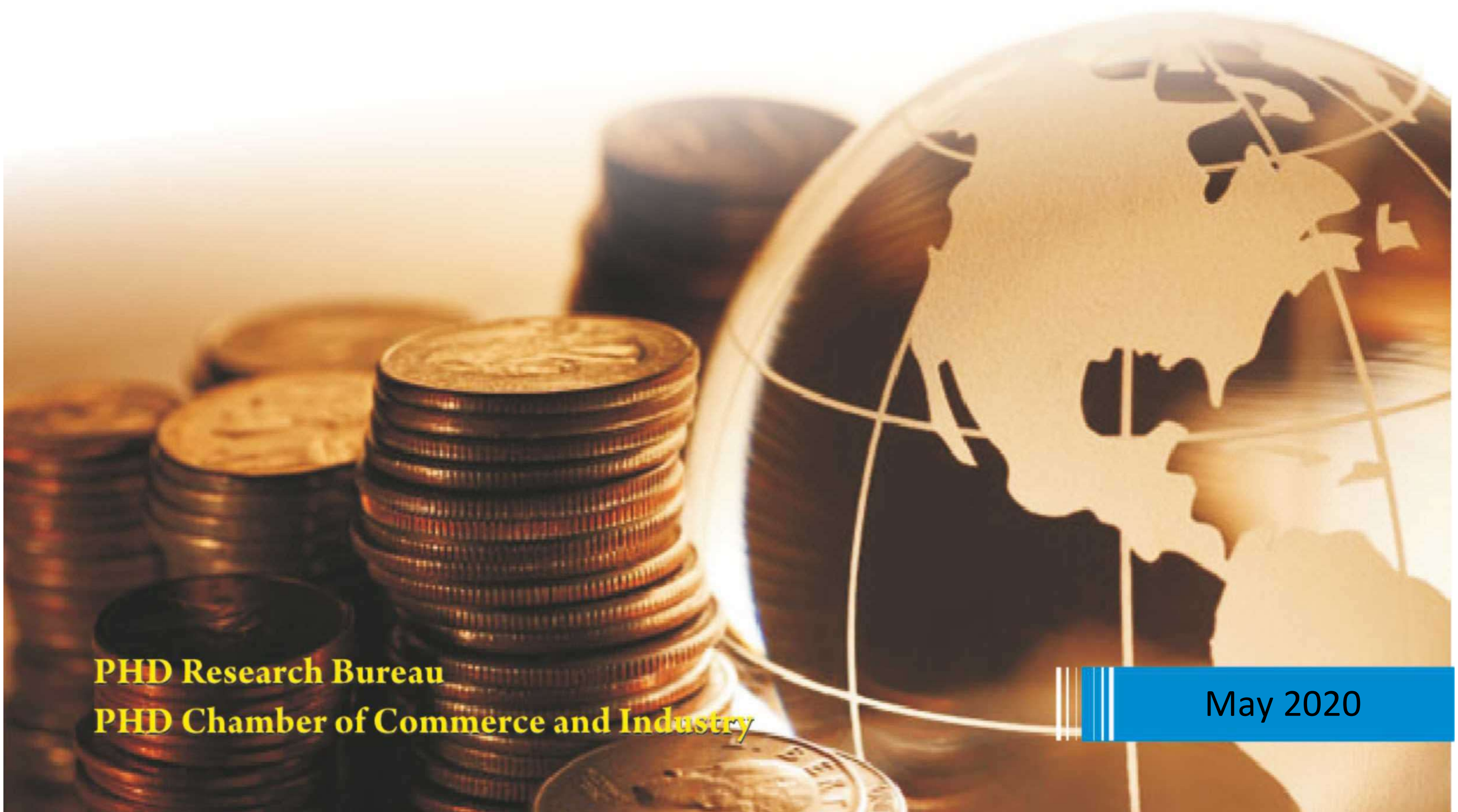
NATIONAL APEX CHAMBER

GLOBAL ECONOMIC MONITOR

Monthly update of developments in the global economy



PHD Research Bureau
PHD Chamber of Commerce and Industry

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NATIONAL APEX CHAMBER

Brief Summary

The Pandemic COVID-19 has put the whole mankind in the world in huge problem as the uncertainty continues to persist about its severity and spread. Around 35 lakh COVID cases have been confirmed globally since the outbreak started and the death toll has reached more than 2 lakhs, taking the mortality rate to the level of 7%.

The impact of spread of Pandemic COVID-19 on global trade and supply chains has significantly undermined the growth prospects of world trade and economy. As per the recent forecast by IMF, the global economy is projected to contract sharply by (–)3 percent in 2020, much worse than during the 2008–09 financial crisis. For Indian economy too, the times are challenging as the outbreak of COVID-19 has impacted the country's manufacturing, trade and economic growth.

Economic health of manufacturing sector, as implied by manufacturing PMI, showed a negative trend in major economies in April 2020. Manufacturing PMI of United States, Eurozone, France, Spain, Japan and India declined in April 2020 as compared to in the previous month. India Manufacturing PMI tumbled to 27.4 in April 2020 from 51.8 in the previous month, pointing to the sharpest deterioration in business conditions across the sector since data collection began over 15 years ago, amid national lockdown restrictions to help stem the spread of the COVID-19. US Manufacturing PMI was revised lower to 36.1 in April 2020 as compared to previous month. The latest reading was the lowest since early 2009, as output, new orders and exports all fell at record rates.

Core inflation in most of the major economies recorded a downward trend in March 2020 as compared to the previous month. Inflation eased in United States, United Kingdom, Germany, Italy, China, India and South Africa to 1.5%, 1.5%, 1.4%, 0.1%, 4.3%, 5.9% and 4.1% in March 2020 as compared to 2.3%, 1.7%, 1.7%, 0.3%, 5.2%, 6.6% and 4.6% respectively in the previous month. Inflation rate in japan remained at 0.4% in March, same as compared to the previous month.

