Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at September 30, 2020)

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

For more information go to the CICA Website: http://www.cica.net/cica-covid-19-overview/ and Dropbox: https://www.dropbox.com/home/Observatory%20COVID-19

Content

FULL CICA COVID-19 OVERVIEW

Country/Region	General measures	Measures for construction
WORLD		
World	Academic research carried out by Loughborough University at five construction sites with the participation of Balfour Beatty, GKR Scaffolding, Kier, Mace, Morgan Sindall and Skanska UK found that that far from being diminished, productivity may actually have improved in post-Covid-19 working arrangements on construction sites. Although total output on construction sites has been reduced by the constraints imposed by social distancing requirements, output per person appears – in some cases at least – to have gone up. Reasons for this include better task planning, reduced waiting time between tasks, increased space and therefore less 'overlap' of trades, more use of technological solutions, more responsibility for individuals and less time spent in meetings. Factors seen as contributing to this improvement included: • Better and more detailed task planning • More space, fewer people, and less overlap of trades in the workplace improves gang/task productivity • Better planning by workers e.g. preparation of workplaces, tools and materials • Less double handling of materials • Fewer people 'hanging around' waiting to start work/tasks • More streamlined worker flow due to workers staggering their start times, reducing the need to queue for site access or changing rooms • People chatting less (due to distancing, one-way walkways etc), less talking on phones • On one site there was a perception that those who had returned to site were the more motivated workers, the 'team-players' Some workers may also have been enthusiastic and energised at returning to work after furlough (27 August). **Global growth forecast for construction** • The ENR Top 250 International Contractors survey results describe the current trends in the international construction market. The ENR Top 250 Global Contractors list ranks contractors based on total worldwide contracting revenue, regardless of project locations. The latest Top 250 International Contractors reported US$473.07 billion in contracting revenue in 2019 from projects outside their home countries, down 2.9%, from US$487.29 billion in 2018. ENR reports that the already uncertain environment of 2019 has been worsened since COVID-19 hit. Many contractors already have felt the impact of the pandemic on their business as shown in the examples below (cf. ENR) (20 August). **Examples from European contractors** Sales and profits of leading European contractors have been hit to varying degrees. Some expect recovery in the short to medium term while they review risk-sharing provisions in future contracts. • **Vinci (France):** the virus started affecting Vinci's sites in Asia in early March and then in Europe, reaching Africa and the Americas in April followed by jobsites in the Middle East according to Vinci's CEO. Depressed oil prices also delayed some of Vinci's projects, including two 160,000-cu-m cryogenic liquid natural gas storage tanks in Russia's arctic Yamal peninsula, where foundation work had already started. Vinci's sales fell around 17%, to US$6.8 billion in the first half of 2020. Revenue in France, accounting for nearly half the total, dropped by over 27%.	

Business outside France was more resilient, with sales dipping by around 5%. Vinci's CEO advises authorities now to focus investment on smaller projects as they are quick to release, and they serve the local community.

- **Skanska (Sweden):** started feeling pandemic impacts this year on contracts mainly in the U.K., U.S. and Central and Eastern Europe. However, Nordic countries are pretty much unchanged as Nordic profit margins in the first half of 2020 remained similar to last year at 2.9%, while falling to 0.2% from 1% in the rest of Europe. Profits rose by 0.5% to 1.7% in the U.S., where the impact has been mainly in the building business according to the CEO.
- **Strabag (Austria):** according to the CEO, for Strabag was another record year with a stable order intake. His team had forecast a 2% sales dip for 2020 but revised that to a 10% tumble after including the pandemic's impacts.
- **Acciona (Spain):** lockdowns in various countries plus new anti-virus measures contributed to a nearly 90% drop in net profit, to US$26 million during the first half of 2020. Sales at the firm dropped by US$622 million during that period to US$3.5 billion, mostly due to the pandemic. Among corporate protection measures, Acciona halved the shareholder dividend paid last month and is reviewing asset sales.
- **Abertis Infraestructuras SA (Spain):** lockdowns in Spain and elsewhere also cut revenue for the Madrid-based toll-road operator. This hit the bottom line of its controlling shareholder, Germany's Hochtief AG. After contributing US$61 million to Hochtief's first-half profit last year, Abertis had a US$21 million loss this time.
- **Hochtief (Germany):** Hochtief's operating net profit of US$289 million in the first half of 2020 matched the same period last year. And while sales in the second quarter fell 8% below last year, the first half output remained virtually unchanged at US$14 billion. The group's resilience allegedly stems from its diversification strategy by geography and activities.
- **Webuild (Italy):** shutdowns were generally short-lived for Webuild SpA (formerly Salini Impregilo) according to the CEO. Nevertheless, sales in this year's first half were 18.3% below 2019, while margins on earnings before interest, taxes and amortization fell from 8.8% to 5%. Webuild's acquisition of Italian contractor Astaldi SpA, plus government stimulus measures, should neutralize pandemic effects according to a company representative.
- **Balfour Beatty (UK):** reported a six-month pretax loss of US$34 million, down from an US$82-million profit during the same period last year, largely due to pandemic.

Example from non-European international contractors

- **China Communications Construction Co. Ltd. (CCCC) (China):** according to the company, CCCC worked successfully through the crisis. The company launched an emergency response process while carrying out epidemic prevention and control programs to promote the resumption of work and production. As a result, the value of contracts signed by the company in the first half of the year gained a year-on-year increase of 3.8%, according to a CCCC spokesperson.
- **Larsen & Toubro Ltd. (India):** the Middle East market has been severely hindered by the virus and the resulting plunge in oil prices. According to the company's CEO, the instability in crude oil prices has adversely affected investments in the infrastructure space and COVID-19 has severely disrupted progress across projects. The firm will exercise caution in picking future projects. Most Gulf Cooperation Council (GCC)

countries are on a "wait-and-watch" mode and having doubts regarding their ability to finance large infrastructure projects, maintain cash flows and stretching timelines to both approve and execute current and new projects.

- **Kuwait's Combined Group Contracting Co. (Kuwait):** Kuwait has restricted the issuing of work visas in reaction to COVID-19. Kuwait has also recently proposed to drastically limit foreign worker stays in the country to help shore up its internal workforce.

- The value of M&A in the engineering and construction sector around the world fell to US$41bn from US$45bn in the first half of 2019, according to the figures from PwC. A similar trend was noticed for deal volume, with the first half of this year registering 1,017 deals compared to 1,221 deals in 2019. Deal value decreased from US$33bn in Q1 2020 to US$8bn in Q2 2020, and total deal value in Q2 2020 was the lowest in the last eight quarters. This could be attributed to US trade sanctions and the Covid-19 pandemic (26 July).
- 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%. The current forecast assumes that the outbreak is contained across all major markets by the end of the second quarter, following which, conditions would allow for a return to normalcy in terms of economic activity and freedom of movement in the second half of the year. However, there will be a lingering and potentially heavy impact on private investment owing to the financial toll that inflicted upon businesses and investors across a wide range of sectors.

Global trade and growth forecast

- A report by the WTO Secretariat indicates that to date 80 countries and customs territories have adopted export prohibitions or restrictions as a result of the COVID-19 pandemic. The report draws attention to the current lack of transparency at the multilateral level and the long-term risks posed by export restrictions for global supply chains and public welfare. Global trade is expected to record a decrease of between 13% and 32% in 2020.
- OECD Economic Outlook: If a second wave is avoided, global GDP falls 6% in 2020. According to further OECD estimates, foreign direct investment (FDI) flows are expected to fall by more than 30% in 2020 even under the most optimistic scenario. There are still many unknowns, and the precise effects will depend on the severity and duration of the pandemic as well as the policy measures taken by governments.
- The new OECD Employment Outlook found that unemployment is projected to reach nearly 10% in OECD countries by the end of 2020, up from 5.3% at year-end 2019. It could go as high as 12% should a second pandemic wave hit (17 July).
- According to the OECD, all G20 countries with the exception of China (+ 1.8%) will have suffered recession in 2020. Although a fragile recovery is expected next year, in many countries output at the end of 2021 will still be below levels at the end of 2019, and well below what was projected prior to the pandemic. You can find a real GDP projection by country here.

International Finance Institutions

- According to the International Monetary Fund (IMF), a tepid recovery is expected for next year, and potential scarring through bankruptcies and persistent unemployment weigh on the outlook. Poverty and inequality are set to worsen. Besides, remaining uncertainties around the G-20 Debt Service Suspension Initiative should be clarified. A second major global wave of the disease could lead to further disruptions in

economic activity. Other risks include stretched asset valuations, volatile commodity prices, rising protectionism, and political instability. The recovery will start in 2021, and the IMF's projection of global output in 2021 is 5.4%. This may sound good, but it is 0.4% lower than the April forecast of 5.8%, and combined with the sharp contraction in 2020, it implies a cumulative loss to the global economy over two years (2020–21) of over USD 12 trillion from this crisis (18 July).

- According to the IMF the ongoing COVID-19 pandemic has already prompted an unprecedented fiscal policy response of close to $11 trillion worldwide. Public debt is expected to stabilize in 2021 (excluding the United States and China), spurred by low interest rates and a projected strong rebound in economic activity in the baseline (10 July).
- According to the International Monetary Fund (IMF), global growth is projected at -4.9% in 2020, 1.9 percentage points below the April 2020 World Economic Outlook forecast (-3% estimate). The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4%. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020.
- The Managing Director of the IMF estimated that it could take until 2023 for the global economy to return to its pre-coronavirus levels. 170 countries have entered negative economic growth since March (15 May).
- IMF policy tracker summarizing the key economic responses governments are taking to limit the human and economic impact of the COVID-19 pandemic (03 April). Fiscal measures totaling US$10 trillion have been deployed, while the central banks have injected over US$6 trillion in liquidity.
- Download here a summary of COVID-19 responses from Export Credit Agencies (ECAs), Development Finance Institutions (DFIs) and Multilateral Agencies (MLAs). CC Solution's have compiled a list of all the new tools and product offerings being rolled out by ECAs and DFIs.

Contractual matters

The International Federation of Consulting Engineers (FIDIC) has published a "FIDIC Covid-19 guidance memorandum to users of FIDIC standard forms of works contract". FIDIC's core purpose of drafting this Guidance Memorandum is to help Parties to a FIDIC contract to consider mutually satisfactory solutions and avoid disputes arising between them.

Overviews

- DEVEX produced an interactive visualization aggregating funding in response to COVID-19.
- The OECD has launched a new platform for COVID-19-focused analyses and data.
- Trade Union Responses to COVID-19: The Building and Wood Workers' International (BWI) released 4 regional reports from Africa-MENA, Asia-Pacific, Pan-Europe and Latin America and the Caribbean on its affiliates' various responses to the COVID-19 pandemic (15 May).

EUROPE

European Union	**Recovery Plan** The Heads of State or Government of the European Union reached unanimous agreement on 21 July on the establishment of a temporary	The latest briefing from construction market forecasting network Euroconstruct predicts a slow recovery for European construction in 2021. The report also looks ahead to construction output in 2022, forecasting it

budgetary instrument dedicated to recovery, and on the Multiannual Financial Framework (MFF) 2021-2027. The European Recovery Plan will be financed by a common loan from the European Commission on behalf of the EU-27. Its overall package of €750 billion will be made up of €390 billion in grants (compared to the €500 billion initially planned). The share of repayable loans is of €360 billion, instead of the original €250 billion. This budget allocation satisfies the four countries (Netherlands, Denmark, Sweden, Austria), supported by Finland, which were in favour of a drastic reduction in the "grants" component of the European recovery plan. It is now up to the European Parliament to examine the European Council's agreement.

Conditionality of the Recovery Fund

For the first time in European history, the budget is linked to climate objectives and respect for the rule of law becomes a condition for the granting of funds. Under the agreement, 30% of expenditure, both in the budget and in the recovery plan, will have to go directly to the fight against global warming. Concerning the conditionality linked to respecting the rule of law, a possible suspension of EU funds would have to be approved by a qualified majority of member states (55% of EU countries representing 65% of the total population).

Member States shall prepare national recovery and resilience plans setting out the reform and investment agenda of the Member State concerned for the years 2021-23. The plans will be reviewed and adapted as necessary in 2022 to take account of the final allocation of funds for 2023. 9. The recovery and resilience plans shall be assessed by the Commission within two months of the submission. The criteria of consistency with the country-specific recommendations, as well as strengthening the growth potential, job creation and economic and social resilience of the Member State shall need the highest score of the assessment. Effective contribution to the green and digital transition shall also be a prerequisite for a positive assessment. The assessment of the recovery and resilience plans shall be approved by the Council, by

will, on average, remain below the level achieved in 2019. Euroconstruct has combined figures from its 19 European member nations, resulting in a forecast of an average 9% decline by the end of 2020 (1 September).

- The UK is predicted to be the market hardest hit by the coronavirus pandemic, with the 2020 decline across the Euroconstruct nations averaging just 7% when the UK's figures are excluded;
- Markets in the Nordic countries (Norway, Denmark, Sweden, Finland) are remaining stable, with the total market in 2021 (bar Sweden and Finland) expected to return to around the level of 2019;
- The Netherlands, the UK and Spain are expected to be the slowest to recover, while Euroconstruct's figures show Poland currently seeming 'crisis-resistant', with constant growth anticipated between now and 2022;
- Other countries expecting to see construction output figures in 2022 ahead of those of 2019 are Norway, Belgium, Italy and Portugal

The European Recovery Plan agreed by the EU leaders on July 21 is embedded in the Multiannual Financial Framework (MFF). According to the European Commission's proposal, its overall amount is €1824.3bn. There is no specific amount earmarked for construction. However, some EU programmes' target areas are related to construction (more details can be provided by FIEC).

Member States shall prepare national recovery and resilience plans setting out the reform and investment agenda of the Member State concerned for the years 2021-23. The plans will be reviewed and adapted as necessary in 2022 to take account of the final allocation of funds for 2023.

qualified majority on a Commission proposal. The Netherlands negotiated a control right by Member States to ensure that a beneficiary state of the Facility meets its reform commitments. Member States would have to approve by qualified majority the Commission's analysis of a National Recovery Plan and the national experts meeting in the Economic and Financial Committee will have to give their opinion, "by consensus", on the respect of the indicators set out in a national plan.

Multiannual Financial Framework (MFF)

The MFF should be considered independently from the "European Recovery Plan". The latest MFF draft provides for a maximum total expenditure for EU-27 for the period 2021-2027 of EUR 1074.3 billion in commitment appropriations, including the integration of the European Development Fund, and EUR 1 061.058 billion in payment appropriations. Special instruments are increased by EUR 5 billion. The EUR 5 billion will be used for a new special 'Brexit' reserve (new special Brexit Adjustment Reserve) to deal with the unforeseen and negative consequences in the Member States resulting from the Brexit.

Concerning infrastructure, the MFF foresees 28.4 billion under the European Interconnection Mechanism (EIM), a significant decrease compared to the European Commission's initial proposal of May 2018 amounting €37.4 billion. Under the EIM, €21.4 billion will be devoted to transport (of which €10 billion will be transferred from the Cohesion Fund, i.e. mainly for Central and Eastern European countries), €5.2 billion to energy infrastructure and €1.8 billion to digital infrastructure (21 July).

Based on updated IMF projections released in May, real GDP in the European Union is now expected to contract by 9.3% in 2020 and then grow by 5.7% in 2021, returning to its 2019 level only in 2022 (24 June).

Already available national recovery plans

- **France "France Relance" (3 September)**

Economic competitiveness and business innovation, energy transition, social and territorial cohesion are the three priority areas of the French recovery package. €100bn will be invested over two years, half of which will be financed by the European Union. €30bn are allocated to the energy transition, out of which €11bn have been earmarked for transportation. €4.7bn will be allocated to rail transport. Other parts will be allocated to the development of daily mobility such as cycling and public transportation. In principle, the plan emphasizes the need for green infrastructure, especially in the areas of transportation, water and energy. In total, it has been estimated that out of the €100bn, nearly €4bn can be directly linked to programs requiring new infrastructure work (cf. FNTP).

- **Germany**

Germany became the first European country to announce a post-coronavirus economic stimulus package at the beginning of June, allocating €130 bn that follows an initial roll-out of emergency measures to save the economy from the fallout of the pandemic. Among the plan's initiatives, one stands out in particular: the decision to reduce VAT by three points until the end of 2020 in order to trigger spending and consumption. The economic stimulus package also included a €25bn bridging aid (June to August 2020) for companies especially hit by the pandemic's consequences. As with the emergency aid that had already been decided in March, the shortcoming remains that the bridging aid does not apply to construction companies which will only later in the year suffer from corona-related sales drops. The reason is that construction companies still have an order backlog but will then suffer from lack of orders once the first order backlog has been proceeded (cf. Baugewerbe Verband).

- **Construction Growth Forecast August**

The IHS Markit Eurozone Construction Total Activity Index rose from 48.3 in June to 48.9 in July, indicating the weakest decline in construction

activity across the eurozone in the current five-month sequence. Survey data showed Italy recorded construction output growth, while Germany and France posted declines (*The IHS Markit Eurozone Construction PMI is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 650 construction firms in the eurozone*) (7 August).

- **Housing construction activity**: the decline in France was almost offset by increases in home building activity in Germany and Italy. Commercial building activity across the eurozone continued to fall in July. The decline was driven by Germany and France. Italy reported further growth, albeit the slowest in the current three-month sequence.
- **Eurozone civil engineering activity** fell further in July. National data revealed that only France posted growth, while Germany and Italy continued to report a decline in civil engineering.
- **Construction output**: among the eurozone's three largest economies, only Italy registered growth in construction output during July, which remained modest overall. On the other hand, Germany and France registered declines in construction activity.
- **New business received** by eurozone construction firms fell further in July, though the rate of decline eased for a third month and was the slowest in the current five-month sequence. Lower sales were generally connected to greater competition, reduced client demand as well as limited capacity inhouse. The downturn was led by Germany and France, while Italy posted a further increase.
- **Employment** in the eurozone construction sector continued to shrink in July amid reduced output requirements, extending the current sequence of decline to five months. France posted a mild increase. Germany and Italy recorded job shedding.

- **Construction Growth Forecast June**

June saw a further drop in construction activity across the Eurozone, although the latest decline was only modest amid a relaxation of Covid-19 measures. Order books fell at a noticeably slower rate than the past few

		months, though job shedding continued, according to the latest figures from the IHS Markit Purchasing Managers' Index (PMI). Survey data showed France and Italy recorded construction output growth, while Germany posted a further marked decline. Eurozone civil engineering activity fell further in June, extending the current sequence of contraction to 11 months. The rate of decline was noticeably slower than May but remained steep overall. National data revealed a decline in civil engineering in Germany and Italy, while France posted growth. Commercial building activity across the eurozone fell further in June. The rate of decline slowed further from April's record, but was marked overall. The decline was driven by Germany, while France and Italy registered growth, with the former doing so after three consecutive months of decline. Amid reduced activity requirements, eurozone construction firms continued to reduce capacity. Consequently, employment shrank for a fourth successive month. However, the rate of reduction eased noticeably from May, and was modest overall (cf. Construction Europe) (7 June).
South East Europe	**The COVID-19 pandemic is taking a sizable toll on the outlook for Central, Eastern, and Southeastern Europe. The region is expected to contract by close to 5½ percent in 2020, erasing almost three years of economic progress. To support the recovery and improve living standards, countries could consider spending more on infrastructure, such as roads, schools, hospitals, and digital connectivity. Several countries are already planning to scale up public investment. Some will do so in the context of the Next Generation EU Recovery Fund. Most of these funds are intended to be spent on investment under national recovery and reform plans. Central, Eastern, and Southeastern Europe is diverse, but the region lags far behind the more advanced European countries (EU15) in the quantity and quality of its infrastructure and regional connectivity. According to a recent study by the International Monetary Fund (IMF) closing just 50% of the infrastructure gap with the EU15 by 2030 would cost between 3 to 8% of GDP per year. According to the IMF, now would be the right time to boost infrastructure. If done right, infrastructure investment could yield significant dividends in the region. More and better public investment can help repair the economic damage of the pandemic, raise potential output, and speed income convergence with the EU15. At this time of economic slowdown, its benefits could be even larger. The IMF estimates that for each percent of GDP spent on infrastructure, output could rise by ½ to ¾ percent in the short run and by 2 to 2½ percent in the long run (28 September).** The Eastern European Construction Forecasting Association (EECFA) has released its 2020 EECFA Construction Forecast Report stating that: • Bulgaria: could even see a small increase in output by the end of 2020, due in part to the country's work on the huge TurkStream natural gas pipeline, which will run from Russia to Turkey. Furthermore, in 2021, Bulgaria's construction sector is forecast to grow by a significant 9.2%. • Slovenia: went into a full three-month lockdown but packages put in place to boost civil engineering construction are expected to mitigate the downturn, leading to EECFA's forecast of a 5.5% loss of output by the end of this year, followed by growth of 2.6% in 2021.	

