



Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region

Based on FIEC's COVID-19 Construction Observatory, CIAN and MEDEFI

For more detailed information check out the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

Country/Region	General measures	Measures for construction
EUROPE		
World	The forecast growth for the construction industry in 2020 has been downgraded to 0.5%, according to a Global Data report. Prior to the outbreak of COVID-19 the data and analytics company Global Data had predicted that the global construction industry would see growth of 3.1%, up from 2019's 2.6%.	
FIEC Countries	<u>FIEC COVID-19 - Construction Observatory (06 April)</u> <u>FIEC requests to the European Commission in support of the construction industry</u>	
United Kingdom	<p>A UK industry group is calling for changes to international rules to <u>allow export credit agencies (ECAs) to provide 100% insurance cover for trade transactions</u>, helping ease the pressure caused by the global spread of Covid-19.</p> <p>Self-employed people unable to work due to government's lockdown will be able to claim taxable grants of up to £2,500 (€2827) per month (27 March). But now the <u>National Federation of Builders (NFB) is warning that many of its members are likely to run out of money before the Treasury gets its act together to get the scheme started (2 April).</u></p> <p><u>Coronavirus action plan (03 March): a guide to what you can expect across the UK.</u></p> <p>Guidance for employers, employees and businesses during the pandemic</p> <ul style="list-style-type: none"> In the Budget (11 March 2020) the Chancellor announced a package of measures to provide support for public services, 	<p><u>March data pointed to the steepest downturn in UK construction output since April 2009 as emergency public health measures to halt the spread of Covid-19 led to sites closing and a slump in new orders. Civil engineering activity saw the steepest rate of decline in March, followed closely by commercial building work (06 April).</u></p> <p><u>According to the Unite union, which represents construction and other public service workers, highways maintenance operatives are being prevented from following social distancing guidelines (07 April).</u></p> <p>The Under-secretary of State for business has reaffirmed that <u>house-building and other construction work must keep going to help the economy survive the devastation of the coronavirus pandemic (30 March).</u> There is no direction to close construction sites and therefore it is expected that all contracted work will continue as per the agreed schedule. Unless the government announce a force majeure is implemented or instruct construction sites to close, contractors are contractually bound to the contract.</p> <p>The UK's construction industry is seeking urgent clarification from Government (24 March) on what the new social isolation measures will mean for construction</p>

	<p>individuals and businesses to ensure the impact of COVID-19 is minimized;</p> <ul style="list-style-type: none"> • A new Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will enable businesses to apply for a loan of up to £5 million, with the government covering up to 80% of any losses with no fees. 	<p>and building sites. An industry-government task force on COVID-19 has so far interpreted the new guidance to mean that not all activity needs to cease immediately. However, in Scotland, the devolved government in Edinburgh has requested construction work to halt. The Scottish Government is now preparing guidance for businesses.</p> <ul style="list-style-type: none"> • <u>Mace Group reopens construction sites (bowing to political pressure);</u> • Balfour Beatty opts to keep sites operational; • Costain, Ardmore, Bovis Homes, Barratt Developments, Taylor Wimpey and Speller Metcalfe have joined the likes of ISG and Galliard in closing their sites; <p>The Cabinet Office has confirmed that it is preparing guidance to public sector customers about how to deal with delay and disruption under public contracts, including force majeure claims. Industry will liaise with Cabinet Office to offer support in this work.</p> <p>The Construction Leadership Council (CLC) and leading sector trade bodies wrote to prime minister Boris Johnson outlining the immediate difficulties faced by the sector (17 March). <u>The letter calls for:</u></p> <ul style="list-style-type: none"> • Government to ask all public sector construction clients to continue to pay their contractors and supply chains; • Government to ensure all construction sites throughout the UK are able to remain open, as long as they are able to do so responsibly; • Government to consider implementing financial measures, such as the deferral of VAT payments. <p>The Association for Consultancy & Engineering has also written to the prime minister <u>outlining a series of immediate, short- and near-term measures:</u></p> <ul style="list-style-type: none"> • A grant of up to £50,000 (€56,548) to SMEs in the sector to enable them to meet the digital requirements of working from home; • Acceleration of the pre-construction phase of government programmes, including schools, hospitals and roads, to mitigate the downturn in private sector work;
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LATIN-AMERICA		
Brazil	Closure of land borders with all border countries.	<p>Construction sites are not stopped, contrary to most of the country's activities.</p> <p>The <u>recommendations from the Brazilian Chamber of Construction</u> mainly include measures for hygiene and distancing of personnel:</p> <ul style="list-style-type: none"> • Teleworking; • reducing the number of people on worksites and sites; • prohibiting access to sites by people not working directly for the company.
Chile	<p>The <u>Government announced to mobilize fiscal resources</u> of up to US\$11.75 billion in the coming months, transforming itself into a package of economic and social measures, such as:</p> <ul style="list-style-type: none"> • Reinforce the Health System Budget; • Employment protection allowing for the reduction of working hours; • Suspension of provisional monthly payments of income tax for companies for the next 3 months (providing up to US\$2.4 billion for the next 3 months); • Postponement of VAT payment for the next 3 months for all companies with sales under UF 350,000 (US\$11805,000) • Deferred payments of contributions for companies; • Relief measures for the treatment of tax debts for SMEs and people with lower incomes; • All the expenses of the companies associated to face the sanitary contingency will be accepted as a tax expenditure. 	<p>The <u>Chilean Chamber of Construction (CChC) proposes a protocol of action</u> to maintain the health of the personnel who collaborate in construction projects:</p> <ul style="list-style-type: none"> • Preventive isolation of the person suspected or confirmed to be infected; • Guidance on what an employer should do in the event of a suspected/confirmed case of Coronavirus; • Guidance on what the employer should do for the proper handling of people who have been in contact with a confirmed Coronavirus worker.
El Salvador	Gatherings of more than 50 people prohibited. Access to the territory is prohibited for 30 days (as of 14 March) to all foreigners,	The <u>construction chamber of Salvador, CASALCO, proposes a protocol of action</u> to maintain the health of the personnel who collaborate in construction projects (13 March):

