

Deloitte Economics' Coronavirus Impact Monitor

What's next for China?

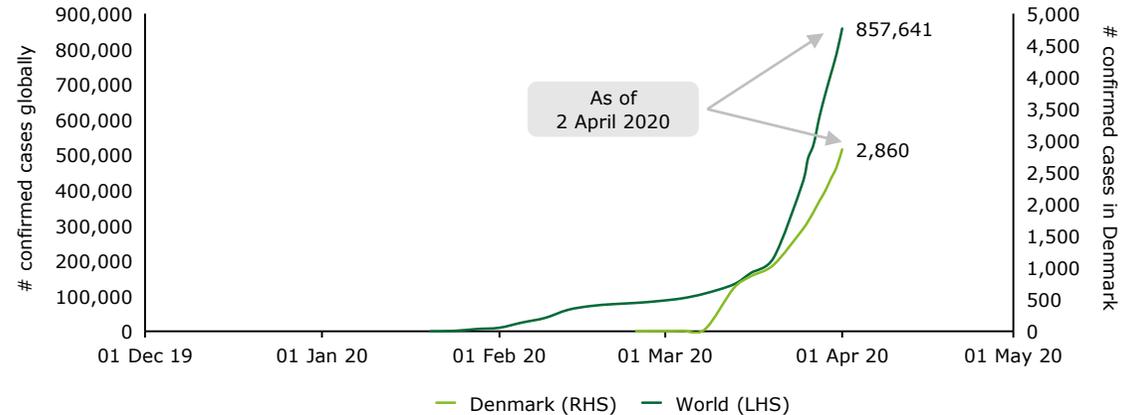
4th edition, 3 April 2020

Corona virus outbreak

The number of COVID-19 respirator patients projected to stay below capacity levels

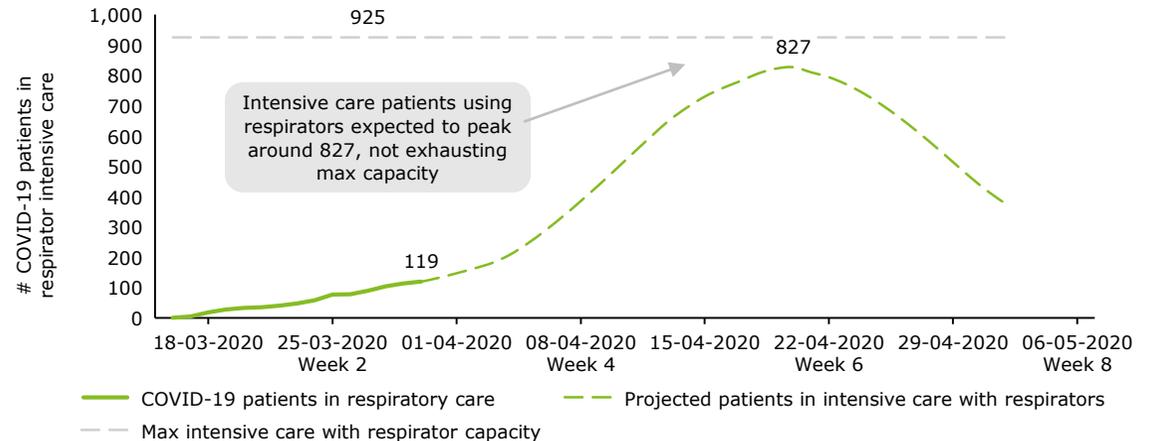
- Between 20 January 2020 and today, 2 April 2020, the number of global confirmed COVID-19 cases has risen from seven to about 858k.
- In Denmark, the number of confirmed cases has risen rapidly over the past three weeks, from only eight on 4 March 2020 to 2,860 on 2 April 2020. However, as COVID-19 testing in Denmark has been sharply reduced, the actual number of cases is almost certainly underestimated.

Confirmed COVID-19 cases: World and Denmark



- The bottom chart shows that the number of COVID-19 intensive care patients in respirator rose to 119 as of 30 March 2020. The government is monitoring this closely, as it is committed to preventing a situation where there is insufficient capacity of respirators. ~925 respirators are available for COVID-19 patients.
- The chart also shows a projection of COVID-19 patients in need of respiratory care from the Danish Health Authority. The projection is based on Italian data and suggests a peak in intensive care patients of around 827 in week 6. The number of intensive care patients is therefore not expected to breach capacity of respirators according to the Danish Health Authority.

COVID-19 intensive care patients using respirators and respirator capacity in Denmark



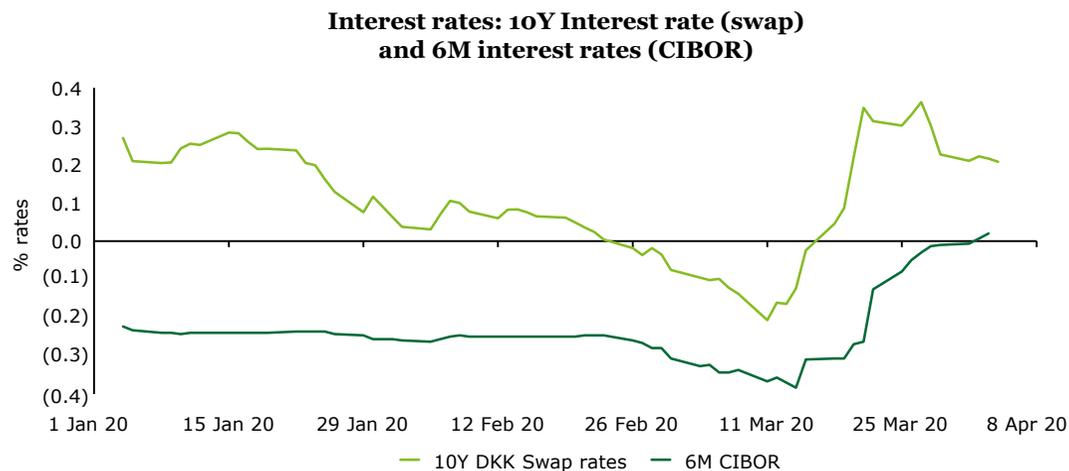
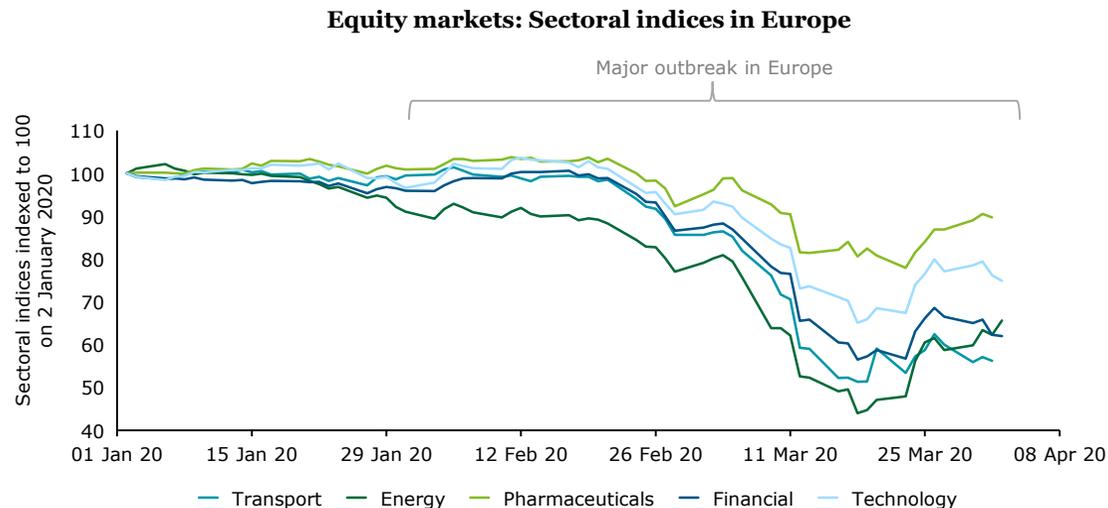
Note: Projection of COVID-19 patients in respirator from the Danish Health Authority. The projection is based on Italian experience/data.

