling of the new government this week, the finance minister plans to introduce pandemic-related adjustments to the 2020 state budget in August when Parliament reconvenes.
- The reelected prime minister said that he will focus on digitalization efforts and make most of government services available online to minimize in-person interactions. The cabinet secretary said Mongolia is exploring the “Estonian model,” in which the Baltic country collaborated with private companies such as Dell and Ericsson.
- Mongolia continues to be one of few places without local spread of the virus largely thanks to effective border closure, but this is at the cost of many thousands of Mongolians who have been stuck abroad — mostly in Korea, Japan, the United States and Europe — and unable to repatriate to their country. Restrictions and border closures have been extended until July 15.



Myanmar

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	318	304		1.8%	7.5%

- The government continues to receive migrant workers — a steady flow of at least 1,000 per day — at various entry points across the country. This flow of returnees is the primary cause of the slow but steady rise in the number of positive cases.
- Under the government's guidelines, more businesses are resuming operations. According to the Union of Myanmar Chamber of Commerce and Industry-UMFCCI's survey, 17 percent of surveyed companies reported a decrease in sales.
- On July 3, the government allocated a second tranche of \$71 million to the Covid-19 relief fund to continue to disburse low-interest loans to adversely affected local businesses.



Nepal

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	16,423	14,046		2.5%	5.0%

- The government decided to extend the ongoing lockdown in its current form until July 22. While no changes have been made with respect to the modality of the lockdown, the central government has also allowed local governments to manage the lockdown according to their own requirements. Recently, the Development and Technology Committee in the House of Representatives concluded that taxis should be allowed to operate by maintaining security precautions and it urged the government to do the same.
- While there are chartered flights helping people in need to move in and out of the country for different purposes such as rescues, there have been no indications about when it will be possible for commercial movement to resume. Though international flights are supposed to open after the successful completion of the third phase of the lockdown, there are no plans now to stage a reopening.
- The ruling Nepal Communist Party has largely been affected by internal conflicts as leaders from its Standing Committee have asked Prime Minister KP Sharma Oli to resign from both the prime minister and party-chair positions. The party's internal conflict may also affect the government's bandwidth and overall stability, thereby impacting its handling of several issues including Covid-19.



New Zealand

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	1,190	1,180		-7.2%	5.9%

- The Reserve Bank of New Zealand announced it will maintain its cash rate at 0.25 percent for a minimum of 12 months after it had cut it from 1 percent in March. Quantitative easing will continue in the form of a large-scale asset purchase programs of government bonds, with a purchase limit of NZD 60 billion (\$39 billion) to support the government’s fiscal stimulus efforts over the next two years.
- The opposition National Party has lost political advantage ahead of the September general election after a government inquiry into a Covid-19 breach found that a National Party member of Parliament had leaked the private details of Covid-19 patients to several news outlets. Hamish Walker’s leak and revelations that former National Party president Michelle Boag shared the information has dealt a blow to an opposition trying to make a comeback ahead of the election.
- The government asked airlines to manage bookings for flights entering the country in the next three weeks to ensure quarantine facilities are not overwhelmed. Air New Zealand cancelled a number of flights from Australia until late July, and some routes are showing no flights until September.



Pakistan

COVID-19 DATA (WHO)	6/25 CASES	6/18 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	240,848	217,809		-0.4%	1.0%

- As Pakistan has taken a comparatively relaxed approach to lockdowns, most Pakistani businesses have opened and returned to normal operations. Pakistan is in fact reporting a downward trend in the numbers of new infections, and the number of recovering Covid-19 patients is now higher than the number of confirmed active cases. Pakistan has also lifted all restrictions on travel in and out of the country.
- The State Bank of Pakistan has announced that businesses can apply for loan deferment until September 30. This facility will be available for SME financing, consumer financing, housing finance, agriculture finance and micro financing only.



Papua New Guinea

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	11	11		-1.0%	2.9%

- Health experts have warned that Papua New Guinea must prepare for a coming surge in cases of Covid-19. The pandemic is far from over in the country as borders with neighboring Indonesia remain porous.
- Papua New Guinea’s health system was already fragile before the Covid-19 pandemic, reporting frequent shortages of funding, equipment and medicines. While PNG has received donations of PPE and Covid-19 testing equipment, it has not reported donations of medicines and has focused on non-pharmaceutical interventions instead.
- Government-led testing remains a challenge and is often limited to urban areas, with over half of provinces failing to report testing and surveillance data. There is continued evidence of community-based transmission, with additional cases reported at Murray Barracks in Port Moresby. However, businesses, schools and churches have all reopened and the government has not renewed restrictions outside of the barracks.