	<p>except for residents and diplomats quarantined on entry. All persons arriving from abroad will be systematically placed in confinement. Airport San Salvador International Airport has been closed since 17 March 2020 for 15 days.</p>	<ul style="list-style-type: none"> • Raising awareness on enhanced hygienic measures (disinfection, washing hands); • Depending on the number of workers in a workplace, companies will establish staggered feeding schedules for their employees in order to reduce the number of people grouped together; • Isolation for contaminated workers; • Companies will ask their suppliers and subcontractors to comply with these measures in order to help prevent the disease in the workplace.
<p>Mexico</p>	<p>A state of health emergency has been declared. Non-essential activities are suspended and gatherings of more than 50 people are now prohibited.</p> <p><u>A slowdown in the United States will lead to a reduction in trade, foreign direct investment, tourism flows, and remittances.</u></p> <p>Key agricultural exports as well as trade flows through the Panama Canal could also be adversely affected by lower global demand. Local outbreaks will strain economic activity in the next quarter and aggravate already uncertain business conditions.</p>	<p>According to European contractors, worksites have been closed by the government for 1 month (2 April).</p> <p>Most activities and gatherings are suspended in over 60 local CMIC offices and central headquarters in Mexico, as well as training (ICIC), CMIC university (ITC) classes.</p> <p>The <u>Mexican Chamber of Construction (CMIC) issued a containment protocol for Coronavirus on construction work sites including mostly</u></p> <ul style="list-style-type: none"> • Raising awareness on enhanced hygienic measures • Preventive isolation of the person suspected or confirmed to be infected; • Minimize physical contact and increase the spacing of workers at all times, etc.
<p>Panama</p>	<p><u>Closure of all social premises and companies which are not essential to the functioning of the country.</u> Essential businesses/value chains entail: Food value chain; medications and hygiene products (e.g. pharmacies); safety equipment; construction materials (railways, production and distribution of gas tanks); veterinary and agricultural inputs; maintenance, operation and distribution companies of medical equipment; sea, air and haulage shipment logistics; restaurants (only to-go orders); fuel distribution companies; financial services.</p>	<p>According to European contractors, maintenance works can still be carried out. Civil engineering works are on hold.</p> <p>Companies within the <u>concrete industry in Central America and South America are joining the effort against the Coronavirus pandemic by offering their help in various ways</u>, including participating in public space cleaning operations. Cemex Panamá initiated this effort, which has now branched out to Cemex Colombia as well. Companies are using their mixer trucks to bring soap and water to public spaces where more intensive cleaning is required in order to prevent the spread of COVID-19 (1 April).</p>
<p>ASIA</p>		

<p>China</p>	<p>According to Trivium, the Chinese economy was operating at 78.3% of its capacity (80.6% for large companies; 76.8% for SMEs). Industrial enterprises would be operating at 80% of their normal level (2 April). According to MEDEFI, 80% of French companies have resumed their works in China (6 April).</p> <p>The Chinese central bank announced a decrease in the required reserve ratio for business loan renewals, releasing CNY 550 Mds (€70.6 Mds) to support the economy.</p> <p>Chinese stock exchanges have implemented a series of measures to <u>limit the volatility of commodity prices</u> (oil, gold, rubber, palm oil, eggs, etc.). For example, the Shanghai International Energy Exchange has increased the margin call on its crude oil futures contracts to 11% (24 March).</p> <p>China has imposed quarantines and limited travel across the country to contain the disease. These restrictions are now being loosened and industrial activities start again.</p>	<p>China has resumed construction on just under 90% of ‘key projects’ according to an official with the National Development and Reform Commission (NDRC) although this figure does not include the Hubei Province. All major railway projects have resumed operation, with 97% of major highway and waterway projects and 87% of airport projects also resuming construction (25 March).</p> <p>According to MEDEFI, China is reportedly preparing a CNY 2,800 billion (US\$ 394 billion) stimulus package to support investment in infrastructure and accelerate the deployment of 5G (19 March). The <u>housing market continues to deteriorate</u> (decline in sales volume of both commercial and residential properties).</p> <p>Construction activity is still suffering, as a majority of long-distance travel between workers’ homes and construction sites is limited. It is estimated that <u>things will become normal in mid-April</u> for the whole business and its activities. The spread of the coronavirus across Asia <u>is putting the brakes on China’s ambitious Belt and Road Initiative</u>, with dozens of infrastructure projects slowed or halted entirely due to limitations on supplies and travel. With the growing impacts, managers of road, bridge, hydroelectric and communications projects across Asia are having to make do with limited staff and material resources. China’s Belt and Road infrastructure projects in Africa appear so far to be less affected by personnel and travel issues, but still face delays and limited availability of construction equipment and materials.</p>
<p>Japan</p>	<p>The economy was already weakened, and it is estimated that it will enter recession in 2020. The first two support plans of the Japanese Government are considered insufficient and a new recovery plan of up to 10% of GDP is expected (cf.MEDEFI).</p> <p>COVID-19 pandemic under control but increased health surveillance: any individual can be hospitalized or subjected to examinations by simple decision of the authorities (at the expense of the Japanese State). Entry ban for foreign travelers who have stayed in Europe, China, Korea and Iran within 14 days of arrival.</p>	<p>Construction sites are not stopped, except some sites with the spread of infections.</p>