On the market front, most of the key international indices exhibited an increasing trend. India's SENSEX registered a maximum increase of 14%, among the other major indices, as on 30th April 2020 as compared to 31st March 2020, followed by US DJIA, which increased by 12%, Germany's DAX that increased by 12%, Japan's NIKKEI with an increase of 7% and China's SHSZ which registered a rise of 6%.

Trade balance in major economies in the global ecosystem recorded a mixed trend. While trade deficit of UK widened; Russia trade surplus narrowed; US, India and Canada's trade deficit declined; Brazil's trade surplus widened.

Going forward, multilateral corporation is required across the globe along with substantial targeted fiscal, monetary, and financial measures to combat COVID-19 and its economic impact.

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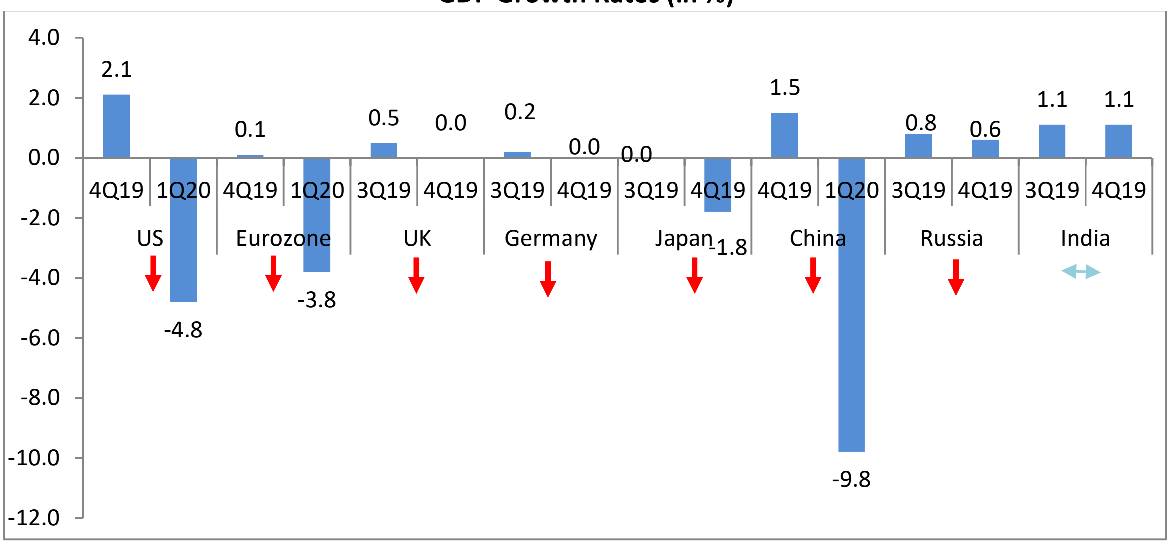
1. Growth

The major economies have recorded a declining trend in their GDP growth as per the latest data. GDP growth rate of US, Eurozone, China declined in 1Q20 to (-)4.8%, (-)3.8% and (-)9.8% as compared to 2.1%, 0.1% and 1.5% respectively in previous quarter. Countries including UK, Germany, Japan and Russia recorded a dip in growth rate of GDP to 0%, 0%, (-)1.8% and 0.6% in 1Q2019 as compared to the previous quarter. India's growth rate remained at 1.1% in 4Q19 as compared to the previous quarter.

GDP Growth Rates (in %)



Source: PHD Research Bureau, PHDCCI compiled from various sources

2. Industry

Economic health of manufacturing sector, as implied by manufacturing PMI, showed a negative trend in major economies in April 2020. Manufacturing PMI of United States, Eurozone, France, Spain, Japan and India declined to 36.9, 43.6, 31.5, 30.8, 43.7 and 27.4 respectively, in April 2020 as compared to 48.5, 44.5, 43.2, 45.7, 44.2 and 51.8 in the previous month.

Manufacturing Purchasing Managers' Index (PMI) of Select Countries

Country	February 2020	March 2020	April 2020	Change*
United States	50.7	48.5	36.9	↓
Eurozone	49.2	44.5	33.6	↓
France	49.8	43.2	31.5	↓
Spain	50.4	45.7	30.8	↓
Japan	47.8	44.2	43.7	↓
India	54.5	51.8	27.4	↓

Source: PHD Research Bureau, PHDCCI compiled from various sources (*change in the latest month data as compared to the previous month)

3. Inflation

Core inflation in most of the major economies recorded a downward trend in March 2020 as compared to the previous month. Inflation eased in United States, United Kingdom, Germany, Italy, China, India and South Africa to 1.5%, 1.5%, 1.4%, 0.1%, 4.3%, 5.9% and 4.1% in March 2020 as compared to 2.3%, 1.7%, 1.7%, 0.3%, 5.2%, 6.6% and 4.6% respectively in the previous month. Inflation rate in japan remained at 0.4% in March, same as compared to the previous month.

Country	January 2020	February 2020	March 2020	Change over previous month
United States	2.5	2.3	1.5	↓
United Kingdom	1.8	1.7	1.5	↓
Germany	1.7	1.7	1.4	↓
Italy	0.5	0.3	0.1	↓
Japan	0.7	0.4	0.4	=
China	5.4	5.2	4.3	↓
India	7.6	6.6	5.9	↓
South Africa	4.5	4.6	4.1	↓

Source: PHD Research Bureau, PHDCCI compiled from various sources. Note: * data pertains to February 2020; ** data pertains to March 2020

4. Markets

Most of the key international indices exhibited an increasing trend- India's SENSEX registered a maximum increase of 14% as on 30th April 2020 as compared to 31st March 2020, followed by US DJIA, which increased by 12%, Germany's DAX that increased by 12%, Japan's NIKKEI with an increase of 7% and China's SHSZ which registered a rise of 6%.