Sources: Number of infected people taken from WHO; number of people in respiratory care: Danish Health Authority (Sundhedsstyrelsen)

Impact on financial markets

European equity markets suffering major losses from the outbreak of COVID-19, but recovery from aid packages is ongoing ...

- The outlook for increased public expenditure and central bank interventions to ease liquidity strains appears to have supported markets in recent weeks.
- European equity indices suffered material losses following the COVID-19 outbreak in Europe but have recovered from the bottom reached around mid-March.
- Especially the Transport industry, including airlines, was severely affected by the spread of the virus and related travel bans. The EURO STOXX Transport index is down by some 44% since the end of January 2020, driven by a material decline in volumes.
- The European energy sector, including oil and gas companies, has lost more than 28% since the end of January 2020. Declining energy prices have applied downward pressure on energy equities.
- Financials, including banks, have also experienced value destruction. Market concerns about increased credit losses and funding squeezes are likely drivers, but aid packages and initiatives appear to have supported this sector in recent weeks.
- Interest rates have risen from the bottom reached around 11 March 2020 on the outlook for increased public expenditure and central bank interventions.
- Equity market volatility remains elevated at levels not experienced since the global financial crisis (see appendix).



Note: 1) All indices are on a European basis: EURO STOXX Transport, Energy, Pharmaceutical, Financials, and Technology index.

Source: Thomson Reuters Eikon

Coronavirus impact monitor - 3 April 2020

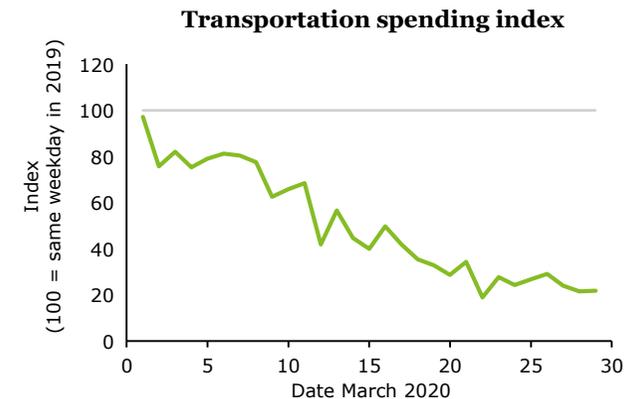
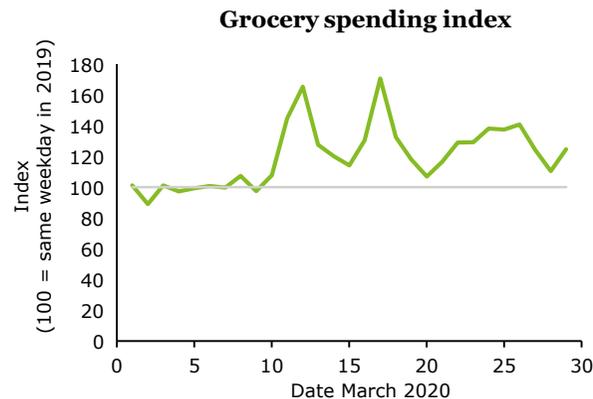
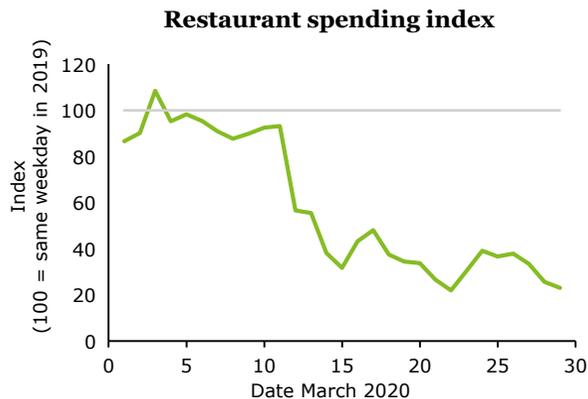
Real economic impact

Consumer spending is falling, unemployment is rising, and business sentiment points to sharp contraction in economic growth

This crisis has pushed the global and Danish economies into uncharted territory:

- Consumer spending appears to be in a sharp contraction (see charts below). Spending on restaurants is down by almost 80%, as most restaurants are open only to a limited extent. Transportation spending is stabilising at 20% of levels from last year, as most workplaces are closed. Grocery spending almost doubled on 12 and 17 March 2020, likely reflecting material stock builds. Since then, grocery spending appears to have stabilised at a level of around 20% above spending levels last year.
- However, all sectors are hit by the outbreak, and more than 40,000 Danes have lost their jobs.
- Business sentiment across the euro area deteriorated sharply in March 2020 (see chart in appendix). This deterioration points to a sharp contraction in the euro area GDP of almost 2%, deeper than the contraction experienced during the global financial crisis. The Danish Central Bank is projecting a 3%-10% decline in Danish GDP during 2020.
- During Q1 2020, M&A activity in Denmark is on track to reach the lowest level observed since 2014 (see appendix). However, M&A activity has been sliding lower during 2019; the low level of M&A activity is not only driven by the Corona outbreak.

Dramatic slowdown in consumer spending patterns in Denmark



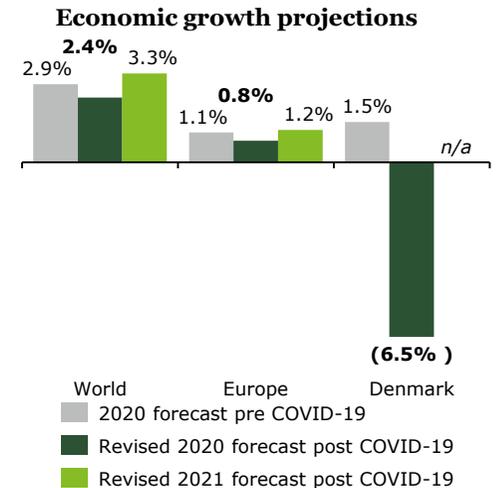
Note: Based on transactions with cards and MobilePay, Danske Bank has compiled detailed consumer spending data.