	<p>The government announced the basic measures for the emergency.</p> <ul style="list-style-type: none"> • Preventing COVID-19 from spreading of infections (Teleworking, Flexible time commuting, Possible locking down of affected areas); • Responses for shrinking business activities and employment; • Emergency measures that adapt to situational changes including a new legislation for emergency response and responsive boarder control measures etc. 	
Korea	<p>Bank of Korea (BOK) carried out a reduction of the interest rate from 1.25 to 0.75% and provided 16, 7 billion dollars as a response to Covid-19.</p> <p>From 1 April, compulsory 14-day isolation period in an official center for all short-stay travelers (less than 90 days).</p>	<p><i>No information available yet</i></p> <p><i><u>Webinar by the French Chamber of Commerce in Korea on how Korea managed the COVID-19 pandemic so far on April 9, 2020 at 10am. (Paris time).</u></i></p>
ASEAN	<p><u>The strictest lockdown measures are relatively recent (Malaysia, Indonesia: 16-18 March).</u> Growth forecasts are on the decline according to the ADB and the World Bank with max 2% growth for Indonesia and 3-5% growth for Thailand due to the decline in tourism. The growth perspectives depend on the activity in China. Economic safety packages do exist especially in Malaysia (16% of GDP), but generally speaking the ASEAN countries' capacity to intervene is expected to be rather limited (cf. MEDEFI).</p>	
South Asia	<p><u>On 24 March, India's Prime Minister Narendra Modi announced a 21-day lockdown of the country.</u> The Indian Ministry of Railways has announced that the suspension of passenger railway operations will be extended until 14 April. Lockdown in India will face the following problems:</p> <ul style="list-style-type: none"> • a huge informal economy, which makes it difficult to control lockdown; • the economy is already slowing down in 2019 (the Central Bank has already lowered its rates five times), the banking sector is very weak. 	<p><u>Construction work in the country has become to a standstill with the nationwide lockdown.</u> A relief package to deal with the impact of the Covid-19 pandemic has been announced. Allegedly, state governments have been directed to use the welfare fund among others for building and construction labourers to help those who are facing economic disruption because of the lockdown. The concern for the sector is that most of it has already been facing financial stress, shrinking orders and tight working capital. Now with the disruption in work, movement of labour and breakdown of the supply chain, recovery might be a major challenge (27 March).</p>

	<p>Pakistan and Sri Lanka received emergency aid from the China Development Bank and will probably require even more international aid.</p>	
NORTH AMERICA		
Canada	<p>The land border between the United States and Canada is closed for all non-essential journeys.</p> <p>Québec Premier Legault said that all businesses and shops will have to close their doors until April 13, with the exception of the "essential services" (25 March). The latter includes in particular all actors in the food chain, the transport, pharmacies, gas stations, as well as fire, police and ambulance services and the entire health network. Telecommunications and media will also be able to continue to operate, as well as companies that are already operating in teleworking.</p>	<p>Canadian Construction Association says work should continue, provided set protocol is followed (1 April). According to European contractors, while Québec is imposing a general quarantine, works continue in the rest of the country.</p> <p>Québec The construction and aluminum industries will have to stop the work on construction sites. However, CSD Construction has indicated that "certain sites considered 'essential' could remain in operation" and that details are still expected from the Minister of Labour.</p>
United States	<p>The US authorized the IFC capital increase in the Coronavirus Aid, Relief, and Economic Security Act (27 March). The bill also included authorization of IDA-19. IFC is helping existing clients in sectors directly affected by the COVID-19 pandemic to continue to pay their workers and suppliers and is providing financial institutions liquidity and credit coverage.</p> <p>The Senate reached an agreement on a <u>plan to boost the economy in the face of the coronavirus epidemic</u> amounting almost 2 trillion dollars (€1,850 billion). This plan represents nearly 10% of the GDP of the US and is entitled CARES ACT (Coronavirus Aid, Relief and Economic Security Act). The White House has also decided to use the Defense Protection Act, a text dating from the Korean War, to requisition companies and their resources to support a national effort. The US now has <u>more confirmed cases of coronavirus than any other country</u>, with more than 85,500 positive tests.</p>	<p>The recently enacted CARES Act provides unemployment benefits to independent contractors (3 April).</p> <p><u>Associated General Contractors of America (AGC) said conditions for contractors had deteriorated rapidly</u> since February and called on Congress to urgently pass measures to boost infrastructure, compensate firms for delayed federal work and provide pension relief. Also, US unemployment claims break records while construction slows. Tighter shelter-in-place orders bring construction to a halt in many areas, putting thousands out of work (2 April).</p> <p>The National Association of Home Builders (NAHB) has welcomed the designation of housing as an essential business, allowing many firms to keep working during the coronavirus crisis.</p> <p><u>AGC has also welcomed the new Department of Homeland Security guidance expanding the list of construction work that can continue during coronavirus-related stoppages.</u> The list identifies workers who conduct a range of operations and services that are typically essential to the continued viability of critical infrastructure. This includes staffing operations centers and maintaining and</p>

