



**B20**

SAUDI ARABIA 2020

# JUMP-STARTING THE GLOBAL ECONOMY IN A POST COVID-19 PHASE

B20 Special Report to the G20

TRANSFORMING FOR INCLUSIVE GROWTH



# TABLE OF CONTENTS:



Click to  
jump to  
any section

<b>2</b>	<b>Foreword by B20 Chair</b>
<b>3</b>	<b>Executive Summary</b>
<b>5</b>	<b>Introduction – taking stock</b>
	5 Introduction
<b>7</b>	<b>Charting the Course for Revival</b>
	8 Recommendation 1 – Build health resilience
	10 Recommendation 2 – Safeguard human capital
	11 Recommendation 3 – Prevent financial instability
	12 Recommendation 4 – Unclog global supply chains
	14 Recommendation 5 – Revive productive sectors
	15 Recommendation 6 – Digitalise responsibly and inclusively
<b>16</b>	<b>Annex</b>
	16 Annex 1 Comparisons between B20 and G20 Statements
<b>21</b>	<b>References</b>
<b>21</b>	<b>Acknowledgments</b>



## Foreword by B20 Chair Yousef Al-Benyan

2020 will unarguably be a historic year! The disruption caused by the Covid-19 pandemic has rattled the social, economic and geo-political order of the world. The G20's response starting with convening of Extraordinary G20 Leaders' Summit followed by a series of Extraordinary Ministerial meetings, injection of over \$5 trillion into the global economy, has been reassuring for institutions and businesses. However, these efforts must be reinforced by way of clear actions and monitoring.

Cooperation and collaboration between governments, global governance institutions and businesses is vital for an effective and timely resolution of this multi-dimensional contagion transcending borders.

The B20 - as the voice of the business community to the G20 – is well-positioned to identify solutions to ensure business continuity while maintaining employee well-being, initiate global economic recovery and expedite vaccine development, supporting the society at large. B20 Saudi Arabia initiative on Covid-19 seeks to address the current crisis, as well as future crises that disrupt societies and economies.

Through this Special Report, B20 Saudi Arabia reiterates its support to the G20 and proposes a set of actionable recommendations to address the immediate health crisis and commence a post-COVID-19 recovery phase. The G20, and multilateral institutions including the WHO, the UN, and the IMF, should substantially improve information and experience sharing, and coordinated monitoring.

The B20 is strongly of the view there is no alternative to global cooperation, collaboration and consensus to tide over a multi-dimensional and systemic crisis. In an interconnected and co-dependent world, a coherent and fit-for-purpose global approach is a necessity. Multilateral institutions and mechanisms must be positively leveraged by governments to serve their societies and enhanced wherever necessary during and after the pandemic.



## Executive Summary

The unravelling spread of the COVID-19 pandemic, and its socio-economic impacts, continues to make the operating environment highly uncertain. The IMF World Economic Outlook 2020 succinctly summarises the uncertainty for global growth. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioural changes (such as people avoiding market places and public transportation), confidence effects, and volatile commodity prices.

The reactions of business and communities will remain uncertain for some time. Social distancing at workplace and at public places will be the temporary new normal, giving rise to new cultural norms and consumption behaviours. Business will redesign business models, develop plans and start to increase investments to build resilience, increasing localisation and reorganising global value chains.

Demand recovery could take a long time and will significantly vary between sectors. De-globalisation may gather strength in some sectors and operations, whereas globalisation may increase in some others.

Governments will need to demonstrate considerable agility to rapidly changing circumstances while preserving public and private sector integrity.

Governments have already increased responses using different approaches but almost all including regulation, which is normal in emergency times, do not have to become permanent. There might be room for a broader consideration regarding the role and the weight of the State in national economies and, most of all, in corporate governance. However, such support and emergency regulation should not turn to interfering in or disorienting market-place forces.

Nevertheless, the past few months have established sufficient clarity to ground specific proposals for the post-COVID-19 phase.



## Policy recommendations Summary



### Build health resilience

- A ◀ Accelerate development and availability of COVID-19 vaccine
- B ◀ Strengthen future pandemic preparedness
- C ◀ Oppose new trade restrictions on medical products and services
- D ◀ Address the risk of corruption in public procurement of critical supplies



### Safeguard human capital

- A ◀ Avoid restrictions on movement of human & intellectual capital
- B ◀ Minimise unemployment & increase employability
- C ◀ Ensure implementation of OHS requirements suited for minimising risks of infections



### Prevent financial instability

- A ◀ Identify and minimise unintended negative economic and financial spill-overs
- B ◀ Increase **globally-coordinated** support to vulnerable economies
- C ◀ Increase capital allocation to enterprises and infrastructure projects



### Unclog global supply chains

- A ◀ Immediately restore supply chains
- B ◀ Recapitalise global supply chains through cost optimisation and trade finance
- C ◀ Reduce corruption risks in supply chains



### Revive productive sectors

- A ◀ Provide stimulus on principles of cooperation
- B ◀ Make stimulus sustainable through “green” investments
- C ◀ Ensure energy market stability
- D ◀ Revitalise travel and tourism



### Digitalise responsibly and inclusively

- A ◀ Accelerate digital transformation





## **Introduction** - Taking Stock

### **Introduction**

The COVID-19 pandemic is a systemic crisis with ecological, health, social and economic dimensions. Governments across jurisdictions have been pre-occupied with responding to the immediate health issues and related economic fallouts. As gradual opening up of economies is underway, the focus and challenges move to post-lockdown economic and social recovery.