Sources: Danske Bank, Deloitte analysis

Coronavirus impact monitor - 3 April 2020

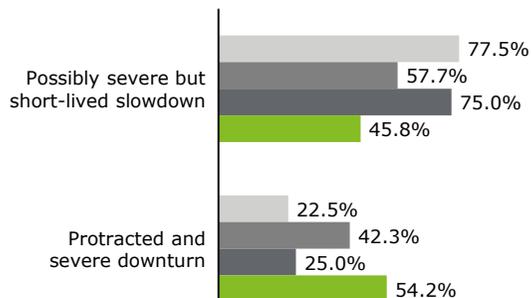
Severe slowdown of the world economy throughout 2020

- The disruption of the global supply and demand chain and financial markets translates into an adjustment of economic growth projections worldwide. According to the OECD, the global economy is expected to grow by 2.4% in 2020 instead of the initially estimated 2.9%, while European growth slows down from 1.1% to 0.8%. *Please note that the OECD has not updated its projections since our report as of 19 March 2020.*
- The Danish Central Bank estimates that the Danish GDP could contract 3%-10% in 2020.
- In the US, four years of continuous employment growth has been lost in only two weeks. During the financial crisis, the number of new unemployed peaked at 650,000 per week. Now the number is over 6.5 million. According to Danish Industry, this will lead to a decrease in Danish exports to the US by double-digit billions.
- Deloitte’s latest survey among 2,000 colleagues and clients from all over the world on 2 April 2020 reveals that the majority believes that the economy will recover at the beginning of 2021 and beyond. Confidence in the policy tools available continues to rise.

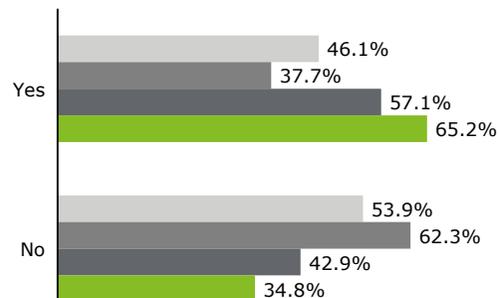


Results of Deloitte surveys

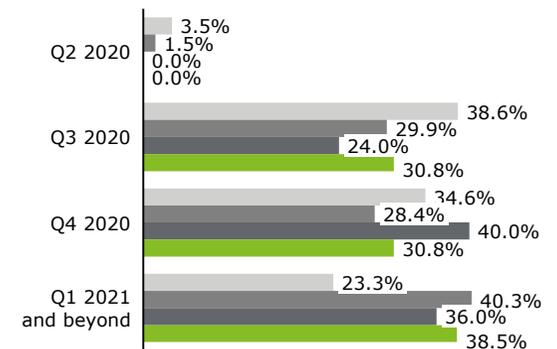
What will be the ultimate impact on economic growth of COVID-19?



Do policymakers have sufficient policy tools to cushion the economy from the COVID-19 shock?



When do you think activity will rebound in your economy?



Legend: Survey results from 12 March (light grey), Survey results from 19 March (dark grey), Survey results from 26 March (medium grey), Survey results from 2 April (green)

Note: 1) Deloitte surveys conducted on 12, 19, 26 March and 2 April 2020, involving about 2,000 colleagues and clients.

Sources: Deloitte surveys, OECD Economic outlook (November 2019), and Coronavirus update (March 2020) for global and EU figures; The Danish National Bank Coronavirus impact monitor - 3 April 2020

Update from China

Despite a rebound in economic activity, the recovery in China is challenged by dependency on markets in other countries, which are still suffering from the outbreak of COVID-19

- In China, the loss of weeks of economic activity due to quarantine measures, production halts and retail closures has resulted in a significant contraction of the economy in the first quarter of 2020. For instance, in January and February, industrial production was down by 13.5% year-on-year, retail sales down by 20.5% and fixed asset investments down by 24.5%. In the same period, unemployment increased by one percentage point. The first signs of rebound have now been observed, as the reported cases have begun to plateau, and as travel restrictions in the country are gradually being removed. However, recovery over the remainder of 2020 is challenged due to weak external demand, as the rest of the world continues to suffer from the effects of the coronavirus outbreak.
- In the latest credit opinion from 1 April 2020, Moody's forecasts the real GDP growth rate year-on-year at 3.3% in 2020, from 5.2% previously. Included is an expected recovery momentum in the second half of 2020, when consumers are expected to cautiously release pent-up demand, and capacity utilisation is expected to normalise.
- In an interview on 2 April 2020, Deloitte China's chief economist and partner, Si Tao XU, gave an update from China and shared his perspective on the outlook for the Chinese and global economy. He describes how the Chinese economy has begun to rebound and how things are slowly getting back to normal, with offices and restaurants re-opening. He characterises the Danish and Nordic aid packages as innovative and expects that they will ease the severe economic impacts of the outbreak in these countries. However, due to fundamental changes between the governance regimes in China and the Nordics, the same type of public aid might be difficult to implement in China. He also expects a recovery of the Chinese economy at the end of 2020 and foresees that this will lead to expectations that China will pull the global economy in the right direction. However, this is a big ask, as China also relies on external demand. He concludes by describing how the outbreak has clarified under-investments in the health care system and expects a significant upscale. Also, he highlights how the crisis has uncovered significant differences in the quality of local and central governments.
- Listen to the interview [here](#) and see key messages below.

Key messages from Deloitte's chief economist in China



Things are getting back to normal at a faster pace than anticipated



The Chinese government could learn from Denmark



The structure of global supply chains will be affected



Focus on investments in health care and quality of local government

Deloitte Economics' view on the short-term outlook across selected sectors in Denmark

Transport

- High short-term impact due to limitations on travel and supply chain disruptions. Spending on transportation down by almost 80%.

Consumer

- With less consumers in stores and store lockdowns, traditional retail sales of nonessential consumer goods have faced a significant sales decline.

Financial Services

- Changes in regulations may have prepared the Financial Services industry to withstand the economic shock created by COVID-19. The short to medium-term impact on the industry will be significant (see appendix).

Energy & Resources

- Prices and demand for crude oil have decreased, and Danish energy and utility companies are taking steps to ensure the security of supply on the Danish market (see appendix).

Technology, Media & Telco (TMT)

- TMT sectors have held up relatively well. Challenges due to supply chain disruptions for some companies (see appendix).

Real Estate

- Sectors such as Retail, Leisure, Hospitality, and Transportation are especially hit by the COVID-19 outbreak. This will affect investors and their view on risks. However, demand for properties suited for logistics will increase (see appendix).

Life Science & Health Care (LSHC)

- Limited impact so far. Potential upside in scenario with increased spending on vaccinations.

Industry

- High short-term impact due to supply chain disruptions. Priority is to reduce operating costs and review spending (see appendix).

Sector	Denmark	
	Short-term	Outlook
Transport	High impact	Slow recovery
Consumer	High impact	Moderate recovery
Financial Services	High impact	Moderate recovery
Energy & Resources	High impact	Moderate recovery
Technology, Media & Telco	Moderate impact	Moderate recovery
Real Estate	High impact	Moderate recovery
Life Science & Health Care	Neutral/Low impact	Growth opportunities
Industry	High impact	Moderate recovery

Key messages

Unemployment rates are exploding in the Western economies, as the first signs of rebound in the Chinese economy are observed

- The number of confirmed COVID-19 cases has risen rapidly within the past three weeks, from only eight on 4 March 2020 to 2,860 on 2 April 2020. However, as COVID-19 testing in Denmark has been sharply reduced, the actual number of cases may be underestimated.
- COVID-19 has caused severe damage on the world economy. Equity markets have suffered major losses, and equity market volatility has spiked to levels experienced during the global financial crisis. Supply chain disruptions and negative demand shocks have spread from China to the rest of the world.
- In the US, the crisis has hit hard, with the number of new unemployed per week now more than 10 times as high as during the worst weeks of the financial crisis.
- In Denmark, especially the transport sector and hotels and restaurants have experienced a major decrease in revenue. Spending on restaurants is down by almost 80%. Transportation spending is stabilising at 20% of normal levels, as most workplaces and shops have closed. In contrast, grocery spending has increased significantly during the last couple of weeks, but now appears to have stabilised at a level around 20% above spending levels last year.
- However, all sectors in Denmark are hit by the outbreak, and more than 40,000 Danes have lost their jobs since the lock-down of the country.
- Governments all over the world, including Denmark, are introducing major aid packages to help companies and employees through the health crisis. This will ease the severe and long-lasting impact of COVID-19 on the world economy. But the question is how much?
- In China, the first signs of economic recovery are observed, but weak external demand attenuates the growth.
- Deloitte Economics will continue monitoring the impact of the Coronavirus in Denmark and globally. Find our updates [here](#)