	<p>President’s Coronavirus Guidelines for America: 15 days to slow the spread (Directions for individuals if COVID-19 symptoms appear).</p> <p><u>Small Business Guidance & Loan Resources</u></p> <ul style="list-style-type: none"> • Small business owners in all U.S. states are currently eligible to apply for a low-interest loan due to Coronavirus; • Interim guidance may help prevent workplace exposures to acute respiratory illnesses, including COVID-19, in non-healthcare settings. The guidance also provides planning considerations if there are more widespread, community outbreaks of COVID-19; • Export loans to help small businesses achieve sales through exports. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products. <p>As some States are closing businesses activities considered “non-essential”, the industry still seeks a formal characterization as “essential,” alongside healthcare providers and grocery stores.</p>	<p>repairing critical infrastructure. It also includes workers who support crucial supply chains and enable functions for critical infrastructure in industries such as medical & healthcare, telecommunications, transportation & logistics, energy, water & wastewater and public works (30 March).</p> <p>Parts of the economic package announced on March 25 amounting 2 trillion of dollars could go for infrastructure or other construction, including hospitals, airports and transit systems. <u>But there’s a crucial caveat about the spending.</u> In some cases, it would be up to states, localities and other recipients to determine how much of the broad-ranging grants or other types of aid would be devoted to operations and how much to construction. Some of the construction funding is contained in the US\$339.9 billion appropriations section of the overall package. ENR calculates that infrastructure and construction could be eligible for at least US\$43 billion of that total (27 March).</p> <p>U.S. Vice President Mike Pence asked <u>construction companies to donate any extra N95 respirator masks</u> to local hospitals and to stop ordering more for the time being (17 March).</p> <p><u>AGC joined a host of other business groups in calling on Congress to enact a number of tax-related measures to safeguard companies</u>, regardless of size, during the COVID-19 outbreak (18 March). This includes policies such as immediately providing accessible, unsecured credit to businesses, suspending the filing of business returns and the payment of all business taxes, and amending the Tax Code to, among other items, restore the ability of businesses to carryback any net operating losses against previous year tax payments. For their part, the Association of Equipment Manufacturers (AEM), Associated Equipment Distributors (AED), and the Equipment Dealers Association (EDA) urged governors to designate equipment manufacturers, suppliers, and dealers, and service technicians as “essential” to the economic continuity of the states as they continue to respond to the COVID-19 pandemic.</p> <ul style="list-style-type: none"> • New York Gov. has announced all nonessential businesses (those that rely on in-office personnel) must have no more than 25% of their
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		<p>employees working outside their homes, implying the exclusion of construction. <u>Project teams in New York City may be fined up to US\$10,000 if found working on non-essential or non-emergency construction</u> - or if workers on projects that are allowed to continue don't practice social distancing;</p> <ul style="list-style-type: none"> • In San Francisco, which issued a shelter-in-place order (16 March), housing construction was included among its essential businesses; • Construction continued in Las Vegas following an order by the Nevada governor for nonessential businesses to close for 30 days; • Work continues in Los Angeles as well; • <u>Boston has become the first US city to shut down all municipal construction projects</u> to prevent Covid-19's spread. The ban would last for at least two weeks, after which a review would be held (16 March); • The <u>Pennsylvania Department of Transportation has suspended all its construction projects</u> in the state as a result of the pandemic. Projects will be on hold until further notice (17 March). • As of this writing, <u>Illinois, Ohio, Indiana, Michigan and Wisconsin have ordered various degrees of exemption</u> so that construction work can continue.
MIDDLE EAST		
Israel	<p>The regulations increase limitations on movement, expressly forbidding Israelis from leaving their homes except for a short list of reasons, closing all but necessary stores, and reducing public transportation. Unemployment rate reaches 20.4%. It was 4% before the coronavirus crisis. The economic measures are:</p> <ul style="list-style-type: none"> • The Central Bank purchased NIS 50 billion (US\$13.4 billion) in government bonds on the open market to ease credit conditions and bolster the economy; • Corona state guaranteed loan fund - up to 500,000 NIS (US\$141,313) for up to 5 years with a 6-month grace period; • Licenses to operate a business in all local authorities will be automatically extended, in order to assist businesses 	<p>It has been announced that COVID-19 will not be declared as <i>force majeure</i>. The building sector is especially affected because of the lack in demand and freezing of mortgages.</p> <p>Currently the construction sector and housing market are still functioning. The sector was designated as essential industry thereby allowing the continuation of work in active construction sites:</p> <ul style="list-style-type: none"> • It is estimated that 70% of sites are operational although there are sporadic returns of workers to Palestine as they are unsure about their medical coverage as well as other issues. There are 30,000 workers from the West Bank in Israel at this time as well as some 16,000 foreign workers half of which are from China; • No widespread house purchase contract cancellations and construction supplies shipments from China are resuming;