The issues of private sector moral hazard weighed heavily on the governments during the 2008 financial crisis. That is not the case in the current crisis; the private sector, except on standalone basis, cannot be held responsible for their distress conditions, but also has a significant role to play alongside governments in dealing with both the crisis and the recovery.

### **Unprecedented and extraordinary**

---

The COVID-19 crisis is significantly different from the global financial crisis of 2008, other than that both resulted in a global economic recession. The financial crisis was a man-made failure in parts of the financial system, driven by human sentiment that leveraged fault-lines in the system. The collapse was predictable and hence could be remedied by comprehending and addressing the underlying causes.

By contrast, the COVID-19 pandemic and the ensuing crisis is a consequence of an intricately woven ecological, social and economic system. It threatens to undo the progress the world has made on various Sustainable Development Goals.

Addressing a global crisis like this requires agility in decision making and policy adaptation based on feedback loops, urgently containing the short-term fallout, while maintaining integrity and beginning to invest in long-term resilience that is environmentally sustainable and socially inclusive. This is a challenge for both individual countries and global multi-lateral bodies like the G20. However, responding to the crisis creates a rare opportunity to take those radical decisions rather than defer issues for lack of agreement.

Various multilateral forums, including the G20, have already taken action. Since the Extraordinary Summit of the G20 Leaders on 26 March, 2020, a series of Extraordinary Ministerial meetings have been held, each one committing to do “all that it takes” to resolve the crisis in a globally coordinated manner.



Box 1

# G20 Ministerial Statements on COVID-19

14 May 2020

Second G20 Trade and Investment Extraordinary Ministerial Meeting, 14 May 2020

30 April 2020

G20 Digital Economy Ministers Meeting, 30 April 2020

24 April 2020

G20 Tourism Ministers Meeting, 24 April 2020

23 April 2020

G20 Labour And Employment Ministers Meeting, 23 April 2020

21 April 2020

G20 Agriculture Ministers Meeting, 21 April 2020

19 April 2020

G20 Health Ministers Meeting, 19 April 2020 (Press Release)

15 April 2020

G20 Finance Ministers & Central Bank Governors Meeting, 15 April 2020

11 April 2020

G20 Energy Ministers Meeting, 11 April 2020

30 March 2020

G20 Trade And Investment Ministers Meeting, 30 March 2020

26 March 2020

G20 Leaders Summit, 26 March 2020

Governments have announced and implemented various policy responses that suit their domestic situation and capabilities. Although mostly individual actions have been taken by many countries, it is without full data and information, and largely based on assumptions. That was necessary to urgently contain the immediate fallout of responding to a pandemic but also the consequences of putting economic activities on hold. Clearly, the road to recovery is lengthy especially in the face of many unknowns.

With the gradual easing of lockdown and better understanding of the impact, there is a need for ongoing sharing and analysis not only of the data but of the effectiveness of the policy responses and actions. Many policies will need to be potentially and regularly revised in light of better data and information and feedback on what is effective, and real-time review to deal with both the health and economic consequences. It is critical that best practices be shared across countries and industries, and that new channels are created to scale effective protocols with speed and efficiency.

The governments alone cannot do it; business, think-tanks, media, civil society, all have a stake in collaborative thinking and action. The B20 Saudi Arabia, has until now, made various recommendations by working with other G20 Engagement Groups, including the C20, W20, L20, and S20, and its partners including the ICC and the WHO. Many recommendations resonate with the G20 commitments (Annex 1).



Box 2

# B20 Statements on COVID-19

29 April 2020

B20-S20 Joint Statement On Digitalisation, 29 April 2020

14 April 2020

B20 Statement On Finance And Trade, 14 April 2020

5 April 2020

B20-L20-W20 Joint Statement On Employment, Skills, And Women, 5 April 2020

27 March 2020

B20 Remarks On The Extraordinary G20 Leaders Summit Statement, 27 March 2020

23 March 2020

B20-ICC-WHO Open Letter To G20 Heads Of State And Government, 23 March 2020

2 March 2020

B20-C20-L20-T20-W20-Y20 Joint Statement on Global Pandemic Preparedness, 2 March 2020

The purpose of this B20 Special Report is to provide the G20 with timely policy recommendations to address the immediate health and economic crisis, and for a post-COVID-19 recovery phase. We are not declaring an end to the pandemic. However, as we begin to make sense of the scale of the impact, we need to establish policy response needs for the post-pandemic phase





# Charting the Course for Revival

Cooperation and collaboration between governments and global governance institutions is necessary to respond effectively to this common multi-dimensional crisis. Global institutions such as the UN, IMF, WTO, and the WHO, play an important role. Their mandate must be reviewed so that they are able to effectively function not just to coordinate public policies but also involve other stakeholders such as the private sector in their mandate.