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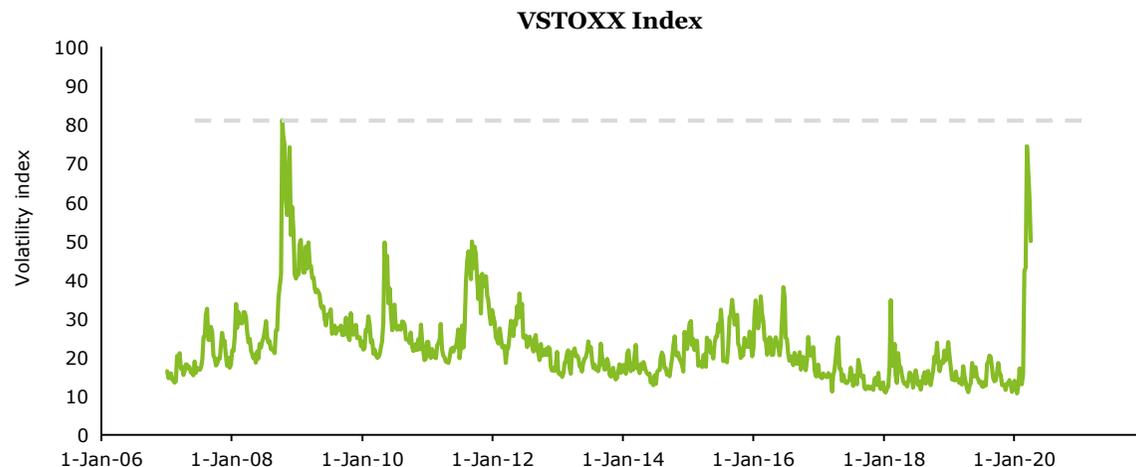
Disclaimer: The information in this document is intended for knowledge sharing only.

Appendix

Impact on financial markets

Equity market volatility remains elevated and comparable to levels observed during the global financial crisis

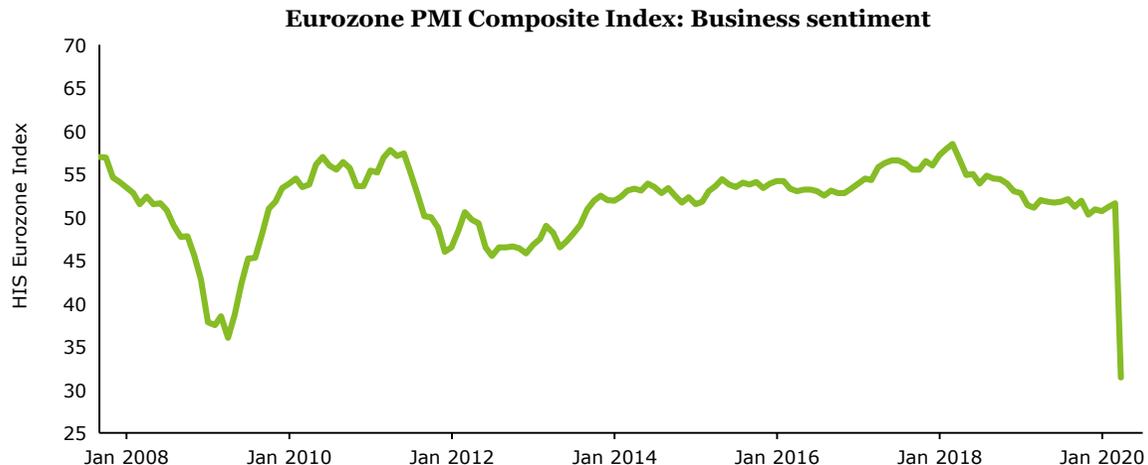
- The VSTOXX Index measures 30-day implied volatility of the EURO STOXX 50 equity index and reflects investors' uncertainty about future equity market moves.
- As shown, the Coronavirus induced an increase in volatility to a level comparable to that experienced during the global financial crisis in 2008. Since then, volatility has declined, but it still remains elevated and comparable to the levels observed during the global financial crisis.



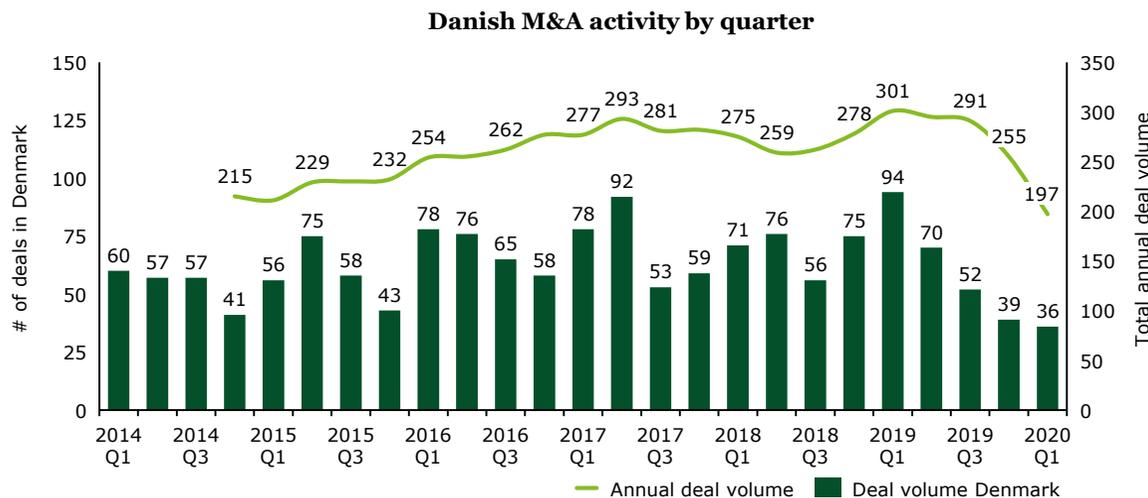
Note: 1) VSTOXX as volatility index of EURO STOXX; 2) Default probability calculated based on 5Y iTraxx European Crossover CDS and a recovery rate of 40%.
Source: Thomson Reuters Eikon

Coronavirus outbreak has taken its toll on business sentiment and M&A activity

- Due to the coronavirus outbreak, the Eurozone economy suffered an unprecedented collapse in business activity in March 2020, as the coronavirus outbreak intensified.
- There is usually a relatively good link between economic growth and this measure of business sentiment: the reading is indicative of GDP slumping at a quarterly rate of around 2%.



- M&A activity in Denmark declined in 2019.
- Activity in Q1 2020 is on track to reach the lowest level observed since 2014.