	<p>working with reduced staff and businesses that have been forced to close temporarily;</p> <ul style="list-style-type: none"> • There is no need to renew permits for continued operations. Permits will be automatically extended for another 2 months and all import permits will be renewed automatically to allow the import of goods into the economy and prevent shortages and delays. 	<ul style="list-style-type: none"> • Payments by developers to the government for land purchased in tenders has been postponed; • Mortgage deferral for up to 4 months; • Payments and form-signing by new home buyers have been allowed via the internet; • Government payments for contractors in development contracts have been advanced and collateral requirements from contractors have been eased or cancelled altogether.
Saudi-Arabia	National curfew from 7 p.m. to 6 a.m., and from 3 p.m. to 6 a.m. for Riyadh, Medina, Jeddah and Mecca. Total border closure.	According to European contractors, despite the introduction of a curfew from 7pm to 6am, work continues on a track-laying site.
UAE	<p>The country's trade, tourism and transport industries have been affected by the global slowdown of these industries. With these critical UAE industries struggling, the country's central bank has introduced an AED100 billion (US\$27 billion) Targeted Economic Support Scheme.</p> <p>The Central Bank of the UAE said the package includes:</p> <ul style="list-style-type: none"> • AED50 billion (US\$13.5 billion) of collateralized loans, which will be offered to all UAE banks at zero cost. It will also allow banks to boost their lending capacity by freeing up their regulatory capital buffers; • The package is intended to support banks and businesses during the Coronavirus crisis for up to six months. 	<p><u>Some slowdown in construction projects according to PIARC:</u></p> <ul style="list-style-type: none"> • Delays to materials and components due to factory shutdown in China; • No night shifts because of the curfew; • Impacts on labor buses due to social distancing guidelines; • Specialist tasks deferred. <p>The <u>construction industry in the United Arab Emirates (UAE) is continuing as 'usual'</u> despite the impact of Coronavirus.</p> <p>It is expected that the economic package from the Central Bank of UAE will benefit the local construction sector, which includes small and medium-sized enterprises in the design, contracting and fit-out industries</p>
PACIFIC		
Australia	<p>The <u>Victorian Government has announced a AU\$1.7 billion (US\$1.4 billion) assistance package to support jobs and businesses during the COVID-19 crisis.</u> The economic survival package includes key tax measures including waiving payroll tax for the full 2019-20 year for eligible businesses. The Victorian Government has also announced the Working for Victoria Fund, a \$500 million (US\$305 million) fund established to help Victorians who have lost their jobs, helping them to find new work and opportunities.</p>	<p><u>Infrastructure Partnerships Australia (IPA) has welcomed New South Wales government's commitment to continue infrastructure and construction sector in the face of the COVID-19 pandemic (27 March).</u></p> <p>In many cases (including in some government contracts), the 11 March 2020 WHO declaration that COVID-19 is a pandemic <u>will qualify as a force majeure event.</u> However, whether COVID-19 classifies as a force majeure event (and the consequences that flow) will be depend on the terms of a particular contract.</p>

		<p>According to the feedback of European contractors, containment measures are beginning to be put in place in Victoria and not yet in NSW. Works continue for the time being and staff is equipped with masks.</p>
New Zealand	<p>New Zealand will move the alert level to 4 from 3 (25 March) for a period of four weeks. New Zealanders not working in essential services will have to stay at home and stop all interactions with others outside of their own household.</p>	<p><u>The New Zealand government has tasked a group of construction industry leaders with identifying ‘shovel ready’ projects that can start as soon as the sector returns to normal.</u></p> <p><u>New Zealand stops all but ‘essential’ construction</u> (30 March).</p> <p>The <u>New Zealand government has published guidance for the construction sector</u> on what will count as essential work following the forthcoming implementation of a Covid-19 ‘level 4’ alert.</p> <p>Current definition of an essential business for the building and construction sector is:</p> <ul style="list-style-type: none"> • Any entity involved in building and construction related to essential services and critical infrastructure; • Any entity involved in building and construction required immediately to maintain human health and safety at home or work; • Any entity that performs or is involved in building and resource consenting necessary for the above purposes. <p>It said that most building work required urgently for the purposes of maintaining human health and safety will not require a consent. The guidance also offers advice for tradespeople such as plumbers, electricians and carpenter: Under a level-4 alert, only tradespeople undertaking work related to essential business or infrastructure are expected to be working outside of the self-isolation protocol. The exception to this may be where tradespeople are required to undertake emergency work.</p>
AFRICA		
	<p><u>Possible economic impacts on sub-Saharan Africa (cf. IMF):</u> <u>The slowdown in major economies will see global demand fall. Tighter global financial conditions will limit access to finance. Countries are likely to also see delays in getting investment or development projects off the ground. The sharp decline in commodity prices will hit oil exporters hard. Oil prices are already</u></p>	<p><u>Contractors across Africa look to China for construction materials.</u> But the Chinese government’s containment efforts and quarantines have slowed or shut down factories in the country’s cities and provinces, leading to a sharp fall in production of construction materials. For contractors that rely on Chinese-made goods or materials, this could mean higher material costs and potentially slower project completions.</p>