While the threat per se is common, its intensity varies across countries. The common lessons and approaches to tackling the crisis are as much necessary as their customization to distinct realities and circumstances. Governments must take this opportunity to accelerate structural and regulatory reforms. Policies, regulations and support measures for economic revival should be reviewed and unwound over time.

The G20 Finance Ministers, Central Bank Governors, and Trade Ministers have made good progress through their Statements, notably the G20 Action Plan on COVID-19. Those commitments must be acted upon to ensure unilateral actions don't affect multi-lateral progress. The action calls for coordinated fiscal, monetary, trade, and prudential measures, and collaboration between global standard setters.<sup>1</sup>

At the same time, it is important that the fundamental basis of the global market-based economy principles is preserved. State-interventionist measures should by default be time-limited and subject to clear performance indicators triggering an exit strategy. Given more limited resources available to governments as a result of reduced economic activity – any primacy of “nation first” policies instead of globally coordinated approaches will almost certainly lead to greater economic costs for all – the sum is greater than its parts leading to greater resilience at lower costs if collaboratively and strategically designed.

In a world where health, social and economic contagion transcends borders, G20 Leaders should agree on shared policy solutions that embrace a global common good as well as uphold appropriate sovereign interests, and continue to advance the universal goals on sustainable development.

<sup>1</sup>For specifics see Recommendations 3 and 4, and the B20 Statement on Finance and Trade



## Recommendation 1

# Build health resilience

### A ◀ Accelerate development and availability of COVID-19 vaccine

#### i ▶ The G20 should -

- Finance promising R&D and manufacturing programs, and establish reasonable liability protection for COVID-19 vaccines.
- Expedite regulatory approvals for new COVID-19 vaccines including balancing appropriate review and trialling with access and speed of delivery.
- Support equitable global access to new vaccines and therapeutics for COVID-19, including encouraging the generic production of COVID-19 vaccines to ensure availability to all countries at affordable prices.

### B ◀ Strengthen future pandemic preparedness

#### i ▶ The G20 should -

- Direct the WHO to oversee the global stockpile and establish a critical worldwide supply plan of essential medical material including personal protective equipment, medical devices, testing kits, vaccines and treatments against infectious and communicable diseases.
- Create and fund a rapid response unit at the WHO which can immediately be deployed to any hotspot around the globe

#### ii ▶ The G20 should -

- Engage the UN and the WHO to establish an early warning mechanism and a data model, establish a global protocol mandating countries to report early outbreak of infectious diseases and fully cooperate with the WHO including early access to locations and data to maintain an effective and transparent worldwide surveillance and control system for infectious and communicable diseases.

#### iii ▶ The G20 should -

- Adopt policies to increase investment in local production and capacity of life-saving and life-sustaining products, facilitate and strengthen collaboration in technology and business knowledge transfer.
- Fund research programmes to better understand zoonotic diseases, and research for diagnostic kits, vaccines and treatments against possible emerging infectious and communicable diseases.
- Ensure resilient and secure digital infrastructure is available to manage and mitigate the risk of disease propagation and introduce health sustainability for societies, including using anonymised data from mobile networks and dedicated connected medical detector data.

3 GOOD HEALTH AND WELL-BEING



- Provide incentives for businesses and entrepreneurs to develop innovative solutions for sustainable and resilient healthcare systems and sector supply chains based on liberal market economy-based principles.
- Foster mutual recognition schemes of norms and standards on essential supplies in pandemic emergencies in the area of personal protective equipment, medical devices, testing kits, building on the hands-on practical swift work done to overcome individual shortages in the current crisis (e.g. efforts to accept standards for protective face mask of US N95 / EU FFP2 / Chinese KN95). This could help to streamline possible stockpiling activities and make them more efficient and ready to dispatch.

## **C** ◀ **Oppose new trade restrictions on medical products and services**

### **i** ▶ **The G20 should -**

- Agree not to implement any new export restrictions on pharmaceuticals and medical goods as well as other goods necessary in the fight against the pandemic as well as agriculture goods and work towards a consensus within the WTO to multi-lateralize this understanding.
- Co-ordinate with the WTO, to promote and agree to automatically invoke temporary application of zero tariffs on medical products and services used to fight a global or regional pandemic. The WTO should develop a strategic list of necessary materials based on input from member countries and statistical review of current COVID-19 actions

## **D** ◀ **Address the risk of corruption in public procurement of critical supplies**

### **i** ▶ **The G20 should -**

- Ensure the ongoing observance and enforcement of all legal and regulatory requirements to maintain the integrity and transparency of government procurement and private sector assistance, including for health products, food, and other critical supplies. These risks should be addressed through audit procedures and collective action as well as prevention measures, including implementation of fundamental technologies (i.e., transparency portals that digitalise permitting, procurement and other government services) and high standard codes of ethics.