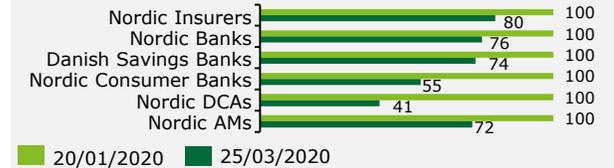
Note: 1) IHS Markit Eurozone PMI Composite Output Index; 2) Cut-off date for M&A activity in Q1 2020 is 25 March 2020; 3) Annual deal volume is calculated based on a four-quarter rolling window.
Sources: Thomson Reuters Eikon, Mergermarket

Industry | Financial Services (1/2)

Industry impact

Since the GFC in 2008, regulators have focused efforts on shoring up the solvency of financial institutions. In particular changes in Basel, Solvency and Accounting regulations may have prepared the financial services industry to withstand the economic shock created by COVID-19. While the industry may be more resilient, the short- to medium-term impact on the industry will be significant. The immediate impact of the crisis on market capitalisation of FS segments is stark.

Market cap. across the financial industry before and after "Corona"¹



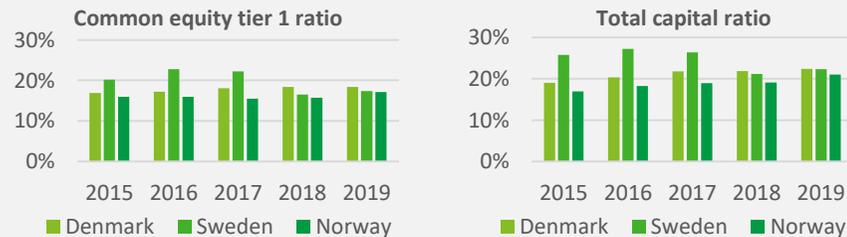
Highlights from the industry

Banking

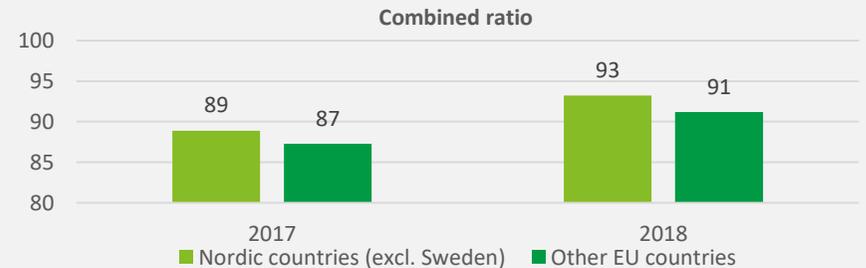
- The continued low-base rate environment and continuing increases in the cost base of banks (primarily IT and compliance) have left some small players with limited headroom to withstand a vast increase in loan losses.
- Government support has been authorised to compensate small businesses for loss of revenue and fixed cost expenses along with other initiatives to withstand the anticipated increase in non-performing loan stock.
- The duration of the economic slowdown from social distancing measures places an increased risk on loan losses and associated capital resources.

Insurance

- Claim rates for both Life and P&C insurers may increase placing strains on: 1) claims handling resources; and 2) technical reserves. The decline in equity markets will adversely affect pension providers who continue to pay out on guaranteed pension products.
- The medium-term implication on customers is an increase in premiums paid for coverage.
- Based on recent combined ratios, any under-reserved insurers may find trading difficult.



Source: Annual reports from the largest banks in Denmark, Sweden and Norway



Source: OECD Global Insurance Statistics (data for 2019 is not yet available)

1) Index 100 = 20 January 2020

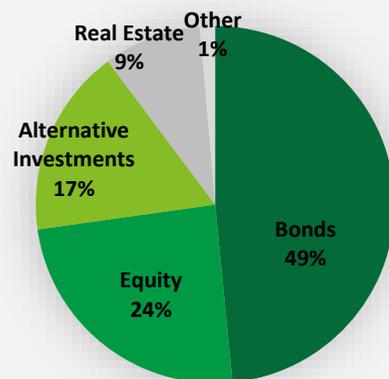
Industry | Financial Services (2/2)

Highlights from the industry

Asset Management

- The industry will suffer an immediate top-line shock as a result of the decline in equity markets. In addition, investor sentiment may lead to a reallocation of funds to “safer” asset classes, which may further affect some market participants.
- Market perception of both fee levels and relative “safety” will be important in the short term, as will be solid investment strategies.
- Danish pension funds hold their largest positions in fixed income, and the introduction of economic stimulus packages by major economies seems to have slowed the drop in equities and other markets for the time being. This strengthens the overall prospect of markets recovering in the second half of 2020.

Average asset allocation among Danish pension funds



Sources: Pension fund home pages

Debt collection platforms

- Debt collection income may be affected by: a) a slowdown of collections; and b) the downward revaluation of owned debt portfolios. In addition, current funding structures and relevant bank covenant may be placed under pressure.
- However, there is an opportunity as a result of the anticipated increase in non-performing loans from other financial service players alongside consumer facing corporates.

Economic outlook

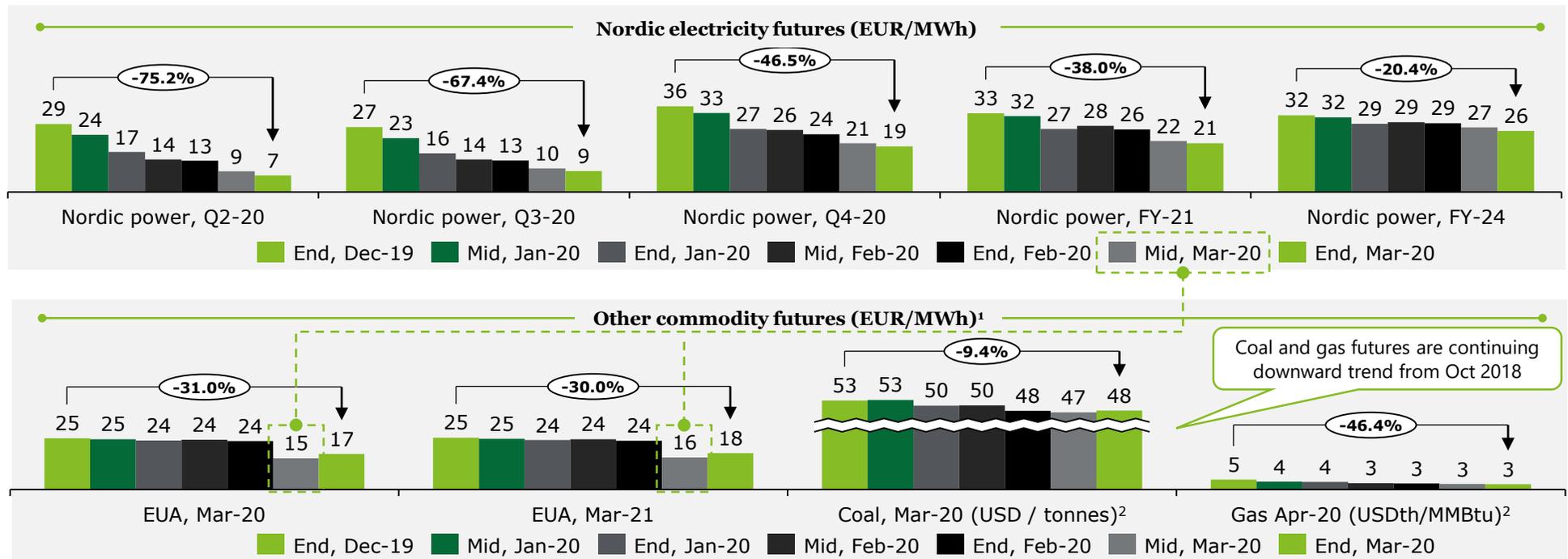
The longevity of the COVID-19 crisis is unknown. The financial services industry faces a range of eventual implications, including both market consolidation and corporate failures. Regardless, financial service players may need to reshape their cost bases and strategies due to the impact of a decrease in top-line revenue and the implication of the crisis on the underwriting of both insurers and lenders.

