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Economic measures taken in countries outside Europe

South Korea

Updated April 9

On April 8 South Korean President Moon Jae-in said the government would make an additional 36 trillion won (\$29.5 billion) worth of cheap loans available for exporters hit by the coronavirus. Loan guarantees will be extended for exporters, while debt will be rolled over for small businesses. Fresh measures worth 17.7 trillion won will be rolled out to boost consumption and support domestic demand, he added, without giving details.

This announcement adds to planned economic rescue package of 100 trillion won (\$80 billion) in late March

March plan:

11,7 trillion won supplementary budget plan, among others for measures such as,

- Expand the emergency loans for business operation, and provide facilities investment support for SMEs in the disease-hit areas of Daegu City and North Gyeongsang Province
- Provide loan guarantees through the Korea Credit Guarantee Fund and Korea Technology Finance Corporation
- Invest in accounts receivable insurance funds
- Invest in export financing
- Provide wage support for small merchants
- Promote a rent cut in traditional markets by offering 100 percent support for fire prevention in the entire market in the case of at least 20 percent of shops getting rent cuts
- Support the resuming of business after shut-down due to a visit by the virus-infected
- Promote expanding to online markets
- Provide retailers in traditional markets with vouchers designed to support their marketing activities, such as joint promotion
- Issue vouchers for local products
- Give a 20 percent raise in wages to seniors in government's elderly job programs if they agree to receive 30 percent of their pay in local gift certificates
- Redeem 10 percent of the prices paid for home appliances with a high-energy efficiency rating
- Increase the budget for homecare allowance in the case of childcare shifting from daycare institutions to homecare
- Increase job seekers' allowance for young adults, and reintroduce job seekers' allowance for those from low income households
- Expand the employment support designed to promote employment retention and job training

United States

Last updated: April 23

On April 22 a 484 bn USD deal was reached to resplenish the Small Business rescue Fund ("Paycheck Protection Programme") which had previously been set up with 300 bn USD and was about to be depleted. The new act will earmark 320 bn for this, and also include 75 bn USD in extra support to hospitals and 25 bn USD for expanding coronavirus testing.

On March 25 agreement was reached in the House on a stimulus package. This included support amounting to around 2 trillion usd (around 10 % of US GDP):

- "Helicopter money" i.e. direct payments of 1,200 USD to individuals earning up to 75,000 USD , with smaller payments to those with incomes of up to 99,000 USD and an additional 500 USD per child.

- Expand jobless aid, providing an additional 13 weeks and a four-month enhancement of benefits — including an extra 600 USD per week. Extended to also cover freelancers and gig workers.
- Suspends all federal student loan payments for six months, and the loans will not accrue interest during that period.
- 377 billion USD for struggling companies in federally guaranteed loans to small businesses
- 500 billion USD government lending program for distressed companies, including allowing the administration the ability to take equity stakes in airlines that received aid to help compensate taxpayers.
- It also sends 100 billion USD to hospitals on the front lines of the pandemic.

On March 15 the US Federal Reserve announced

- Its second rate cut during the coronavirus outbreak, the Fed lowered its interest rate by own 1 percentage point, down to zero (0.25% for some rates).
- It also announced it will purchase 700 billion dollar worth of Treasury bonds and mortgage-backed securities (quantitative easing)
- The existing dollar liquidity swap lines with European countries and Japan will also be strengthened

Japan

Updated April 23

On April 20 the government approved a revised supplementary budget for fiscal 2020 on Monday increasing the total stimulus to 117 T yen, up from 108 T in the original package. This reflected universal cash handouts of 100,000 yen to every individual, instead of earmarking 300,000 yen to households whose income had fallen sharply.

The increase from the initial package worth ¥108.2 trillion comes after a sudden policy shift to provide universal cash handouts of ¥100,000 per every individual in Japan, instead of the original plan to give ¥300,000 to each household whose income had fallen sharply due to the virus outbreak.