## Recommendation 2

# Safeguard human capital

### A ◀ Avoid restrictions on movement of human & intellectual capital

#### i ▶ The G20 should -

- Ensure that there are no selective biases against movement of people across borders notwithstanding temporary curtailments and avoid any discrimination against the employment and flow of labour.

1 NO POVERTY



8 DECENT WORK AND ECONOMIC GROWTH



### B ◀ Minimise unemployment & increase employability

#### i ▶ The G20 should -

- Relax labour market regulations as well as temporarily subsidize wages, training, vacations, medical-leave, or child care, support temporary hiring of remote labour, or assessing certification / licensing requirements particularly for essential workers where health and safety are compromised.
- Deploy digitalized government services to support social distancing and public health efforts without harming employment, such as licensing and permitting, so shopkeepers, entrepreneurs, and construction crews can maintain employment and quickly restart and rebuild economies.
- Redeploy jobs by increasing match-making labour programmes, providing allowances for employee training programmes, facilitating employer to employer temporary reallocation, or rapidly re/up-skilling, licensing, certifying, and hiring for essential workers (e.g., healthcare, truck drivers) and adjacent (e.g., childcare for essential workers) where there may be gaps.

### C ◀ Ensure implementation of OHS requirements suited for minimising risks of infections

#### i ▶ The G20 should -

- Task the WHO, the ILO, other relevant multilateral institutions, and national agencies to immediately upgrade OHS requirements, and ensure effective implementation, for example, temporary or long-term social distancing at workplace and occupational safety for work done from home.



## Recommendation 3

# Prevent financial instability

### A ◀ Avoid negative spill-overs on financial markets

#### i ▶ The G20 should -

- Strengthen global coordination among governments, public agencies, and the multilateral institutions of policy responses with a focus on identifying and minimising unintended negative economic and financial spill-overs. Task the Financial Stability Board to monitor the risks to financial stability among those lending institutions that bear the burden of rolling over temporarily the global economy's debts. As credit standards are relaxed in response to the crisis, the build-up of positions must be tracked and communicated to regulators

1 NO  
POVERTY



### B ◀ Increase support to vulnerable economies

#### i ▶ The G20 should -

- Continue to monitor and provide globally-coordinated support to economies with heavily-disrupted balance of payments, along with the IMF, and other multilateral institutions
- Increase multilateral lending to developing countries (both to middle- and low-income economies) in order to ensure and enhance the fundamental role of such lending in risk mitigation, crowding in private capital and improving debt sustainability in the medium term
- Keep the possibility of coordinated intervention if there is further USD appreciation impacting developing and low-income countries.<sup>2</sup>

8 DECENT WORK AND  
ECONOMIC GROWTH



### C ◀ Increase capital allocation to enterprises and infrastructure projects

#### i ▶ The G20 should -

- Continue support for lending institutions in the form of appropriate capital treatment to ensure increased credit continues to flow to MSMEs. This support must protect services – on both the supply side and demand side – with a particular focus on the most vulnerable MSMEs and people.
- Continue support for businesses that are highly exposed to global trade and domestic demand, and have large workforces and debt-heavy capital structures. Transfer value through a set of channels such as taxation authorities, utilities, and company registries to help businesses stay afloat
- Maintain public funding to projects already in the pipeline and projects in critical sectors such as infrastructure, to avoid an adverse impact in the future, and to jump start an economic revival.

<sup>2</sup>Under the current monetary and political conditions, a coordinated intervention can be effective by signalling a consensus official view. Interventions to bid up developing-economy currencies against the USD could work better than interventions against the widely traded currencies of advanced economies. In addition, coordinated action by US-Fed in conjunction with other central banks including emerging markets, the IMF, and the World Bank may be needed to address the issue of USD liquidity. Given the importance of USD currency in financing global trade flows and the shortage of USD liquidity, the establishment of USD swap lines by the US Federal Bank with 14 countries has gone a long way towards easing USD liquidity. More swap lines should be established with emerging economies in G20. ECB establishing swap lines with emerging markets that have sizable amount of trade in Euros could be useful.



## Recommendation 4

# Unclog global supply chains

### A ◀ Immediately restore supply chains

#### i ▶ The G20 should -

- Ensure opening and servicing of infrastructure, including ports, road, rail, cargo airports, air, sea and rail transportation all of which are critical for the movement of goods across regions and to lockdown areas, and ensuring that operators and their staff can speedily and safely do their work.
- Remove procedural delays at the points of loading and impediments to cargo transportation by the most efficient means available
- Address tariff and non-tariff barriers to facilitate agricultural trade, and ensure that farmers from all economies are able to sell and/or export their harvests without disruptions
- Expedite the implementation of the WTO Trade Facilitation agreements.