Philippines

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	50,359	38,511		-3.6%	6.8%

- The government eased restrictions on business operations in areas under General Community Quarantine. In the last two weeks, the Philippines has reported more than 15,000 new cases. Quarantine classifications of areas are flexible and may change depending on the numbers of confirmed Covid-19 cases. The government has yet to schedule a meeting to discuss the classification of areas, and current quarantine classifications are set to expire on July 15.
- The government has lifted non-essential outbound travel restrictions — including travel for tourism — on Filipino travelers, subject to conditions set by the Inter-Agency Task Force for Emerging Infectious Diseases. All travelers must submit requirements with the Bureau of Immigration prior to their departure. Inbound travel restrictions on foreign nationals have remained the same since March 2020.
- There has been no movement on the proposed PHP 1.3 trillion (\$26.3 billion) Accelerated Recovery and Investment Stimulus for the Economy of the Philippines (Arise) and the PHP 1.5 trillion (\$30.3 billion) Covid-19 Unemployment Reduction and Economic Stimulus (Cures) since Congress adjourned June 5. Acting Socioeconomic Planning Secretary Karl Chua noted, however, that the stimulus bills were not fundable since any supplemental budget or stand-by appropriation would require “new revenue sources,” which are now “limited.”



Singapore

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	45,298	44,122		-3.5%	3.0%

- There has been an expected uptick in community cases and workplace infections have risen from 22 percent to 36 percent since Singapore moved to Phase 2 of the reopening of the economy. The Multi-Ministerial Taskforce to combat Covid-19 urged employers and employees to continue working from home to further reduce transmission unless there is a clear and demonstrable reason to go into the office. The Ministry of Health is looking out for a significant increase in unlinked community cases. Since Singapore’s circuit breaker was lifted, most unlinked cases were found in construction and related industries and picked up through proactive testing.
- Singapore and Malaysia announced on June 26 that both countries will establish a Reciprocal Green Lane (RGL) and a Periodic Commuting Arrangement (PCA) to facilitate the resumption of cross-border travel for select groups of people, but details are still being discussed without a specific date for implementation. The RGL will allow for essential businesses and official traveling under mutually agreed public health protocols. The PCA will allow Singapore and Malaysia residents holding long-term immigration passes for businesses and work purposes in the other country to periodically return to their home countries for short-term leave. With existing green lane arrangements with six provinces in China, Singapore continues discussions on Reciprocal Green Lanes with countries such as Australia, South Korea and New Zealand.
- Singapore has been preoccupied with election preparation, with the country heading to polls July 10. Recent stimulus measures, investment and jobs were all issues in the campaign leading up to the elections. The incumbent People’s Action Party (PAP) defended its handling of the pandemic against opposition parties, and the election results will be seen as the public’s verdict on the leaders’ handling of the pandemic. While the ruling party is assured of a win, the margins of victory will be closely assessed as an indicator for discontent that could shape post-election policies.



South Korea

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	13,293	12,904		-2.1%	3.0%

- Korea has posted more than 60 cases almost every day this week. The figures include a double-digit number of imported cases for 13 consecutive days as of July 8. The sharp increase is due to several clusters of infections at a door-to-door business and a cram school. The authorities have therefore been forced to remain vigilant and have toughened infection preventive measures in the Seoul metropolitan area since June. Some local governments have also raised their alert levels this week.
- On July 4, the National Assembly finally passed the government’s third supplementary budget worth KRW 35 trillion (\$29.3 billion), which is intended to boost the economy and prepare for the post-Covid-19 era. Now, all eyes are on details of “New Deal” projects to be made public next week by President Moon Jae-in.



Sri Lanka

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	2,094	2,054		-0.5%	4.2%

- The government has completely eased restrictions on business operations. Working hours will be staggered for the private sector and the public sector from August 1. Public sector offices will start at 9:00 a.m and close at 4:45 a.m., and private sector offices will be opened at 9:45 a.m. and close at 6:45 a.m. The purpose of the new arrangement is to save fuel, reduce environmental pollution, ease pressure on public transport and avoid traffic congestion.
- The Colombo Airport remains in lockdown mode. The original date for re-opening, August 1, has been pushed back, possibly by three to four weeks. The reason given for the delayed opening is to allow expatriate Sri Lankans who are stranded overseas, especially in the Middle East, to be repatriated.
- Sri Lanka has not been exempted from the Global Travel Advisory or UK-imposed border restrictions and internal border controls of the EU. Sri Lanka Tourism is working closely with the Foreign Affairs Ministry to be included in developing corridors for travel with no quarantine overseas for returning tourists or for those visiting Sri Lanka.



Taiwan

COVID-19 DATA (TCDC)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	449	448		-4.0%	3.5%

- The Taiwan Central Command Center relaxed restrictions for business travel on June 22. Some 19,000 people entered Taiwan in the past two weeks, 2,850 of which were international visitors from low- and medium-low-risk countries. Laos, Cambodia and Sri Lanka have been added to the list of low- to medium-low-risk countries. There are now 18 countries that enjoy conditional shortened quarantines for short-term business visitors.
- Minister Chen Shih-Chung of the Ministry of Health and Welfare (MOHW) has said that a business travel bubble must be tested and improved before it can serve as a precursor to a tourist travel bubble. Taiwan is hosting a tourism summit with South Korea in August, and Chen has said that the delegation from South Korea can serve as an example of safe travel between the two countries.
- MOHW has proposed an incentive program for domestic vaccine manufacturers that are developing a Covid-19 vaccine. If these manufacturers can get their phase I IND (Investigative New Drug) approval before August and phase II IND approval before December, all their costs will be reimbursed. If they can get their phase I IND approval before September and phase II IND approval before January 2021, 80 percent of their costs will be reimbursed. MOHW has also set aside NTD 1 billion (\$34 million) for one million shots of the vaccine if a viable product has been approved.