Global Indices

Index	Index	Index	Monthly Change
	(as on 31st March, 20)	(as on 30th April, 20)	(in %)
DAX[1]	9,953.8	11,107*	11.6 ↑
DJIA[2]	21,917.1	24,633*	12.4 ↑
NIKKEI[3]	18,917.0	20,193	6.7 ↑
SENSEX[4]	29,468.4	33,717.6	14.4 ↑
SHSZ[5]	3,686.1	3,912.5	6.1 ↑

Source: PHD Research Bureau, PHDCCI compiled from various sources. Note: [1] Deutscher Aktien Index (Germany), [2] Dow Jones Industrial Average (US), [3] NIKKEI (Japan), [4] BSE SENSEX (India), [5]Shanghai Shenzhen (China); * data pertains to 29th April 2020

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5. Commodities

International prices of the most of the key commodities showed decreasing trend- During the period March 2020 to April 2020, prices of crude oil recorded the maximum decrease of 19% to around 26.3$/bbl, followed by price of copper, which declined by 11% to 4,963$/tonne, prices of silver that exhibited an decrease of 5% to the price of 15.3$/ounce and prices of sugar that decreased by 3% to 348.5$/tonne. However, the prices of gold recorded a rise of 5% to 1,690.7$/ounce during March 2020 to April 2020.

International Commodity Prices

Commodity	Units	As on 12th March, 2020	As on 13th April, 2020	Monthly Change (in %)
Gold	$/ounce	1,611.2	1,690.7	4.9 ↑
Silver	$/ounce	16.1	15.3	(-) 5.0↓
Copper	$/tonne	5,555.0	4,963.5	(-) 10.6 ↓
Crude Oil	$/bbl	32.3	26.3	(-)18.6 ↓
Sugar	$/tonne	360.8	348.5	(-) 3.4 ↓

Source: PHD Research Bureau, PHDCCI compiled from various sources

6. Trade

Trade balance in major economies in the global ecosystem recorded a mixed trend. While trade deficit of UK widened; Russia trade surplus narrowed; US, India and Canada's trade deficit declined; Brazil's trade surplus widened.

The **US** trade deficit narrowed to USD 39.9 billion in February of 2020 from an upwardly revised USD 45.5 billion in the previous month.

The **UK** posted a GBP 2.79 billion trade deficit in February 2020, compared to a revised GBP 2.41 billion surplus in the previous month

China's trade surplus narrowed sharply to USD 19.9 billion in March 2020 from USD 31.5 billion in the same month of the previous year

The trade surplus in **Russia** narrowed sharply to USD 9.66 billion in February of 2020 from USD 16.50 billion in the same month of the previous year.

Brazil's trade surplus widened to USD 4.71 billion in March of 2020 from USD 4.30 billion in the corresponding month of the previous year.

India's trade deficit narrowed to USD 9.76 billion in March 2020 from USD 11.00 billion in the same month last year.

Canada's trade deficit narrowed to CAD 0.983 billion in February 2020 from an upwardly revised CAD 1.66 billion in January 2020.

Green color indicates that trade deficit has narrowed or trade surplus has increased

Red color indicates that trade deficit has widened or trade surplus has reduced

Source: PHD Research Bureau, PHDCCI compiled from various sources

7. Unemployment

Unemployment rate in most of the major economies showed an increasing trend- Italy's unemployment rate decreased to 8.4 percent in March 2020, the lowest since August 2011 and below market expectations of 10.5 percent, as the number of inactive people increased sharply due to the coronavirus crisis. Russia's jobless rate rose to 4.7 percent in March of 2020 from 4.6 in the previous month. The unemployment rate in India rose to 7.8 percent in February 2020, the highest since last October, from 7.2 percent in the previous month. The US unemployment rate jumped to 4.4 percent in March 2020, the highest since August 2017 and well above market expectations of 3.8 percent, as the Covid-19 crisis threw millions out of work. The UK unemployment rate edged up to 4.0 percent in the three months to February 2020 from the previous period's 45-year low and slightly above market expectations of 3.9 percent. The unemployment rate in Japan edged up to 2.5 percent in March 2020, the highest in a year and in line with market consensus.

8. Policy Developments

In March, the Fed left the target range for its federal funds rate unchanged at 0-0.25% .

The Bank of England's MPC hold the Bank Rate at an all-time low of 0.1% during its March meeting

The Hong Kong Monetary Authority lowered its base rate by 64 basis points to 0.86% in March 2020

The Bank of Russia lowered its benchmark one-week repo rate by 50bps to 5.5 percent on April 24th 2020.

The Bank of Japan left its key short-term interest rate unchanged at -0.1% in April 2020 meeting

The South African Reserve Bank axed its key repo rate by 100 bps to 4.25% during its April 2020 meeting

The Bank of Canada slashed its benchmark interest rate by 50bps to 0.25 percent in April 2020 meeting

The Reserve Bank of India cut its benchmark repo rate by 75 bps to 4.4% in March 2020.

Source: PHD Research Bureau, PHDCCI compiled from various sources

9. Special Feature

Analysis of IMF's World Economic Outlook, April 2020

According to International Monetary Fund's (IMF) World Economic Outlook, April 2020, the COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global GDP growth is projected at (–)3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario--which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support.

The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. And internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems.

Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

Region/Country	**2019**	**2020P**	**2021P**
World	**2.9**	**(-)3.0**	**5.8**
Advanced Economies	**1.7**	**(-)6.1**	**4.5**
United States	2.3	(-)5.9	4.7
Euro Area	1.2	(-)7.5	4.7
Japan	0.7	(-)5.2	3.0
United Kingdom	1.4	(-)6.5	4.0
Canada	1.6	(-)6.2	4.2
Other Advanced Economies[2]	1.7	(-)4.6	4.5
Emerging Markets and Developing Economies	**3.7**	**-1.0**	**6.6**
Emerging and Developing Asia	5.5	1.0	8.5
China	6.1	1.2	9.2
India[3]	**4.2**	**1.9**	**7.4**
Emerging and Developing Europe	2.1	(-)5.2	4.2
Latin America and the Caribbean	0.1	(-)5.2	3.4
Middle East and Central Asia	1.2	(-)2.8	4.0
Sub-Saharan Africa	3.1	(-)1.6	4.1

Source: PHD Research Bureau, PHDCCI, compiled from IMF World Economic Outlook
Note: P: Projected, Real effective exchange rates are assumed to remain constant at the levels prevailing during February 17–March 16, 2020. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. [2] Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom,

United States) and euro area countries. [3] For India, data and forecasts are presented on a fiscal year basis, 2019 represents FY2020, 2020 represents FU2021 and 2021 represents FY2022 and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

Growth in the advanced economy group—where several economies are experiencing widespread outbreaks and deploying containment measures—is projected at –6.1 percent in 2020. Most economies in the group are forecast to contract this year, including the United States (–5.9 percent), Japan (–5.2 percent), the United Kingdom (–6.5 percent), Germany (–7.0 percent), France (–7.2 percent), Italy (–9.1 percent), and Spain (–8.0 percent). In parts of Europe, the outbreak has been as severe as in China's Hubei province. Although essential to contain the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Adverse confidence effects are likely to further weigh on economic prospects.

Among emerging market and developing economies, all countries face a health crisis, severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. Overall, the group of emerging market and developing economies is projected to contract by –1.0 percent in 2020; excluding China, the growth rate for the group is expected to be –2.2 percent. Even in countries not experiencing widespread detected outbreaks as of the end of March (and therefore not yet deploying containment measures of the kind seen in places with outbreaks) the significant downward revision to the 2020 growth projection reflects large anticipated domestic disruptions to economic activity from COVID-19. The 2020 growth rate for the group excluding China is marked down 5.8 percentage points relative to the January WEO projection. As discussed below, growth would be even lower if more stringent containment measures are necessitated by a wider spread of the virus among these countries.

Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0 percent), albeit more than 5 percentage points below its average in the previous decade. In China, indicators such as industrial production, retail sales, and fixed asset investment suggest that the contraction in economic activity in the first quarter could have been about 8 percent year over year. Even with a sharp rebound in the remainder of the year and sizable fiscal support, the economy is projected to grow at a subdued 1.2 percent in 2020. Several economies in the region are forecast to grow at modest rates, including India (1.9 percent-FY2021) income growth in 2020 than at the time of the 2009 financial crisis. These countries account for a broadly similar purchasing-power-parity share of the world economy compared with the group that experienced negative per capita income growth in 2009. India's GDP growth is projected at 1.9% for FY2021 and 7.4% in FY 2022.

10. Relief Measures provided by Various Countries amid COVID-19

Globally, many countries are struggling to contain the spread of the pandemic COVID-19 while avoiding a dramatic decline in economic activity. Therefore, Governments around the world are undertaking decisive steps to limit the human and economic impact of pandemic COVID-19. The table below provides the relief measures provided by governments of various countries.

S. No.	Country	Relief Measures
1	**United States**	**Fiscal Measures** An estimated US$2.3 trillion (around 11% of GDP) Coronavirus Aid, Relief and Economy Security Act ("CARES Act"). The Act includes: • US$250 billion to provide one-time tax rebates to individuals; • US$250 billion to expand unemployment benefits; US$24 billion to provide a food safety net for the most vulnerable; • US$510 billion to prevent corporate bankruptcy by providing loans, guarantees, and backstopping Federal Reserve 13(3) program; • US359 billion in forgivable Small Business Administration loans and guarantees to help small businesses that retain workers; • US$100 billion for hospitals, • US$150 billion in transfers to state and local governments US$8.3 billion Coronavirus Preparedness and Response Supplemental Appropriations Act and US$192 billion Families First Coronavirus Response Act. They together provide around 1% GDP for: • Virus testing; transfers to states for Medicaid funding; development of vaccines, therapeutics, and diagnostics; support for the Centers for Disease Control and Prevention responses. • 2 weeks paid sick leave; up to 3 months emergency leave for those infected (at 2/3 pay); food assistance; transfers to states to fund expanded unemployment insurance. • Expansion of Small Business Administration loan subsidies. And (iv) US$1.25 billion in international assistance. In addition, federal student loan obligations have been suspended for 60 days. **Monetary Measures** Furthermore, federal funds rate were lowered by 150bp in March to 0-0.25bp and following measures have been taken: • Expanded overnight and term repos and lowered cost of discount window lending. • Reduced existing cost of swap lines with major central banks; broadened U.S. dollar swap lines to more central banks; offered temporary repo facility for foreign and international monetary authorities. • Reduced the community bank leverage ratio to 8 percent • Federal Reserve also introduced facilities to support the flow of credit including Commercial Paper Funding Facility to facilitate the issuance of commercial paper by companies and municipal issuers; Money Market Mutual Fund Liquidity Facility (MMLF) to provide loans to depository institutions to purchase assets from prime money market funds, among

		others. • Federal banking supervisors encouraged depository institutions to use their capital and liquidity buffers to lend, to work constructively with borrowers affected by COVID-19, and indicated COVID-19 related loan modifications would not be classified as troubled debt restructurings
2	**Spain**	**Fiscal Measures** • About 1 percent of GDP, €13.9 billion include budget support from the contingency fund to the Ministry of Health (€1 billion); advance transfer to the regions for the regional health services (€2.8 billion); additional funding for research related to the development of drugs and vaccines for COVID19 (€110 million) • Tax payment deferrals for small and medium enterprises and self-employed for six months (€14 billion); one-month extension of the deadlines for filing tax returns and self-assessment for SMEs and self-employed; • Entitlement of unemployment benefit for workers temporarily laid off under the Temporary Employment Adjustment Schemes (ERTE) due to COVID-19 • Increased sick pay for COVID-19 infected workers or those quarantined, from 60 to 75 percent of the regulatory base, paid by the Social Security budget • An allowance for self-employed workers affected by economic activity suspension; a temporary subsidy for household employees affected by COVID-19 with an amount equal to 70 percent of their contribution base • A temporary monthly allowance of about EUR 430 for temporary workers • 50 percent exemption from employer's social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities; **Monetary Measures** • The Government has decided to provide monetary policy support through (i) additional asset purchases of €120 billion until end-2020 under the existing program (APP), and (ii) providing temporarily additional auctions of the fullallotment, fixed rate temporary liquidity facility at the deposit facility rate and more favorable terms on existing targeted longer-term refinancing operations (TLTRO-III) between June 2020 and June 2021. • The Government has further decided to exercise – on a temporary basis – flexibility in the classification requirements and expectations on loss provisioning for non-performing loans (NPLs) that are covered by public guarantees and COVID19 related public moratoria; it also recommended that banks avoid pro-cyclical assumptions for the determination of loss provisions and opt for the IFRS9 transitional rules • In addition, the government of Spain has extended up to €100 billion government loan guarantees for firms and self-employed; up to €2 billion public guarantees for exporters through the Spanish Export Insurance Credit Company; and guarantees for loan maturity extensions to farmers using the special 2017 drought credit lines. • Introduction of a special credit line for the tourism sector (€400