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### B ◀ Recapitalise global supply chains

#### i ▶ The G20 should -

- Expedite release and clearance of goods at customs to avoid slowed down supply chains, make maximum use of digital means between supply chains, and work to provide up to date information on measures in place to ensure safe but speedy customs processing.<sup>3</sup>
- Review post-pandemic transportation costs and consider mechanisms for least cost options including a harmonized cost reduction.
- Enable continued global trade during the crisis via trade finance and needed investments.
  - Reduce the capital treatment for MSME exposures for lending to a Risk Weight between 75 and 85 percent in line with the Basel 3 proposed regulations. This will ensure availability of trade finance to MSMEs, to support ongoing production in critical sectors and keep credit flowing.
  - Ensure continuity of existing export credit lines agreements and provide increased guarantees backed by Export Credit Agency to exporters and corporates covering short-term trade exposures in case importers and buyers default on terms of trade.
  - Work with multilateral development banks to allocate more resources and expand existing trade finance facilitation programmes to MSMEs, especially those in the developing countries, so that MSMEs could better engage in and benefit from international trade and global supply chains in post-pandemic phase.

<sup>3</sup>Digitalizing trade will not only facilitate the process and save time, but it will also contribute to product safety and compliance. This way, surveillance and traceability will be easier. First step could be an international system of electronic customs declaration and invoice.

## C ◀ Reduce corruption risks in supply chains

### i ▶ The G20 should -

- Increase vigilance and enforcement of anti-corruption laws, and share information on offenders, to mitigate heightened risks of corruption, bribery and fraud, notably from custom clearance delays as well as shifting or opaque government policies in response to the crisis, such as localized decision-making in essential business designations, as companies and distributors move urgently needed supplies across borders. Encourage public sector and businesses to adopt available international guidance on ethical third party intermediary relationships.
- Address tariff and non-tariff barriers to facilitate agricultural trade, and ensure that farmers from all economies are able to sell and/or export their harvests without disruptions
- Expedite the implementation of the WTO Trade Facilitation agreements.



## Recommendation 5

# Revive productive sectors

### A ◀ Cooperate in stimulus design

#### i ▶ The G20 should -

- Consider fiscal stimulus based on principles of cooperation rather than competition, so as to mitigate negative spill-overs, resist protectionist measures through unilateral action and avoid a further deterioration of the level playing field triggered by trade distortive state aid.

7 AFFORDABLE AND CLEAN ENERGY



### B ◀ Make stimulus sustainable

#### i ▶ The G20 should -

- Fast-track the transition of their economies to one that is sustainable as well as resilient to future climate-related risks. Public funds should be used to invest in sustainable sectors and projects (including renewable energy assets, grid modernization, potable water infrastructure, climate smart agriculture, sustainable waste management and climate resilient infrastructure) that improve the living conditions of the people
- Align fiscal stimulus packages to productive sectors with global and national environmental goals, such as the Paris Agreement and the UN Sustainable Development Goals (SDGs), and subject to conditions such as including improvements in energy and water efficiency, increase in recycled material content, reduction in greenhouse gas emissions, and creation of green jobs.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### C ◀ Ensure energy market stability

#### i ▶ The G20 should -

- Work on pre-emptive measures for energy producers and distributors to mitigate a future energy market crisis due to prolonged economic distress compounded by subdued demand.<sup>4</sup>
- Revive cross-border movement of materials and equipment for energy generation, storage, and distribution projects.<sup>5</sup>

13 CLIMATE ACTION



### D ◀ Revitalise travel and tourism

#### i ▶ The G20 should -

- Strengthen investment opportunities in the tourism and travel-related sectors, by committing to reducing administrative hurdles and domestic market protection policies such as visa requirements, overflight and landing permits, or interference in joint ventures subject to appropriate and coordinated public health measures

<sup>4</sup>A prolonged economic recession may severely affect some of the core sectors including energy. The G20 represents 80% of world primary energy consumption and 84% of world GDP. The G20 also has the largest importers and exporters of energy in the world. The virtual suspension of economic activities in most geographies affected by the COVID19 pandemic has caused substantial reduction in the demand for energy, causing cascading impact on energy prices, disrupting fuel and equipment supplies, and compelling renegotiation of pacts and agreements.

<sup>5</sup> There is a temporary shortage of materials and equipment worth billions of dollars, as a consequence of delays in global trade. Delay in investment-intensive projects will push up the project costs further adding to the stretched financial resources of governments and businesses.