	Conversely, EECFA says the East Europe countries on which it reports (Russia, Ukraine and Turkey), are set to be 'hammered' by the crisis, with, on average, an 8.1% fall in construction output by the end of 2020. • Ukraine: EECFA reports that no specific measures to aid the recovery of construction have been announced by the government, which could dramatically reverse the four years of growth seen in the industry; • Turkey: while significant sums have been allocated to aid construction's recovery, there is concern that the government will no longer be able to progress the numerous ambitious construction projects it has announced in recent months. • Russia: Russia's economy is described as 'battered' by a combination of the pandemic, falling oil prices and plunging exchange rates on the ruble. There, EECFA forecasts a decrease in construction output in both 2020 and 2021. While both groups of countries should, on average, see a return to growth in output in 2021, that of the three East Europe countries is expected to be relatively small (2.6%), whereas the South East Europe group is forecast to fare better (3.4% growth) (cf. Construction Europe) (7 July).	
FIEC Countries	**FIEC's Recovery Measures (1 July)** **FIEC COVID-19 - Construction Observatory (6 May)** **FIEC Impact of Covid-19 Crisis on Construction** **FIEC requests to the European Commission in support of the construction industry** **FNTP COVID-19 Situation of the construction sector in Europe (27 May / French)**	
United Kingdom	**Recovery / Economic Forecast** The Scottish government has set out its proposals for post-coronavirus recovery, including a call for major investment in low-carbon initiatives and energy efficiency. It is calling for a UK-wide £80bn stimulus package to regenerate the economy and reduce inequalities. It wants to see acceleration of major investment in low-carbon initiatives, energy efficiency and digital infrastructure. Other actions it proposes include that the UK government should introduce a jobs guarantee scheme for young people and extend sector-specific employment and business support schemes. It also wants to see employers' National Insurance Contributions cut and the removal of the costs of the apprenticeship levy. The fiscal stimulus package called for by the Scottish government would be worth 4% of UK GDP. It said that the fiscal stimulus package needs to ensure that environmental benefits seen during the crisis are sustained to enable climate challenge to be addressed as the economy is renewed and rebuilt (30 June).	**Recovery measures (post lockdown period)** The Construction Equipment Association (CEA) has joined Make UK (The Manufacturers Organisation) and other industry bodies in calling on the UK's Secretary of State to make the retention of apprenticeships a priority. The CEA maintains that skilled workers who will be essential within the construction industry following the coronavirus crisis, could be lost if apprenticeships are not safeguarded now. The organization adds that, without government assistance, many construction companies will find themselves unable to afford the continuation of apprenticeship schemes. In May, it says, the number of starts for 16-18-year-olds dropped 79% year-on-year (4 September). Scottish housing minister is calling for the UK Government to bring the VAT charge for construction work conducted on existing buildings down from 20% to 5%. In a letter addressed to chancellor of the exchequer, it is requested that the VAT change be made as a result of the exceptional circumstances faced by the construction industry during the Covid-19 pandemic. It is stressed that, according to industry partners, reduced VAT could be the most significant single

	Scotland's GDP fell by 2.5% during the period from January to March. Compared to the first quarter of 2019, the economy contracted by 2.3%. Scotland's GDP is provisionally estimated to have fallen by 18.9% during April, after a fall of 5.0% in March (19 June). The UK government's COVID-19 recovery strategy has been published on May 11. Prime minister Boris Johnson addressed the nation on May 10 and said that it was time to get back to work. However, it would be July at the earliest before social premises can begin to reopen. Construction and manufacturing were specifically cited as industries that must be 'actively encouraged' to go back to work. These guidelines apply only to England. The devolved regional governments in Wales, Scotland and Northern Ireland maintained their lockdown protocols (11 May). **Government Support** An extension of short-time work has been granted until October 2020. This system was introduced by the Government at the beginning of the COVID-19 health crisis and protected 7.5 million employees and around 1 million companies according to MEDEF (14 May). The Scottish Government has confirmed that grant funding will be available for newly self-employed people suffering hardship as well as for SMEs in distress. The £34m (€38m) Newly Self-Employed Hardship Fund, which will be managed by local authorities, will be allocated as £2,000 (€2288) grants. This funding is intended for those that are ineligible for support from the UK Government (23 April). The Department for Business, Energy & Industry Strategy announced the implementation of a £20 M (€23 M) fund dedicated	step that could be taken to boost recovery in the domestic construction sector. Other reasons to reduce the VAT would be: • A reduction in the cost of such work would encourage domestic investment at a time when many households are reluctant to invest due to financial uncertainty; • The pandemic is clearly bringing major changes in the building industry and existing buildings need to be adapted in order to support these new patterns of behavior. A reduction in VAT would significantly increase building flexibility and also send a clear signal that Government is actively responding to these changing patterns; • In responding to the climate crisis, it is deemed essential by the industry to make best use of existing buildings and the current VAT treatment for new buildings would represent a negative incentive in this respect. Making existing buildings as heat and energy efficient as possible will be critical to meeting the net zero carbon emissions in the future and a reduction in VAT would incentivize such investment according to the industry representatives (1 September). The UK Transport Secretary launched a new Acceleration Unit to speed up transportation infrastructure projects as Britain emerges from the impact of COVID-19. The new unit will boost the delivery times of major transportation projects as new funding is announced (£360 million (€404m) investment). It is expected to upgrade vital rail and road that will create jobs, increase connectivity, and boost the economy. It will include a new team of specialists to join the Department for Transport (DfT) in to tackle delays to infrastructure projects and drive forward progress. The Acceleration Unit will also engage experts with significant experience in delivering infrastructure projects. The unit is set to be in place next month and will be directly accountable to the Transport Secretary (21 August). Covid-19 has reinforced the need for urgency in introducing a new approach to prioritizing and delivering infrastructure, according to the final report from the Infrastructure Commission for Scotland (ICS). The report presented to the

	to the financing of innovation and research projects that can contribute to the resilience of the United Kingdom in the Covid-19 crisis and others potential crises in the future. This would involve, among other things, the development of new ways of work or the strengthening of the agri-food, transport and service industry (03 April) (cf. MEDEFI). A UK industry group is calling for changes to international rules to allow export credit agencies (ECAs) to provide 100% insurance cover for trade transactions, helping ease the pressure caused by the global spread of Covid-19. 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 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). Coronavirus action plan (03 March): a guide to what you can expect across the UK. Guidance for employers, employees and businesses during the pandemic • In the Budget (11 March 2020) the Chancellor announced a package of measures to provide support for public services, individuals and businesses to ensure the impact of COVID-19 is minimized; • 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.	Scottish government by the ICS says that a net-zero-carbon economy remains at heart of the strategy. It sets out three key recommendations: • Giving an independent, specialist body the remit to provide strategic, long-term infrastructure advice to Scottish government; • Enshrining the 'place principle' and implementing a 'one public sector' approach to planning and developing sustainable places; • Establishing a construction accord to strengthen the future relationship between the public sector and the construction industry (27 July). Scottish local authorities are being given funding to support the rapid deployment of infrastructure that prioritizes buses. The Scottish government is providing £10m for the initiative. At the same time, it has improved the grant thresholds for operators wanting to take advantage of the £8.8m Bus Emissions Abatement Retrofit scheme, which targets mid-life vehicles. The new infrastructure fund will help areas of Scotland with the highest concentration of congestion to implement temporary measures, including bus lanes or gates, which make bus journeys quicker and more reliable. Cabinet secretary for transport, infrastructure and connectivity Michael Matheson said that the bus sector is responding to not only increased operating costs during Covid-19, but also increasing congestion as restrictions are eased which will negatively impact on bus journey times (17 July). Railway construction workers in Scotland are returning to major projects, following the Scottish government's easing of lockdown restrictions (3 July). UK Prime Minister Boris Johnson has set out a multi-billion-euro recovery plan for the country, including the renovation of the country's schools and hospitals. £5bn (€5,47bn) of capital investment projects is being brought forward in England, including: • £1.5bn (€1,66bn) this year for hospital maintenance and expansion; • £100m (€110,63m) this year for 29 projects in the road network, plus £10m (€11,06m) for development work to unblock the Manchester rail bottleneck;

		• £560m (€619,53m) and £200m (€221,26m) for repairs and upgrades to schools and colleges respectively this year; • £142m (€157,09m) for digital upgrades and maintenance to around 100 court buildings this year, £83m (€91,82m) for maintenance of prisons, and £60m (€66,38m) for temporary prison places; • £900m (€995,67m) from central government for a range of 'shovel ready' local authority projects in England over the next two years, as well as £96m (€106,20m) to accelerate investment in town centers and high streets through the Towns Fund. When it will finally be published in autumn, the revised National Infrastructure Strategy is expected to set a clear direction on core economic infrastructure, including energy networks, road and rail, flood defenses and waste (30 June). **Site Operating Procedures** The Building Safety Group (BSG) has reported a 41% decrease in the number of Covid -19 breaches occurring on construction sites over a three month period. BSG's report is based on 4,400 independent site inspections carried out between 1st June and 31st August 2020. The drop in breaches has been attributed to more companies adapting to new working practices on construction sites, including social distancing, in light of the pandemic. The most common types of Covid 19 'non-compliances' reported by BSG safety advisers over the last three months have included: • management and operatives not following social distancing guidelines; • inadequate welfare facilities on site with insufficient cleaning regimes; • too many people in the canteen area with insufficient segregation; • not enough hand sanitizing stations on site; • Personal Protective Equipment (PPE) not available when required; • outdated Site Operating Procedures found on site. The Site Operating Procedures are produced by Build UK and published for the whole industry by the Construction Leadership Council. They were first published on 23rd March as the UK went into lockdown in a bid to help construction sites stay open safely. However, construction's Site Operating Procedures were subject to regular revisions. Version 5 was published on 1st July (4 September).

		The Construction Industry Council is reviewing its coronavirus Site Operating Procedures in the wake of the government's decision to relax the so-called two-metre rule. This will be the fifth version of the Site Operating Procedures. Version 1 was published on 23rd March and Version 4 on 19th May. Throughout the various iterations, the issue of social distancing has proved thorny for the authors. Version 2 was ripped up just a few hours after publication for taking too strong a line on the topic (25 June). **Economic Forecast** • **Construction output in general** Construction activity for the top UK contractors returned to pre-coronavirus levels during July, according to industry analyst Barbour ABI. Barbour ABI shows that the 50 leading contractors were awarded a total of 165 projects, with a combined value of over £3.9 billion (€4.3 billion). The leading contractor, in terms of project value is RJ McLeod, who was appointed as main contractor on the £500 million (€556 million) Viking Wind Farm project in the Shetland Isles in Scotland. Second in the table is ISG, with five awards totaling £221 million (€246 million). While awards for the leading UK contractors had recovered strongly in July, it was worth noting that there was likely to be a bow wave of projects now being green-lighted after lockdown and furlough (cf. Construction Europe) (11 August). However, despite the government's recovery plan targeting the infrastructure sector, the Construction Products Association (CPA) in the U.K. anticipates continuing uncertainty for the sector in its new forecast. It expects this year's construction output to fall by 20.6%, with the biggest drops in private housing (-33%) and commercial buildings (-29%). While CPA's economics director expects an 18% rise in construction output next year, this will be accompanied by a low base of activity in 2020 and will still be 6.4% lower than pre-coronavirus levels (cf. ENR) (20 August). Business deals within the UK's construction and real estate industry fell by 40% in the second quarter of the year, compared with the last four-quarter average according to GlobalData. Mergers and acquisitions made up the largest share of

		business, with 28 deals accounting for 71.8% of all activity. The total value of M&A deals was €2.11 billion. The figures come as the UK government has announced a further €1 billion in funding for more than 300 real estate and infrastructure projects in England. In addition to the funding boost, the government is introducing new regulations, aimed at reducing the bureaucratic process and breaking ground as soon as possible on some 300 "shovel ready" projects (4 August). Two months after the prime minister sent the UK construction industry back to work and ended its lockdown, it looks like recovery may take longer than initially thought according to Arcadis. The risk of disruption remains, with delayed project starts and completions, and increased fixed costs threatening to weaken the industry. As a result, Arcadis has downgraded its tender price forecast for 2020 to minus 4% in London and minus 3% in the regions, with the risk of further deflation into 2021. Now that most construction sites are operational, productivity has recovered better than expected, ranging from between 70-90% depending on the sector and the stage of the project. This has contributed to the lowering of prices, edging the balance of the industry closer towards deflation and offsetting some of the initial inflationary pressures from extended programmes and different ways of working (21 July). Output in Scotland's construction sector contracted by -3.4% in the first quarter of this year when coronavirus was starting to have an effect (19 June). Construction output in the UK has declined more rapidly than at any time in the past 23 years. In the Purchasing Managers' Index survey (PMI), undertaken by London-based market research specialist IHS Markit/CIPS UK, 86% of construction industry respondents reported a reduction in their business since March, due to the coronavirus outbreak. It is estimated that 86% of construction employment is in SMEs and that the biggest impact will hit sub-contractors and specialists suffering from record declines in construction activity. SME's will also suffer from main contractors pushing out payment terms. Besides, even where activity is occurring, social distancing measures to ensure safety on site mean productivity has fallen 30-50% (6 May).

		The UK construction industry have been losing £301.5m (€344m) a day during the coronavirus lockdown and the gross value added (GVA – total value of goods & services produced) has fallen from £462.1m (€527,83m) per day from before the lockdown was announced on March 23 to £160.6 m (€183,45m) a day by the end of April – a decline of 65%. In Scotland, where all construction sites have been closed, GVA has fallen by 90% (7 May). Sales of construction and earthmoving equipment in the UK saw a significant drop in the first quarter (Q1) of 2021, according to the Construction Equipment Association (CEA). CEA reported a 21.8% fall, compared with the same period in 2019, showing the dramatic negative impact of the Covid-19 crisis (28 April). Market information gathered by the Builders' Conference suggests that UK construction firms are continuing to win new business during the Covid-19 crisis. The Builders' Conference has found that during the five weeks since the lockdown started, a total of 613 construction contracts have been awarded, which is however a 22% reduction on the previous five-week period (789 contracts) and a 31% reduction on the same period last year (884 contracts) (29 April). • **Construction output August** Construction industry analyst Barbour ABI has reported a 21.2% increase in the value of contract awards in the UK in August 2020, based on a three-month rolling average. In its latest Economic & Construction Market Review, the company found that the value of construction contract awards for the month totaled £4.4 billion (€4.8 billion). The company's analysis for the month of August revealed a sector rise of 37.6% for the residential sector, followed by a 9.0% increase for the industrial sector and an 8.1% increase in the commercial and retail sector. While Barbour said the three-month average data was positive, it also showed that the value of contract awards had declined by 8.5% when compared with August 2019 (cf. Construction Europe) (21 September).

		• **Construction output May** After UK construction work ground to a halt in April, activity fell even more in May according to the IHS Markit survey. Construction companies are recording a drop in activity during May due to furloughed staff across the supply chain, as well as prolonged business closures in other parts of the economy and disruptions from social distancing measures on existing projects. Residential work was the most resilient category in May. Data also indicated a rapid drop in new orders received by UK construction companies, which was almost exclusively attributed to the coronavirus pandemic (5 June). • **Construction output April** Construction output in Great Britain fell by 40.1% in April 2020 compared with March 2020, according to official government data. There was a 41.2% decrease in new work and a 38.1% decrease in repair & maintenance (12 June). • **Construction output March** 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). Construction activity in the UK now fell to a record low in April 2020 as the industry closed sites to arrest the spread of the Covid-19 pandemic (6 May). **Halt and Resuming of works** Britain's builders are mostly back at work but supply chain problems continue. Build UK revealed that its contractor members now have 86% of their infrastructure and construction sites in England and Wales open. But, with the constraints of social distancing and materials shortages, output was only at 75% capacity – reducing to 68% in London (21 May). Shortages of construction materials and building products, exacerbated by the coronavirus lockdown, are now easing (27 May).

		The Scottish Government has set out a phased return to normal activities, beginning a process to reopen construction sites. The gradual return to work is based on a six-point plan that has been developed with the industry. The 46-page document indicates the order in which the country will gradually seek to change current restrictions. It plans for construction's restart to be in phases. In the first phase, steps 0-2 of the industry restart plan can be implemented. Industry is to consult government before moving forward. The remaining steps of a phased return for the construction sector will be implemented as the restrictions ease further (22 May). On May 11 the UK Government published guidance for employers on how to enable staff to continue and return to work. There are eight workplace guidance documents now available under Working safely during coronavirus (Covid-19) guidance. One of them is specifically for Construction and other outdoor work. But for those familiar with the construction industry coronavirus Site Operating Procedures first produced in March, there is little new in this (assess risks, two meters where possible, washing & cleaning, try and avoid public transport, etc.) (12 May). One has to note that major contractors already had nearly 70% of their construction sites in England and Wales back at work on April 29. The majority were construction (81%) and infrastructure (78%) sites, with members that include housing in their portfolios confirming that fewer than half of their housing sites (46%) are open for business. After a four-week shut-down, some of Britain's biggest housebuilders were preparing to get back to work. Most major housebuilders like Vistry and Taylor Wimpey started closing their sites after the Government announced the lockdown on 23rd March, and the suspension of all non-urgent work, to prevent the spread of the coronavirus. Sites have now been closed for four weeks (23 April). At the beginning, the UK's construction industry was seeking urgent clarification from Government (24 March) on what the new social isolation measures will mean for construction and building sites. An industry-government task force on COVID-19 interpreted the new guidance to mean that not all activity needs to cease immediately. Despite another three weeks lockdown (17 April), most of

		the major contractors appeared to be back at work on many of their sites, heeding the government's call to keep the economy moving, while also trying to observe Public Health guidelines on social distancing. Although many majors, including Mace, BAM, Wates and McAlpine, had furloughed staff, there is evidence that the industry has started to move in the direction of reopening sites and resuming works. In Scotland, however, the regional Government was still taking a hard line of what constitutes essential work during the health crisis (29 April). The Scottish Government on public health had made it clear that work on construction projects should only continue if it is directly crucial to combating the coronavirus pandemic. Even essential projects can only continue operating if they can comply with guidance on social distancing, safety and welfare during the Covid-19 outbreak. A list of essential projects was published (08 April). Unite Scotland has called for all non-essential construction sites to remain closed and for there to be legislation on keeping workers 2m apart. The demand follows a virtual meeting involving its leading construction representatives across Scotland (24 April). The Under-secretary of State for business has reaffirmed that house-building and other construction work must keep going to help the economy survive the devastation of the coronavirus pandemic (30 March). There was no direction to close construction sites and therefore it was 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. **(Requested) Measures for the construction sector (by Government/Federations) till the lockdown period** Since the launch of the coronavirus job retention scheme (CJRS) and the self-employment income support scheme (SEISS), the UK government has supported the wages of 1,480,600 jobs in the construction sector. This is to help UK employers retain their employees during the crisis and protect the UK economy (11 June).

		Construction Industry associations have written to the chancellor of the exchequer asking for a further one-year delay to the introduction of reverse charge VAT. The implementation of domestic reverse charge value added tax for construction services was originally planned to begin in October 2019 but it was put back to October 2020 given the current health crisis and its impact on the economy (1 June). The Specialist Engineering Contractors' (SEC) Group has submitted evidence to the House of Commons business select committee's inquiry into the impact of Covid-19 on businesses and workers. SEC Group has asked the select committee to recommend the following actions to support small businesses and revive construction (11 May): • Working with the Local Government Association and local enterprise partnerships, the government should use the new £30bn construction framework to develop national and regional pipelines of work to be undertaken by SMEs; • A reduction in VAT for construction-related work especially repair and maintenance to stimulate demand; • To improve payment security for construction SMEs and more. Scottish small and medium-sized enterprises (SMEs) with liquidity issues due to the temporary closure of the housebuilding sector will be able to apply to a £100m fund. This new loan fund is open to small and medium-sized housebuilders operating within Scotland (11 May). All non-essential construction work remains halted in Scotland. Over the coming days the Scottish government will think about whether some additional forms of outdoor work – particularly where people work on their own or at a distance – can safely resume (11 May). The British Chambers of Commerce has told PM Boris Johnson that the country's construction industry will need long-term support, following the easing of its current lockdown status. In an open letter to the PM, the Chambers' president laid out policy proposals for reopening the country's economy: The Government should not shy away from sustaining high levels of public spending in order to

		restart and renew the economy in the short and medium-term. An expansionary fiscal policy, including a commitment to transformative infrastructure investment, will be needed in order to generate the returns that will help to pay down the national debt in the longer-term (5 May). The Scottish Government has announced £10m (€11.5) in funding to support 'pop-up infrastructure' to help cyclists and pedestrians maintain physical distancing. The new infrastructure program will cover new 'pop-up' walking and cycling routes or temporary improvements to existing routes (29 April). The Construction Scotland Innovation Centre (CSIC) has launched the i-Con initiative which consists of an online collaboration portal. CSIC is asking public and private sector organizations, trade associations and the wider construction sector to register their challenges arising from the current crisis on the portal. The challenges will be widely communicated in a bid to attract industry and academic experts to step forward with proposed solutions (16 April). 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). The Cabinet Office prepared 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. 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). The letter called for: • 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.

		The Association for Consultancy & Engineering has also written to the prime minister outlining a series of immediate, short- and near-term measures: • 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; • Turning the high-level commitment of an "infrastructure revolution" into a reality with a clear published pipeline of projects in the Autumn to stimulate the wider economy; • Providing tax incentives for the housebuilding sector and further city deals to devolved mayors to encourage private sector development.
Russia	According to the EBRD, Russia is set to record negative GDP growth of 4.5% in 2020 following the shocks caused by the coronavirus pandemic and the collapse of the OPEC+ agreement to limit oil production (13 May). Russia reported an increase of 10,600 in confirmed cases – the biggest daily rise since the crisis began – and the figure for the entire country now stands at more than 145,000 cases (4 May).	A report from the Eastern European Construction Forecasting Association (EECFA) has revealed that, as confirmed cases of the Covid-19 virus soar, the government is insistent that construction projects remain on track. Only projects in Moscow and the Moscow region have been curtailed, where the largest number of virus cases have been recorded. EECFA reports that the construction industry is likely to be one of the hardest hit, with social distancing on construction sites extremely difficult to maintain. The Ministry of Construction is under pressure to develop an anti-crisis program for the industry, set to include subsidizing interest rates on mortgage loans to support demand for property, as well as credit and tax moratorium for developers and measures to reduce the cost of project financing. According to EEFCA, the government is also considering the possibility of having state-owned companies purchase unsold apartments from developers. Furthermore, until January 1, 2021 housing developers will not face punitive action, should the completion of residential building projects be delayed. In non-residential and civil engineering segments, as support measures, the Ministry plans to increase several government contracts and lift advances on those contracts from 30% to 50% (cf. Construction Europe) (5 May).

LATIN-AMERICA		
Whole region	Latin America and the Caribbean are currently one of the global 'hot spots' for Covid-19 cases. Brazil has had over 930,000 confirmed cases and over 45,000 deaths – the third worst in the world. Chile has over 180,000 confirmed cases and the health minister recently resigned over the government's handling of the pandemic (cf. Construction Europe) (17 June). The IMF's World Economic Outlook Update now estimates the region to shrink by 9.4% in 2020, four percentage points worse than the April projection and the worst recession on record. A mild recovery to +3.7% is projected in 2021 (26 June). This contraction would be even more severe than those experienced during the 1983 debt crisis and the 2009 recession. There are numerous problems for Latin America that Covid-19 is accelerating, among them: slowing global demand, plummeting commodity prices, and currency devaluations (cf. Construction Europe) (17 July). **According to the latest Latin American Economic Outlook of the OECD, economic growth in Latin America & the Caribbean is predicted to decline by more than 9% this year with severe consequences for the most vulnerable population (24 September).** The International Monetary Fund for Latin America and the Caribbean, projected an average drop of 5.2% for 2020 and an average recovery of 3.4% for 2021 in May 2020, with Venezuela having the largest drop of 15%, Mexico 6%, Argentina and Brazil 5.7% and 5.3%, and Chile and Peru 4.5%. The least affected are countries such as Chile, Peru and Uruguay, which are in a better position to recover more quickly. Central American countries, in general, should benefit from financial assistance from the multilateral banks (13 May). The Economic Commission for Latin America and the Caribbean's (ECLAC) estimates confirm the IMF's projections (-5,3% by 2020).	The construction sector is going to experience a high level of unemployment. Moreover, in Latin America the construction sector has a large number of informal jobs. Construction sites have been closed/paralyzed in countries such as Guatemala, El Salvador, Honduras, Mexico, Paraguay and Peru. The situation is different in Brazil, Colombia, Panama and Costa Rica, where the activity has not been totally paralyzed (13 May). Actually, many construction projects in Latin America are still proceeding, with most of the countries and regional authorities classifying construction as 'essential' (cf. Construction Europe) (17 July). The Inter-American Development Bank (IDB) is working on a plan focused on economic recovery in LAC. For IDB, investment in infrastructure would be relevant for the economic recovery in the short term (15 June). In this context, the Inter-American Construction Federation (FIIC) met with the Inter-American Development Bank (IDB) on April 20, 2020 around the topic "Hands on the Job – Towards a Safe and Efficient Resumption of the Construction Sector amid the Current COVID-19 Pandemic". The discussion between FIIC and IDB depicted how to promote the resumption of the construction sector while coexisting with COVID-19 in a safe and viable manner. To this end, several short and medium-term orientations and possible action plans were issued to put the construction sector at the heart of the economic recovery of Latin America and the Caribbean (LAC).