		million); three-month moratorium on mortgage payments for the most vulnerable, including households, self-employed and homeowners who have rented out their mortgaged properties; automatic moratorium on rent payments for vulnerable tenants whose landlord is a large public or private housing holder during the COVID-19 crisis period; among others.
3	**Italy**	**Fiscal Measures** • The government has adopted a €25 billion (1.4 percent of GDP) emergency package. It includes (i) funds to strengthen the Italian health care system and civil protection (€3.2 billion); (ii) measures to preserve jobs and support income of laid-off workers and self-employed (€10.3 billion); (iii) other measures to support businesses, including tax deferrals and postponement of utility bill payments in most affected municipalities (€6.4 billion); as well as (iv) measures to support credit supply (€5.1 billion). **Monetary Measures** • Key measures adopted in the government's emergency package and the Liquidity Decree emergency packages include: a moratorium on loan repayments for some households and SMEs, including on mortgages and overdrafts; state guarantees on loans to all businesses; incentives for financial and non-financial companies in the form of Deferred Tax Activities; state guarantee to the state development bank—Cassa Depositi e Prestiti—to support lending and liquidity to banks to enable them to finance medium- and large-sized companies; con-insurance scheme for exporters. • The Bank of Italy have announced a series of measures to help banks and non-bank intermediaries under its supervision. These include the possibility to temporary operate below selected capital and liquidity requirements; extension of some reporting obligations; and rescheduling of on-site inspections. • A three-month ban on shorting of all shares and lowered a minimum threshold beyond what is required to communicate the participation in a listed company. These measures are aimed to contain the volatility of the financial markets and to strengthen the transparency of the holdings in the Italian companies listed on the Stock Exchange. • Compensation of € 600 is recognized, on a monthly, non-taxable basis, for self-employed workers and VAT numbers. The compensation will help professionals not registered with orders, artisans, traders, direct farmers, settlers and sharecroppers, seasonal workers from the tourism and spa establishments, workers from the entertainment sector, agricultural workers, etc. • Workers with a gross annual income of up to € 40,000 who perform their services in the workplace in the month of March (not in smart working) are awarded a bonus of € 100, non-taxable (in proportion to the days worked)
4	**France**	**Fiscal Measures** • The authorities have announced an increase in the fiscal envelope devoted to addressing the crisis to €100 billion (nearly 5 percent of

		GDP, including liquidity measures), from an initial €45 billion included in an amending budget law introduced in March. • Key immediate fiscal support measures include (i) streamlining and boosting health insurance for the sick or their caregivers; (ii) increasing spending on health supplies; (iii) liquidity support through postponements of social security and tax payments for companies and accelerated refund of tax credits; (iv) support for wages of workers under the reduced-hour scheme; (v) direct financial support for affected microenterprises, liberal professions, and independent workers; and (vi) postponement of rent and utility payments for affected microenterprises and SMEs; among others. **Monetary Measures** The Government has decided to provide monetary policy support through (i) additional asset purchases of €120 billion until end-2020 under the existing program (APP), and (ii) providing temporarily additional auctions of the fullallotment, fixed rate temporary liquidity facility at the deposit facility rate and more favorable terms on existing targeted longer-term refinancing operations between June 2020 and June 2021.
5	**Germany**	**Fiscal Measures** • In addition to running down accumulated reserves, the federal government adopted a supplementary budget of €156 billion (4.9 percent of GDP) which includes: (i) spending on healthcare equipment, hospital capacity and R&D (vaccine), (ii) expanded access to short-term work ("Kurzarbeit") subsidy to preserve jobs and workers' incomes (iii) €50 billion in grants to small business owners and selfemployed persons severely affected by the Covid19 outbreak in addition to interest-free tax deferrals until year-end. • In addition to the federal government's fiscal package, many state governments have announced own measures to support their economies, amounting to €48 billion in direct support and €63bn in state-level loan guarantees. **Monetary Measures** The authorities extended all European Central Bank (ECB)- issued regulatory and operational relief to German banks under national supervision. In addition to measures at the euro area level: (i) release of the countercyclical capital buffer for banks from 0.25 percent to zero; (ii) additional €100 billion to refinance expanded short-term liquidity provision to companies and (iii) following the structure of the former Financial Stabilization Fund, €100 billion is allocated to directly acquire equity of larger affected companies and strengthen their capital position.
6	**UK**	**Fiscal Measures** • Additional funding for the public services and charities (£14.7 billion); • Measures to support businesses (£27 billion), including property tax holidays, direct grants for small firms in the most-affected sectors, and