down by more than 50% since the start of the year. It is estimated that each 10% decline in oil prices will, on average, lower growth in oil exporters by 0.6% and increase overall fiscal deficits by 0.8% of GDP. The tourism and travel sector in Africa could lose at least US\$50 billion and at least 2 million direct and indirect jobs.

According to AfDB, Covid-19 could cost Africa a GDP loss between US\$22.1 billion, in the base case scenario, and US\$88.3 billion in the worst-case scenario. This is equivalent to a projected GDP growth contraction of between 0.7 and 2.8 percentage points in 2020. Covid-19 could:

- **squeeze fiscal space, as deficits are estimated to widen by 3.5% to 4.9%, increasing Africa's financing gap by an additional \$110 to \$154 billion in 2020;**
- **increase Africa's total public debt, under the base case scenario, from \$1.86 trillion at the end of 2019 to over \$2 trillion in 2020 and these figures could reach \$2.1 trillion in 2020 under the worst-case scenario.**

Further information on the impact of COVID-19 on the African economy by the African Union.

China is multiplying donations of medical equipment to African countries via companies such as Alibaba and Huawei. Cargo planes of Ethiopian Airlines, the only airline that continues to fly between Africa and China, brought 5.4 million masks, 1.08 million diagnostic test kits and 40,000 protective suits to Addis Ababa (22 March). The material was distributed to 55 countries across Africa.

- **Telecom giant Huawei signs cheques or supplies equipment (thermal controllers, videoconferencing systems) to countries such as Tunisia, South Africa, Zambia and Kenya.**

As of March 31, 5,287 total COVID-19 cases and 172 deaths have been reported in 48 African countries.

Contractors may still be contractually responsible for delays or cost overruns on current projects, depending on the contractual terms. The French lawfirm Fidal has summarized which contractual provisions are available among the different African countries (e.g. force majeure is compatible with law enforcement in Morocco, Senegal and Ivory-Coast).

The picture is quite heterogenous when it comes to worksite closures.

According to European contractors:

- **Benin: Worksites remain open;**
- **Burkina Faso: Sites remain open despite the declared state of health emergency and quarantine of some contaminated towns (including Ouaga and Bobo), borders open only for freight;**
- **Burundi: Sites remain open, border to Tanzania only open to freight transport;**
- **Cameroun: Sites remain open, the CEMAC corridor theoretically open for the transfer of goods;**
- **Congo/Gabon: Worksites remain open;**
- **Egypt: There have been suspension of works now and then but in general works have now resumed. Additional barrier measures were implemented: transport and locker room cleaning, temperature measurement, masks, soap or gel, rotating shifts, drinking from disposable cups;**
- **Ghana: For worksites to stay open and work to be carried out, contractors need an official authorization;**
- **Guinea: Worksites remain open, isolation of Conakry from the rest of the country;**
- **Ivory-Coast: Some operations are gradually coming to a halt and companies are sending their expats back home, but some worksites also stay open;**
- **Kenya: Worksites remain open but 50% of the worksites operate in reduced mode.** No issues (yet) with supplies. Specialists from foreign sub-contractors unable to fly in due to non-availability of flights and

The most affected States are South Africa (927 cases), Egypt (495) and Algeria (367). Most of the States face unique cases but are taking drastic measures to limit travel.

According to the United Nations Economic Commission for Africa (UNECA), the Covid-19 should drop Africa's growth from 3.2% to 1.8%. The drop in Chinese growth could lead to recession in African countries where the economic relations with China are important. China is the first economic partner of the African continent. Asymmetrical exposure to Chinese demand makes Angola, Zambia, Ethiopia, Namibia, Rwanda, Kenya and Cameroon particularly vulnerable to a prolonged period of disruption in the supply chain.