Argentina	GDP is expected to decline by about 10% in 2020, with heightened risks. Growth was revised down as the longer quarantine in the Buenos Aires metropolitan area, a sharply weaker external demand and worse commodity prices should more than offset the fiscal support package, which remains constrained by limited financing options. Uncertainties related to the debt restructuring process continue to weigh on confidence (26 June). Argentina is going through its third consecutive year of recession. In the second quarter of 2020, according to President Fernández, Argentina would reach its second historical recession record (-6.8% GDP). Argentina's main risks as it emerges from the crisis are hyperinflation (as a result of the growing budget deficit, the monetary issuance of the central bank that finances the part of the deficit, very low interest rates, etc.), the uncertainty associated with the budgetary adjustment rates and exchange rate overvaluation (cf. MEDEF) (28 May). Compulsory social isolation was extended until June 7 in Buenos Aires. Argentina is in a rather favorable situation when compared to its neighbor countries as health measures have been put in place very early on (cf. MEDEF) (28 May). **Economic support measures** Argentina, Brazil, Colombia and Peru have announced temporary expansion of some of their cash transfer and in-kind programs, and additional transfers to reach vulnerable people not covered by existing programs. Some financial intermediaries are postponing credit payments for the most vulnerable firms and households. To help business and household cash flows, Argentina (and others such as Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Paraguay and Peru) has announced the deferral or temporary reduction of certain tax payments, as well as temporary	**Argentina's construction industry will contract by 23.5% in 2020 according to GlobalData. The significant decline in construction output in the second quarter of the year reflects the deepening economic consequences of the pandemic and the containment measures imposed by the Argentine Government to limit the spread of the virus. In GlobalData's recent quarterly construction update, the forecast for Argentina's construction industry was revised downwards with output now expected to contract by 23.5% in 2020 and -5.4% in 2021, down from the previous projections of -16% and -5% respectively. The construction industry in Argentina was already struggling before the emergence of the COVID-19 pandemic amid deteriorating economic conditions – a weakening peso, rising inflation, high interest rates and a debt crisis. However, the coronavirus outbreak and related lockdown restrictions have further exacerbated these issues. While activity is expected to gradually recover in the coming months as the government continues to push forward its reopening plan to kickstart the economy, the level of output will not be sufficient to pull the construction sector out of recession next year. Risks of a second wave of COVID-19 infections, as well as difficulties to access finance for projects, will continue to hinder investment in critical sectors such as infrastructure, residential as well as energy and utilities (cf. Global Data) (23 September).** The Argentine Chamber of Construction presented to the government the "Plan for the Reconstruction of the Economy through Private Construction", a proposal for the economic reactivation during the post-pandemic period agreed upon with the Construction Workers Union (UOCRA), the Business Chamber of Urban Developers (CEDU), and the Association of Housing Entrepreneurs (AEV). The plan includes three stages, to be implemented between the third quarter of this year and 2021. The sector's proposals to be implemented from the third quarter of this year are: • Reactivate the works in progress using adhesions to development trusts; • Activate the tax exemption regime of the 2019 Budget Law for homes with a value of less than 140,000 UVAs.

	payment cancellations for selected public utilities or the suspension of social security contributions.	As of the fourth quarter, the suggestions are: • Creation of a vehicle for investment in construction that would be called Simplified Construction Society having a positive tax effect and that would include incentives for investors and families; • Boosting mortgage credit which, for the policyholder, would be adjusted by the Coefficient of Variation in Salaries (CVS), with a counter-cyclical compensation fund. Finally, between the last quarter of this year and next year the proposals are: • A Housing Law that encourages permanent investment in housing for sale, rent or lease and that defers the payment of Income Tax; • Social security contributions to finance the purchase of housing, similar to "Minha casa, minha vida" in Brazil or Infonavit in Mexico; • Mortgage credit incentives (July). The government's infrastructure plan "Plan Argentina Hace", launched before the outbreak of Covid-19 but which has been reinforced with Covid-19, is designed to create 8700 jobs by investing 20 billion pesos (260 million euros). The plan is mainly intended to provide jobs and will therefore use little technology and equipment (cf. MEDEF) (28 May). The Construction Workers Union of the Republic of Argentina (UOCRA) launched a new health protocol designed for Argentina's construction industry. The protocol was put up with the help of the Argentine Chamber of Construction and includes protection and prevention practices against COVID-19 issued by the World Health Organization and the country's Ministry of Health (16 April). The UOCRA Foundation manufactured 3D-printed facial protection masks which were donated to hospitals in Buenos Aires. The construction sector has been practically stopped at least until 31/03. Only essential works have been carried out such as expansion and improvement of hospitals. Construction activity has been very limited (around 20% still operational) due to the breakdown of the supply chain, local restrictions on the

		transport of inputs, difficulties in organizing work teams and very serious debt owed by the State to its contractors prior to the pandemic.
Brazil	Brazil has now overtaken Italy as the country with the third-highest number of fatalities in the world from Covid-19. At the time of this regional report, Brazil's official death toll was approximately 37,000 with more than 690,000 infections – the second highest number in the world behind the US. The country was facing criticism for its recent decision to only report cases and deaths in the past 24 hours, no longer giving a total figure as most countries do. In Rio De Janeiro restrictions on the use of beaches and commerce have been partially relaxed. Real GDP is projected to fall by 9% in 2020 amid high uncertainty, followed by a rebound of 3.6% in 2021. The authorities have responded strongly to the pandemic with decisive interest rate cuts, and significant fiscal and liquidity packages, including direct cash transfers targeted to vulnerable groups (26 June). Brazil's GDP declined by 6% in March. According to the French Embassy in Brazil, there will be a recovery of 3.2% in 2021. Forecasts for this year indicate a decline in GDP between -5 and -8%. At the federal government level, there are rather contradictory positions between the military branch (especially the Minister of Infrastructure), who supports a Keynesian view and would like a revival through public investment, and the Minister of Economy, Paulo Guedes, who is taking the opposite position. For the time being, President Bolsonaro is arbitrating in favor of Minister Guedes, however this may change quickly (cf. MEDEF) (28 May). After ten weeks of isolation, the municipalities are gradually reopening in Sao Paulo and Rio. The situation is very different from one region to another: in the south, activities are rather normalized and businesses have reopened, which is not the case in the north where the peak of the crisis has not been reached yet, particularly	Brazilian construction had a 2.4% retraction in the first quarter of 2020, compared to the last quarter of 2019. In comparison with the first quarter of last year, the drop was 1%. Informal and family-based construction carried out by small companies represents approximately 40% of the total sector in Brazil. This segment of the market had an almost complete stoppage, due to the very sharp drop in the level of income and a large increase in unemployment. The largest construction companies kept their construction sites because the activity was considered essential by the government. However, the work rate has decreased, with layoffs and the suspension of workers who are in high risk groups. The level of construction employment fell sharply in the country. Between March and April, 13.2% of the construction workforce lost their job in Brazil. With all this, the Getúlio Vargas Foundation predicts that the GDP of construction in Brazil will fall by 11% in 2020. There will be many opportunities for PPPs because municipalities and states will need more support than ever in matters related to urban development as public investment is on hold (cf. MEDEF) (28 May). BWI and its affiliate, the Construction Workers Trade Union of São Paulo, have reported that 57 construction workers have died in São Paulo due to COVID-19. The construction industry is classified as an essential activity by the government and continues to operate throughout the lockdown, with many worksites suffering from poor health and safety conditions. The number of deaths may even be higher (cf. BWI) (2 June). The commercial bank CAIXA intends to inject an additional BRL 43 billion (US$ 8.2 billion) to the real estate sector. The fund intends to avoid construction shutdowns and layoffs. This brings the bank's total credit provided to the sector

	in the Amazonas and Céara, which have been badly affected by the crisis (cf. MEDEF) (28 May). As of 2 June, Brazil has a total of 529,000 confirmed COVID-19 cases and 30,058 deaths. It ranks second in the list of countries worldwide (next to the United States) with the most cases of COVID-19. Central banks in Brazil, Colombia, Mexico and Peru have reduced interest rates or adopted liquidity measures to uphold domestic demand and facilitate business. However, the exchange rate pass-through to inflation makes these policies temporary and limited (cf. OECD). There were closures of land borders with all border countries.	since the start of the COVID-19 crisis to BRL 154 billion (US$ 29 billion). Currently, around BRL 35 billion (US$ 6.6 billion) has already been released (cf. BWI). Construction sites were stopped, contrary to most of the country's activities but the effects of the coronavirus pandemic are causing major equipment manufacturers in Brazil to suspend operation, while work comes to a halt on thousands of projects in Colombia (6 April). The recommendations from the Brazilian Chamber of Construction mainly include measures for hygiene and distancing of personnel: • Teleworking; • reducing the number of people on worksites and sites; • prohibiting access to sites by people not working directly for the company.
Chile	The Bank of Chile recently announced that the Monthly Economic Activity Index (IMACEC) fell by 14.1% in April, compared with the same month a year earlier, signaling that the economic impact of Covid-19 will be much worse during the second quarter of 2020 (17 July). Real GDP is projected to decline by 7.5% in 2020 and rebound by 5.0% in 2021. Following a resilient performance in the first quarter, economic activity is expected to contract sharply in the second quarter owing to the strict social distancing measures, and to a lesser extent, weaker external demand from trading partners (26 June). Chile ordered a mandatory total quarantine for the capital Santiago's seven million people (14 May) after authorities reported a 60% spike in coronavirus infections in 24 hours. The announcement follows a government request to the IMF for a flexible line of credit amounting to around US$23.8 billion for the next two years. The credit line would help kickstart the economy. The lockdown will come into force on May 15, 2020.	The Chilean government is inviting bids for 165 projects as part of its plans to reactivate the economy and generate employment. The programme is the second call for tenders as part of the government's 'step by step' plan for economic recovery. The new batch of 165 public tenders involves a total investment of almost US$400m. The minister for public works, Alfredo Moreno, explained that there are works, consultancies and services in all regions of the country to build new roads, water systems, parks and all kinds of works. The first major call for bids for works under the 'Paso a Paso Chile se Recupera' plan took place last month and involved the publication of 150 bids (11 September). It is expected that construction and mining will be badly hit – up until around April these sectors hadn't been as affected as industries such as education, transport, restaurants and hotels. GlobalData expects Chile's construction industry to contract by -4.5% this year, down from the previous projection of -3.0% in April's update, and that with the arrival of the southern hemisphere winter, Chile is bracing for a peak in cases. Especially lockdown restrictions in Santiago have forced many construction projects, especially in the housing market, to be temporarily halted (17 July).

	The Government announced to mobilize fiscal resources of up to US$11.75 billion in the coming months, transforming itself into a package of economic and social measures, such as: • 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.	**Investment Plan** Chile's construction chamber (CChC) has proposed a US$22.6 billion investment plan to reactivate the country's infrastructure sector amidst the Covid-19 pandemic. Of the US$22.6 billion, US$12.3 billion are private investments. CChC's plan is divided into US$9.6 billion for housing development and US$13 billion for infrastructure projects. With respect to the infrastructure projects, CChC suggest executing 665 projects that are in the government's portfolio but have yet to start works. Of these, 331 are road projects, 224 are water projects, five are energy and mining initiatives and 105 are hospital infrastructure works. CChC estimated that the country's construction sector will not fully recover until 2022 (cf. Construction Europe) (17 June). The creation of 600,000 direct and indirect jobs over a three-year period (240,000 in 2020 and 360,000 in 2021 and 2022) is also a central objective of the "Employment and Reactivation Plan" of the Chilean Chamber of Construction (CChC). The mining sector has been operating at 50-60% of its full capacity. The Building and Housing sector has been the most affected by the COVID-19 pandemic. Infrastructure work continued to operate taking into account the necessary distancing and hygiene measures. In this regard, about 380 construction sites have been paralyzed in the Metropolitan Region, mainly in the communes under total quarantine, according to figures from the CCHC. The Chilean Chamber of Construction (CChC) said the country's construction sector is facing a significant downturn this year because of the COVID-19 outbreak. The industry was already struggling following the social unrest in October last year. CChC is forecasting a 9% fall in infrastructure and a 13.2% decrease in housing. Similarly, the unemployment rate in the sector could exceed 12% by the end of 2020, equivalent to about 75,000 fewer jobs. The Chamber called on companies in the sector to intensify prevention measures on sites, in order to protect workers, employment and to avoid new stoppages. More than 350 projects have been suspended (7 April). The CChC proposes a protocol of action to maintain the health of the personnel who collaborate in construction projects:

		• 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.
Colombia	Took early actions to limit the spread of the virus, but economic disruptions associated with the pandemic (including lower oil prices) are expected to generate the first recession in two decades. Following a weak first quarter, GDP is expected to contract by 7.8% in 2020, but growth should rebound to 4% in 2021 (26 June). *Refer to similar economic measures as in Argentina and Brazil.* The IMF approved a successor two-year arrangement for Colombia under the Flexible Credit Line (FCL), designed for crisis prevention, of about US$10.8 billion (1 May).	There are more than 1,900 housing projects that have shut down due to the worldwide health crisis, according to the Colombian Chamber of Construction (Camacol). In February, construction generated 255,000 new jobs in Colombia, consolidating itself as one of the most important sectors within the national labour market. Likewise, the industry had been generating around 1.7 million indirect jobs. The National Association of Financial Institutions has already estimated that this year, the Colombian economy will see, at best, only modest growth due to the economic effects of the crisis. One of the sectors expected to see some of the greatest difficulty is construction, which could have growth of 1.6% in a base scenario and -0.1% in a less optimistic scenario (17 July). The Colombian Chamber of Construction welcomes the National Government's announcements aiming to define measures to stimulate the demand for housing in the country. Ensuring subsidies for social housing and implementing an instrument to encourage investment in non-social interest housing are seen as fundamental actions to reactivate the economy, the sector and generate more jobs according to the Chamber (27 May). Colombia is expecting construction to be one of the first sectors of the economy to be restarted from April 27, the day on which the mandatory quarantine decreed by President Iván Duque was to end. Colombia's construction industry employs 7% of the national workforce and generates 8% of GDP. Among the construction sectors being considered as part of the restart are contractors and the construction supply chain. Excluded will be non-professional builders, which will continue to be subject to the lockdown (27 April).
Costa Rica	**Economic measures taken:** • Law that allows for the deferral of the payment of some taxes (VAT and Selective Consumption Tax);	The Costa Rican Chamber of Construction (CCC) sent a letter on July 24 to the President of the Republic, Carlos Alvarado, requesting him to indicate which concrete actions the government will implement to address the imminent deepening of the crisis that is looming for the construction sector. The economic

	• Law that allows for the reduction of working hours with a proportional reduction of wages and allows the employer to implement it by means of a unilateral decision. This applies for a period of three months, but it is possible to extend it to two more months under exceptional conditions; • Commercial banks should make credit conditions more flexible and improve them. There are legislative initiatives in this area, but they have not been implemented yet.	activity of the construction sector shows decreasing rates from December 2018 to April 2020 (last data published), which represents 17 consecutive months of decline. In April 2020, the construction rate decreased 11.4% year-on-year, as a result of a 13.8% reduction in construction for public use and 8.8% in construction for private use. According to the president of the CCC, the indifference towards the situation of the construction sector, is already endangering many jobs, mainly of people with low levels of education, which would increase the serious social problem that the country is already facing (26 June). There has been no halt or suspension of construction work. However, measures are being implemented to protect employees and prevent contagion. Works continue as usual for road infrastructure projects. A protocol is pending to be issued to address the cases of infected workers on work sites. For now, companies are following the recommendations issued by the Government authorities to prevent contagion.
El Salvador	Gatherings of more than 50 people were prohibited. Access to the territory was prohibited for 30 days (as of 14 March) to all foreigners, except for residents and diplomats quarantined on entry. All persons arriving from abroad were systematically placed in confinement. Airport San Salvador International Airport has been closed since 17 March 2020 for 15 days.	**The industry has already taken up all the projects slowed down by the pandemic, but is not yet working at 100%, in part because of deficiencies in the public transportation system to mobilize workers. The President of the Salvadoran Chamber of Construction Industries (Casalco), explained that there is optimism in the industry as private projects have resumed. In private sector construction, new works will be developed, among them seven residential buildings where construction will start between November 2020 and June 2021. The Government is also planning infrastructure investments for the coming five-year period. Among the projects promoted by the Government are the improvement of the road network, through the building of different bridges and overpasses, and the possibility of the execution of a new peripheral. It is estimated that about more than US$600 million will be invested. Casalco is pressing for design ready projects in order to ensure quick execution.** **According to Casalco, despite the bump caused by the pandemic, all companies with projects underway have resumed operations and are applying health protocols to prevent contagion. However, they are affected by the still**

		deficient public transportation system that makes it difficult for workers to arrive from distant areas, mainly from the west of the country. Most projects restarted with 30% of the workers onsite, with an increase to 60% and 80% of workers up to date. **Construction financial records will close the year with a sharp drop in 2020, hampered by the pandemic that cut the sustained growth the industry recorded in the last five years. The sector expected to generate US$1.56 billion in activity this year. The expectations were revised to US$1.35 billion.** **The construction sector is seen as one of the pillars of the economy, it is estimated that it generates some 25,000 direct jobs and up to 200,000 indirect ones (September 2020).** **CASALCO has also been pushing for a law on inclusive and social housing. The Minister of Housing has been discussing the issue as it might be viable to promote the construction of social housing, and there are also identified sources of funding for this type of project (August).** **The President of Casalco said in September that they are monitoring the evolution of building construction and they have anticipated that, although some sales fell due to the crisis of covid-19, these have resumed pace and have continued with the normal placement of housing and demand which is key to sustain activity. The executive director of Casalco explained that they seek to give greater impetus to the sector and as such Casalco is working with the government on the proposed Law of Housing Inclusion. According to Caslaco, this law is focused not only to benefit the construction of new housing, but also to improve conditions of other types of housing. The latter proposal has been proposed by Casalco (September 2020).** The construction sector used to be one of the most dynamic sectors with a growth rate of 9%, now a growth rate of merely 4% is estimated. A recovery would take up to 12 months to catch up and two more years to resume growth, according to the newly elected president of the Salvadoran Chamber of Construction (CASALCO). The construction was authorized in a targeted manner during the most restrictive period of the quarantine and is part of the activities allowed in Phase I of the re-opening process. Sanitary protocols are already in

		place. However, the return to work is only accounting for 30%, partly because of the restriction on public transport and the dispersal of staff. The implementation of the health and sanitary protocols has been a challenge as there is a strong demand for more health inputs. This also represents an additional cost for the construction industry. Some private construction projects are still underway, but others that were planned may be postponed for more than three months. In some cases, the situation is more critical, for example in tourism projects. For this year US$783 million were forecasted in planned public investment, which is generally executed at 60% per year. Because of the pandemic, it is estimated that between 30 and 40% could be executed. The construction industry was on halt, except for a hydroelectric power generation project and the construction of a new hospital that the Government wants to build to deal with the pandemic. There has been a debate about who will pay for the employees (whether it should be the Government through Social Security contributions or the private sector itself). Concerning public works, the Government called for the definitive suspension of all projects that have not begun to be implemented and the projects that are at an advanced stage should be suspended in their current state, since uncommitted resources will be frozen and redirected towards meeting the needs and priorities arising from the emergency (defined by the President) (April). The construction chamber of Salvador, CASALCO, proposes a protocol of action to maintain the health of the personnel who collaborate in construction projects (13 March): • 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.
Guatemala	As of April 10th, Guatemala has reported 126 confirmed cases and three fatalities of COVID-19. On March 13th, the Government declared a State of Calamity. Through April 12, unessential activities in the private and public sectors were suspended, all national borders are closed, and a curfew (4pm until 4am) is in force (cf. IMF).	The National Trade Union of Construction and Services of Guatemala (SINCS-G) has reported that the Guatemalan Ministry of Labor and Social Security has approved a ministerial agreement, which authorizes employers to perform full employment contracts suspensions in all industries and allows suspensions to take place without compensation payments for workers. The Government said that the measure will only be temporarily implemented due to the nationwide lockdown it declared as a response to the COVID-19 pandemic (16 April) (cf. BWI).
Honduras	The Honduran Government had ordered the public and private sector (other than food chain industry, supermarkets, gas stations and pharmacies) to an absolute shut down (cf. Grimaldi Alliance) (April).	The Honduran Chamber of Construction (CHICO) is dealing with the Government to allow for a gradual reactivation of the construction industry's works in rural areas for road maintenance. In this regard the CHICO has developed a guidance note to comply with the instruction of a gradual reactivation of construction activities.
Mexico	Real GDP is expected to fall by 10.5% in 2020 with growth in 2021 expected to recover a modest portion of the lost output. Monetary policy is expected to loosen further to accommodate the demand shock element of the crisis and preserve the functioning of financial markets (26 June). A state of health emergency had been declared. Non-essential activities were suspended, and gatherings of more than 50 people are now prohibited. A slowdown in the United States will lead to a reduction in trade, foreign direct investment, tourism flows, and remittances. 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.	**2019 was considered a disastrous year for the productive activity of the construction sector in Mexico, which presented a real annual fall of 5.0% (90,310 million pesos [€3,45 million]) with respect to the level invoiced in 2018, with a loss of 150 thousand jobs. The year 2020 is outlined as an even worse year. The results of the first two months of the year confirm this assertion, registering a contraction of 8.6% in relation to the first two months of 2019. Among the most relevant factors explaining this drop in activity are:** • **The reduced public spending for infrastructure, since in the first two months of 2020 the investment budget was 7.4% lower in real terms compared to the same month in 2019 (93 billion pesos [€3,55 billion] in the first two months of 2020 vs. 97.1 billion [€3,71 billion] in the same period in 2019);** • **The delay in the start of the projects included in the National Infrastructure Agreement;** • **The uncertainty in the financial markets and its impact on the expectations of the private sector;** • **The declaration of a health emergency due to the coronavirus pandemic (Covid-19).**