## Recommendation 6

# Digitalise responsibly and inclusively

### A ◀ Accelerate digital transformation

#### i ▶ The G20 should -

- Accelerate digital government efforts, including vital public services such as digitized licensing and permitting, based on the principles of right to privacy and security of data for all users, and reduce opportunities for corruption while strengthening transparency and integrity
- Commit to and accelerate the inclusive build-up of e-commerce capacities, especially in developing countries and for MSMEs.
- Advance innovative methods for digital education by reforming education systems to offer future of work skills
- Commit to renew the moratorium on custom duties on electronic transmissions at the WTO.

**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**10** REDUCED INEQUALITIES



## Annex 1 - Comparisons between B20 and G20 Statements

### Annex 1.1 Comparison between B20 Statement on Finance & Trade, and G20 Action Plan on COVID-19



#### B20 Statement on Finance & Trade

##### Support a globally-coordinated response.

- A** The response calls for coordinated fiscal, monetary, trade, and prudential measures, and collaboration between global standard setters such as the Financial Stability Board, the Basel Committee on Banking Supervision, International Organization of Securities Commissions and the International Association of Insurance Supervisors, and multilateral institutions including the World Trade Organization, the IMF, the World Bank, and the United Nations.
- B** IMF supported by other multilateral institutions should track and conduct diagnostic analysis of impacts of national measures, to enable governments make informed policy decisions.

Continue to monitor and provide globally-coordinated support to countries with heavily-disrupted balance of payments. In some countries, COVID-19-related trade disruptions has made an outsized impact on balance of payment. Addressing the condition and mitigating its cascading impacts requires coordination with global institutions such as the IMF and World Bank, and regional multilateral institutions.

Given the importance of USD currency in financing Global Trade flows and the shortage of USD liquidity, the establishment of USD swap lines by the US Federal Bank with 14 countries has gone a long way towards easing USD liquidity. As this crisis is systemic and global in nature, coordinated action by the central banks of many emerging markets, the IMF, World Bank and the US-Fed may be needed to address the issue of USD liquidity.

Temporarily enact available flexibility mechanisms for prudential standards to encourage countercyclical measures.

#### G20 Action Plan on COVID-19

- ▶ We ask the FSB to continue supporting international cooperation and coordination on the COVID-19 response through information sharing, assessing vulnerabilities, and coordinating on the response to policy issues.
- ▶ We commit to share country data, analysis and experiences on a timely basis on the implementation and impact of COVID-19 containment measures to support policy making.
- ▶ We support enhanced policy and operational coordination across all relevant International Organizations (IOs), at multilateral, regional and country levels, to ensure resources get to where they are most needed and in a timely fashion.

##### International support to countries in need:

- ▶ We support the IMF's crisis response package and welcome its readiness to mobilize its US\$1 trillion lending capacity.
- ▶ We call for a swift implementation of the emergency response packages adopted by the World Bank and Regional Development Banks. This amounts to more than US\$ 200 billion for emerging and low-income countries.
- ▶ We support a time-bound suspension of debt service payments for the poorest countries that request forbearance

We welcome the important steps already taken by the IMF, World Bank, Regional Development Banks, and central banks, including through the deployment and expansion of bilateral swap lines.

We commit to follow the FSB's principles in its COVID-19 report to the G20 to monitor and share information on a timely basis to assess and address financial stability risks from COVID-19; recognize and use the flexibility built into existing financial standards to support our response; seek opportunities to temporarily reduce operational burdens on firms and authorities



## B20 Statement on Finance & Trade

## G20 Action Plan on COVID-19

**Sustaining demand. Several measures can be taken to sustain demand through this disruptive period.**

- A** ◀ Supporting funding through MSME-specific packages, such as reducing or postponing tax payment.  
Providing financial support to companies, particularly MSMEs
- C** ◀ Maintaining disposable income and ease household expenses for the most vulnerable citizens through employment-protection packages and subsidies, such as reducing the fixed cost of utilities, and distributing non-cash vouchers and basic goods
- B** ◀
- D** ◀ Redeploying jobs by increasing match-making labour programmes, providing allowances for employee training programmes, facilitating employer to employer temporary reallocation, or rapidly re/up-skilling

- ▶ We commit to providing substantial support to businesses, especially small-medium sized enterprises, and households
- ▶ We commit to supplying targeted liquidity and funding support, to businesses and small-medium sized enterprises.
- ▶ We commit to supporting individuals and households to retain their attachment to the labour market
- ▶ We commit to support workers through active labour market, training and reskilling policies to minimize the loss of human and organizational capital.

Prevent disruptions in global supply chains to enable effective crisis response in the short-term and enhance resilience in the medium-term.

Ensure opening and servicing of infrastructure, including ports, road, rail, cargo airports, critical for the movement of goods across regions and to lockdown areas, and ensuring that operators and their staff can speedily and safely do their work.