		compensation for sick pay leave; • Strengthening the social safety net to support vulnerable people (by nearly £7 billion) • The government has launched with the British Business Bank the Coronavirus Business Interruption Loan Scheme to support SMEs and has announced the Coronavirus Large Business Interruption Loans Scheme to support bigger firms; is deferring VAT payments for the next quarter until the end of the financial year; and will pay 80 percent of the earnings of self-employed workers and furloughed employees (to a maximum of £2,500 per employee per month) for an initial period of 3 months. • More than £330 billion of loans and guarantees has been announced to help firms continue operating. • Nearly £1 billion of additional support for renters, through increases in the generosity of housing benefit and Universal Credit. From April, Local Housing Allowance rates will pay for at least 30% of market rents in each area. • The Government will provide lenders with a guarantee of 80% on each facility to give lenders further confidence in continuing to provide finance to SMEs. • UK workers of any employer who are placed on the Coronavirus Job Retention Scheme can keep their job with the government paying up to 80% of a worker's wages upto a total of £2,500 per worker each month. **Monetary Measures** • Reducing Bank Rate by 65 basis points to 0.1 percent; • Expanding the central bank's holding of UK government bonds and non-financial corporate bonds by £200 billion; • Introducing a new Term Funding Scheme to reinforce the transmission of the rate cut, with additional incentives for lending to the real economy, and especially SMEs; • The Prudential Regulatory Authority (PRA) set out supervisory expectation that banks should not increase dividends or other distributions, such as bonuses, in response to policy actions. • Together with central banks from Canada, Japan, Euro Area, U.S., and Switzerland, further enhancing the provision of liquidity via the standing US dollar liquidity swap line arrangements;
7	**Iran**	**Fiscal Measures** • Moratorium on tax payments due to the government for a period of three months (7 percent of GDP); • Subsidized loans for affected businesses and vulnerable households (4.4 percent of GDP); • Extra funding for the health sector (2 percent of GDP); • Cash transfers to vulnerable households (0.3 percent of GDP) and; • Support to the unemployment insurance fund (0.3 percent of GDP). **Monetary Measures** The Central Bank of Iran has announced the following: • Allocation of funds to import medicine; • Agreed with commercial banks that they postpone by three months the repayment of loans due in February 2020; • Offered temporary penalty waivers for customers with non-performing loans; • Expanded contactless payments and increased the limits for bank transactions in order to reduce the circulation of

		banknotes and the exchange of debit cards. Injection of USD 1.5 billion in the foreign exchange market to stabilize the rial.
8	**China**	**Fiscal Measures** • An estimated RMB (renminbi) 2.6 trillion (or 2.5 percent of GDP) of fiscal measures or financing plans have been announced, of which 1.2 percent of GDP are already being implemented. • Key measures include: (i) Increased spending on epidemic prevention and control. (ii) Production of medical equipment. (iii) Accelerated disbursement of unemployment insurance. (iv) Tax relief and waived social security contributions. • Small firms in other provinces will be exempt from paying pensions, jobless insurance and work injury insurance until June, while payments by large firms will be reduced by half until April 2020. **Monetary Measures** • Liquidity injection into the banking system via open market operations of RMB 3.27 trillion (gross) • Expansion of re-lending and re-discounting facilities by RMB 1.8 trillion to support manufacturers of medical supplies and daily necessities micro-, small- and medium-sized firms and the agricultural sector at low interest rates • Reduction of the 7-day and 14-day reverse repo rates by 30 and 10 bps, respectively, as well as the 1-year medium-term lending facility rate by 30 bps • Targeted RRR cuts by 50-100 bps for large- and medium-sized banks that meet inclusive financing criteria which benefit smaller firms, an additional 100 bps for eligible joint-stock banks, and 100 bps for small- and medium-sized banks in April and May to support SMEs • Reduction of the interest on excess reserves from 72 to 35 bps • Policy banks' credit extension to micro- and small enterprises (RMB 350 billion). • The government has also taken multiple steps to limit tightening in financial conditions, including measured forbearance to provide financial relief to affected households, corporates, and regions facing repayment difficulties including delay of loan payments and other credit support measures for eligible SMEs and households, tolerance for higher NPLs for loans by epidemic-hit sectors and SMEs, support bond issuance by financial institutions to finance SME lending, additional financing support for corporates via increased bond issuance by corporates, increased fiscal support for credit guarantees, flexibility in the implementation of the asset management reform, and easing of housing policies by local governments.
9	**Belgium**	**Fiscal Measures** • The federal government announced a fiscal envelope of €10 bn to address the crisis (about 2.5 percent of GDP, including liquidity measures) and €50 bn (over 11 percent of GDP) of guarantees for new bank loans to companies and self-employed. • Key fiscal support measures include: (i) boosting health expenditure; (ii) increasing support for those in temporary unemployment and self-employed; and (iii) liquidity support through postponements of social security and tax payments for companies and self-employed. Regional governments

		have also announced additional support of around €1.7 bn (0.4 percent of GDP) to affected firms and sectors, transfers to affected households, and further bank-loan guarantees (around €1.8 bn, or 0.4 percent of GDP). **Monetary Measures** • Additional asset purchases of €120 billion until end2020. • The collateral standards were further eased in early April. These include a permanent collateral haircut reduction of 20 percent for non-marketable assets. • The ECB Banking Supervision further decided to exercise – on a temporary basis – flexibility in the classification requirements and expectations on loss provisioning for non-performing loans (NPLs) that are covered by public guarantees and COVID19 related public moratoria; it also recommended that banks avoid pro-cyclical assumptions for the determination of loss provisions and opt for the IFRS9 transitional rules. • More recently, ECB Banking Supervision asked banks to not pay dividends for the financial years 2019 and 2020 or buy back shares during COVID-19 pandemic, from which the conserved capital should be used to support households, small businesses and corporate borrowers and/or to absorb losses on existing exposures to such borrowers • Other measures taken by the Belgian authorities include: (i) reducing the counter-cyclical bank capital buffer to 0 percent (an increase to 0.5 percent was to become effective by June); (ii) a ban on short-selling stocks until April 16; and (iii) ban on short-selling stocks until April 16; and (iii) postponement of debt repayment due to banks and insurers by affected households and companies to September 30.
10	**India**	**Fiscal Measures** • The Hon'ble Prime Minister has allocated Rs.15,000 crores towards the build-up of health infrastructures including for testing facilities for COVID-19, personal protective equipment, isolation beds, ICU beds and ventilators. • On 26th March, the Hon'ble Finance Minister, Smt Nirmala Sitharaman has announced Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against pandemic COVID-19. • The relief package includes Insurance cover of Rs 50 Lakh per health worker, 5 kg wheat or rice and 1 kg of preferred pulses for free for the next three months to 80 crore poor people, Rs 500 per month for next three months for 20 crore women Jan Dhan account holders, increase in MNREGA wage to Rs 202 a day from Rs 182 to benefit 13.62 crore families, among others. • So far under the Pradhan Mantri Garib Kalyan Package more than 33 crore poor people have received financial assistance of Rs 31,235 crore, Rs 10,025 crore have been disbursed to 20.05 crore to Women Jan Dhan account holders, Rs 1405 crore has been disbursed to about 2.82 crore old age persons, widows and disabled persons, Rs 16,146 crore have been transferred to 8 crore farmers, 2.17 crore Building;