		Expectations of a construction recovery in 2020 have faded and it is more than likely that the growth that was projected for 2020 at the beginning of the year will be revised downwards as a result of the following factors: • **Expansion and depth of the impact of Covid-19;** • **Global economic recession;** • **Lower oil prices;** • **Instability in the financial markets (exchange rate, price level and interest rates);** • **Probable cuts to public spending;** • **Private investors' investment in risks.** **The generic impact of these factors could lead the construction sector to a 7% real annual fall in 2020, which would be equivalent to a 119,891 million peso [€4,58 million] reduction in annual turnover compared to the sector's turnover in 2019.** **At the national level, CMIC has maintained the position of considering all activities related to the construction industry as essential and requested the government to take it into account due to the magnitude of its productive supply chain. The construction sector is one of the most important generators of employment in the country, creating 6 million direct jobs annually. In order to protect jobs, wages and family income and to prevent the liquidity crisis from becoming a solvency crisis, the following actions have been brought to the Government by the Mexican Chamber of Construction back in April 2020:** • **Implement an immediate plan that includes direct credits from commercial and development banks in order to solve the serious situation that many construction companies have been facing for almost two years with a shrinking construction industry;** • **Support construction companies by deferring (without remission) social security contributions for 60 days and company tax payments for up to 90 days without interest charges; temporary suspension of provisional Income Tax payments as well as deferred contributions for payments in 2021.**

		The federal government will promote infrastructure projects with the private sector, in order to reactivate the national economy. It approved infrastructure projects for 304 billion pesos [€11,61 billion] to the so-called Private Initiative. To date, there is a portfolio of 59 projects that will be financed and developed through private capital with an investment amount of 304 billion pesos [€11,61 billion], where 80% of the portfolio value, that is, 246 billion pesos [€9,39 billion] in 49 projects, will be executed before the end of the first semester of 2021 and 100% by the first quarter of 2022. The investment includes concessions, extension of permits already granted and rebalancing of concession titles. Projects that fall under mixed investment will focus on works in the communications and transportation, drinking water and sanitation sectors (11 September). The president of the Mexican Chamber of Construction (CMIC) called on the Executive and Legislative branches to strengthen Mexican construction companies vis-à-vis foreign ones, to give certainty to investment and to ensure that major public works are not concentrated only in a few states. The president of the CMIC said that with the return to the new normality, the construction industry is ready to resume activities, especially in open air works such as hydraulic, electric, energy, road and airport infrastructure. Since before the pandemic, the sector brought bad numbers: in the first three months of this year the sector recorded a negative 8.5% growth forecast. Another issue is that public resources for construction are located in only five states and represent 80% of the total. It is asked by the CMIC not to concentrate on some entities, but to disperse the works to benefit regional economies and productive chains (19 May). The situation is diverse in Mexico regarding the resumption of activities. Starting on May 18 two states are expecting to gradually and progressively restart different activities by economic sector (construction amongst them) and based on how much COVID-19 cases the specific city has reported. Construction had been considered as non-essential activity in most states. However, on May 13, the Federal Government has declared that starting from May 18, 3 economy sectors will be considered essential: construction, mining and the automobile

		sector. As such, gradual resumption of construction activities with adequate hygiene measures is expected at national level (here gradual means starting with 269 municipalities out of 2,500). Mexico had extended until May 30 the social distancing measures. According to the Mexican Construction Industry Chamber (CMIC), about a fifth of its 12,000 members are at risk of closing permanently due to the halting of construction and building works. They are mainly SMEs located in the states of Nuevo León, Quintana Roo, Baja California Sur, Yucatan and Mexico City. Between March 13 and April 6, almost 19,500 construction workers lost their jobs, and CMIC assumes that this figure might be 25 times larger by the end of the month (23 April). According to European contractors, worksites have been closed by the Government for 1 month (2 April). 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. The CMIC issued a containment protocol for Coronavirus on construction work sites including mostly • 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.
Panama	The IMF approved Panama's request for emergency financial assistance under the Rapid Financing Instrument (RFI) of about US$515 million. The pandemic has weakened Panama's macroeconomic outlook for 2020 and opened a balance of payments gap estimated at about US$3.7 billion (16 April). Closure of all social premises and companies which are not essential to the functioning of the country. Essential businesses/value chains	According to European contractors, maintenance works could still be carried out. Civil engineering works are on hold. Companies within the concrete industry in Central America and South America joined the effort against the Coronavirus pandemic by offering their help in various ways, 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

	entailed: 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.	spaces where more intensive cleaning is required in order to prevent the spread of COVID-19 (1 April).
Peru	Peru has the second highest number of infections in Latin America with around 180,000 followed by Chile with 114,000 (17 July). Growth projection for 2020 has been revised down markedly to -14%, as weaker external demand and a longer than expected lockdown period have so far more than offset the government's significant economic support and translated into large employment losses (26 June). The Government will unleash a package of measures committing around 12% of Peru's GDP to it. It would be the largest rescue package on the continent, with some USD 25 billion in spending (10 April). Since March 16, President Martín Vizcarra has decreed a strict confinement of the population. The Executive Board of the IMF approved a two-year arrangement under the Flexible Credit Line (FCL) in an amount equivalent to SDR 8.007 billion (about US$11 billion) (28 May).	With the lockdown measures implemented on March 16, construction works were suspended. Essential commercial activities however were allowed to operate (transport of supplies). Construction activities will now resume on the week of May 18, 2020. The construction sector has been depicted as a priority sector by experts for the resumption of works because of the contribution it generates to the growth of the economy.
ASIA		
IFAWPCA	**IFAWPCA COVID-19 Pandemic | Construction Industry Country Reports (April 2020)**	
Whole region	According to the Asian Development Bank's (ADB) latest economic forecast, the Asian region is projected to contract by 0.7% in 2020; the first regional GDP contraction since the early 1960s. Developing Asia excluding the newly industrialized economies will contract by 0.5% (*The newly industrialized economies are Hong Kong, China, the*	Construction in the Asia Pacific (APAC) region has been severely impacted as a result of the Covid-19 pandemic. However, the global pandemic is not the only challenge facing the APAC region. Recent weakness in oil prices and real estate markets, as well as increasing unemployment have also impacted the economy. According to data from the World Bank, growth in the APAC region is projected

	Republic of Korea, Singapore, and Taipei). Growth is forecast to rebound to 6.8% in 2021, but this will still leave GDP next year substantially below expectations before COVID-19. Thus, the regional recovery will be L-shaped or "swoosh-shaped" rather than V-shaped (September 2020). But even with this fast pickup in economic activity, output losses due to COVID-19 are likely to persist. Asia's economic output in 2022 is estimated to be about 5% lower compared with the level predicted before the crisis; and this gap will be much larger if China is excluded, where economic activity has already started to rebound. Asia is heavily dependent on global supply chains and cannot grow while the whole world is suffering. Asia's trade is expected to contract significantly due to weaker external demand, with total trade (exports plus imports) projected to decline by about 20% in 2020 in Japan, India, and the Philippines (26 June).	to fall to 0.5% in 2020, the lowest rate since 1967. When focusing on South and Southeast Asia the economic activity is forecast to contract by 1.2% in 2020 before rebounding to 5.4% growth in 2021. Among the major economies of the region, Malaysia, the Philippines, and Thailand are forecast to experience the biggest contractions this year. Across the APAC region, infrastructure stands to benefit from government infusion of funds. But with lower revenues due to the economic slowdown, and higher fiscal expenditures to sustain weaker segments of the population, nations' debt to GDP ratios will increase, potentially hampering major infrastructure spending. Prior to the pandemic, APAC governments had generally been investing heavily in infrastructure. In the past five years, the value of global infrastructure construction grew by 3.2% on an average annual basis, with infrastructure construction in Northeast Asia growing an average of 5.4% per year and 6.8% in South and Southeast Asia, according to GlobalData. Overall economic growth for the region (excluding China) will drop to 0.5% in 2020, down from an average of over 7% in the past five years. As a result, investment will decline, notably hitting commercial, industrial and residential construction (cf. Construction Europe) (14 September). Construction output for Northeast Asia has been revised down to 1.1% this year, compared to a pre-pandemic forecast of 4.2%. According to data and analytics company GlobalData, Northeast Asia is the largest region in terms of the total value of global construction output. And while it was the epicenter of the Covid-19 pandemic, China is still expected to post a minimal level of growth in 2020. Investment activities also started picking up in March, before accelerating in April, with the latest data showing further progress in investments in both fixed assets and real estate segments. Investments in real estate development grew by 7% year-on-year in April, which followed marginal growth of 1.1% in March and a 16.3% contraction during the first two months. The quarterly construction value-add data from the region presents a mixed picture with real growth rate declining by an unprecedented 17.5% in China and by 9% in Hong Kong; however, the South Korean industry grew by 3.2%, while in Mongolia the growth rate was 11.9%. Governments in the Asia-Pacific (APAC) region in general, particularly Philippines and Vietnam in the southeast, are considered to be in a

		favorable position to invest in infrastructure with an eye toward boosting economic growth in the wake of the Covid-19 crisis. In the past five years, the value of global infrastructure construction grew by 3.2% on an average annual basis, driven by Asia with infrastructure construction in Northeast Asia growing an average of 5.4% per year and 6.8% in South and Southeast Asia (cf. Construction Europe) (14 July).
China	**Economic Forecast** Growth is forecasted at 1.8% this year and 7.4% in 2021, compared to the April estimates of 2.3% and 7.3%, respectively (18 June). According to the IMF, China's growth is projected to decline from 6.1% in 2019 to 1.2% in 2020. This sharply contrasts with China's growth performance during the global financial crisis, which was little changed at 9.4% in 2009 thanks to the important fiscal stimulus of about 8% of GDP (15 April). • **May** According to MEDEF, the Chinese economy would be operating at 87.5% of its normal capacity with a recovery rate above 99% in the provinces, except in Hubei (84%) (28 May). Trivium China estimates that if economic activity returns to normal by the end of June, China's GDP growth should be around 2.9%. On the other hand, if the rate of recovery was 80%, GDP growth will become negative (-3,6%). China's exports went down by 17% in February. • **April** As of April 21, the economy would have operated at 82.8% of its normal capacity: 83% for large companies and 82.6% for SMEs. Per capita disposable income fell by 3.9% in the first quarter of 2020 to RMB 8,560 (USD 1,210). Government revenue declined in the first quarter of 2020 (-14.3%), but Government expenditure also fell by 5.7%. Concerning the Central Bank policy: The one-year and five-year Loan Prime Rate (LPR) rates were lowered to 3.85% and 4.65% respectively (21 April).	**Recovery** The powerhouse of the APAC region is China. China's growth is expected to slow to 1% this year, but then rebound to 6.9% in 2021 as activity gradually normalizes as lockdowns are lifted around the world. Although it was the epicenter of the Covid-19 pandemic, China has shown signs of recovery in recent months, supported by investment in infrastructure. According to GlobalData, investments in real estate development have also grown, increasing by 7% year-over-year in April. This is significant, following marginal growth of 1.1% in March and a 16.3% contraction during the first two months of 2020. China has resumed construction on just under 90% of key projects, according to an official of the National Development and Reform Commission (NDRC). All major railway projects have resumed operation, with 97% of major highway and waterway projects and 87% of airport projects also resuming construction (cf. Construction Europe) (14 September). Construction equipment sales in China are expected to increase 14% this year, according to a revised forecast from Off-Highway Research. The previous expectation was for sales to fall 8% due to the impact of Covid-19, but stimulus measures in the wake of the pandemic are now expected to reverse this trend. The central government has adopted policies to increase investment, including a great increase in the issuing of local special bonds (28 July). The economy has shown signs of recovery in recent months, however, supported by government investment in infrastructure. The construction industry's recovery in China has been rapid (14 July). According to Fitch Solutions, the effects on Chinese construction of the coronavirus lockdown in the first quarter of the year are expected to be

According to MEDEF, corporate profits in the industrial sector declined by 36.7% in Q1 2020. Profits of state-owned companies contracted by 45.5% in Q1 2020, compared to 29.5% for private companies. The impacts on sector benefits are as follows in Q1 2020: oil and gas industry (-187.9%), metal materials, machinery and equipment (-84.3%), automotive (-80.2%) and chemicals (-56.5%) (29 April).

Exports

Sectors which are particularly dependent on exports are likely to continue to suffer as international demand is falling rapidly. Research firm TS Lombard expects China's exports to fall 40% in the second quarter of 2020.

- **Increase in April**

Chinese exports increased by 3.5% in April year-on-year (+US$300bn) despite lower sales to the EU (-6.6%) and the US (-15.9%). Imports fell by 14.2% to US$155 billion. China posted a trade surplus of US$45 billion for April. The government assures that foreign companies will benefit indiscriminately from economic support measures (e.g. access to government financing, tax reductions, access to public markets, etc.) (14 May).

- **Decrease in January and February**

Chinese exports fell by 17.2% in January/February while imports fell by 4% putting the trade balance in deficit by US$7.1bn. Euler Hermes estimates that China will lose US$108bn in merchandise export revenues, US$72bn in tourism revenues and US$10bn in transportation services, or a total of US$ 190bn in foreign revenues (cf. La Chine hors les murs).

The State Council announces an extension until 2023 of tax benefits for credit institutions lending to VSEs, to self-entrepreneurs and private farms.

countered by public sector investment in infrastructure. Although the sector's output fell more than 17% between January and March, it is likely to make up ground and to record a year-on-year increase of 1.8% over the full 12 months. Construction is set to be the main beneficiary of government attempts to pump demand into the economy. The construction recovery is also suggested by a rise in demand for cement and site machinery. Last month, the 25 largest makers of excavators recorded sales up 60% year-on-year, according to the China Construction Machinery Association. The increased investment in infrastructure has been boosted by spending at the province and city level. In May, bonds worth US$150bn were issued by local governments, surpassing the previous record of US$101bn issued in January (cf. GCR) (12 June).

The Ministry of Finance has increased the quota of special purpose bonds by US$140 billion to boost infrastructure (21 April).

Infrastructure construction has accelerated across China in the past month as the Government invests to counteract the economic effects of the coronavirus lockdown. Data from the China Construction Machinery Association shows that excavator sales reported a 12% year-on-year increase. Meanwhile, the output of cement and steel rose, according to data from the Ministry of Industry and Information Technology, reached 94% of its pre-coronavirus level. Demand in the construction industry has allegedly recovered to last year's level. However, outside China, the country faces a fall in exports as its trading partners suffer the economic impact of the Covid-19 pandemic, and international construction projects face delays (15 April).

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).

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

	Economic recovery measures The Chinese central bank announced a decrease in the required reserve ratio for business loan renewals, releasing CNY 550 bn (€70.6 bn) to support the economy. Chinese stock exchanges have implemented a series of measures to limit the volatility of commodity prices (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). China had imposed quarantines and limited travel across the country to contain the disease. These restrictions are now being loosened and industrial activities start again.	projects have resumed operation, with 97% of major highway and waterway projects and 87% of airport projects also resuming construction (25 March). Safety requirements have been implemented on construction worksites (use of masks, fever checks, tracking of the workers' journey). Tenders can be completed remotely, and operating licenses have been extended. The housing market continued to deteriorate (decline in sales volume of both commercial and residential properties). **Contractual issues** The China Council for the Promotion of International Trade (CCPIT), a quasi-governmental entity, has issued 5,637 Force Majeure certificates to exempt Chinese companies from their contractual obligations. Though not formally defined, 'Force Majeure Certificates' can be said to be certificates issued by trade councils or commercial chambers of different countries, to certify a particular event as a Force Majeure event. This has been rated as proactive and forthcoming step from the Chinese Government (4 May). **Belt and Road Initiative** Construction activity has still been suffering, as a majority of long-distance travel between workers' homes and construction sites is limited. It is estimated that things will become normal in mid-April for the whole business and its activities. The spread of the coronavirus across Asia is putting the brakes on China's ambitious Belt and Road Initiative, 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. Among the projects affected in Southeast Asia there are: • A 140km high-speed rail link between Jakarta and Bandung in Java. Work came to a halt after Indonesia decided in March to restrict

		foreigners from entering the country, preventing Chinese labourers reaching the line's construction sites; • Thailand has rescheduled its deadlines for a high-speed railway planned to connect with the line presently being built in Laos (cf. GCR) (11 May). **Hong-Kong** Hong Kong's construction industry was already weakening prior to the Covid-19 outbreak, with output contracting by 9.3% in 2019. The situation worsened amid the crisis and renewed tensions with China. The US government's trade war with China and the removal of Hong Kong's special status are expected to decrease investment in industrial construction (cf. Construction Europe) (14 September). The Hong Kong Buildings Department reported that no construction was started on new projects in the first two months of this year, the first time since records started in 2002. Hong Kong's construction industry was expected to contract 3% in 2020, making it the fourth consecutive year of decline (22 May). Hong Kong's government has announced a one-off subsidy to help construction companies to pay long-term casual employees during the pandemic. The new support follows the award of more than HK$3.1bn in subsidies that had been disbursed under the two earlier rounds of the Anti-epidemic Fund to about 310,000 construction workers and about 10,000 construction-related enterprises (12 June).
Japan	**Post-Corona Initiatives** The Japan International Cooperation Agency (JICA) launched a research project entitled "International Cooperation in the Post-Corona World". In this context, JICA's President discussed on September 15 initiatives of a "Post-corona World" with the President of the International University of Japan. It was discussed how strengths of Japanese companies and society could be used to rebuild a post-corona world in a better way. During the discussion it was pointed to the relevance and the replicability of the Japanese model in other countries that are trying to build a resilient, sustainable and inclusive society after the corona crisis.	On May 14, the Ministry of Land, Infrastructure and Transport (MLIT) has published "The Guideline for measures on the prevention of COVID-19 infectious diseases in the construction industry" (only Japanese version available). **Halt and resuming of works** As of May 11, 2020, most major construction companies have resumed work at construction sites that have been closed since April due to COVID-19 outbreak. Major Japanese construction contractors Kajima Corporation, Obayashi Corporation and Taisei Corporation have all revealed that they plan to halt construction nationwide until early May in response to the expanded state of

	A main pillar of JICA's project will be to foster international cooperation. Other examples of JICA's initiative in this sense are: • Project NINJA (Next Innovation with Japan): Ninja will target startups and organizations from 19 African countries. The application is open for startups/organizations in all sectors with a specific focus on emerging businesses in COVID-19-related fields (the construction sector is not explicitly among these fields); • Several ODA Loan Agreements contributing to COVID-19 crisis response; • Promotion of international cooperation in the health sector: JICA led a debate on how to mobilize funds for international cooperation in the field of public health. Turning to the international situation under the current COVID-19 crisis, it was pointed out that, in addition to the absence of leaders promoting international cooperation to cope with the pandemic, China's actions have made international cooperation difficult. He emphasized that, in this situation, Japan should make an international contribution by disseminating the Japanese model of public health and by exercising its influence in international organizations (cf. JICA). **Economic growth forecast** Japan's unprecedentedly high level of public debt is projected to rise further due to the large-scale fiscal boost. This entails a key risk according to the OECD: a loss of confidence in Japan's fiscal sustainability could destabilize the financial sector and the real economy, with large negative spillovers for the world economy. GDP is projected to decline by 6% in 2020 in the single-hit scenario. (cf. OECD). The economy was already weakened, and it is estimated that it will enter recession in 2020. The first two support plans of the Japanese	emergency called by the Japanese Government over the COVID-19 pandemic. Kajima, which has about 700 construction sites across the country, said some projects may go ahead as usual if they are urgent (20 April). As of April 17, 2020, some of major construction companies (Shimizu Corp., Nishimatsu Const., Tokyu Const., Obayashi Corp. and Toda Corp.) have decided to suspend construction at each contractor's discretion after consultation with employers or clients. As of April 8, 2020, construction sites in Japan could basically be continued in spite of the state of emergency as long as they keep avoiding the 3Cs (closed spaces, crowded places, and close-contact setting).

	Government are considered insufficient and a new recovery plan of up to 10% of GDP is expected (cf. MEDEFI). **Lockdown and recovery measures** On May 26, the Government lifted the lockdown declaration in Hokkaido, Tokyo, Saitama, Chiba and Kanagawa prefectures, thus removing the last restrictions. The Government had already cleared the declaration in three prefectures (Osaka, Hyogo and Kyoto) last Thursday. On May 14, the government had decided to lift the state of emergency in all but eight of the national prefectures (eight prefectures: Hokkaido, Tokyo, Chiba, Saitama, Kanagawa, Osaka, Hyogo and Kyoto). As of April 16, 2020, the declaration of state of emergency is effective in all 47 prefectures across the country to prevent the further spread of the Covid-19. As of April 7, the state of emergency has only been declared in Tokyo and six other regions (Saitama, Kanagawa, Chiba, Osaka, Hyogo and Fukuoka). The declaration, which became effective the same day, will remain valid until at least May 6. Even under the state of emergency, prefectural governors do not have the legal power to enforce extremely restrictive actions. In April, Japan provided an additional US$100 million contribution to the IMF's Catastrophe Containment and Relief Trust as immediately available resources to support the Fund's capacity to provide grant-based debt service relief for the poorest and most vulnerable countries to combat COVID-19. In order to provide emergency financing for broader emerging markets and developing countries, on April 16, Japan announced that it is aiming at doubling its contribution to the Poverty Reduction and Growth Trust from the current SDR 3.6 billion. Japan will make available the first SDR 1.8 billion immediately. Japan calls on other member countries to	

	follow quickly, and Japan will match an additional SDR 1.8 billion with their contributions (30 April). The Japanese Government has expanded its subsidy program to provide companies with additional financial support to secure the employment and incomes of their workers. In addition, there are other measures, such as interest-free loans and subsidies, and a safety net guarantee scheme, to help workers address the financial constraints of the health crisis (21 April). The Government announced basic measures for the emergency: • 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	According to the IMF, downward revisions of economic growth are substantial, estimated at 3.5 percentage points in the case of Korea which however appears to have managed to slow the spread of the coronavirus while minimizing prolonged production shutdowns (15 April). The National Tax Service announced an extension of the deadline to report and pay corporate tax for companies suffering from new coronavirus infection and an early VAT refund. 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.	The government's extensive tracing and testing method has played a role in limiting the spread of the virus, but while the industry performed better than expected, the total value of construction orders received declined by 11.8% during the first four months of the year (cf. Construction Europe) (14 July). *Webinar by the French Chamber of Commerce in Korea on Korea's tracking strategy (including data privacy) in response to the Covid-19 crisis. The MOLIT (Ministry of Land, Infrastructure and Transportation) participated in this response through a "Smart Management System" previously developed in the framework of their Smart City program.* *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).*
Singapore	Singapore entered a recession in the second quarter of this year after its economy shrank 41.2% in the three months to July from the	Fifty-eight new asymptomatic cases of Covid-19 have been linked to a cluster at a huge workers' dormitory in Singapore, highlighting the challenges facing

	previous quarter, owing to measures to halt the spread of Covid-19. In the second quarter, manufacturing in Singapore shrank 23.1% and services shrank 37.7% (14 July). After first appearing to have brought the coronavirus under control on its shores, Singapore faced a fresh crisis, with cases soaring almost exclusively among foreign workers. The health ministry reported a total of 11,178 cases on 23 April, up from 3,700 last week on 15 April, a rise of 202% (23 April). A nationwide lockdown had been announced (6 April).	authorities as they try to restart construction safely. Most of the cases were detected through the city state's compulsory Rostered Routine Testing (RRT) regime, in which all foreign workers must have a swab test every 14 days. Singapore experienced a late surge in coronavirus cases, but it was predominantly among its 387,000 foreign workers in the construction, marine and process sectors, many of whom live in dormitories. According to the state's Building Construction Authority (BCA), the Ministry of Manpower has issued stay-home notices to around 4,800 workers as it tries to sort infected workers from those who are uninfected or recovered. The Government faces an extra challenge getting construction and other companies to register with the RRT testing regime. In order to go back to work, workers must have had a swab test in the last 14 days (cf. GCR) (24 August). <u>Construction nearly stopped altogether, shrinking 95.6% quarter on quarter, far more than any other sector</u>. Taking a longer view, the country's economy shrank by 12.6% year on year in the second quarter, with construction shrinking 54.7% year on year, according to advance estimates from the Ministry of Trade and Industry released on Tuesday. Trade and Industry Minister Chan Chun Sing said the figures were expected given the unprecedented lockdown measures that were in place from 7 April to 1 June and the pandemic's disruptions to the global economy (cf. GCR) (14 July). Most worksites stayed closed apart from some essential activities aimed to secure the safety measures on sites or to enable social distancing infrastructure. However, ahead of the <u>gradual resumption of construction in Singapore starting 2 June, the government has said it will pay for construction workers to be tested for Covid-19 until August</u>, giving some temporary relief to contractors. Workers can only return to site if they have been tested negative for Covid-19 and, upon return, they must be tested every two weeks. On 2 June, small-scale residential work could resume. That means renovations on residential units that do not require building plan submission, and construction of single dwelling landed properties. The Building and Construction Authority said other types of construction can start later, without specifying a date.