Travel and public health policies (17 March):

- On 23 March, states of emergency were declared in Senegal and Ivory-Coast. On 24 March, Morocco declared a state of health emergency;
- Algeria has established partial containment measures. **As an oil producing country, it is now struggling with the severe drop in oil prices;**
- Angola: State of emergency. Measures restricting the movement of persons and goods. Suspension since 18 March of all international flights from and to Angola;
- Botswana will ban entry to non-citizens and non-residents travelling from 17 high risk countries;
- Ghana will ban entry to anyone who has been to a country with more than 200 cases in the last 14 days;
- Kenya is blocking entry to all non-citizens and non-residents travelling from countries with COVID-19 cases. **Its economic growth has been divided by two;**
- Kinshasa (Congo) lockdown implying the temporary stop of most of the activities;
- Nigeria: Lockdown of Lagos and Ogun (since 30 March), closure of all airports across the country and closure of land borders. **Devaluation by 17% of the local currency (Naira);**

closure of borders. All public and private businesses are asked to work from home as much as possible;

- **Madagascar: Worksites remain open but 88% of worksites operate in reduced mode;**
- **Mali: Worksites remain open;**
- Morocco: Works continue but a suspension cannot be excluded. Construction sites continue to progress, but in degraded mode. Work has generally slowed down due to supply and travel problems linked to the stopping of public transport but also to the need for a special authorization by the territorial authorities. Only few clients request to postpone the works. A state of health emergency has been declared, with national containment and border closures;
- **Niger: Worksites remain open, 33% of worksites operate in reduced mode;**
- Senegal: Despite the lockdown, worksites stay open and work is carried on;
- **Chad: Worksites remain open but 50% operate in reduced mode because of cement shortage (among others);**
- **Tanzania: Reduced work on site, mainly work from home for office staff. No issues (yet) with supplies. Specialists from foreign sub-contractors unable to fly in due to non-availability of flights;**
- **Togo: Worksites remain open but suffer supply issues because of the closure of main transport routes;**
- **Uganda: Worksites are closed. Country on lockdown.** No issues (yet) with supplies. Specialists from foreign sub-contractors are unable to fly in due to non-availability of flights and the closure of the airport.

In general, contractors try to keep their worksites open and to continue with their works as long as this is compatible with local law. They also equip their workers with hydroalcoholic gel and masks to that effect.

Besides, the authorities impose restrictions on transport which prevent the transport of workers and consequently lead to the gradual halt of construction sites.

	<ul style="list-style-type: none"> • The World Bank and IMF determined that Somalia has <u>taken the necessary steps</u> to begin receiving debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) initiative. Somalia bans entry all passengers originating from China, Iran, South Korea, and Italy or transiting through one of those countries in the last 14 days; • Rwanda: Containment measures across the country (since 22 March). Closure of Kigali International Airport for 30 days (since 20 March) and closure of land borders; • Sierra Leone: State of emergency for 12 months, airspace is closed until further notice for all passenger arrivals; • Togo: The cities of Lomé, Tsévié, Klapimé and Sokodé will be subject to surveillance by local authorities. Closure of land borders (since 20 March) for 2 weeks; • Tunisia: Containment with limitation of movements except for absolute necessity. Closure of borders; • Zimbabwe: 21-day lockdown (since 30 March), suspension of international commercial flights. 	
South Africa	<p>The country has entered into a recession.</p> <p>South Africa has declared a 21-day lockdown.</p> <p><u>An amended Schedule of Regulations to contain the spread of COVID-19 was published</u> (25 March). In this context, categories of essential goods are limited to food, cleaning, hygiene, medical, fuel and other basic products. Categories of essential services are limited to support activities for manufacturing and distribution of essential goods as well as critical social services.</p> <p>Government has established economic measures to support businesses affected by the closure: Temporary employer/employee relief scheme, debt relief and business growth facility, etc.</p> <p>A Solidarity Fund was established: contributions from citizens, communities, business and international donors can be pooled together to accelerate the country's response to COVID19. Government has made an initial R150 million (US\$8 million) available as seed funding.</p>	<p>In view of the pending 21-day nationwide lockdown, construction sites might be closed. The <u>Master Builders South-Africa point to the following measures for contractors:</u></p> <ul style="list-style-type: none"> • Ensure that employees and subcontractors are formally notified and aware of the shutdown and re-opening dates; • Ensure that the employer/client is formally notified of the closure and where possible, agree on extension of contract period; • Make arrangements to have administrative staff to work remotely; • To the extent possible, remove all movable tools, equipment and materials from the site for safe storage at more secure premises; • Secure the site to protect tools, equipment and materials from risks such as theft, animal invasions, adverse weather etc.; • Engage their bank and business creditors about payment arrangement plans where necessary;