Industry | Energy & Resources

Industry impact

- Like all other industries, the effects of the COVID-19 crisis are showing in the energy sector. Prices and demand for crude oil have decreased, and Danish energy and utility companies are taking steps to ensure the security of supply on the Danish market. Prices for Nordic electricity futures have declined across maturities, but we see the largest declines in **short-term** prices, indicating **robustness in the long term**.
- Gas and coal prices continue the downward trend from the peak in 2018 putting pressure on power prices, and prices for European Union Allowances (EUA) decreased significantly in mid-March, leading to a large decrease in power price futures.

Highlights from the industry



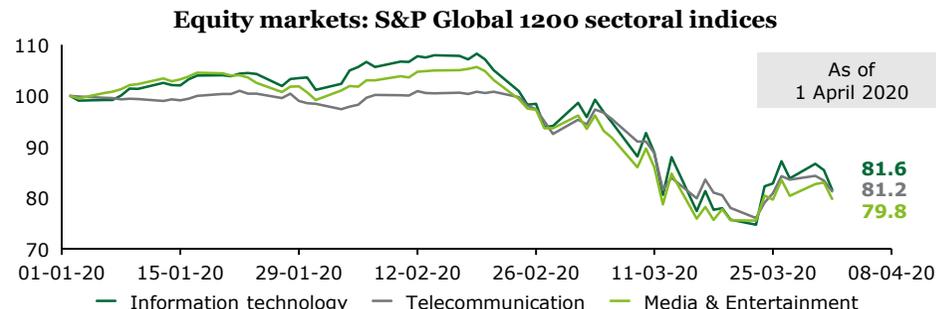
Note: 1) In EUR/MWh unless otherwise stated; 2) For delivery in the Netherlands

Sources Nasdaq Commodities, CME Group, Deloitte
 Coronavirus impact monitor - 3 April 2020

Industry | Technology, Media & Telco

Industry impact

- The TMT sectors have held up relatively well, as they are less exposed to a near-term contraction in consumer spending.
- However, the TMT sector is still facing severe challenges, with many companies being affected by supply chain disruption, manufacturing and demand issues.



Highlights from the industry

Challenged sectors

- Sector: IT Consulting and Services
- Trend: Impact on existing projects due to travel restrictions, challenging the time and materials model, and impact on future sales
- Examples: DXC Technology Company, Capgemini, Atos, Cognizant Technology Solutions Corporation
- Other challenged sectors: Media & Entertainment, Semiconductors & Equipment

Neutral/uncertain sectors

- Sector: Enterprise software
- Trend: Demand for new solutions to weaken as businesses are disrupted, but companies are likely to stick with current solutions to recover and grow
- Examples: SAP, Oracle Corporation, Microsoft, Salesforce.com
- Other sub-sectors: Technology Hardware, Entertainment production (e.g., movies)

Potential winning sectors

- Sector: Communication software & infra.
- Trend: Societal shift to online channels, as social distancing has increased, creating new forms of communications
- Examples: Zoom Video Communications, Microsoft (Teams), Slack Technologies
- Other sub-sectors: Cyber security, Cloud infrastructure, Home Entertainment, Video Games

Economic outlook

- Forrester has revised its IT spending forecast downward. With a best-case scenario, the global tech market growth is slowing to ~2% in 2020, and if a full-fledged recession hits, there is a 50% probability that global tech markets will decline by 2% or more in 2020.
- Software spending is the subsector expected to show the highest growth, while computer equipment as well as IT consulting and systems integration services spending is expected to show weaker growth (potentially a slight decline).

Industry | Real Estate shares prices and interest rates continue the recovery back to normal

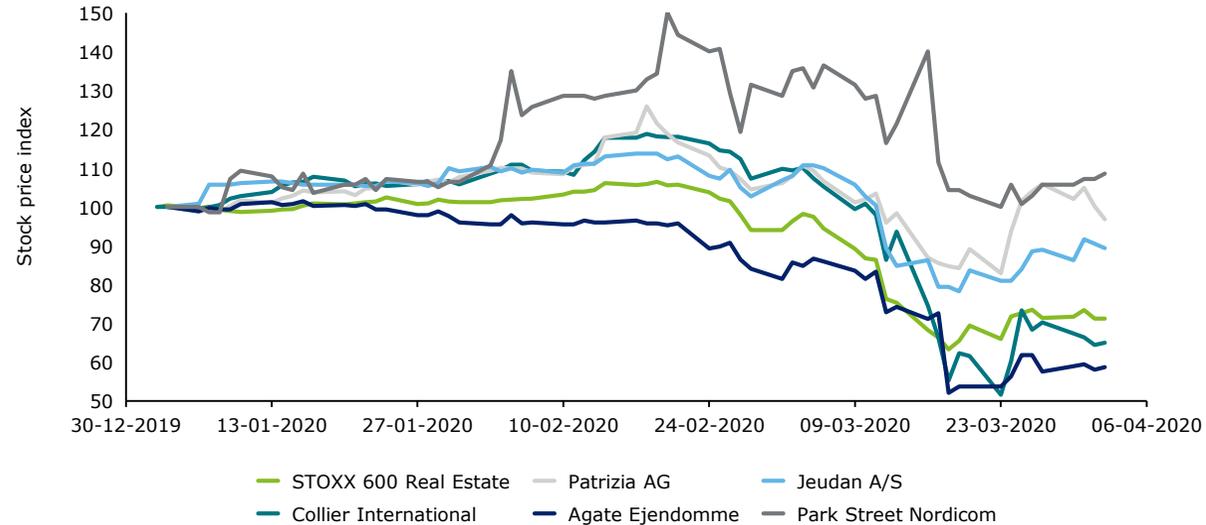
Industry impact

- Sectors such as Retail, Leisure, Hospitality, and Transportation are especially hit by the COVID-19 outbreak, and refinancing or similar is ongoing for many companies.
- However, demand for properties suited for logistics will increase, as online trading will be boosted by the crisis.
- Mortgage bond interest rates have stabilised during the last week.
- We still expect the current slowdown in the M&A market with residential and commercial properties to continue.
- Ongoing development projects will continue, even though municipalities have not seized with infrastructure investments, but we expect less appetite for new projects among investors.

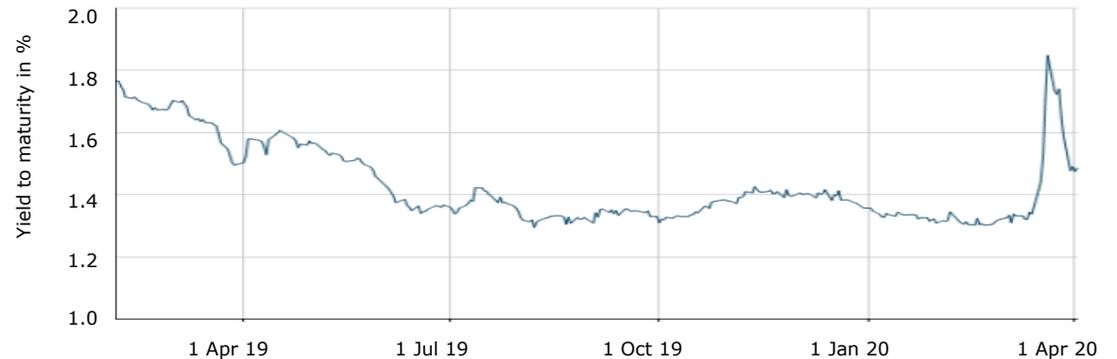
Real Estate outlook

- Remote working to become a more permanent feature of our lives. Ongoing plans for new office space will be rethought and reshaped ...
- With more online grocery shopping, it will affect how retailers operate, with a higher demand for warehousing space.
- With the current disruption of supply chains, businesses will shift towards reshoring or near-shoring.
- Opportunistic investors will look for rework cases.