		Companies restarting work must comply with new safety criteria. Workers must download a contact-tracing app by 1 June, or when their companies apply to resume works. Employers must also establish a system to track the daily health status of workers, and to manage workers' social interactions on rest days (cf. Global Construction Review) (29 May). From 20 April, 180,000 foreign construction workers were ordered to stay home until 4 May to halt transmission of coronavirus on sites. The Government is racing to build temporary accommodation both to decant uninfected men from the crowded dorms, where social distancing has been described as "impossible", and to house those who have fallen ill. Among these initiatives is a "mega temporary structure" going up at Tanjong Pagar Terminal supposed to house 15,000 workers. Singapore's early success in managing the Covid-19 pandemic is under threat from a sharp rise in cases in foreign-worker dormitories, leading to six more such facilities being locked down (15 April). The Ministry of Health (MOH) first locked down two dormitories, housing 20,000 workers – many of whom work in construction (5 April).
ASEAN	**Economic growth forecast** According to ADB, economic activity in Southeast Asia is expected to contract by 2.7% this year before growing by 5.2% in 2021. Contractions are forecast in key economies as containment measures affect domestic consumption and investment, including Indonesia (-1.0%), the Philippines (-3.8%), and Thailand (-6.5%). Vietnam is forecast to grow 4.1% in 2020. While that is 0.7 percentage points lower than ADB's April estimates, it is the fastest growth expected in Southeast Asia (18 June). 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. China is ASEAN's biggest external trade partner and investor. In 2018, it had a share of 17.1% to ASEAN's total trade and contributed 6.5% to ASEAN's total FDI	Even before the pandemic, construction in South and Southeast Asia had slowed, led by a deceleration in real estate markets across many of the countries, including India. Prior to the outbreak of Covid-19, the region was expected to regain some of its growth momentum in 2020 to post an expansion of 6%. With growing disruption in the area, however, the industry is now expected to contract by 4.3%. Beside India, there were signs of weakness in Malaysia, Vietnam and Thailand, particularly in the real estate segment (cf. Construction Europe) (14 September). **Malaysia** Malaysian unions call on Government and employers to do more to protect workers. For many workers simple hygiene advice is not practicable, especially for migrant workers, who live in closed quarters and cannot afford to access safety materials or hygienic supplies. More must be done to ensure that COVID-19 does not spread amongst those communities. The unions have also been

inflows. ASEAN's supply chains are also heavily integrated with China's manufacturing sector. Other countries significantly affected by the outbreak, including the US and the EU, are also among ASEAN's largest trade and investment partners (cf. OECD).

Support measures

According to the OECD, most Southeast Asian countries have room for active monetary and fiscal policies. Nearly all countries eased their monetary policy stances. Some authorities intervened multiple times within one month - by cutting their benchmark interest rates, lowering required reserve ratio, setting up funds to facilitate lending to affected firms, temporary suspensions of loan principal/interest repayments, exclusion of loans related to the Covid-19 from the calculation of the non-performing loan ratio or the lowering of bank charges. Many countries also unveiled fiscal stimulus packages aimed at supporting businesses and households. The composition of the packages varied by country, but included financial subsidies, tax deferral and exemption as well as increases in direct spending. According to MEDEF, 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.

Country focus

ADB has approved a US$1.5 billion loan to help the **Philippines** and **Indonesian government** fund its novel coronavirus disease (COVID-19) response program and strengthen the country's health care system (24 April). Now, the Asian Infrastructure Investment Bank (AIIB) and the Asian Development Bank (ADB) have offered the Philippines US$750 million in loans. Money will be used to boost the country's testing capacity and cushion the economic impact of the virus on workers and small to medium size enterprises (SME). The move comes as the IMF estimates that lockdown measures will cut among those that have called for the Government to recognize COVID-19 as an occupational disease to better protect workers' safety (27 April).

Philippines

According to Global Data estimates, the construction sector's output in the Philippines will grow 1.2%, rather than the 8% expected before the pandemic. The Philippines declared a strict lockdown some 11 weeks ago. This is now beginning to be relaxed, with construction work in safer areas allowed to resume on 15 May. However, restrictions on nonessential work remain in Manila, which has suffered about 66% of the archipelago's infections and 72% of its deaths (cf. Construction Europe) (29 May).

Philippine worker unions call for faster and better aid to workers amid lockdown extension. They called on the Government to augment and expedite aid to workers after an extended lockdown lasting until 15 May was imposed on key areas in Luzon. The unions said that most workers have not received the government's promised aid, with the Government admitting that only 49% of the target beneficiaries were provided with minimal aid. The unions also expressed their disappointment over the Covid Adjustment Measures Program (CAMP), a financial assistance program for workers, which was abruptly abandoned due to lack of funds (cf. BWI) (27 April).

Vietnam

According to Fitch Solutions, Vietnam is set for a sustained building boom beyond Covid-19. The market for new buildings in Vietnam's will grow on average 7.2% a year between 2021 and 2029 thanks to rapid urbanisation and an influx of foreign investment. The coronavirus pandemic might lead to further shifting of production lines away from China, with Vietnam likely to benefit. Fitch forecasts that at 7.2% year-on-year growth, the construction of buildings will outpace annual growth in infrastructure construction, itself a healthy 5.7%. Vietnam's ambitious investment in infrastructure is said to keep sharpening its competitive edge over regional peers like Bangladesh, India, and Cambodia. A number of industrial parks established across the country have attracted foreign investors with a mixture of tax incentives, lower operating costs and access to nearby roads and ports (cf. GCR) (13 May).

	six percentage points from the Philippines' GDP this year, bringing it to less than 1% (29 May). **Malaysia and Indonesia** each surpassed the bar of 4,800 confirmed cases, while the **Philippines** has counted over 5,200 (14 April). Lockdown measures have been implemented (Malaysia, Indonesia: 16-18 March). **Thailand** The Asian Development Bank (ADB) is providing a US$1.5 billion loan to support the Government of Thailand's response to the coronavirus disease pandemic. ADB forecast Thailand's economy to contract by 6.5% in 2020, down from its December 2019 projection of 3.0% growth. Given the country's strong regional trade, investment, and labor links, an economic crisis in Thailand could spill over into neighboring countries, including Cambodia, the Lao People's Democratic Republic, Myanmar, and Viet Nam (4 August). Thailand's GDP growth has slowed in recent years, falling from 4.2% in 2018 to 2.4% in 2019 (cf. GCR) (11 June).	**Thailand** Thailand's government is reported to be planning on increasing spending on road and rail projects when the country's fiscal year begins in October in a bid to boost an economy that has been hit by a Covid-19 related decrease in exports and tourism. The financing will be a combination of the ministry's annual budget allocation from the central government, revenue from state enterprises and income from various funds. The transport budget in the new fiscal year will be around 232 billion baht (US$7.4 billion), up about 32% from the current period. Thailand's economy saw its biggest annual contraction in 22 years and a record quarterly fall in the April-June period as it fell 12.2% in the second quarter compared to the same quarter in 2019 (cf. Construction Europe) (26 August). Covid-19 will cause Thailand's construction sector to shrink by 3.6% in 2020, the country's first contraction since 2017, risk and research company Fitch Solutions has predicted. Thailand's lockdown began on 26 March. It has twice been extended and is tentatively scheduled to end by 1 July. Construction has been allowed to continue, but according to Fitch Thailand's curfew has reduced working hours, and the closing of borders has cut off the flow of migrant workers from Myanmar and Cambodia. The country's construction industry was expected to increase 1.2% in 2020, but it is predicted by Fitch that this will be reversed by a 5.4% year-on-year decrease in private sector investment. Thailand's non-residential buildings sector is predicted to shrink 6.1% in 2020. However, the infrastructure sector is expected to grow 0.7%, compared with a predicted growth of 4.4%. Future infrastructure projects are expected to cushion the decline of the sector overall (cf. GCR) (11 June).
South Asia	Hit hard by COVID-19, South Asia is forecast to contract by 3.0% in 2020, compared to 4.1% growth predicted in April. Growth prospects for 2021 are revised down to 4.9% from 6.0%. India's economy is forecast to contract by 4.0% in fiscal year (FY) 2020, ending on 31 March 2021, before growing 5.0% in FY2021. **India** According to the World Bank, the Indian economy is expected to contract by 3.2% in financial year (FY) 2021. The debt to GDP ratio is	**India** Prior to the pandemic, the situation in India was expected to improve as a result of government initiatives to improve its liquidity position as well as the National Infrastructure Program. However, current circumstances are causing disruption. According to IHS Market, India's real GDP growth for fiscal year 2020-21 (ending March 2021) will contract by 6.3%. While the government is trying to unwind lockdown restrictions, major urban economic areas are still largely under strict containment measures because of rising infection rates. According to the World Bank, India's debt to GDP ratio is expected to rise from 70% in FY 2020 to more

	expected to rise from 70% in FY 2020 to more than 80% as per market consensus due to the lower revenue generation and higher expenditure. This would limit the government's ability to invest heavily in the infrastructure segment, including the National Infrastructure Pipeline (cf. Construction Europe) (8 July). The ADB approved a US$1.5 billion loan to the Government of India to help fund its response to the novel coronavirus disease (28 April). The ADB has approved an additional $3 million grant to India from its Asia Pacific Disaster Response Fund (APDRF) to further support the government's emergency response to the coronavirus disease (COVID-19) pandemic. The grant is financed by the Government of Japan (28 July). The Indian Government has extended its COVID-19 lockdown by two weeks starting 4 May due to the increasing number of COVID-19 cases in the country. This has given rise to a number of challenges, especially for workers in the informal sector (3 May). In March, exports fell by 34.6% and imports by 28.7%. However, the fall in oil prices was beneficial as India is a net importer. The rupee has depreciated by around 8% since January (cf. Crédit Agricole) (30 April). According to Mc Kinsey, in the past six weeks, India's economy has functioned at 49 to 57% of its full activity level (7 May). As of May 7, there were over 50,000 coronavirus cases in India and over 1,700 deaths, according to latest health ministry figures. The lockdown in India has been extended till May 17. On 24 March, India's Prime Minister Narendra Modi announced a 21-day lockdown of the country. 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:	than 80% due to lower revenue generation and higher expenditure. This could limit the government's ability to invest in infrastructure. In India a large percentage of infrastructure projects are managed and financed by the government rather than private companies or even PPP (public-private-partnerships). With both individual states' revenues – and central government – being hit due to the lockdown it is expected that budgetary allocations for new projects will be cut (cf. Construction Europe) (14 September). The construction industry in India is set to contract by 7.5% in 2020 due to the effects of the Covid-19 crisis coupled with weakness carried over from 2019. According to data and analytics company GlobalData, the Indian construction industry had already been showing signs of weakening before the outbreak of Covid-19. The residential market was struggling due to rising unemployment, a liquidity crunch in the non-bank financial sector, and a decline in new residential projects launched across major cities. The situation was expected to improve in 2020 due to government initiatives such as improving liquidity position and expanded infrastructure investments under the National Infrastructure Program. The pandemic, however, has caused disruption in the economy, worsening unemployment amid the extended lockdown (cf. Construction Europe) (8 July). It was reported that several states (Odisha, Bihar, Madhya Pradesh and New Delhi state), responding to the COVID-19 economic slowdown, have passed laws extending working hours from the currently mandated 8 hours per day to 12 hours per day, and suspending labor laws (cf. BWI) (May 26). The coronavirus pandemic is set to cut investment in construction projects in India by between 13% and 30%, according to a report from accounting company KPMG. Gross value added (GVA) could fall by up to 34%, and employment in the sector is expected to fall by up to 25%. India's construction sector employs around 50 million people, and about US$780bn of infrastructure projects are underway, most of which have been affected by the Covid-19 outbreak. The sector is expected to be hit by falls in business and consumer confidence, disrupted supply chains and the diversion of government funds towards

	• 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. **Pakistan and Sri Lanka** Pakistan and Sri Lanka received emergency aid from the China Development Bank and will probably require even more international aid. The IMF approved the disbursement of US$1.386 billion under the Rapid Financing Instrument to address the economic impact of the Covid-19 shock in Pakistan (16 April). The Asian Development Bank (ADB) and the Government of Pakistan also signed a loan agreement for a US$300 million emergency assistance loan to help strengthen Pakistan's public health response to the coronavirus disease. In April, ADB reallocated US$30 million from the National Disaster Risk Management Project (NDTMF) and the NDRMF allocated an additional US$20 million from earned interest from the Endowment Fund capitalized under the project. The Government of Norway has also contributed US$5.28 million grant to strengthen the emergency response system in Khyber Pakhtunkhwa province amid the COVID-19 crisis (5 June).	healthcare management. According to GCR, KPMG also foresees a rise in costs. It is expected that the wages of skilled workers will rise by between 20% and 25%, and those for semi-skilled and unskilled workers will rise by 10% and 15%. It is estimated that projects that have not yet begun would likely be delayed by between two and three months. The Indian government could lessen the impact on construction by cutting interest rates and setting up an emergency fund to ensure the survival of projects that are nearing completion (11 May). Construction output in India will decline by 1.7% in 2020 due to the impact of the Covid-19 pandemic, according to data and analytics company GlobalData. It is estimated however, that the industry will recover and continue to be supported by investments in infrastructure projects. The weakness lies mainly in the real estate sector being compounded by rising unemployment, declining remittances and a liquidity crunch with thousands of SMEs facing closures. (7 May). The Indian Ministry of Finance has recently issued a clarification to all central Government Ministries that any disruption caused in supply chains due to the spread of Coronavirus will be considered as a 'natural calamity' under extent Force Majeure clauses. This may also give a relief to various institutions and industries working in close partnership with the Government. This has been rated as proactive and forthcoming step from the Government (4 May). Construction work in India has become to a standstill with the nationwide lockdown. 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). Merely power projects were seen as essential service and are allowed to operate.

		Six states (including Andhra Pradesh, Kerala, Maharashtra, and Tamil Nadu, which account for 30% of construction activity) rely heavily on migrant construction workers from other states. Bottlenecks in the return of migrants would affect building activity in such states (7 May).
NORTH AMERICA		
Canada	Canada will provide more than C$19 billion (US$13.99 billion) to help provinces and territories safely restart their economies and boost the resiliency of the country to possible future waves of the virus. The funds will be made available during the next six to eight months to address Canada's priorities agreed to through the Safe Restart Agreement as the country plans to restart its economy (cf. IATR) (21 July). Annual output is projected to shrink by 8% if recovery is uninterrupted. The rebound will not be dynamic enough for output to attain pre-COVID-19 levels by the end of 2021. The rate of unemployment will still be high (cf. OECD). The closure of businesses, the enforced stay-at-home measures and the resulting surge in unemployment levels could see real GDP plunging by as much as 6.2% in Canada (18 May). Federal economic measures for companies in effect for 12 weeks, until June 6: • Workers can access the "work-sharing" program (employees agree to reduce their working hours and receive Employment Insurance benefits as income support); • Introduction of a wage subsidy for firms in difficulty (of all sizes and in all sectors). Subsidy of 75%of the wage bill. Companies will have to justify a 30% loss of revenue; • Flexibility for the payment of taxes: until August 31 for the payment of corporate taxes and until June 30 for GST and customs import duties.	Transit is one of the priority areas that the federal investment will support through a joint funding source with provinces and territories. The federal government explained municipalities are on the front lines of a safe restart of the economy and will need to put in place appropriate precautions to minimize the spread of COVID-19 and manage public spaces and critical services, like public transit (cf. IATR) (21 July). Canada is projected to see the steepest decline in construction output (7%) owed in part to the collapse in global oil prices (18 May). Toronto is to take advantage of reduced traffic volumes by accelerating as many key construction projects as possible. Maintenance to renew ageing infrastructure will also be continuing during the Covid-19 pandemic, as too will improvements to some facilities. The city will undertake construction on more than 550 streets across Toronto, including resurfacing 147 local roads, and upgrading sewers beneath more than 100 streets to protect basements from flooding (5 May). Ontario, Canada is extending hours for essential construction projects, such as those in the health care sector, to 24 hours a day due to the crisis caused by the coronavirus pandemic. To date, work has been ongoing at Canadian construction sites that are in compliance with government safety guidelines. 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. **Québec** The construction and aluminum industries will have to stop the work on construction sites. However, CSD Construction has indicated that 'certain sites

	More economic federal measures summarized by CCI France. The land border between the United States and Canada is closed for all non-essential journeys. **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.	considered 'essential' could remain in operation" and that details are still expected from the Minister of Labour.
United States	The Trump administration is planning to extend restrictions barring non-essential travel across the Mexican and Canadian borders until at least late August as coronavirus cases and deaths continue to spike in the U.S. and Mexico. Coronavirus cases in the U.S. are still rising rapidly as the nation has seen more than 3.4 million confirmed infections and more than 135,000 deaths. Mexico is experiencing a similar trajectory (cf. IATR) (15 July). As COVID-19 continues to surge across America, states like Arizona, Florida, and Texas are rolling back their reopening plans; in the absence of a national roadmap for reopening (cf. Brookings). With over 3.5 million infections and nearly 140,000 deaths, the United States is continuing to struggle with an effective response to the COVID-19 pandemic (20 July). **Economic forecast** The Congressional Budget Office (a non-partisan body) published its forecasts for the US economy: The GDP would drop by 5.6% for the year 2020. The rate of unemployment would be 9.5% at the end of the year. The deficit would reach 18% of GDP by late 2020 and the	**Recovery** Federal officials have charged five small contractors with fraud related to loans obtained from a key COVID-19 small business rescue program, and more charges are likely as investigators dig deeper into the financial records of companies that took the funds. It has been reported that 57 defendants in all industries had been charged, and attorneys will follow-up to root out fraud by recipients of some of the US$500 billion distributed so far (cf. ENR) (17 September). ENR was reporting previously on a Florida roofer who allegedly spent nearly US$700,000 in federal Paycheck Protection Program money to buy a 40-ft-long pleasure boat. The latter is the latest of four individuals with construction-related businesses ensnared in fraud charges related to the COVID-19 small business rescue program, federal prosecutors say (8 September). Commercial aviation has suffered some of the worst blows of the Covid-19 pandemic, and yet, many US airport construction projects are ongoing. The Salt Lake City International Airport, for example, is about to open its US$4.1 billion facility on 15 September, starting with a new terminal and its first concourse. Construction has spanned six years and was preceded by approximately two decades of planning. On the bright side, the dramatic drop in passenger numbers has allowed Salt Lake airport officials to bump up the next phase of the airport's

debt would pass from 79% of GDP in 2019 to 101% by the end of 2020 (cf. MEDEF) (29 April).
U.S. recovery is most vulnerable, given that as a region Latin America will decline by 7% or more this year - and that 14% of U.S. GDP comes from exports.

- **First quarter**

GDP contracted by 5% in the first quarter. With unemployment remaining high, inflation is projected to stay low (cf. OECD).

- **March**

According to MEDEF, activity fell by 6.7% in March, the largest drop in 60 years. The Congressional Budget Office estimates that the U.S. budget deficit will explode this year from US$1 trillion to US$2.6 trillion, or 12% of GDP (21 April).

- **Second quarter**

According to MEDEF, Q2 2020 would mark an 11.2% drop in GDP, leaving an annual decline of 5.6% in December 2020 (compared to 2019). Over the year, business investment would fall by 15.8% and consumer spending by 4.1% (28 May).

Unemployment

Unemployment is expected to remain above 8% by the end of the year. In the longer term, a study from the University of Chicago estimates that 40% of the jobs lost as a result of the pandemic are unlikely to return directly to their previous form and will be subject to a process of economic reallocation - which would mechanically lengthen the period of exit from the crisis. Three states (Michigan, Nevada and Hawaii) have been particularly hard hit with unemployment rates above 20% (cf. MEDEF) (28 May).

construction by two years — now on track to save about US$300 million, according to reports. Instead of having to operate both the new and old airport as previously planned, the lower demand will allow all operations to move into the new facility by the end of October and pave the way for demolition of the old airport to begin sooner (14 September).

In the US, private sector construction data is being collected in order to help contractors make better decisions during the pandemic. With the coronavirus still spreading, varying levels of economic restrictions in place, and with national elections approaching, contractors are looking for signs of how demand for projects will vary by region and type of structure. Equally important are the prospects for supply-chain disruptions, materials prices, and availability of employees, subcontractors and government workers needed to approve projects.
Private sector construction data is helping to cope with these uncertainties. The data is coming from multiple sources, public and private, and is giving contractors more immediate insights into the state of the industry and how covid-19 is impacting demand and operations. Available data includes public statistics from sources like the federal Bureau of Labor Statistics, the U.S. Census Bureau, the Federal Reserve's "Beige Book," and other surveys. Survey results collected and analyzed by organizations like the Associated General Contractors of America are also supplementing the data. These surveys offer contractors an opportunity to gauge their peers' expectations for labor needs, outlook for the coming year, how federal measures like the Paycheck Protection Program are impacting construction employment and what kinds of technologies firms are using to become more efficient. There are also softwares used that track hours worked, and project financial transactions provides weekly insight into levels of construction activity by market, project type or size of firm, for example. Information collected from sources such as drones, construction cameras and other sensors, and on-site documentation allows the industry to track how construction practices are evolving to address covid-safety protocols and other changes.
This new private sector construction data from firms like Procore, OxBlue, Smartvid.io, Multivista, and others is expanding the granularity and specificity of

- **May**

The US Department of Labor announced a significant decline in the unemployment rate to 13.3% (5 June).