		Construction workers have received financial support amounting to Rs 3497 crore, among others. • The Hon'ble Finance Minister, Smt Nirmala Sitharaman also announced several relief measures relating to Statutory and Regulatory compliance matters across Sectors in view of pandemic COVID19 outbreak. • The relaxations relating to Statutory and Regulatory compliance include extension of last date for income tax returns for (FY 18-19) from 31st March, 2020 to 30th June, 2020, 24X7 Custom clearance till end of 30th June, 2020, extension in last date for filling GSTR-3B due in March, April and May 2020 by the last week of June, 2020 for those having aggregate annual turnover less than Rs. 5 Crore, extension of payment date under Sabka Vishwas Scheme till 30th June, 2020, among others. • To provide immediate relief to the business entities and individuals, the Ministry of Finance has decided to issue all the pending income-tax refunds up to Rs. 5 lakh, immediately. This would benefit around 14 lakh taxpayers. It has also been decided to issue all pending GST and Custom refunds which would provide benefit to around 1 lakh business entities, including MSMEs. Thus, the total refund granted will be approximately Rs. 18,000 crore. • Over 10.2 lakh Refunds worth Rs 4,250 crore issued in a week by CBDT to help taxpayers in pandemic COVID-19 situation. • Various State governments have also announced measures to support the health and wellbeing of lower-income households, primarily in the form of direct transfers (free food rations and cash transfers). **Monetary Measures** • On March 27, the Reserve Bank of India (RBI) reduced the repo and reverse repo rates by 75 and 90 basis points (bps) to 4.4 and 4.0 percent, respectively, and announced liquidity measures to the tune of 3.7 trillion Rupees (1.8 percent of GDP) across three measures comprising Long Term Repo Operations (LTROs), a cash reserve ratio (CRR) cut of 100 bps, and an increase in marginal standing facility (MSF) to 3 percent of the Statutory Liquidity Ratio (SLR). • The Reserve Bank of India has allowed Banks to declare a 3-month moratorium on all term loans outstanding as on March 1, 2020, as well as on working capital facilities. • RBI has also announced new measures on 17th April 2020 to maintain adequate liquidity in system, facilitate bank credit flow, ease financial stress and enable formal working of markets. Some of the key measures include conducting of TLTRO 2.0 for Rs 50,000 crore, allowing banks to use surplus into economy, reduced reverse repo rate by 25 bps from 4% to 3.75% under LAF; Rs 50,000 crore special finance facility to be provided to financial institutions; NPA count shall not include the 90-day moratorium period; Liquidity coverage ratio requirement of scheduled commercial banks being brought down from 100% to 80% with immediate effect; all accounts where moratorium or deferment has been applied, there would be an asset classification standstill; loans given by NBFCs to real estate companies to get similar benefit as given by scheduled commercial

		banks; among others. • The RBI asked financial institutions to assess the impact of CIVID-19 on their asset quality, liquidity, and other parameters due to spread of COVID-19 and take immediate contingency measures to manage the risks following the impact assessment. • The Securities and Exchange Board of India (SEBI) has provided a number of relaxations with respect to timelines for compliance with regulatory requirements by Depository and depository participants, relaxations Buy-back of Securities Regulations, relaxations in timelines for compliance with regulatory requirements by Relief measures provided by various countries to mitigate the daunting impact of pandemic COVID19 on economy, trade and industry 23 | PHD Research Bureau trading members / clearing members, among others. • SEBI has also announced measures to further facilitate fund raising from capital markets in the backdrop of COVID-19 pandemic. • The limit for FPI investment in corporate bonds has been increased to 15 percent of outstanding stock for FY 2020/21. Restriction on non-resident investment in specified securities issued by the Central Government has been removed.

Conclusions

The Pandemic COVID-19 outbreak which began in December 2019 presents a significant challenge for the entire world. The severity of COVID is increasing each day. Around 210 countries including USA, Spain, Italy, France, Germany, among others have been severely impacted.

At this juncture, substantial targeted fiscal, monetary, and financial measures are required to maintain the economic ties between workers and firms and lenders and borrowers, keeping intact the economic and financial infrastructure of society.

Going ahead, strong multilateral cooperation such as extending help to financially constrained countries facing twin health and funding shocks, and channeling aid to countries with weak health care systems, are required to overcome the effects of COVID-19. There is an urgent need to work together to slow the spread of the virus and to develop a vaccine and therapies to counter the disease.

NATIONAL APEX CHAMBER

About Us

PHD Chamber of Commerce & Industry, a leading Industry Chamber of India, ever since its inception in 1905, has been an active participant in the India Growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country. Regular interactions, Seminars, Conference and Conclaves allow healthy and constructive discussions between the Government, Industry and International Agencies bringing out the Vitals for Growth. As a true representative of the Industry with a large membership base of 1,30,000 direct and indirect members, PHD Chamber has forged ahead leveraging its legacy with the Industry knowledge across sectors (58 Industry verticals being covered through Expert Committees), a deep understanding of the Economy at large and the populace at the micro level.