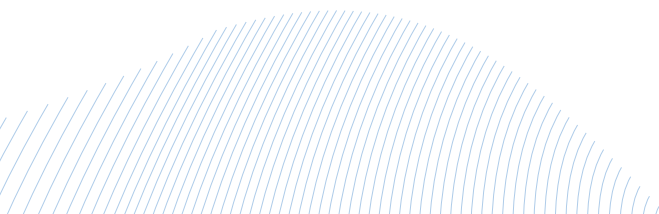
We will ensure smooth and continued operation of the logistics network that serve as the backbone of global supply chains.

Refrain from taking any protective measures (including tariffs and export restrictions) against WTO rules that interfere with the global trade of goods and services especially front-line medical and healthcare products and supplies.

We agree that emergency trade measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with WTO rules. We are actively working to ensure the continued flow of vital medical supplies and equipment.

Create a favourable fiscal and regulatory environment to ensure a strong rebound of companies and the global economy once the pandemic subsides. Include incentives for businesses and entrepreneurs that develop innovative solutions for sustainable and resilient health care systems and sector supply chains

We pledge to continue to put in place a comprehensive package of monetary and regulatory policy measures to support economic and financial stability, and together with fiscal response, ensure an appropriate overall degree of macro-economic policy support.





### B20-L20-W20 Statement on Employment, Skills, & Women

Engage employers, workers, key actors from civil society at all stages of national and local response and decision-making, and include women as both decision makers and a focus of the decisions.

- ▶ The G20 must commit to clear legislation that eradicates all forms of gender-based discrimination and mitigates unconscious bias in taking decisions during crisis.

Strengthen the access to social protection of most vulnerable group.

- ▶ The G20 must commit to scale up the social protection and extend it to all forms of employment. Particularly and immediately, support daily wage earners with direct cash transfers. Additionally, defer their credit payments, rents, and other forms of liabilities

Support employers to continue wages and entitlements.

- ▶ G20 must support them to continue wages and entitlements, financial as well as non-financial (such as paid leave and wage support) for workers that are temporarily laid-off or in part-time arrangements on a temporary basis

### G20 Employment Ministers' Statement on COVID-19

- ▶ We will make every effort to protect our workers, particularly those who are considered vulnerable and not covered by adequate social protection. We will make every effort to avoid leaving them even further behind. As such, we cannot allow COVID-19 to widen inequalities, including gender inequalities, in the labor market and erode progress made thus far

- ▶ We will work with key stakeholders in order to maximize the impact of our efforts.
- ▶ We recognize the importance of social dialogue and working in cooperation with the social partners on appropriate responses to the pandemic. Experience shows us that in times of crisis, social dialogue with workers' and employers' organizations results in responsive and durable solutions.
- ▶ Already, G20 Members are finding innovative ways of engaging in dialogue despite the social isolation we must endure.

- ▶ We will make every effort to protect our workers, particularly those who are considered vulnerable and not covered by adequate social protection.
- ▶ We will continue, in full global co-operation, to take a human-centered approach to promote employment, bolster social protection, stabilize labor relations, and promote the Fundamental Principles and Rights at Work amid the pandemic prevention and control measures, with actions being taken in accordance with our national circumstances.
- ▶ In addition to protecting jobs and income, we will ensure that our social protection systems are sufficiently robust and adaptable to provide adequate support for all workers in need, regardless of their employment status, age, or gender

- ▶ We will provide guidance and support to employers to enable them to take effective steps to minimize the impact of COVID-19 on their operations, resources, supply chains, and especially their workforces

Annex 1.2 Comparison between B20-L20-W20 Statement on Employment, Skills, & Women and G20 Labour & Employment Ministers Statement on COVID-19



**B20-L20-W20 Statement on Employment, Skills, & Women**

Provide additional support to MSMEs to reduce unemployment:

- ▶ The G20 must commit to provide additional support to MSMEs to avoid or reduce unemployment. Measures include, but are not limited to, paying the wages and income of workers and employers of MSMEs, providing deferrals of rent, credit payments and financial liabilities and suspending legal restrictions.

**G20 Employment Ministers' Statement on COVID-19**

- ▶ Our countries will continue to explore ways to support businesses and employers, especially micro, small, and medium-sized enterprises (MSMEs), to be able to maintain employment and support affected workers through this challenging period
- ▶ In addition, we will provide guidance and support to employers to enable them to take effective steps to minimize the impact of COVID-19 on their operations, resources, supply chains, and especially their workforces

Annex 1.3 Comparison between B20-S20 Digitalization Joint Statement and G20 Digital Economy Ministers' Statement on COVID-19



**B20-S20 Joint Statement on Digitalization**

- ▶ G20 Members must make efforts to strengthen an inclusive, resilient and interoperable digital infrastructure in each of their economies in order to lower the economic and societal impact of the pandemic as well as prepare for post-pandemic citizens' lives, with special considerations for the digitally disadvantaged and financially vulnerable communities.
- ▶ Looking ahead, digital infrastructure and specifically 5G can also play a key role in the economic recovery and fundamentally change our ways of working and living our lives. We need high quality infrastructure that can support a multitude of innovative applications that support remote working, remote process controls as well as reliable detection of health.