- **April**

According to information from MEDEF, the unemployment rate for April reached 14.7% (only accounting for those unemployed who have actively looked for work in the past four weeks). Economic analysts have all abandoned the idea of a "V-shaped recovery" in the US economy. The recovery could last several quarters or even years. Dismissals are now replacing the former technical unemployment measures in different sectors. The aeronautics sector is particularly impacted: Boeing is going to lay off 10% of its workforce (i.e. around 16,000 jobs) which impacts all subcontractors (14 May). The unemployment rate was at a 50-year low of 3.5% as recently as February. More jobs were lost in March and April of this year than had been created in the previous nine years (cf. FED) (21 May).
The retail and construction sectors have also been massively dismissing workers. The sharp economic downturn caused by the pandemic has led to the loss of at least a quarter of the U.S. economy (29%) according to Moody's Analytics. As of April 17, almost 22 million unemployment claims were registered in four weeks (cf. MEDEF) (17 April).

FED's Economic Measures

Fed rates (currently 0.7%) should be maintained over a long period, according to the policy followed after the 2008 crisis (rates close to zero and then gradually increased to 2%) (cf. MEDEF) (28 May).

Financial conditions since the middle of March have eased. The easing of financial conditions is considered by the FED to be, in part, a direct consequence of the actions of the FED itself with (from March 15 on): the creation of nine new credit facilities to support

data available to construction industry leaders. These companies are committing to working together to help validate their respective insights and provide the industry with near-real-time information.
In May, Procore began publishing data-driven insights on recent construction jobsite activity in the U.S. compared to pre-covid-19 levels. Looking at similar benchmarks, OxBlue publishes a regular state-by-state and national construction activity report using its artificial intelligence (AI) tools, and Smartvid.io has been publishing national covid-19 benchmarks for social distancing and mask wearing behaviors for workers by region in a covid-19 safety compliance report since the end of June. Multivista began reporting on the shifting usage patterns for its online construction documentation platform as they have seen clients increasingly rely on remote-based management workflow processes.
Combined with already available public data and survey analyses from associations and other groups, the new information is giving executives access to greater insight into current market conditions (cf. ENR) (26 August).

A new survey conducted by the US Chamber of Commerce suggests commercial construction is positioned well for recovery post pandemic with eight in ten contractors (83%) expecting revenue to increase or remain the same in the next year. According to the published results, very few contractors (16%) express high confidence in the market's ability to provide new business opportunities in the next 12 months. However, despite the negative effects of the current crisis, there are some areas of construction that could see an uptick, including telecommunications and distribution.
Despite Covid-19 shutdowns, 60% of contractors report having at least six months of backlog projects. More than eight in ten (83%) say their revenue will increase or remain about the same in the next year. And three in four contractors say they have moderate or high confidence that the next year will bring sufficient new business opportunities.

Economic forecast for construction

US housing continues to grow despite the increasingly dark economic landscape as single-family and multi-family starts posted solid gains in July, according to a

	the flow of credit to households and companies, the robust expansion of the existing foreign exchange swap arrangements with major foreign central banks, and the establishment of a new FIMA (Foreign and International Monetary Authorities) Repo Facility with potential eligibility for a broad range of countries. Whether this easing proves to be durable will depend importantly on the course that the coronavirus contagion takes and the duration of the downturn that it causes. At a minimum, the easing of financial conditions is buying some time until the economy can begin to recover, growth resumes, and unemployment begins to fall (21 May). According to MEDEF, the Fed is starting to buy corporate debt. These operations are supported by US$37.5 billion in Treasury funds intended to guarantee the Fed against possible losses (14 May). FED related policy actions: One significant coronavirus-induced change in global financial markets has been the convergence of G10 rates. Countries already at or below zero kept rates on hold, while others – Australia, the UK and US in particular – dropped to meet them at the zero-lower bound. For the corporate bond market, the most significant implication of this trend is the collapse of dollar hedging costs, which have fallen off a cliff compared to where they were a year ago. In view of low government bond yields across the developed world, this should be positive for the US corporate bond market. Buoyed by the Fed, some sectors of the market represent an opportunity to pick up yield. However, this will probably enhance the growing bifurcations in the corporate bond market, with foreign investors likely to stay away from the high-yield segment for longer (cf. OMFIF) (28 April). Federal Reserve: New Loan Financing Program for SMEs and the United States municipalities by an additional US$2,300 billion (cf. MEDEF).	report from the US Housing and Urban Development and Commerce Department. Total housing production was up 22.6% to a seasonally adjusted annual rate of 1.50 million units, reflecting the highest production rate since February. According to the National Association of Home Builders (NAHB), the market is being buoyed by historically low interest rates, a focus on the importance of housing and a shift to the suburbs as more buyers are seeking homes in suburban communities, and more affordable low-density markets (20 August). However, construction output is expected to drop by 6.6% in 2020, the equivalent of US$122.4 billion, due to the rapid decline in demand for new projects and safety regulations related to the Covid-19 pandemic. According to data and analytics company Global Data, the latest forecast is down sharply from the previously expected rise of 0.6% (US$12 billion) prior to the outbreak (cf. Construction Europe) (18 May). • **May** Amid the economic turmoil caused by COVID-19, overall construction spending reached US$1.356 billion in May, seasonally adjusted, according to a report released by the U.S. Dept. of Commerce on July 1. The figure is 2.1% below April's revised estimate of $1.386 billion but 0.3% higher than the May 2019 estimate of $1.353 billion (cf. ENR) (2 July). • **April** US home building plunged in April to the lowest level in five years, as a result of the economic fallout from the Covid-19 pandemic. The US Commerce Department stated that groundbreakings plummeted 30.2% last month. That is the lowest level since February 2015. No region was spared, however, the coasts took the biggest hit. Housing starts dropped 43.6% in the Northeast, 14.9% in the Midwest, 26% in the South and 43.4% in the West. The construction slump is likely to continue. Building permits for new housing dropped 20.8% (cf. Construction Europe) (21 May). • **March**

Government Support

After weeks of stalled negotiations over the next round of federal coronavirus aid, a bipartisan group of 50 House lawmakers has prepared a new proposal designed to bring together Washington's divided factions and restart negotiations ahead of the November election.

- The proposal includes another round of US$1,200 direct payments to individuals - a provision that Democrats, some Republicans and the White House all support;
- It would provide again the Paycheck Protection Program for small businesses with another US$95 billion;
- It would revive federal supplemental unemployment benefits at a level of US$450 per week for eight weeks;
- It would also allocate another US$500 billion to state and local governments — a major priority for Democrats, who originally asked for US$1 trillion in new aid — on top of the US$130 billion remaining from the CARES Act;
- There's also US$100 billion for virus testing and tracing and public health, US$25 billion for mortgage and rental assistance, US$130 billion for schools, US$15 billion for the Postal Service, and US$400 million for elections;
- The plan would also extend the deadline for the 2020 Census and include expanded protections for workers along with liability protections for businesses and schools.

It's likely that the proposal will face strong opposition in the Republican-led Senate. The Senate has been adamant that the price tag of any new package should not exceed US$1 trillion, the size of the original HEALS Act proposal released in July. The original proposal from Democrats, on the other hand, was worth US$3.4 trillion (cf. Forbes) (15 September).

Now, Democrats in the U.S. House of Representatives are readying a new, scaled-down package of coronavirus aid that would include assistance to airlines, restaurants and small businesses. Congressional Republicans said the chances of a deal before

The first impacts of the pandemic on US construction spending showed up in the US Census Bureau's data for March, showing that although total spending increased 0.9% at a seasonally adjusted annual rate from February, and 4.7% from March 2019, the increase was concentrated in the volatile residential improvements segment, which jumped by US$17 billion (10%) over the month, according to a report from Associated General Contractors of America (AGC). All other categories - public, private nonresidential and new residential construction - slipped by a combined 0.5% for the month. Public construction spending increased 0.7% for the month. The largest public segment, highway and street construction, jumped 4.6% and 5.5%, respectively, helped by mild winter weather and an acceleration of projects in states that allowed contractors to close more lanes or work longer hours as traffic declined. Transportation structures slipped by -0.4% due to a 2.8% monthly drop in transit construction as transit systems experienced huge drops in ridership. In contrast, public spending on other land, air and water transportation increased by 0.4% for the month (cf. Construction Europe) (7 May).

- **February to March**

Total construction starts in the US declined by 5% from February to March to a seasonally adjusted annual rate of US$746.9 billion, with the full impact of Covid-19 still to emerge (cf. Dodge Data & Analytics). In March, non-residential building starts fell 9% from February, while residential building dropped 11%. Non-building construction jumped 14% in March due to the start of several large electric power facilities (14 April).

The road transport sector has entered the crisis. It is particularly vulnerable because mainly made up of SMEs (90% of hauliers have less than six trucks). Demand contracted by 68% in the first half of April (cf. MEDEF) (24 April).

Unemployment in construction

Construction employment rose from May to June in 31 states and the District of Columbia (DC) but slipped in 18 others. Associated General Contractors of America (AGC) has warned the gains may have stalled and that job losses will resume without federal funding.

Election Day remained slim. House Speaker Nancy Pelosi is now aiming for a price tag of around US$2.4 trillion, according to Democratic aides, in the range of what Speaker Pelosi has said she would be willing to accept in negotiations. The White House has indicated it could support spending as much as US$1.5 trillion, though many Senate Republicans have said they wouldn't back that level of spending. Recent economic indicators have kept up the political pressure. The pace of recovery in the job market has been positive but has slowed recently as uncertainty about the pandemic's course and related business shutdowns continued to restrain hiring (28 September).

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted in March 2020, expanded the unemployment insurance system to provide relief to those who are out of work, but some of those benefits expire on July 31 unless Congress acts before then. The total number of workers collecting unemployment benefits (often called "continuing claims") stood at 32 million, or roughly one in every five people in the labor force, during the week ending on June 27, 2020. The total includes more than 15 million people who are collecting benefits under pandemic-related expansions of the program (cf. Brookings) (20 July).

The Senate reached an agreement on a plan to boost the economy in the face of the coronavirus epidemic 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 more confirmed cases of coronavirus than any other country, with more than 85,500 positive tests.
US lawmakers continue to debate the latest coronavirus relief package with a price tag of US$3 trillion intended to assist

- New York added the most construction jobs from May to June (42,000 jobs or 14.2%);
- Massachusetts had the largest percentage increase (16.3%, 19,700 construction jobs);
- Construction employment declined from May to June in 18 states and was unchanged in Alaska;
- Louisiana lost the most construction jobs (-3,900 jobs, -3.1%);
- Nevada had the highest percentage loss (-3.5%, -3,500 jobs).

Association officials warned that recent flare-ups of coronavirus across most states mean there will soon be more project cancellations, forcing contractors to lay off workers again. They urged Congress and the Trump administration to promptly enact new infrastructure funding measures and backfill gaps that have opened in state and local government budgets, so that public construction does not decline precipitously (20 July).

The survey conducted by the US Chamber of Commerce has suggested that commercial construction industry is an important employer during the pandemic and is ready to hire more workers. One in three contractors (32%) plan to hire more workers in the next six months, while nearly half (48%) believe their workforce will stay the same. Only 15% expect to employ fewer workers (cf. Construction Europe) (24 June).

- **August**

Construction's employment growth eased modestly in August, adding 16,000 jobs from July's total, but the industry's workforce still was down by 294,000 from the year-earlier level, the Bureau of Labor Statistics (BLS) has reported. The BLS report on U.S. employment also showed that construction's August unemployment rate reflected a similar picture, improving to 7.6% from July's 8.9%. But that was still more than double the August 2019 rate of 3.6% (cf. ENR) (4 September).

- **May**

US construction employment rebounded by 464,000 jobs in May, but the total remained 596,000 below the latest peak in February and the industry's 12.7%

	Americans who've suffered economic losses as a result of the worldwide pandemic. On the week of May 18, the US House of Representatives passed what is being called the 'phase 4' stimulus bill (20 May). President's Coronavirus Guidelines for America: 15 days to slow the spread (Directions for individuals if COVID-19 symptoms appear). <u>Small Business Guidance & Loan Resources</u> • 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. 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. 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. **EXIM** The Export-Import Bank of the United States (EXIM) announced the launch of its "Strengthening American Competitiveness" initiative. The latter will focus on how EXIM can support "Made in the U.S.A."	unemployment rate was the highest for May since 2012, according to the Associated General Contractors of America (AGC). The huge pickup in construction employment in May probably reflects the industry's widespread receipt of Paycheck Protection Programme loans and the loosening of restrictions on business activity in some states. Association officials cautioned that future job losses are likely as temporary federal support programmes end, state and local officials deal with tighter budgets and private sector demand declines later this year. AGC officials said the best way to avoid the expected future construction job losses is for federal officials to boost funding for infrastructure, including highway, bridges, waterways and airports. They noted the additional funding would help cover expected state and local budget shortfalls and would help replace expected declines in private sector demand (11 June). • **April** A <u>survey by the AGC and data from construction technology firm Procore has found that 975,000 construction workers in the US lost their jobs in April 2020</u>. The AGC said the findings highlighted the need for government action to protect workers' livelihoods, maintain infrastructure funding and exempt employers from liability if an employee catches the coronavirus. The association's data found that unemployment among those with recent construction experience rose by 1.1 million over the past year, reaching 1,531,000, and that unemployment in the sector rose to 17% from 5% in April 2019. The job losses were smallest in southern states, where 29% of companies in its survey cut jobs, compared with 38% of firms in the Midwest and 45% in the West (cf. GCR) (13 May). • **March** <u>Residential construction employment decreased in March, according to the National Association of Home Builders</u> (NAHB). NAHB sent a letter (week of 13 April) to congressional leaders urging lawmakers to act immediately to ensure sufficient resources and funding are available in the US Small Business Association's Paycheck Protection Program and Economic Injury Disaster Loan Program (EIDL) to meet the needs of the nation's small businesses, including

	exports and U.S jobs. The Strengthening American Competitiveness initiative will help set the foundation for EXIM's new Program on China and Transformational Exports. Congress mandated that EXIM establish a "Program on China and Transformational Exports," and set a goal of reserving not less than 20% of EXIM's total financing authority, equal to US$27 billion, for U.S. exports that compete with China (6 May). As of May 18, there were 1.4 million confirmed cases of Covid-19 in the US, with 83,000 deaths (cf. Construction Europe). The U.S. Department of State has circulated a document proposing a major new global health security initiative called the President's Response to Outbreaks (PRO), which would consolidate international pandemic preparedness under a new State Department coordinator and establish a new central fund to fight pandemics. The initiative would initially be funded out of COVID-19 supplemental appropriations but additional funding would be needed. It is estimated that PRO would cost US$2.536 billion, which includes US$946 million that could be redirected or attributed from existing funds and US$1.59 billion in new appropriations. Officials at USAID believe that under this proposal, some global health and humanitarian funds and programs currently managed by USAID would be shifted to the State Department and to the ARO coordinator's portfolio (cf. Devex) (22 May).	those in the residential construction sector (20 April). Congress has now approved a compromise measure to inject US$310 billion into the now-empty Paycheck Protection Program (PPP) - which aims to assist financially strapped small businesses, including those in construction, engineering and building materials - with forgivable loans to help them cope with economic blows struck by the coronavirus pandemic. The PPP and Health Care Enhancement Act has gone to the White House for President Trump's expected signature (23 April). The March monthly job loss data foreshadows more layoffs amid project cancellations and state cutbacks in road projects, said the AGC. AGC called for more small-business relief and immediate aid for highway funding. The association released an analysis of new government data that showed construction employment decreased in 20 states and the District of Columbia (DC) from February to March, held steady in six states and increased in 24 states (21 April). According to an Associated Builders and Contractors (ABC) analysis of data released by the US Bureau of Labor Statistics, construction industry employment declined by 29,000 in March, the majority within the nonresidential sector with 24,600 jobless claims. The construction unemployment rate was 6.9% in March, up 1.7 percentage points from the same time one year ago (13 April). **(Requested) Measures for the construction sector (by Government/Federations)** Senate Republicans have unveiled their opening proposal to begin negotiations with Democrats on a new coronavirus relief package. The Associated General Contractors of America (AGC) praised several provisions in the proposal, announced on July 27, including protection for employers from coronavirus-related lawsuits, an expanded tax credit for companies that retain workers and another round of funding for a recalibrated Paycheck Protection Program of forgivable federal loans (cf. ENR) (27 July). US President Donald Trump has announced alterations to the National Environmental Protection Act (NEPA) in a move which he said would speed up

		the review process of major infrastructure projects. As part of the changes to the NEPA, Trump said that the review time frame will be cut down to two years or less and claimed that it would reduce approval time for highways alone by 70%. Infrastructure investment has been a key battleground between President Trump and the Democratic party, with each side making various proposals but seemingly unwilling to work together to get a Bill passed into law. Infrastructure in the US is underfunded. The NEPA was signed into law by President Richard Nixon in 1970. It requires federal agencies to be transparent and consult with the public before embarking on infrastructure projects that could impact the environment. Numerous environmental groups have voiced their opposition to Trump's plans (cf. Construction Europe) (16 July). A new report from the American Society of Civil Engineers (ASCE) has spelt out the direct impacts that Covid-19 has had on the country's infrastructure such as airports, bridges, dams, drinking water, energy, inland waterways, parks, ports, roads, schools, transit and wastewater infrastructure. It also looks at the impact on workers and offers solutions for Congress to consider in the long-term economic recovery strategy. The report notes that Covid-19 has caused a decrease in commercial water use, drivers on the road and use of public transit and airports. In addition, municipal and state budgets have had to reprioritize spending, resulting in less available support for parks, schools and other publicly owned infrastructure. Among the latest impacts are: • an estimated US$23.3bn loss in airport revenue due to a 95% decline in domestic air travel; • a projected 30% revenue decline in the next 18 months for state departments of transportation (DOTs); • approximately 17% loss in annualized revenue in the drinking water sector; • nationwide ridership declines in transit systems; The proposed solutions include that Congress should: • provide an additional US$10bn to mitigate the pandemic's growing impacts on airports; • provide US$50bn in immediate, short-term relief for state DOTs so that bridges, roads, and transit systems may remain safe and reliable;

		• pass a multi-year surface transportation reauthorization that addresses the solvency of the Highway Trust Fund; • include federal drinking water and wastewater assistance for ratepayers and provide water utilities with federal economic relief to combat revenue losses resulting from Covid-19; • streamline the permitting process, particularly to connect new sources of renewable energy to the electric grid; • include the Rebuild America's School Infrastructure Act in future economic relief packages (25 June). President Trump signed an Executive Order (EO) on "Accelerating the Nation's Economic Recovery from the COVID-19 Emergency by Expediting Infrastructure Investments and Other Activities." The EO aims to accelerate federal project development by streamlining the regulatory process, instructing the secretaries of Transportation, Army, Defense, Interior and Agriculture to use all relevant and pre-existing emergency authority to expedite projects. This emergency authority includes flexibility with National Environmental Policy Act, Endangered Species Act and Clean Water Act requirements. The EO also instructs the secretaries to make legislative suggestions related to infrastructure that will help aid economic recovery (5 June). US transportation secretary Elaine Chao has announced plans to invest more than US$900 in infrastructure through a grant programme. In total, US$906m will be awarded under the Infrastructure for Rebuilding America (Infra) scheme to 20 projects in 20 states. The plans take account of an ongoing effort to rebalance what is seen as historic underinvestment in rural America, with 53% of proposed funding being awarded to rural projects (22 June). US House Democrats have introduced a US$1.5 trillion infrastructure plan calling for a massive increase in federal funding to repair roads, bridges, and schools while expanding broadband access in rural areas. Known as the Moving Forward Act, the bill dedicates US$300 billion to build and fix roads and bridges, US$100 billion for low-income schools, and US$100 billion for transit projects — but offers no details on how the programs will be paid for, according to reports. The

		bill is set to be voted on before 4 July. Meanwhile, the Trump Administration considers its own infrastructure proposal. It also provides US$100 billion for housing, US$100 billion to expand broadband service, US$25 billion for clean drinking water and wastewater infrastructure, and US$100 billion for public housing. The Moving Forward Act is considered to be the latest attempt to invest in the nation's aging infrastructure. The House introduced a US$760 billion plan earlier this year, but it failed to gain traction (cf. Construction Europe) (19 June). However, the White House stands in opposition to US House Democrats' US$1.5 trillion infrastructure plan, citing concerns over how it would be funded. The Democratic-controlled House of Representatives has voted the proposal on July 1st advancing the legislation over a probable near-uniform Republican opposition and sending it to near-certain death in the Senate. The White House said the House plan was "not a serious proposal," noting it "significantly favored" urban areas over rural America and that the measure appeared to be "entirely debt-financed." Congress faces a 30 September deadline to reauthorize surface transportation spending. Trump and Democratic leaders agreed to spend US$2 trillion on infrastructure in April 2019, but never hashed out how to pay for it. Whether Congress will pass any significant funding boost ahead of the November presidential election remains in question (30 June). US businesses are banding together in an appeal to Congress for temporary and targeted liability relief legislation related to the Covid-19 pandemic. The US Chamber of Commerce drafted a coalition letter sent to lawmakers asking for what it considers crucial protections to safeguard businesses among others, from unfair lawsuits. Among the more than 200 organizations that have signed the letter are Associated Builders and Contractors, Associated General Contractors of America, Associated Equipment Distributors, Associated Equipment Manufacturers and the American Rental Association. Liability legislation has not been included in the relief packages introduced or passed so far. The US Senate has continued to work towards legislation that would establish liability protection for businesses from Covid-19 lawsuits as more states start to reopen businesses and essential work continues throughout the country (cf. Construction Europe) (28 May).

		The US construction industry has been struggling amid confusing government guidelines and a drastic drop in demand, prompting organizations such as Associated General Contractors of America (AGC) to advocate for greater government assistance. More would need to be done, including safe harbor language to protect firms from limitless litigation. On the positive side, the measures include some needed relief for state highway programs that have been hammered by declining gas tax revenue amid broad economic lockdown measures and an expansion of the employee retention tax credit that will benefit construction firms that have worked to retain employees. The bill also includes measures to help construction firms working on federal projects cope with schedule delays and other impacts related to the coronavirus. The bill, however, fails to include any safe harbor language to protect firms that are safeguarding workers and the public from the coronavirus from limitless litigation. The proposed expansion of the unemployment supplement through January 31 will make it more challenging for firms to rehire employees once demand begins to rebound (cf. Construction Europe) (20 May). New guidance from the Trump administration clarifies that US construction firms with 500 or fewer employees and that meet small business size standards qualify for new Paycheck Protection Program loans that are part of the recently implemented CARES Act for coronavirus relief. PPP loans are intended to help companies avoid layoffs. The US government will forgive the loans if the employer maintains head count and salary levels. The AGC reported it raised concerns over the original guidance which appeared to exclude many firms from the program (8 April). Latest analysis by AGC has found that 40% of US construction firms have reported lay-offs amid widespread project cancellations (14 April). Emphasizing the critical need for contractors to fully implement the latest coronavirus-related safety measures at all jobsites, AGC staged a national safety stand down April 9. According to AGC, nearly 500 contractors and more than 31,000 workers participated in the stand down. Read the safety protocols by AGC.