At the National level, the PHD Chamber is well represented in 16 States with its own offices and MOUs with eleven Partner Chambers in different States.

At the Global level we have been working with the Concerned Ministries, Embassies and High Commissions to bring in the International Best Practices and Business Opportunity.

PHD Chamber has special focus on seven thrust areas:

- **Infrastructure**
- **Housing**
- **Health**
- **Education & Skill Development**
- **Agriculture & Agri-business**
- **Industrial Development**
- **Digital India**

"Towards Inclusive & Prosperous New India"

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PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. The Research Bureau has undertaken various policy studies for Government of India and State Governments.

Research Activities	**Comments on Economic Developments**	**Newsletters**	**Consultancy**
• Research Studies	• Macro Economy	• Economic Affairs Newsletter (EAC)	• Trade & Inv. Facilitation Services (TIFS)
• State Profiles	• States Development	• Forex and FEMA Newsletter	
• Impact Assessments	• Infrastructure	• Global Economic Monitor (GEM)	
• Thematic Research Reports	• Foreign exchange market	• Trade & Inv. Facilitation Services (TIFS) newsletter	
• Releases on Economic Developments	• International Trade	• State Development Monitor (SDM)	
	• Global Economy		

Studies Undertaken by PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
29. SEZs in India: Criss-Cross Concerns (February 2015)
30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
31. India - USA Economic Relations (February 2015)
32. Economy on the Eve of Union Budget 2015-16 (February 2015)
33. Budget Analysis (2015-16)
34. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
36. Progress of Make in India (September 2015)
37. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
38. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
39. India’s Foreign Trade Policy Environment Past, Present and Future (December 2015)
40. Revisiting the emerging economic powers as drivers in promoting global economic growth(February 2016)
41. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
42. BREXIT impact on Indian Economy (July 2016)
43. India’s Exports Outlook (August 2016)
44. Ease of Doing Business : Suggestive Measures for States (October 2016)
45. Transforming India through Make in India, Skill India and Digital India (November 2016)
46. Impact of Demonetization on Economy, Businesses and People (January 2017)
47. Economy on the eve of Budget 2017-18 (January 2017)

48. Union Budget 2017-18: A budget for all-inclusive development (January 2017)
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50. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
51. Special Economic Zones: Performance, Problems and Opportunities (April 2017)
52. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
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54. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
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56. Senior Housing: A sunrise sector in India (August 2017)
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58. Equitable finance to fulfill funding requirements of Indian Economy (October 2017)
59. The Wall of Protectionism: : Rise and Rise of Protectionist Policies in the Global Arena, (November 2017)
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61. Role of Trade Infrastructure for Export Scheme (TIES) in Improving Export Competitiveness (November 2017)
62. India - China Trade Relationship: The Trade Giants of Past, Present and Future (January 2018)
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71. India – UK Trade Relations and Societal Links: Way Forward (June 2018)
72. Rural Economy: Road to US $5 Trillion Economy(September 2018)
73. Indian Economy on the Eve of Union Budget 2019-20 (Interim): Steady…strong…fastest moving economy (January 2019)
74. Interim Budget 2019-2020: A Dynamic, Inclusive & Pragmatic Budget (February 2019)
75. Women Entrepreneurship: Transforming from Domestic Households to Financial Independence (March 2019)
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79. India Inc. Speaks Live: Wish List for the Next Five Years (May 2019)
80. Suggestive Roadmap for Revitalizing Economic Growth (June 2019)
81. Indian Economy on the Eve of Union Budget 2019-20 (July 2019)
82. Indian Economy on the Eve of Union Budget 2019-20 (July 2019)
83. Union Budget 2019-20: Road to US$ 5 trillion economy (July 2019)
84. Ease of Doing Business for MSMEs (September 2019)
85. Report Emerging contours in the defence and homeland security
86. Framework of University-Industry Linkages in Research DSIR
87. India's Trade and Investment opportunities with ASEAN Economies (November 2019)
88. Indian Economy on the Eve of Union Budget 2020-21 (February 2020)
89. Union Budget 2020-21: Aspirational, Caring and Developmental Budget (February 2020)
90. Macroeconomic Indicators and Pandemic COVID-19 Stimulus provided by Select Economies (April 2020)
91. Report on impact of Pandemic COVID-19 by PHDCCI (April 2020)
92. Tax relief measures provided by Pandemic COVID-19 impacted Countries (April 2020)
93. Impact of Pandemic COVID-19 : PHD Chamber's detailed representation on short

term and long term measures submitted to the Government (April 2020)

94. Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments (April 2020)
95. Relief Measures provided by Ministry of Finance, Ministry of Commerce & others
96. Analysis on Relief Measures -Salaries wages by pandmeic COVID-19 impacted countries (April 2020)
97. Relief measures provided by various countries to mitigate the daunting impact of pandemic COVID-19 on economy, trade and industry (April 2020)
98. Analysis of COVID at International and Sub-National Level- Speed of spread, Mortality and Recovery (April 2020)

B: State profiles

99. Rajasthan: The State Profile (April 2011)
100. Uttarakhand: The State Profile (June 2011)
101. Punjab: The State Profile (November 2011)
102. J&K: The State Profile (December 2011)
103. Uttar Pradesh: The State Profile (December 2011)
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112. Suggestions for Progressive Uttar Pradesh (August 2015)
113. State profile of Telangana- The dynamic state of India (April 2016)
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115. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
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120. Analysis of State Budgets for 2018-19: Select Sates (March 2018)
121. Rising Uttar Pradesh One District One Product Summit (August 2018)
122. Rajasthan: Steady Strides into the Future-Emerging Growth Dynamics and the Way Forward (September 2018)
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124. Rising Jharkhand: Skill Development to Spur Socio-Economic Growth (January 2019)
125. Progressive Haryana: Economic Profile (February 2019)
126. Progressive Haryana: The Agricultural Hub of India (February 2019)