STOXX 600 Real Estate index and selected company indexes



Long maturity mortgage bond interest rates (RD, 30 Yrs, 1.5%)



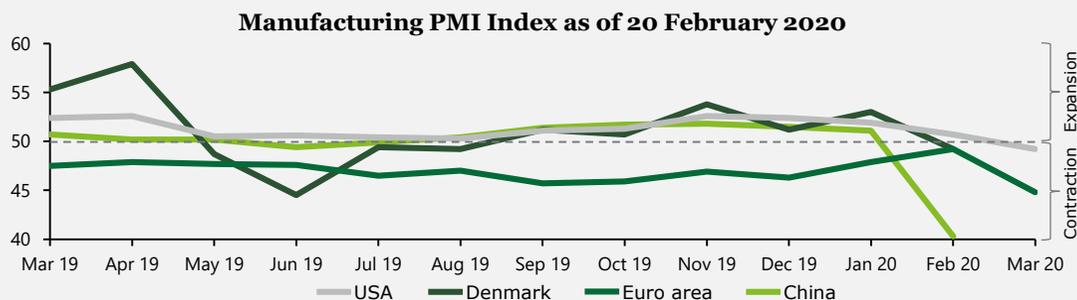
Sources: Realkredit Danmark, Thomson Reuters Eikon, Capital IQ

Industry | Industrials

Industry impact

- Global manufacturing contracted in February 2020, as COVID-19 disrupted supply chains and hit demand.
- Coronavirus continues to be a critical supply chain risk for many European companies, as closed factories and transport restrictions increase average delivery times.
- Factory jobs have been cut globally at the fastest rate since August 2009, as companies scale back production capacity in line with falling demand and reduced supply.
- Chinese factories are reopening and are gradually restoring production levels.

Efforts to contain COVID-19 affect short-term manufacturing output and demand



The manufacturing PMI index is a weighted average of five survey variables: New orders, output, employment, suppliers' delivery times, and inventories of purchased inputs

- The Chinese Manufacturing PMI declined at record pace, with a drop of 10.8 points in February 2020, as factories shut down in an effort to contain COVID-19.
- With factories reopening, China's supply is getting closer to restoring demanded production levels.
- Several Danish companies, including Danfoss, Vestas, and Rockwool, have reopened their Chinese factories.
- Preliminary March PMI figures for the euro area and the US indicate that the shutdown of factories is starting to hit industrial manufacturing in these areas too.

Economic outlook

- Top priorities for industrials are to reduce operating costs, review spend, ensure that financing remains viable and secure continued supply.
- Supply from China is increasing gradually, with production facilities coming back online, minimising the supply chain risks for European companies.
- Many European factories will remain shut down or running at less capacity until the COVID-19 spread in Europe has stabilised.

Industry | Public

Industry impact

- The public sector is working from home. Only functions, which involve direct contact with citizens (excluding health care services), have been temporarily closed.
- Some areas of the public sector have experienced an increased workload since the outbreak. Besides health care personnel, for instance, caseworkers responsible for processing applications on public aid and social workers can be mentioned.

Highlights from the industry

Ensuring sufficient health care

- The health care system is challenged, but is keeping up.
- Measures taken by the government to avoid rapid growth in the number of confirmed cases and rescheduling of non-critical operations and examinations, etc. have avoided a meltdown of the system as seen in other countries.

Maintaining everyday life

- Focus is on maintaining vital functions of society, including food supply.
- A special focus is on the vulnerable groups of society.
- Within the educational sector, teachers and lecturers are adapting to new ways of teaching and new learning materials.
- Some public servants take on new roles.

Implementation of aid packages

- Top priority is to avoid severe and long-lasting economic consequences of the COVID-19 outbreak through fiscal instrument and loans.
- Implementation of aid packages requires extra resources in the economic ministries.
- Focus is on how the public sector can support the private sectors during the crisis.

Economic outlook

- Aid packages and focus on supporting the private sector through earlier start-up of planned investment and prepayment of suppliers are expected to ease the negative impact on the economy.
- Digitalisation in the public sector might be boosted, as the crisis has reinforced virtual ways of working.

Aid packages

Country	Size of aid	Type of aid	Target groups
Austria	<ul style="list-style-type: none"> • EUR 38bn (9.5% of GDP) 	<ul style="list-style-type: none"> • Liquidity measures • Loan guarantees • Tax deferrals • Labour subsidies for companies that have to reduce working hours • Aid for one-person and family-owned enterprises, tourism and cultural sectors • Safety net for small businesses 	<ul style="list-style-type: none"> • SMEs • Family-owned companies • One-person enterprises
Canada	<ul style="list-style-type: none"> • About CAD 82bn (c. 3.5% of GDP) 	<ul style="list-style-type: none"> • Direct support • Deferral of tax payments from firms and individuals • Liquidity support for businesses 	<ul style="list-style-type: none"> • Consumers • Corporates • Employees
China	<ul style="list-style-type: none"> • About CNY 1.25tn (1.25% of GDP) 	<ul style="list-style-type: none"> • Tax relief 	<ul style="list-style-type: none"> • Corporates
Colombia	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Loan payments will be delayed and distributed in several small payments during the next couple of months (this is a measure supposed to help small and mid-size companies) • Extra guarantees from the Central Government (through a special fund) to support extra loans needed by small/mid-sized companies 	<ul style="list-style-type: none"> • SMEs

Aid packages

Country	Size of aid	Type of aid	Target groups
Denmark	<ul style="list-style-type: none"> Fiscal: DKK 56bn (2.4% of GDP) Credit: Up to DKK 225bn (9.8% of GDP) 	<ul style="list-style-type: none"> Release of countercyclical buffer Government guarantee for some corporate debt Salary compensation scheme running for three months, covering up to 75% of an employee's salary (max. DKK 23k per month). Have to warn lay-offs of more than 30% or 50 employees and agree not to lay-off employees while receiving compensation Compensation of fixed costs Aid to Scandinavian Airline System Aid to retailers etc., which have been forced to close stores at least until 30 March 2020 Postponed three months' VAT payments for large companies with revenue of more than DKK 50m. Forecast suggests that liquidity is boosted by DKK 35bn Compensating for cancellation of large events Postponed labour market contributions and payroll forecast to improve liquidity by DKK 90bn Corporation tax deferred 	<ul style="list-style-type: none"> Self-employed Certain sectors Employers facing shortage of orders and fewer customers Applicable for all companies, but target companies which have a revenue decline of more than 40% Airlines Retailers Large companies Events
Finland	<ul style="list-style-type: none"> EUR 3bn (1.3% per GDP) 	<ul style="list-style-type: none"> EUR 27m in extra spending on health care and EUR 73m to stave off acute corporate funding pressures Deferred corporate tax payments State Pension Fund will buy EUR 1bn of commercial paper The government will increase capacity to guarantee loans to SMEs Business Finland will provide emergency aid to companies in worst affected industries 	<ul style="list-style-type: none"> Corporates SMEs