		The American Road and Transportation Builders Association (ARTBA) published its "Construction Industry Safety Coalition Recommendations: COVID-19 Exposure Prevention, Preparedness, and Response Plan for Construction" which describes for employees and employers how to prevent worker exposure to coronavirus, protective measures to be taken on the jobsite, personal protective equipment and work practice controls to be used, cleaning and disinfecting procedures, and what to do if a worker becomes sick (Spanish version available). The recently enacted CARES Act provides unemployment benefits to independent contractors (3 April). AGC said conditions for contractors had deteriorated rapidly 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). The NAHB has welcomed the designation of housing as an essential business, allowing many firms to keep working during the coronavirus crisis. AGC has also welcomed the new Department of Homeland Security guidance expanding the list of construction work that can continue during coronavirus-related stoppages. 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 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). 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. But there's a crucial caveat about the spending. 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). U.S. Vice President Mike Pence asked construction companies to donate any extra N95 respirator masks to local hospitals and to stop ordering more for the time being (17 March). AGC joined a host of other business groups in calling on Congress to enact a number of tax-related measures to safeguard companies, 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. **State-by-State Coronavirus Construction Status Updates** **Download the State by State Coronavirus status updates interactive map (cf. ENR)** • New York Gov. announced all nonessential businesses (those that rely on in-office personnel) must have no more than 25% of their employees working outside their homes, implying the exclusion of construction. Project teams in New York City may be fined up to US$10,000 if found working on non-essential or non-emergency construction - or if workers on projects that are allowed to continue don't practice social distancing. Construction projects in New Jersey and major areas of New York state are now reopening, with firms continuing to practice distancing and other measures (15 May). Transportation projects continued in New York state as they were considered essential construction;

		• 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; • California: Multiple cases of Covid-19 reported among construction workers in California prompted public health officials to urge contractors to follow social distancing protocols. The construction company notified the county's public health department and closed the site at the request of the county until further notice. Nine more construction sites in the county have had at least one confirmed case. After an initial shutdown, construction in the county could resume on May 4 (15 June). Business groups were worried about California Gov. Gavin Newsom's May 6 executive order that says workers who contract COVID-19 on the job may be eligible to receive workers' compensation. The order allows any claim to presume that the worker contracted the virus on the job but gives employers the chance to rebut. The California Chamber of Commerce opposed the presumption in the order, saying it could drive up costs for businesses already struggling during the pandemic. The Associated General Contractors of California also opposed the presumption but notes that it can be rebutted by the employer (13 May); • Boston has become the first US city to shut down all municipal construction projects 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 Pennsylvania Department of Transportation suspended all its construction projects in the state as a result of the pandemic. Projects will be on hold until further notice (17 March). Pennsylvania has called for all construction sites to reopen from 1 May, providing workers wear face masks and stay six feet apart (27 April). Washington state is taking a similar approach. • Illinois, Ohio, Indiana, Michigan and Wisconsin ordered various degrees of exemption so that construction work can continue.

MIDDLE EAST		
Egypt	Egypt's economy will slow sharply this year because of the impact of the coronavirus, but will avoid a recession, according to the EBRD. The latest edition of the EBRD Regional Economic Prospects report sees growth in Egypt in 2020 of 0.5%, compared with 5.6% in 2019. It predicts a rebound to 5.2% in 2021 (13 May). The Executive Board of the IMF approved Egypt's request for emergency financial assistance of US$ 2.772 billion to meet the balance of payments needs stemming from the outbreak of the COVID-19 (11 May). The Central Bank of Egypt (CBE) has cut interest rates by 3%. The rates are the lowest since early 2016. On March 17, the government has taken steps to support the industry by reducing the price of natural gas provided to industries. Electricity prices were also lowered for heavy industry. For exporters, Egypt is providing 1 billion Egyptian pounds (about US$63 million) in March and April to help cover some of the dues they pay into a government fund for their benefit. The Tax Authority is postponing the date for presenting personal tax filings and it is also postponing the payment of property taxes on factories and tourist facilities for three months (cf. Grimaldi Alliance).	According to European contractors, there have been suspensions 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.
Israel	Israel announced new restrictions on July 17 in response to a new surge in coronavirus cases, including weekend closures of many businesses and limiting restaurants to takeout and delivery. The government announced the restrictions after Prime Minister Benjamin Netanyahu said "interim steps" were needed to avoid another general lockdown (17 July). The closure of the borders was accompanied by "emergency legislation". In times of crisis, the Israeli government is allowed to take exceptional measures without being subject to the control of	It has been announced that COVID-19 will not be declared as *force majeure*. The building sector is especially affected because of the lack in demand and freezing of mortgages. The construction sector and housing market were still functioning during the pandemic. The sector was designated as essential industry thereby allowing the continuation of work in active construction sites: • It was estimated that 70% of sites were operational although there were sporadic returns of workers to Palestine as they were unsure about their

	the Knesset. A decree has been issued authorizing the Internal Security Services (Shabak) to collect the mobile phone location data of infected persons. The data are then forwarded to the government, which then warns people who have been in contact with infected people to isolate themselves. 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 now reaches 25%. It was 4% before the coronavirus crisis. The economic measures are: • 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 working with reduced staff and businesses that have been forced to close temporarily; • 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.	medical coverage as well as other issues. There were 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; • 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	Among the Gulf countries, Saudi Arabia is the Arab Gulf country most affected by the pandemic, with more than 39,000 cases of infection and 246 deaths, according to the latest official figures (as of 11 May). As of April 13, it had 4,934 cases and 65 deaths. Despite its strong financial reserves, the Saudi kingdom's fiscal balance is heavily dependent on oil exports, which account for two-thirds of the country's revenues. In the context of drastically sinking oil prices, Saudi Arabia announced a ceasefire in Yemen.	Saudi Arabia increased its VAT (value-added tax) rate from 5% to 15% on July 1, 2020, to boost revenue and revive its oil-dependent economy. The move comes just two years after Saudi Arabia first introduced its VAT system. Saudi Arabia has also put in place a “localization program” that might affect international contractors: the In-Kingdom Total Value Add (IKTVA) policy favors local sources of materials and labor to help accelerate the diversification of its economy away from oil and gas and to develop skilled jobs for Saudi citizens. There would be the possibility of a ripple effect across the Gulf Cooperation

	The "Saudi Arabia 2030" plan to diversify its economy in order to make it less dependent on oil exports has not been issued yet. Saudi Arabia announced an austerity plan to triple the value added tax and end monthly allowances to its citizens in response to the historic drop in oil prices and the Covid-19 pandemic. The Government estimates that it could lose half of its oil-related tax revenues, which provide 70% of the total envelope. Saudi Arabia plans to borrow nearly US$ 60 billion (€ 55 billion) over the year to finance its budget deficit. In April, the IMF projected a 2.3% contraction in GDP in 2020 (cf. La Tribune) (11 May). The government announced US$32 billion fiscal stimulus to support the economy. 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.	Council (GCC) member states that could introduce VAT systems, particularly the United Arab Emirates and Bahrain. Kuwait and Oman are likely to be the next GCC members to introduce VAT systems (cf. ENR) (20 August). According to the World Bank, the outlook for 2020 remains very weak in the wake of COVID-19 and oil supply shocks. Medium-term fiscal balances are estimated to continue in deficit - risking the ability in realizing Vision 2030 fiscal targets and infrastructure delivery targets without severe delays. The Government announced that it is "cancelling, staggering or postponing" spending on major development projects designed to modernize the economy and make it less dependent on oil exports (11 May). According to European contractors, some works were allowed to be continued. According to the Saudi Arabian Home Secretary, maintenance and operation works, plumbing, electricity and air conditioning services, water delivery services and sanitation tank services were not subject to the restrictions (April).
UAE	The UAE's Ministry of Human Resources and Emiratisation (Mohre) has considered the stoppage of labour exchange relationships with countries that are not responding to repatriation requests amid the ongoing Covid-19 pandemic. The ministry's decision came after numerous countries did not respond to temporary repatriation requests by their UAE-residing citizens (15 April). 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. The Central Bank of the UAE said the package includes: • 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;	Dubai's Department of Finance had ordered a 50% cut in capital spending and asked to delay new government construction projects as the coronavirus pandemic affects state revenues. Existing contracts will be reviewed. The finance department order also requires that ongoing construction projects are value engineered and do not encounter cost overruns. While construction is one of the sectors exempted from the emirate's 24-hour restrictions on outdoor movement, contractors are concerned that onsite works will slow down (14 April). Some slowdown in construction projects according to PIARC: • 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. The construction industry in the United Arab Emirates (UAE) is continuing as 'usual' despite the impact of Coronavirus.

	• The package is intended to support banks and businesses during the Coronavirus crisis for up to six months.	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.
Middle East and North Africa (MENA)		
	Countries in the MENA region have traditionally depended on the tourism industry to survive. Massive cancellations of trips and tourist services as a result of Covid-19 have had a disastrous effect on the various economies, most notably in Egypt, where as much as 12% of the GDP comes from tourism. Regarding the oil market, there would be some hope for recovery. Providing some scope for further gains in oil prices, OPEC+ has agreed to cut output by 9.6 million barrels a day from July. Any member that does not comply with 100% of its curbs in May and June committed itself to make extra cuts from July to September to compensate (cf. Construction Europe) (22 June). The latest predictions from the IMF indicated that almost every economy across the MENA region is forecast to contract this year. Egypt is the only country expected to post any growth, at 2%, which is much lower than the 5.6% expansion seen in 2019. According to the IMF's World Economic Outlook (April 2020): Oil exporters are generally expected far worse than oil importers in 2020. While those selling oil are expected to suffer a 3.9% contraction in their economies, those which rely on imports are forecast to see a decline of 0.8%. Across the MENA region, the decline is set to be 3.3%, some 5.9 percentage points lower than forecast by the IMF in its World Economic Outlook in January. These figures assume that the lockdown conditions that governments have imposed will peak in the second quarter of this year and start to be reversed in the second half (cf. Construction Europe) (5 June).	The MENA region, beleaguered by the Covid-19 pandemic crisis as well as an oil market in turmoil, will see a -2.2% contraction of construction output this year, down from -1.4% previously forecasted. For perspective, GlobalData forecast 2020 construction output growth at 4.6% as recently as the fourth quarter of 2019 (cf. Construction Europe) (22 June).
AFRICA		
	The sudden realisation of the need to reduce dependence on global supply chains makes the effective implementation and associated	The spread of COVID-19 has also affected the thinking on the future landscape of Africa's infrastructure. While the impact from the current experience in Africa

	infrastructure development of the African Continental Free Trade Area (AfCFTA) to accelerate intracontinental integration even more compelling. The AfCFTA will constitute the world's largest free trade area in terms of number of participating countries. The objective of AfCFTA is to foster intra-continental trade, which accounted for only 17% of African exports in 2017, compared to 59% in Asia (UNCTAD). To date, 30 of the 54 countries have ratified the instruments, which were supposed to enable trading under AfCFTA from 1 July 2020; however due to COVID-19, the starting date has been postponed (cf. OECD). **Possible economic impacts on sub-Saharan Africa (cf. IMF):** 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 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	continues to be measured and analyzed, it has already highlighted the importance of accessible ICT, energy and water infrastructure, as well as the need to design transport infrastructure with possible pandemics in mind. In particular, the recognition of the viability of teleworking and on-line education could also alter the choices in urban planning as well as urban-rural linkages. By June 2020, 10 African countries had reformed digital policies to facilitate teleworking and e-education, digital cash transfers, and company loans (cf. OECD). Debt relief (cf. OMFIF): While there are no official estimates for debt owed to China specifically, Africa's total debt load is US$583bn, with the Johns Hopkins' China Africa Research Initiative estimating more than one-fifth of this to be to Chinese lenders. Much of the money was used to finance transport and energy infrastructure projects. African officials report that Beijing is demanding strategic assets as collateral for debt restructuring (24 April). Contractors across Africa look to China for construction materials. 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. The continent exposure to China in the current COVID-19 health crisis will have a negative impact on short-term growth particularly in Nigeria, Ghana, Angola, Congo, Equatorial Guinea, Zambia, Gabon and South Africa, according to the rating agency Fitch. In the context of the BRI, a dip in BRI-related activity in Africa due to Covid-19 can be expected. This dip in activity could possibly be attributed to the Chinese government re-evaluating its planned investment in Africa. There is a risk that this could lead to China reducing or even cancelling planned investments in less critical markets, at least in the short term. The impact of Covid-19 will be detrimental to African construction and infrastructure sectors, but project delays are expected to be mostly short term as the BRI is considered a long-term project with an anticipated completion date by 2049 (cf. Herbert Smith Freehills LLP).

	trillion in 2020 and these figures could reach US$2.1 trillion in 2020 under the worst-case scenario. The IMF 2020 outlook for sub-Saharan Africa is now considerably worse than was anticipated in April and subject to much uncertainty. Economic activity this year is now projected to contract by some 3.2%, reflecting a weaker external environment and weaker measures to contain the COVID-19 outbreak. Growth is projected to recover to 3.4% in 2021. The efforts to support the African economy have been constrained by falling revenues and limited fiscal space (24 July). **West Africa** Prior to the COVID-19 pandemic, the West Africa region was poised to expand by 4% in 2020. Under a conservative baseline scenario, the economy is now projected to contract by -2% in the region (cf. African Development Bank) (22 July). According to the United Nations Economic Commission for Africa (UNECA), the Covid-19 should drop Africa's growth from 3.2% to 1.8%. The drop in Chinese growth could lead to recession in African countries where the economic relations with China are important. China is the first economic partner of the African continent. Asymmetrical exposure to Chinese demand makes Angola, Zambia, Ethiopia, Namibia, Rwanda, Kenya and Cameroon particularly vulnerable to a prolonged period of disruption in the supply chain. **Central Bank measures** On 25 March, the Bank of Central African States (BEAC) indicated that, in order to help sustain local financial markets, it would make available to banks operating in the CEMAC zone a liquidity package of FCFA 500 million (approx. US$ 829 million) to finance the needs of economic operators affected by COVID-19 (cf. Herbert Smith Freehills).	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:** • Algeria: According to the Director General of Housing at the Ministry of Housing, City Planning and Urban Development, the construction sector has been strongly impacted by the sanitary containment measures with more than 24,000 building companies at a standstill. At the beginning of the year, it was planned to hand over more than 450,000 housing units to their beneficiaries, but the operation was hampered by the Covid-19 pandemic, which forced companies, particularly in the large wilayas, to shut down their building sites and put their workers on forced leave. Many of these sites will not be able to resume their activities before the first quarter of 2021 (cf. La Quinzaine d'Algérie) (15 May); • Benin: Worksites remained open; • Burkina Faso: Sites remained open despite the declared state of health emergency and quarantine of some contaminated towns (including Ouaga and Bobo), borders were open only for freight; • Burundi: Sites remain open, border to Tanzania only open to freight transport; • Cameroun: Sites remained open, the CEMAC corridor theoretically open for the transfer of goods; • Congo/Gabon: Worksites remained open; • Ethiopia: Construction sites have been closed. According to a World Bank survey on COVID-19 impacts on the private sector, the shock of the pandemic would affect all sectors except construction. • Ghana: For worksites to stay open and work to be carried out, contractors needed an official authorization;

	The BCEAO (the Central Bank for the WAEMU area) announced on 20 March 2020 the adoption of a series of incentives to maintain the attractiveness of the zone including: • increasing banks' resources in order to increase the financing of the economy; • broadening the scope of the mechanisms available to banks to access Central Bank refinancing; • implementing an adapted framework for loan repayments by companies encountering difficulties as a consequence of the pandemic; • supplying local banks with a sufficient quantity and quality of banknotes to enable them to ensure the satisfactory operation of ATMs (cf. Herbert Smith Freehills). 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. **Reported cases** As of April 13, over 7,800 cases of COVID-19 have been confirmed across 43 countries in the region. As of April 21, the five countries in Africa with the highest cumulative number of cases (proportion of reported cases in Africa) are Egypt (14%), South Africa (14%), Morocco (13%), Algeria (12%) and Cameroon (5%). When population is taken into consideration, Djibouti, Mauritius, Cabo	• Guinea: Worksites remained open, isolation of Conakry from the rest of the country; • Ivory-Coast: Some operations were gradually coming to a halt and companies were sending their expats back home, but some worksites also stayed open; • Kenya: Worksites remained open but 50% of the worksites operated in reduced mode. No issues with supplies. Specialists from foreign sub-contractors were unable to fly in due to non-availability of flights and closure of borders. All public and private businesses were asked to work from home as much as possible; • Madagascar: Worksites remained open but 88% of worksites operated in reduced mode; • Mali: Worksites remained open; • Morocco: Works continued but a suspension could not be excluded. Construction sites continued to progress, but in degraded mode. Work had 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 requested to postpone the works. A state of health emergency had been declared, with national containment and border closures; • Niger: Worksites remained open, 33% of worksites operated in reduced mode; • Senegal: Despite the lockdown, worksites stayed open and work was carried on; • Chad: Worksites remained open but 50% operated in reduced mode because of cement shortage (among others); • Tanzania: Reduced work on site, mainly work from home for office staff. No issues with supplies. Specialists from foreign sub-contractors were unable to fly in due to non-availability of flights. However, no protective measures are issued on national level; • Togo: Worksites remained open but suffer supply issues because of the closure of main transport routes;

	Verde, Seychelles, Morocco, Tunisia, Algeria, Equatorial Guinea, and South Africa are reporting the most cases per 100,000 population within the continent. According to the African Union, there had been a 31% increase in cases reported between 14-21 April. **State-by State Overview:** • On 23 March, states of emergency were declared in Senegal and Ivory-Coast (until 15 May 2020); • Algeria has established partial containment measures. As an oil producing country, it is now struggling with the severe drop in oil prices. It extended its lockdown until May 30. Algeria will not have recourse to external debt or non-conventional financing. The government excludes an aid from the IMF or the World Bank as it fears that their debt levels might undermine national sovereignty (15 May); • Angola: State of emergency extended until May 10; • Botswana banned entry to non-citizens and non-residents travelling from 17 high risk countries; • Burundi: The Executive Board of the International Monetary Fund (IMF) approved a grant under the IMF's Catastrophe Containment and Relief Trust (CCRT) to cover Burundi's debt service falling due to the IMF from July 21, 2020 to October 13, 2020, the equivalent of US$ 7.63 million (SDR 5.48); • Cameroon: Inflation reaches 2.6% in the first quarter of 2020. An inflation rate of 3% over the year is forecasted. The IMF approved a disbursement under the Rapid Credit Facility (RCF) of US$ 226 million to support the authorities in addressing the balance of payment needs stemming from the COVID-19 pandemic and the terms of trade shocks from the sharp fall in oil prices (4 May); • Chad: On 25 April, the President declared a national health emergency for 21 days. The declaration of a state of health emergency empowers the ministers concerned to take all	• Uganda: Worksites were closed. Country was on lockdown. No issues with supplies. Specialists from foreign sub-contractors were unable to fly in due to non-availability of flights and the closure of the airport. • In general, contractors tried to keep their worksites open and to continue with their works as long as this was compatible with local law. They also equipped their workers with hydroalcoholic gel and masks to that effect. Besides, the authorities imposed restrictions on transport which prevented the transport of workers and consequently led to the gradual halt of construction sites.

	measures to prevent the spread of the pandemic. IMF Executive Board Approves an Additional US$68.49 Million Disbursement for Chad and Notes Cancellation of its Extended Credit Facility (ECF) Arrangement (22 July); • Ethiopia: On 8 April 2020 the parliament approved a 5-month state of emergency and stay-at-home order. The IMF approved US$411 million emergency assistance for Ethiopia under the Rapid Financing Instrument. The country will also benefit from IMF debt service relief under the Catastrophe Containment and Relief Trust (30 April). • Ghana: Lockdown has been partially lifted on April 20. Ghana has also begun using drones, supplied by the USA, to make long distance deliveries between rural areas and laboratories in Accra and Kumasi, thereby enabling the country to carry out tests far beyond its major cities; • Kenya blocked entry to all non-citizens and non-residents travelling from countries with COVID-19 cases. Its economic growth has been divided by two. Total lockdown has been ruled out for the time being for fear that this would leave people without food. 21-day extension of the curfew and cessation of movement that was due to end at midnight on 27 April. The IMF approved the disbursement of US$739 million to be drawn under the RCF in response to COVID-19 (6 May); • Kinshasa (Congo) lockdown implying the temporary stop of most of the activities. The IMF approved the disbursement of US$363.27 million under the RCF to help meet urgent balance of payments stemming from the COVID-19 pandemic (22 April); • Madagascar: IMF approved a disbursement under the RCF equivalent to SDR 122.2 million (about US$165.99 million) to help meet the urgent balance of payment needs stemming from the outbreak of COVID-19 (3 April);	