**G20 Digital Economy Ministers' Statement on COVID-19**

- ▶ We will work together on an urgent basis with the private sector and business entities, in particular with telecommunications and Internet service providers, and civil society, to maximize inclusive, secure, and affordable connectivity, especially in underserved areas and for vulnerable people.
- ▶ We underscore the importance of keeping telecommunication networks and digital infrastructure, in particular in health provider and research environments, robust, secure, accessible, and resilient. Furthermore, digital capacities should be expanded, in particular by increasing broadband connectivity using fixed, mobile, and satellite technologies and by exploring non-traditional means of connectivity, such as community networks.



## B20-S20 Joint Statement on Digitalization

▶ As the COVID-19 pandemic spreads, digital technologies such as Artificial Intelligence-assisted infection risk identification, 3D-printing, IoT, and e-commerce & smart logistics enabled global supply chain mechanism can be critical in supporting the fight against the disease and helping patients and healthcare workers.

▶ The G20 must collaborate with the private sector and research organizations in advancing digital information technologies that will aid prevention measures, while adhering to standards for good data stewardship.

▶ The G20 must create a trustworthy mechanism for nations to share data for the purpose of addressing the COVID19 pandemic, while protecting the privacy of data owners whether individuals, corporations, or governments.

▶ The G20 must also explore how such intended purpose oriented regulation of data can be used in the future to harness the potential of digital technologies in addressing or preventing potential future crisis as well as eliminating existing gender biases in data sets and algorithms to mitigate the risk of exacerbation of inequalities.

▶ It is critical that the G20 quickly coordinates global efforts to enhance the level of digital skills training by adopting recommended global standards of digital literacy, skills, and readiness for training, monitoring, and certification.

▶ G20 Members must ensure that people have the tools (laptops, smart phones and/or tablets etc.) to access such (digital) infrastructure.

▶ The G20 must work with stakeholders from industry, civil society, scientific community, technology experts, and others interested to develop and promote a catalogue of minimum recommended mandatory cyber security standards as well as best practice guidance on cyber-safe remote working practices, taking into consideration vulnerable groups, that businesses of all sizes can implement.

▶ In order to prepare for the inevitable shift in technology integrated business operations and tech-advanced education delivery systems, G20 Members must, in their economies, make efforts to provide easy, usable digital access to all, with free provision for the digitally excluded.



## G20 Digital Economy Ministers' A Statement on COVID-19

▶ We recognize the potential of digital technologies, including AI, to contribute to the fight against and prevention of pandemics by accelerating development of potential diagnostics, treatments, and vaccines

▶ We support the evidence-based, trustworthy, and human-centric deployment of digital technologies and solutions and any resulting policies, in a manner that respects individuals' privacy, security, and human rights.

▶ We encourage collaboration to collect, pool, process, and share reliable and accurate non-personal information that can contribute to the monitoring, understanding, and prevention of the further spread of COVID-19 as well as other infectious diseases. COVID-19-related data should be collected and processed in an ethical, transparent, safe, interoperable, and secure manner that protects the privacy and data security of individuals, in line with the International Health Regulations (IHR) 2005, and national laws and regulations.

▶ We acknowledge the need to ensure that potential biases in the data or algorithms are appropriately addressed.

▶ We will further promote digital work and the development of basic digital skills in companies, public institutions, schools, and universities.

▶ We encourage the expanded and secure use of tools that facilitate remote working and learning, and thereby support the continuity of economic and social activity as much as possible in a pandemic.

▶ We will endeavor to share best practices within existing national processes to enable timely national response to counteract malicious cyber activities that present material risks to the security of the digital economy and the individuals and businesses of which it consists.

▶ To support and strengthen the resilience of businesses, in particular MSMEs, women, and young entrepreneurs, and help them overcome digital divides, we note the importance of access to capital and the inclusive uptake of more sophisticated digital technologies.

## References

IMF World Economic Outlook 2020

IMF Global Financial Stability Report 2020

Evaluating the impact of containment measures on activity, OECD, 2020

Compliance in times of crisis, Partnership Against Corruption Initiative (PACI), World Economic Forum, 7 April 2020

COVID-19 and world of work: Impacts and responses, ILO, 18 March 2020

How the G20 can hasten recovery from COVID-19, Peterson Institute for International Economics, April 2020

## Acknowledgments

The B20 Saudi Arabia expresses its gratitude to its members and partners for their contributions in preparing the B20 Special Report. The Report draws on the collective knowledge and wisdom of the Chairs, co-chairs, and members of the Taskforces and the Action Council, the Knowledge Partners, the Network Partners, members of the Executive Committee and the Business Advocacy Caucus, and the B20 Secretariat. The consensus-based Report is enriched by the diversity of perspectives and views on the global situation, and inspired by the shared aspiration to turn the tide on the crisis.



[b20saudiArabia.org.sa](https://b20saudiArabia.org.sa)