Aid packages

Country	Size of aid	Type of aid	Target groups
France	<ul style="list-style-type: none"> EUR 45bn (1.9% of GDP) 	<ul style="list-style-type: none"> EUR 1bn solidarity fund to help affected businesses Extended deadlines for social security and tax payments, credit guarantees and sick-leave payments for caring for children Short-time working scheme, under which the state will cover entirety of lost salaries Small companies can have utility (water, rent, etc.) bills suspended and suspension of their taxes and social charges. EUR 1,500 subsidy for all SMEs and freelancers 	<ul style="list-style-type: none"> Affected businesses SMEs Freelancers
Germany	<ul style="list-style-type: none"> About EUR 150bn (4.4% of GDP), but implicitly open-ended 	<ul style="list-style-type: none"> Solidarity fund Liquidity measures for affected companies (credit and state guarantees for EUR 93bn, but up to EUR 500bn) Easier access to short-term work compensation Deferred tax payments for companies Small companies and self-employed persons (e.g., artists) are to receive direct grants of up to EUR 15,000 over three months 	<ul style="list-style-type: none"> Affected companies SMEs Self-employed persons
Italy	<ul style="list-style-type: none"> EUR 26bn (1.5% of GDP) 	<ul style="list-style-type: none"> Help for workers facing temporary layoffs Boosting guarantee fund for SME loans Moratorium for business and personal mortgage repayments One-off payment of EUR 500 for self-employed and cash bonus for Italians still working, financial support to families Some regions offer suspension for up to six months of certain loans Establishment of a guarantee fund for loans to support working capital and a fund for the granting of repayable loans Funds for redundancy programmes 	<ul style="list-style-type: none"> SMEs Corporates Employees Self-employed

Aid packages

Country	Size of aid	Type of aid	Target groups
Japan	<ul style="list-style-type: none"> About USD 12.6bn 	<ul style="list-style-type: none"> Credit lines for SMEs (particularly tourism) Compensation for freelancers, self-employed, non-regular workers, and parents burdened by school closures 	<ul style="list-style-type: none"> SMEs Freelancers Self-employed Non-regular workers and parents burdened by school closures
New Zealand	<ul style="list-style-type: none"> Fiscal relief of NZ\$12.1bn, worth 4% of GDP 	<ul style="list-style-type: none"> Wage subsidies Permanent lift in welfare payments Reintroducing depreciation deductions Lifting the threshold for payment of provisional tax Initial USD 500m boost for health services USD 5.1bn for wage subsidies (capped at USD 150k per business for a total of 12 weeks, which can show a 30% month-on-month decline in revenue, cf. 2019) USD 2.8bn income support measures, including an immediate increase in current weekly benefits USD 2.8bn changes to business tax rules to free up cash flow (e.g., accelerated depreciation) USD 126m in COVID-19 leave and self-isolation support USD 100m for workforce redeployment USD 600m airline/aviation support package (noting Air NZ is 52% government owned) The aid adds to existing (from Dec) infrastructure package of same size 	<ul style="list-style-type: none"> Corporates Employees Airlines

Aid packages

Country	Size of aid	Type of aid	Target groups
Norway	<ul style="list-style-type: none"> Fiscal: Open-ended but scheduled NOK 16.5bn (0.5% of GDP) Credit: NOK 100bn (3.3% of GDP) 	<ul style="list-style-type: none"> Government loan guarantee specifically aimed at SMEs (NOK 50bn) and reintroduction of Government Bond Fund (NOK 50bn) Corporate deficits can be written off against tax on surpluses from previous years Postponement of wealth tax for owners of corporates now running deficits Temporary tax relief for airlines, drop in both passenger tariffs and airport tariffs Reduction of employee tax by 4ppt for two months Other benefits (government pays for the first 20 days for temporary lay-offs) Allows SMEs to take loans up to NOK 50m with term up to three years. The state will guarantee for 90% of the loan value SME package available to those funded through ordinary banks (not alternative lending) 	<ul style="list-style-type: none"> SMEs Employees Self-employed Freelancers Corporates Airlines
Portugal	<ul style="list-style-type: none"> EUR 9.2bn (4.3% of GDP) 	<ul style="list-style-type: none"> Credit lines for affected businesses and tax deferrals Possible moratorium on capital and interest payments 	<ul style="list-style-type: none"> Corporates
Spain	<ul style="list-style-type: none"> About EUR 117bn in public investments Private investments are set to add EUR 83bn 	<ul style="list-style-type: none"> State guarantees Direct aid to firms affected by the lockdown Private investment Deferred tax payments for SMEs Suspension of mortgage payments 	<ul style="list-style-type: none"> Corporates CMEs

Aid packages

Country	Size of aid	Type of aid	Target groups
Sweden	<ul style="list-style-type: none"> SEK 300bn (6% of GDP) 	<ul style="list-style-type: none"> State guarantees Government facilitates increased lending to Swedish companies, especially SMEs Businesses will be offered the opportunity to have tax payments for January to March 2020 repaid. Repaid taxes can be kept for one year 	<ul style="list-style-type: none"> Corporates SMEs Airlines
Switzerland	<ul style="list-style-type: none"> About CHF 10bn 	<ul style="list-style-type: none"> Aid package aimed at helping companies where CHF 8bn is earmarked to fund the imposition of short-time work at firms; other tranches for hardship loans and to support specific sectors Special guarantee scheme to support SMEs in liquidity difficulties due to COVID-19 	<ul style="list-style-type: none"> Corporates SMEs
The Netherlands	<ul style="list-style-type: none"> About EUR 10-20bn (roughly 2%-3% of national debt) If necessary, additional funds up to EUR 90bn can be released 	<ul style="list-style-type: none"> Extension of subsidising working hours reduction Extra income support for freelancers Easing deferral of payment for taxes and fines Extension of government guaranteed company-financing Interest discount on microcredits for SME and starters Temporary guarantees for food- and agricultural companies Temporary stop on local taxes (municipalities) Compensation scheme for specific sectors Revision of tax applications for 2020 Small businesses can get a EUR 4k allowance directly Self-employed can claim a minimum three-month allowance 	<ul style="list-style-type: none"> Employers Employees Freelancers Self-employed Corporates SMEs Specific sectors (e.g., food- and agricultural companies)

Aid packages

Country	Size of aid	Type of aid	Target groups
United Kingdom	<ul style="list-style-type: none"> • GBP 312bn (14% of GDP) 	<ul style="list-style-type: none"> • Government-backed loans and guarantees • CBILS (Corona Business Interruption Loan Scheme) of up to GBP 5m to help firms manage cash flows. Terms from three months to 10 years for term loans and asset finance. The loans are interest-free the first year 	<ul style="list-style-type: none"> • Corporates • SMEs
United States of America	<ul style="list-style-type: none"> • USD 2,000bn (about 9% of GDP) 	<ul style="list-style-type: none"> • Emergency spending package • USD 500bn for large corporations • USD 367bn loan programme for small businesses • USD 150bn for assistance to state and local governments • USD 340bn supplemental package to combat the outbreak of COVID-19, including USD 117bn for hospitals, USD 45bn for FEMA's disaster relief fund and USD 11bn for vaccines, therapeutics and other medical needs 	<ul style="list-style-type: none"> • Large corporations • SMEs



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