	• Morocco: On 24 March, Morocco declared a state of health emergency. EBRD provided an €145 million financing facility to the Bank of Africa - BMCE Group. This is the first investment to be delivered under the EBRD's coronavirus Resilience Framework (loan for on-lending to corporations and SMEs and facilitate export and import transactions) (22 April). Morocco's economy will decline by 2% in 2020 because of the economic impact of the coronavirus, but a 4% rebound is expected in 2021, according to the EBRD (13 May). Exports fell by 61.5% in the first four months of 2020 due to a contraction in sales in the automotive, aeronautics, electronics and textile industries. This was worsened by the halt in tourist activity. The country would be losing up to 1 billion dirhams (US$100 million) a day due to the lockdown. The two-month quarantine is expected to result in a 6-point loss of GDP growth for the national economy by 2020. Morocco will be soliciting new loans from bilateral and multilateral lenders after using a US$3 billion precautionary and liquidity line offered by the IMF (cf. North Africa Post); • Mozambique: The IMF approved a disbursement under the RCF of US$309 million to help meet urgent balance of payment and fiscal needs stemming from the COVID-19 pandemic (24 April); • 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). The IMF approved US$3.4 billion in emergency financial assistance under the Rapid Financing Instrument to support the economic impact of the COVID-19 and the sharp fall in oil prices (28 April); • The World Bank and IMF determined that Somalia has taken the necessary steps 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 were 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. The IMF approved emergency financing of US$745 million (2% of GDP) under its Rapid Financing Instrument (RFI) (10 April); • Zimbabwe: 21-day lockdown (since 30 March), suspension of international commercial flights.	
South-Africa	South Africa's economy suffered a significant contraction during April, May and June, when the country operated under widespread lockdown restrictions in response to COVID-19. Gross domestic product (GDP) fell by just over 16% between the first and second quarters of 2020, giving an annualized growth rate of -51%. This contraction dwarfs the annualized slowdown of 6,1% recorded in the first quarter of 2009 during the global financial crisis. Historical data from 1960, sourced from the South African Reserve Bank, show that the second quarter of 2020 experienced the biggest fall in GDP since that year (cf. stats SA) (8 September). The country has entered into a recession. It has been downgraded by S&P Global, Moody's and Fitch and the country's credit rating is now at "junk status", while the currency continues to weaken (30 April). The South African government is set to gradually ease the economy back into activity as announced on 23 April. The country has been	Data released by Statistics South Africa has shown that South Africa's construction sector contracted by 33.4% in the second quarter of 2020 as a result of the Covid-19 pandemic. This is a decline of 76% on an annualized basis for construction. The South African economy as a whole saw its Gross Domestic Product (GDP) decline by an annualized 51% in the second quarter of 2020, its fourth consecutive economic decline recorded. While many sectors were badly impacted construction suffered one of the biggest losses, with the sector hit by a very strict lockdown in April which only gradually eased in May and June. South Africa's construction industry is forecasted to contract by 14.3% in 2020 (10 September). South Africa's national roads agency (Sanral) has said that it is ready to implement projects worth R30bn (€1.4bn) as part of a drive to unlock the economy. President Cyril Ramaphosa has called for both private and public sector entities to invest in and unlock 'shovel-ready' infrastructure development projects to stimulate the South African economy in the wake of the Covid-19 pandemic. He recently also hosted the Sustainable Infrastructure Development Symposium of South Africa (SIDSSA). The President's call was followed by a

	subjected to one of the world's most restrictive lockdowns for five weeks. From 1 May 2020, the lockdown will now be eased (30 April). An amended Schedule of Regulations to contain the spread of COVID-19 was published (25 March). In this context, categories of essential goods were limited to food, cleaning, hygiene, medical, fuel and other basic products. Categories of essential services were limited to support activities for manufacturing and distribution of essential goods as well as critical social services. Government has established economic measures to support businesses affected by the closure: Temporary employer/employee relief scheme, debt relief and business growth facility, etc. A Solidarity Fund was established: contributions from citizens, communities, business and international donors could 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.	commitment from the minister of transport that road infrastructure development would be a key contributor to South Africa's economic. A representative from Sanral said that there is already portfolio of 'shovel-ready' projects that would be implemented during the course of the 2020/21 financial year and beyond. In the current financial year, Sanral would have advertised 278 maintenance, operations and construction projects worth approximately R30.2 billion (€1.4 billion). So far 136 projects to value of R7.3 billion (€360 million) have been awarded. In addition, Sanral plans to roll out over 200 additional road infrastructure projects across all nine provinces of South Africa, impacting directly on economic development, job creation and economic transformation (12 August). In construction and related services, road and bridge projects, other public works civil engineering projects, and critical maintenance and repairs will commence as soon as the lockdown will be eased (from 1 May). However, all COVID-19 health and safety protocols will still have to be followed at all times. This includes the observance of guidelines for social distancing, sanitation and hygiene, and use of appropriate personal protective equipment, as determined by the National Department of Health (30 April). In view of the nationwide lockdown, some construction sites were closed. The Master Builders South-Africa point to the following measures for contractors: • 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;

		• 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. The maintenance operations of South Africa's national roads agency, Sanral, have been declared an essential service during the lockdown (31 March).
PACIFIC		
Australia	According to the IMF, downward revisions of economic growth are substantial, estimated at 9 percentage points in the case of Australia and New Zealand (15 April). The 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. 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.	The Australian construction industry is expected to contract by 5.7% in 2020, due to the twin challenges of Covid-19 and drastically low oil prices. However, the Australian government is pushing ahead with infrastructure investment in an attempt to boost the nation's economy. The Australian federal government's Infrastructure Investment Program was expected to deliver US$57.5 billion in infrastructure funding through 2026-27, including funding of the US$7.7 billion National Rail Programme and equity for other major infrastructure investments. On top of this, it has been announced to deploy AUD$1.5 billion (US$1.05 billion) extra in funding to immediately start works on priority projects identified by states and territories. The priority list includes around 150 nationally significant proposals across transport, water, energy, telecommunications and social infrastructure and identifies an AUD$60 billion (US$43 billion) pipeline of projects that have been assessed by Infrastructure Australia. Despite this, there are still fears for the health of the construction industry. Representatives from construction companies argue that the country's construction industry, which accounts for 13% of Australia's GDP and one in ten jobs, is on the brink of collapse (cf. Construction Europe) (14 September). Figures show Australian construction activity is at the lowest level since the survey began in 2005, with the fallout from Covid-19 hitting an already weak sector. Slow activity on building sites due to projects that have either been cancelled or put on hold resulted in activity, new orders and employment all

		falling at their sharpest rates on record. The worst-hit sectors were apartment building and commercial construction (5 May). According to Global Data, the Australian construction industry is expected to contract by 5.7% in 2020. Despite the official designation as an essential service during the lockdown, construction has been struggling. The Australian federal government, as well as the individual state governments, have taken investment decisions in infrastructure to offset the weaknesses in the construction industry. The federal government's 'Infrastructure Investment Program', is expected to deliver US$57.5 billion in infrastructure funding through 2026-27, including funding of the US$7.7 billion 'National Rail Program' and equity for other major infrastructure investments. The Government has also announced suspension of license fees for building contractors for one year and discounted license fees for three years. The step is expected to benefit around 200,000 tradesmen and would cost the NSW government up to US$34 million. The Victorian Government has approved four new multi-billion-dollar building projects. The South Australian state government has announced that it will fast-track new major infrastructure projects (cf. Construction Europe) (8 May). The Australian state of New South Wales (NSW) has been ramping up construction and maintenance work across its road and transport networks to keep people in jobs during the Covid-19 pandemic. The plan is intended to protect the livelihoods of more than 130,000 people directly and indirectly employed by Transport for NSW. According to the Transport and roads minister, transport infrastructure projects will be key in rebuilding the State's economy after the pandemic. 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). In many cases (including in some government contracts), the 11 March 2020 WHO declaration that COVID-19 is a pandemic will qualify as a force majeure event. 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.

		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.
New Zealand	New Zealand has ended its coronavirus lockdown rules from June 9 on, after the country recorded zero active cases. New Zealand entered lockdown on 31 March. It moved its coronavirus response from the higher Alert Level 4 to Alert Level 3 on Monday April 27. New Zealand moved the alert level to 4 from 3 (25 March) for a period of four weeks. New Zealanders not working in essential services had to stay at home and stop all interactions with others outside of their own household.	The New Zealand government is to invest in a major construction project in central Auckland to enable it to get under way this year. The financial support for the University of Auckland's Faculty of Education & Social Work will mean that the project will not be delayed as a result of the Covid-19 pandemic. Finance minister and infrastructure minister announced that the government will invest up to NZ$200m (€111m) in the project, which will create up to 750 jobs. The funding is coming from NZ$3bn (€1,6bn) set aside for infrastructure in the Covid-19 Response and Recovery Fund (17 August). The New Zealand government is to streamline consents for 11 infrastructure projects to boost jobs and aid economic recovery. The schemes will be fast-tracked under a new law to help rebuild the economy after the Covid-19 pandemic. The fast track law is a short-term intervention that will 'self-repeal' in two years (17 June). New Zealand's biggest contractor Fletcher Building has announced plans to lay off 10% of its staff, around 1,000 employees, owing to the impact of Covid-19 on the firm. Of those affected, 500 will be shed in New Zealand and 500 in Australia (21 May). Over a thousand workers have been returning to New Zealand's road and rail projects to help kick-start the post-lockdown economy. Work on New Zealand's largest infrastructure project, City Rail Link, is also resuming. The NZ Transport Agency has approved the start-up plans and construction works will restart this week on 25 of the 44 state highway projects around the country. All state highway and rail projects are expected to have works restart on May 4 (28 April). 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. New Zealand stopped all but 'essential' construction (30 March).

		The New Zealand government has published guidance for the construction sector on what will count as essential work following the forthcoming implementation of a Covid-19 'level 4' alert. Definition of an essential business for the building and construction sector was: • 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. 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.
MDBs & other international institutions		
G20	The G20 in April backed the debt relief proposal, and a group of private creditors recommend their members participate, but interest has been tepid. Of 77 countries that are eligible for such debt relief, only 22 have requested forbearance thus far. The program was intended to ease the economic impact of the pandemic on the world's poorest countries, many of which lack good health system and have high debt levels. However, the terms of the G20 debt relief also limit the amount of non-concessional debt that countries can raise during the suspension period, potentially curbing access to capital markets (cf. Reuters). Paris Club creditors supported a coordinated time-bound suspension of debt service payments for the poorest countries that request forbearance. Under this initiative, Paris Club members and the G20 have agreed a common term sheet providing the key features for this initiative. Paris Club creditors underline that all bilateral official creditors will participate in this initiative. They call on private creditors to participate in the initiative on comparable terms. Paris Club creditors ask MDBs to further explore the options for the suspension of debt service payments over the suspension period, while maintaining their current rating and low cost of funding (15 April). If private creditors will be called upon publicly to participate in the initiative, this might have an impact on contractor's payments (what impacts on running projects, impacts on the contractors' treasury, ECAs coverage etc.). G20 Leaders 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). The G-20 debt suspension has begun on May 1 and continue until the end of the year and applies to countries of the World Bank's International Development Association (IDA) or countries that meet the United Nations definitions for least developed countries. The suspension of debt payments means that these countries will have access to an additional US$20 billion over the next six months that they can use to strengthen health services and adopt economic stimulus measures. However, repayments have not been cancelled completely and countries will only owe the money later and will continue to pay interests (cf. Overseas Development Institute). Some G20 leaders also consider issuing Special Drawing Rights (SDRs) which would provide countries with additional liquidity. The United Nations Conference on Trade and Development called on the IMF to issue about US$1 trillion in special drawing rights. The G-20 discussed SDRs and how to create a mechanism that would allow high-income countries to transfer their shares to low-income countries, but it could not reach consensus, largely due to objections from the United States.
World Bank Group	To support the COVID-19 emergency programs, World Bank Group financing was significantly scaled up, reaching US$74 billion in commitments. Support to middle-income countries from the International Bank for Reconstruction and Development (IBRD) rose to US$28.5 billion in FY20, up from US$23.2 billion in the previous fiscal year. Loans and grants to the world's poorest countries from the International Development Association (IDA) were US$30.4 billion during FY20. The 19th replenishment of IDA, in December 2019, secured an US$82 billion financing package for the 74 poorest countries in the world to be deployed over a three-year period. A major share of World Bank (IBRD and IDA) financing in FY20 was dedicated to help countries fight the COVID-19 pandemic. Within this financing, between March and the end of June, the World Bank approved: • US$6.3 billion for emergency health support in 108 countries, including 33 fragile and conflict-affected countries and 22 small states; • US$3.8 billion used for innovative health projects and training; • US$2.5 billion was redirected to fight COVID-19 from the portfolio of operations under implementation (10 July). Over the next 12 months, IDA will deliver close to US$10 billion in new grants for low-income countries at higher risk of debt distress. Prime focus will be stronger resilience building including pandemic preparedness and reducing risks from climate shocks. Many IDA countries were already at high risk of debt distress before COVID-19 which is exacerbating the situation. A new debt policy in IDA19 called Sustainable Development Finance Policy will help incentivize countries to borrow sustainably and promote coordination between IDA and other creditors. The Bank Group's expanded economic program (including IFC, IDA etc.) could provide up to US$160 billion in support to client countries over the next 15 months. Additional US$80 billion will be provided by the other Multilateral Development Banks (MDBs). 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).

	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. • 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. 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 World Bank Group and the IMF call on all official bilateral creditors to suspend debt payments from IDA countries (25 March). Initially, the World Bank Group had announced an additional US$2 billion in funding to help with the COVID-19 pandemic, 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). • US$2 billion in additional funds, which was added to what had been announced previously, will come from the International Finance Corporation (IFC); • 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. 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) and US$6 billion for accelerated loan guarantees from the Multilateral Investment Guarantee Agency (MIGA).
PPIAF	The Public-Private Infrastructure Advisory Facility (PPIAF) in collaboration with the World Bank's Infrastructure Finance, PPP & Guarantees (IPG) Group, established a Rapid Response Program. Through this program, national PPP units, Ministries of Finance, sector ministries, and utilities can request short interventions of remote, targeted technical advice to undertake a fast assessment of the impact of COVID-19 on their PPP programs, including: • Stock-take of PPPs at all stages under different potential stress scenarios; • Review of PPP contractual provisions to assess potential responses to disruptions caused by COVID-19; • Identification and options assessment of associated fiscal impacts; • Presentation of options for initial review of government possible actions at the PPP project or Rapid mobilization of knowledge and resources for PPP policymakers.
IMF	The complete overview of the International Monetary Fund's (IMF) Emergency Financing and Debt Relief can be downloaded here. It is estimated by the IMF that global fiscal support amounts about US$9 trillion in total. The breakdown looks like this: direct budget support is currently estimated at US$4.4 trillion globally and additional public sector loans and equity injections, guarantees, and other quasi-fiscal operations (such as non-commercial activity of public corporations) amount to another US$4.6 trillion. The Group of Twenty advanced and emerging economies are at the forefront with actions totaling US$8 trillion.

	The IMF Fiscal Affairs Department staff published broad guidance on "greening the recovery" with 3 priorities: • Governments should prioritize investments in green technologies, clean transport, sustainable infrastructure and climate resilience. In the energy sector alone, the IMF estimates that a low-carbon transition would require US$2.3 trillion in investment every year for a decade; • Promote green finance by using green bonds. In light of the extended use of government guarantees, part of them can be deployed to mobilize private finance for green investment. And financial firms have to be mandated to better disclose climate risks in their lending and investment portfolios; • Higher carbon price is needed to encourage climate-smart investment and to accelerate the shift to cleaner fuels and more energy efficiency. The current global carbon price is only US$2 per ton, way below the levels needed to keep global warming under 2 degrees Celsius, which we estimate to be US$75 per ton (29 April). A new IMF liquidity backstop has been created in the week of April 13 called the Short-term Liquidity Line (SLL), the first addition to the IMF's financing toolkit in almost ten years. This new facility provides a reliable and renewable credit line, without ex post conditionality, to members with very strong fundamentals and policy frameworks - the same qualification criteria as another IMF facility called the Flexible Credit Line. The SLL is designed to address a special balance-of-payments need - potential, moderate, and short-term - reflected in capital account pressures following external shocks. The IMF approved immediate debt service relief to 25 of the IMF's member countries under the IMF's revamped Catastrophe Containment and Relief Trust (CCRT). The countries that will receive debt service relief today are: Afghanistan, Benin, Burkina Faso, Central African Republic, Chad, Comoros, Congo, D.R., The Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Tajikistan, Togo, and Yemen (13 April). The IMF published a set of policy recommendations that can help guide countries in the difficult days ahead (16 March).
ADB	The ADB reports that the COVID-19 pandemic has unraveled global financial markets, putting Asia's financial resilience to the test. As the economic losses associated with the pandemic are set to rise, Asian stocks have plunged and short-term portfolio flows reversed sharply in March 2020, putting local currencies under severe pressure. Amid flight to safety, global demand for the US dollar soared, risking the tightening of local financial conditions in emerging Asian economies which remain heavily exposed to US dollar funding risks. Similar patterns to that of the global financial crisis can be observed. Interbank money markets have come under severe strain due to a spike in US dollar demand during the COVID-19 pandemic. While Asian banks' exposure to US dollar funding risks rises, currency hedging mechanisms and instruments remain underdeveloped in the region. Emerging Asian economies' exposures to US dollar funding risks compound their external and financial vulnerabilities as a stronger US dollar increases the debt servicing costs of emerging market borrowers. The region's currencies have come under downward pressure, alongside tightening US dollar funding conditions. The COVID-19 outbreak put significant downward pressure on regional currencies, albeit at a lower magnitude than during the Asian financial crisis (July 2020). The global economy could suffer between $5.8 trillion and $8.8 trillion in losses—equivalent to 6.4% to 9.7% of global gross domestic product (GDP)- as a result of the novel coronavirus disease (COVID-19) pandemic, says a new report released by the Asian Development Bank (ADB).

	The report, *Updated Assessment of the Potential Economic Impact of COVID-19*, finds that economic losses in Asia and the Pacific could range from US$1.7 trillion under a short containment scenario of 3 months to US$2.5 trillion under a long containment scenario of 6 months, with the region accounting for about 30% of the overall decline in global output. The People's Republic of China (PRC) could suffer losses between US$1.1 trillion and US$1.6 trillion. ADB tripled the size of its response to the COVID-19 pandemic to US$20 billion and approved measures to streamline its operations for quicker and more flexible delivery of assistance. The package expands ADB's US$6.5 billion initial response announced on 18 March, adding US$13.5 billion in resources for countercyclical expenditure financing. The US$20 billion package includes about US$2.5 billion in concessional and grant resources (13 April). Budget support for the COVID-19 Response has been enabled by expanding the scope of the Contingent Disaster Financing tool to include health-related emergencies. The initial US$6.5 billion financial package (18 March) is for member countries responding to the impacts of the novel coronavirus pandemic: • 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. 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.
AfDB	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. 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. More than half of the AfDB bond was reported to have been allocated to central banks and official institutions. Many public asset owners including Japan's Government Pension Investment Fund, the world's largest pension fund, invested in the bond. The effort has been complemented with a US$2m grant for the World Health Organization and a US$10bn Covid-19 response facility to provide funds to governments and the private sector in regional member countries (24 April).
AIIB	The Asian Infrastructure Investment Bank (AIIB) is considering a US$250 million project to support the Indonesian government's COVID-19 response and a US$500 million project to support India's response and health system preparedness, both of which would be co-financed with other donors. The AIIB is doubling available funds under its COVID-19 Crisis Recovery Facility to provide US$5-10 billion due to high client demand. This follows AIIB's announcement to make US$5 billion available to help public and private sector clients manage through the COVID-19 pandemic (17 April). 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).
EBRD	The European Bank for Reconstruction and Development (EBRD) has launched in April 2020 its "Vital Infrastructure Support programme" (VISP). Infrastructure support programmes are also seen by the EBRD as major leverage for the economic recovery (*similar approach taken by the Inter-American Development Bank*). According to the EBRD statement, infrastructure provides short-term liquidity as well as capital investment to preserve the stable provision and green agenda of essential services: electricity, water, waste management and sanitation, and public transport. Since its launch in April, the VISP has provided financing for a range of municipal and national utilities, linking short-term crisis support with longer-term green objectives. Recently approved financing for energy utilities in Greece and Kazakhstan, for example, are directly linked to decarbonization efforts. The EBRD's programmes imply that green infrastructure investments are continuing and will be fostered despite the Covid-19 crisis. Scaling-up investments in renewable energy is a key pillar of the EBRD's strategy. In addition, the EBRD recently unveiled an ambitious plan to devote more than 50% of annual investments to the green economy by 2025. This update of the Green Economy Transition, known as GET2.1, forms part of the EBRD's overall strategy for the next five years and will become effective on condition that shareholders give approval in October (cf. OMFIF) (22 September). The European Bank for Reconstruction and Development (EBRD) will allow for local currency lending to continue to the countries where it invests. The Bank is responding to an urgent need for enterprises across its regions to access local currency financing, as the cost and risk of foreign exchange borrowing has risen against a backdrop of increasing exchange rate volatility. That vulnerability has intensified since the outbreak of the Covid-19 pandemic. Within one month, the EBRD has secured agreements with three central banks in the economies where it invests to gain access to local currency that it can use for lending to local companies (21 May). The EBRD has launched a Vital Infrastructure Support Program (23 April). The VISP initiative contains three financing tools: • The EBRD will deploy credit lines through local banks to support the continuity of infrastructure services and/or infrastructure investment programs; • Stabilization facilities for key infrastructure providers, meaning direct loans to key services providers to provide liquidity following temporary revenue losses due to Covid-19, with the aim of protecting the delivery of vital services and infrastructure; • The EBRD will provide finance to public sector clients to support vital capital expenditure that is otherwise threatened by the economic fallout of the COVID-19 crisis. The EBRD has set up a coronavirus Resilience Framework to meet the immediate short-term liquidity and working capital needs of existing clients. The Framework is a key element in the EBRD's Solidarity Package Covid-19 response and recovery program. As a first step, the EBRD unveiled a €1 billion Resilience Framework for existing clients within its initial Solidarity Package, which was approved by its shareholders on 13 March. Responding to huge demand, the EBRD plans to increase the amount available under the emergency facility.
EIB	The European Investment Bank (EIB) will mobilize up to €40 billion of financing. The proposed financing package consists of: • Dedicated guarantee schemes to banks based on existing programs 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;

	• Dedicated asset-backed securities purchasing programs to allow banks to transfer risk on portfolios of SME loans, mobilizing another €10 billion of support.
IDB	The Inter-American Development Bank (IDB), CAF – development bank of Latin America –, and FONPLATA announced the launching of their Alliance for the Integration and Development of Latin America and the Caribbean (ILAT) to provide technical and financial support to integration projects and generate knowledge and applied technology. The three banks should thus support Latin American and the Caribbean countries efforts to develop quality integration infrastructure in transparent and innovative ways. Together, the three organizations currently finance close to 100 integration projects in South American countries for a total of nearly US$10 billion. Through ILAT, the banks will be able to cooperate with Latin American and the Caribbean countries, helping them set up a prioritized portfolio of integration infrastructure projects and bolstering their project pre-investment, financing and execution efforts. In addition, the initiative will offer technical support for the development of integration programs and binational or multinational initiatives. ILAT will also promote the generation of knowledge products and digital platforms for the integration projects in order to improve their ability to measure and monitor their benefits and facilitate project identification, planning and prioritization (3 August). The Inter-American Development Bank (IDB) published a "Strategy for the prevention of COVID-19 infection in public infrastructure works" (available in Spanish only). This document provides recommendations to guide those responsible for infrastructure works, especially those financed by the IDB, so that such works can be resumed or maintained without putting workers, and indirectly their families and surrounding communities, at risk (June 2020). IDB increased resources available to countries in Latin America and the Caribbean to fight the coronavirus pandemic to US$12 billion. The sum will be programmed to countries requesting support for disease monitoring, testing and public health services.
IsDB	IsDB (Islamic Development Bank) released a response package worth up to US $2 billion which aims at: • 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; 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.
New Development Bank (NDB)	The NDB approved a COVID-19 Emergency Program Loan of US$1 billion to Brazil. The resources provided are intended to safeguard the income of about 5 million people in vulnerable situations, including informal, self-employed and unemployed workers. It intends to help vulnerable families to gain increased access to food and health-related goods which are vital for the prevention and containment of COVID-19 (22 July).