Previous initiatives:

Expanding special measures on the Employment Adjustment Subsidies

- Due to the impacts of COVID-19, some businesses are forced to curtail their operations in response to the slow-down of the flow of people and goods. The government will significantly expand special measures on the Employment Adjustment Subsidies so as to protect employment and secure the stability of the people's lives even in such a situation. Expand the scope of the special measures to all business owners, clarify eligibility criteria (such as simultaneous closure), and apply retroactively back to January, 2020.
- Increase the subsidy rate for certain areas (SMEs: increase from 2/3 to 4/5; large enterprises: from 1/2 to 2/3)

Robust liquidity supports

- In order to overcome the impacts on local economies, including those from self-restraint from holding events, and bring businesses back on a growth track after the disease is under control, the government will implement financial measures totaling 1.6 trillion yen from the Japan Finance Corporation and other institutions, primarily focusing on micro, small and medium-sized business operators.
- Establish a COVID-19 special loan program (on the scale of 500 billion yen) and reduce the interest rate, as well as provide real interest-free, unsecured financing support to micro, small and medium-sized business operators and others
- Applying safety net guarantee system No. 4 (100%) and No. 5 (80%) of credit guarantee corporations, as well as crisis-related guarantees (100%)
- Support financing and reorganization of domestic supply chains through operations to facilitate crisis response by the Development Bank of Japan (DBJ), and the Shoko Chukin Bank (on the scale of 204 billion yen)

- Call for private financial institutions to actively provide new loans and change terms for existing debt

Responses for the damages to supply chains

- Taking into consideration the burdens on micro, small-, and medium-sized business operators, the government will enable expedited assistance, regarding priority supports on capital investments to respond to the damages, including those on supply chains, and for business owners who work to cultivate new sales channels
- Make use of the Growth Investment Facility and other measures of the Japan Bank for International Cooperation (JBIC) (on the scale of up to 500 billion yen)
- Support reorganization of domestic supply chains through the DBJ, etc (same measure as previous item)

Measures for the tourism industry

- The prevention of the spread of infections is the premise of the recovery of tourism demand. The government will strongly support the tourism industry through the Employment Adjustment Subsidy and liquidity supports for the time being. At the same time, regarding the period in which the government is working on prevention as a forward-looking “run-up” period, the government will develop a foundation to prepare for a turnaround in the future, identifying this infection control period.
- Provide supports in various fields such as diversification of attractions, including the development of attractive tourism content and multilingual signs.
- Consider a post-COVID-19 campaign through the collaboration of the public and private sectors

Strengthening comprehensive supports through promoting the use of the self-reliance support system for people in need

- The government encourages the local governments to provide comprehensive supports tailored to people in need, including those who had to leave their jobs or have decreased incomes due to the impacts of COVID-19.

Turkey

Measures in the areas of (in depth material to mentioned areas can be found on the extranet):

1) Tax deferrals for all:

- 2019 FY Personal Income Tax
- 2019 FY Corporate Income Tax
- 2020/February “Form Ba” “Form Bs” notifications
- Creation and signing of e-books

Tax deferrals for sectors considered in “force majeure”

- Deferrals in VAT and WHT Tax Return Declarations, Ba and Bs Forms and E-books for March, April, May 2020 periods

2) Social Security

- Employment support: short time work compensation
- A daily wage support to those who remained unemployed, who were on unpaid leave by the employer and who could not benefit from the short time work allowance
- Social Security premiums of taxpayers in “force majeure” sectors are deferred;
- Withholding tax and monthly premium service declaration starting date is postponed to 1st of July for all except in pilot provinces.

3) Customs and international trade

- a. Certain export restrictions
- b. Live exotic animal import restrictions
- c. Application of transit trade penalties suspended
- d. AEO deadlines stopped
- e. Recycling distribution fee declaration period updated
- f. Customs duties abolished on critical goods
- g. Inward processing deadlines have been extended
- h. A letter has been issued in relation of goods imported from EU countries along with an A.TR movement certificate

4) Law

- a. Temporary restriction on dividend distribution for companies
- b. Postponement of the meetings of companies and NGOs
- c. Suspension of the statutory periods in legal proceedings
- d. Prohibition of dismissal and various arrangements
- e. Extended deadlines of reporting period of financial institutions
- f. Binding corporate rules for group companies and obligations of the data controllers