		<ul style="list-style-type: none"> • Review and update their insurance contracts to ensure adequate cover of the business, tools, equipment, materials and the site; • Where applicable, liaise with Community Project Committees and Community Liaison Officers for site protection during the lockdown period; • Ensure constant communication with their employees during the lockdown period. <p>The <u>maintenance operations of South Africa's national roads agency, Sanral, have been declared an essential service during the lockdown (31 March).</u></p>
MDBs & other international institutions		
G20	G20 Leaders have announced their determination to provide a robust and coordinated response to the global Covid-19 crisis. They would be ready to inject US\$5000 billion in the economy and to cooperate with all multilateral financial institutions: World Health Organization (WHO), International Monetary Fund (IMF), World Bank and multilateral and regional development banks (MDBs) (26 March).	
World Bank Group	<p>World Bank teams are finalizing COVID-19-related projects in 60 countries for up to US\$2.8 billion under the US\$14 billion Fast Track Facility. 25 projects were sent to the Board that will provide grants, credits and loans of US\$2 billion (25 March). Board approval is expected next week, with implementation beginning immediately thereafter. Projects in another 35 countries are under preparation to be approved in April.</p> <p>A debt-related step for the International Development Association (IDA)-19 called the Sustainable Development Finance Policy (SDFP) was sent to the Board (27 March). The objective of the SDFP is to incentivize IDA-eligible countries to make debt more transparent and sustainable and promote coordination among creditors. This may help lead to fair and equitable reductions in the net present value (NPV) of debt owed by IDA countries.</p> <ul style="list-style-type: none"> • Debt sustainability for many poor countries will require a moratorium for official bilateral debt payments; • This may also require NPV reductions & participation by commercial creditors; • Importance of the private sector to help achieve those efforts was stressed in this context. <p>The 19th replenishment of IDA, the World Bank Group's fund for the world's poorest countries, has been officially adopted by governors (27 March). With immediate effect - and consistent with national laws of the creditor countries - the <u>World Bank Group and the IMF call on all official bilateral creditors to suspend debt payments from IDA countries (25 March).</u></p> <p>The <u>World Bank Group has announced an additional US\$2 billion in funding to help with the COVID-19 pandemic</u>, bringing its commitment to US\$14 billion in funds that will support national health systems, disease containment, diagnosis, treatment, and the private sector (17 March).</p> <ul style="list-style-type: none"> • US\$2 billion in additional funds, which was added to what had been announced previously, will come from the International Finance Corporation (IFC); 	

	<ul style="list-style-type: none"> • IFC's US\$8 billion in financing will go to financial institutions so they can lend to businesses, providing either trade financing, working capital, or medium-term financing; • IFC will help existing clients from sectors that are impacted and will assist sectors involved in the response, such as health care and related industries that face increased demand for services. <p>US\$2.7 billion come from IBRD, US\$1.3 billion from IDA, US\$8 billion from IFC (including US\$2 billion from existing trade facilities).</p>
IMF	<p>The <u>IMF (International Monetary Fund)</u> published a set of policy recommendations that can help guide countries in the difficult days ahead (16 March).</p>
ADB	<p>Asian Development Bank (ADB) announced \$6.5 billion to “meet the immediate needs” of ADB’s developing member countries in the Asia-Pacific region (18 March). The financial package is for member countries responding to the impacts of the novel coronavirus pandemic:</p> <ul style="list-style-type: none"> • Includes US\$3.6 billion in loans, grants, and technical assistance to ADB developing member countries to address the health and economic consequences of COVID-19; • US\$1.6 billion will be provided to micro-, small-, and medium-sized enterprises; domestic and regional trade; and firms directly impacted by the pandemic; • US\$1 billion in concessional resources through reallocations from ongoing projects and assessing possible needs for contingencies; • US\$40 million for technical assistance and quick-disbursing grants. <p>ADB supports regional cooperation platforms such as the South Asia Subregional Economic Cooperation (SASEC), Central Asian Regional Economic Cooperation (CAREC) and the Greater Mekong Subregion (GMS) programs.</p>
AfDB	<p>The African Development Bank (AfDB) stated that MDBs, international financial institutions and commercial creditors should temporarily defer the debt owed to create fiscal space for African countries to deal with this crisis.</p> <p>The AfDB has raised US\$3 billion on international financial markets through a social bond loan aiming to mitigate the effects of the Covid-19 pandemic on African economies.</p>
AIIB	<p>The Asian Infrastructure Investment Bank (AIIB) is aiming to bolster infrastructure investment in countries less able to cope with the Covid-19 outbreak, with funds targeted at areas that improve public health, healthcare and information and communications technology. Of the AIIB's 78 members, 20 have requested the bank's assistance to fight the virus, with India expected to be among the hardest hit by the pandemic. It is expected that the AIIB board will extend US\$355m to China in what would be the institution's first loan in the healthcare sector (03 April).</p>
EIB	<p>The European Investment Bank (EIB) will mobilize up to €40 billion of financing. <u>The proposed financing package consists of:</u></p> <ul style="list-style-type: none"> • Dedicated guarantee schemes to banks based on existing programmes for immediate deployment, mobilizing up to €20 billion of financing; • Dedicated liquidity lines to banks to ensure additional working capital support for SMEs and mid-caps of €10 billion; <p>Dedicated asset-backed securities purchasing programmes to allow banks to transfer risk on portfolios of SME loans, mobilizing another €10 billion of support.</p>

IDB	<p><u>IDB (Inter-American Development Bank) increased resources available to countries in Latin America and the Caribbean to fight the coronavirus pandemic to US\$12 billion.</u> The sum will be programmed to countries requesting support for disease monitoring, testing and public health services.</p>
IsDB	<p><u>IsDB (Islamic Development Bank) released a response package worth up to US \$2 billion which aims at:</u></p> <ul style="list-style-type: none"> • Strengthening health systems to provide care to the infected; building capacity in testing kits and vaccines and Pandemic Preparedness capacity, in cooperation with G20 Global Initiative; • Financing trade and SMEs to sustain activity in core strategic value chains, and to ensure continuity of the necessary supplies mainly to essential commodities; <p>Long-term action to build resilient economies and catalyze private investment by supporting economic recovery and countercyclical spending, with a targeted US \$10 billion that aims to unlock US\$1 trillion worth of investments.</p>