Thailand

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	3,202	3,179		-7.7%	5.0%

- Despite no new local transmissions for over 40 days, the government extended the Emergency Decree until July 31 to prevent a second wave. Political activists criticized the decision, claiming the overly draconian measures came at the expense of people’s freedom. The government defended its decision, claiming the Communicable Disease Control Act lacks the power to effectively respond to the emergency.
- The fifth phase of reopening started on July 1, allowing foreigners — including those who hold a valid work permit, those seeking medical treatment (excluding Covid-19 patients), family members of Thai nationals, diplomats and officials, foreign students and guardians of the students, among others — to enter the country conditionally.
- The tourism and health authorities are drawing up a travel bubble scheme with three opening phases. The scheme is expected to start as early as August. Around 1,000 international tourists will be able to enter daily without undergoing a 14-day quarantine. The government is expected to complete listing low-risk countries that can participate in Thailand’s travel bubble scheme in the next two weeks, and targeted locations include Chiang Mai, Koh Samui, Krabi, Phuket and Pattaya.
- The Cabinet approved the first batch of stimulus projects worth THB 92.4 billion (\$3 billion) on July 7 to boost the grassroots economy, finance sustainable development, improve consumer confidence and promote tourism to revive the economy.



United States

COVID-19 DATA (CDC)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	2,982,900	2,624,873		-8.0%	4.5%

- Cases have surged above their earlier peaks, with 50,000 to 60,000 new cases per day being reported over the last week. While some of the higher totals are partly due to the long holiday weekend, there has been an undeniable uptick in cases across the “Sun Belt” states such as California, Arizona, Texas and Florida. The death numbers, however, have remained at their lowest levels since the early days of the pandemic. Though deaths are likely to increase in the coming weeks, a large proportion of the newest cases are in asymptomatic or lightly symptomatic younger patients, leading some experts to believe that the death rate will not match that seen in the older populations affected in the New York area earlier this year.
- While unemployment numbers have continued their slow decline, data reported on July 9 showing that 1.3 million Americans filed for unemployment the week of July 2 — continuing the 14-week decline in new cases, but still at historic levels. However, this data is better than expected, as experts had projected closer to 1.4 claims due to the slowdown in reopening.
- Former Vice President Joe Biden, the presumptive Democratic nominee for president, unveiled a “Buy American” Covid-19 economic recovery plan on July 9. The release of the plan, which focuses heavily on rerouting supply chains back to the United States, indicates that Biden will not deviate wildly from incumbent President Donald Trump’s plans to reduce America’s dependence on China in the aftermath of the pandemic, despite rhetorical differences.



Vietnam

COVID-19 DATA (WHO)	7/9 CASES	7/2 CASES	GDP Growth (IMF)	2020 est.	2021 est.
	369	355		2.7%	7.0%

- Vietnam has virtually eradicated Covid-19 within its borders as the country has gone 84 days without any new cases of community infection. Amid the complex situation of the pandemic globally, the government continues to keep the country’s borders closed while facilitating the safe entry of foreign experts, investors, businesspeople and repatriated citizens into Vietnam.
- Vietnam recorded a GDP growth rate of 1.8 percent in H1 2020, representing the country’s lowest increase for a six-month period over the past decade. The economy is expected to recover rapidly in H2 2020, driven by growth in the manufacturing and service sectors. Addressing a meeting between the central government and local authorities on July 7, the prime minister called for collective efforts for the country to achieve the highest possible economic growth rate this year, especially through the promotion of investment, exports and domestic consumption. In a report released on July 1, Fitch Solutions revised Vietnam’s 2020 GDP growth to 3 percent from its previous forecast of 2.8 percent.
- The 36th ASEAN Summit, which took place by videoconference on June 26, offered the opportunity for ASEAN member states to enhance intra-bloc cooperation to repel challenges caused by the pandemic. Chairing the plenary session of the summit, Prime Minister Nguyen Xuan Phuc expressed hope that ASEAN countries will demonstrate stronger determination to contain the pandemic and promote sustainable development. According to the summit’s Chairman’s Statement, ASEAN leaders pledged to work hard on key initiatives to boost collaboration on the Covid-19 ASEAN Response Fund and the ASEAN Regional Reserve of Medical Supplies and Equipment. The ASEAN leaders Vision Statement reaffirmed a commitment to implement a comprehensive recovery plan, preserve supply chain connectivity and stay vigilant against a second wave of infections.