

ECONOMIC RECOVERY

How do countries financially recover from a global pandemic?

“Societies need to protect themselves, and to recover, as quickly as possible. But we cannot go back to the way we did things before.” - World Health Organisation

The closure of many non-essential services due to COVID-19 has halted economic growth globally. For many countries, economic recovery is seen as a necessity in order to generate additional leverage and long-term benefits for the state and its citizen.

Malaysia adopted a **six-step strategy (6R) approach**: Resolve, Resilience, Restart, Recovery, Revitalize, & Reform – and implemented two economic stimulus packages : PRIHATIN and PENJANA.

This snapshot, we explore **stimulus aids, strategic policies, & innovations** to kickstart economic recovery around the world.

SOLUTIONS SNAPSHOT

STIMULUS AIDS



Malaysia implemented the **PENJANA** and **PRIHATIN** stimulus packages as part of the national economic recovery plan:

Launched on 5 June, the National Economic Recovery Plan (PENJANA) represents a short-term plan focused on **three components to empower the people, propel businesses and stimulate economy**. On the other hand, the Prihatin Rakyat Economic Stimulus Plan (PRIHATIN) focused on **financial recovery**. It aims to help alleviate cash flow challenges and ensure the survival of affected businesses.

The government also introduced the Economic Stimulus Implementation and Coordination Unit Between National Agencies (LAKSANA) - a digital platform that facilitates implementation of **PENJANA** and **PRIHATIN**. This platform links data between 53 ministries and agencies for a better understanding of aid distribution.



In line with plans to promote its tourism sector, the government of **Vietnam** has proposed a 30% cut in corporate income tax. This would minimize the financial losses of businesses throughout the pandemic.

To further **increase outreach to Small and Medium Enterprises (SMEs) and public enterprises**, Vietnam is targeting investment from international manufacturers modelled after the Free Trade Agreement (FTA) between the European Union (EU) and Vietnam.



Australia pledged **USD \$7.3 million** in foreign aid to support post-pandemic recovery efforts. This bilateral effort specifically prioritises economic recovery in ways such as **workforce development, economic reform, infrastructure, gender equality, agriculture, tourism and innovation**.

Australia also allocated **USD\$100 million** from existing aid programmes as “quick financial support” for **Pacific countries** affected by Cyclone Herald and COVID-19 pandemic.



Air France aims to become the world's “most environmentally friendly” airline in order to meet conditions of its government bailout.

The airline will have to **halve its overall carbon-dioxide (CO2) emissions per passenger-kilometre (km)** by 2030, as per conditions to qualify for the French government bailout. The government also urged the airline to **renew its fleet with more efficient aircraft** and commit to sourcing 2% of its fuel requirements from sustainable sources by 2025.



Pakistan imposed a locked down since 23 March, unemployed day labourers were hired as “jungle workers”. These workers are to plant tree saplings across Pakistan as part of the 10 Billion Tree Tsunami programme – an existing forest restoration project.

This **“green stimulus” effort** sets an exemplar of how nations can tackle the unemployment situation due to the COVID-19 pandemic but also address the next big threat: climate change.

STRATEGIC POLICIES



Singapore Deputy Prime Minister, Mr. Heng Swee Keat, laid out three ways to support national businesses and workers in a post-COVID future:

i) New global links: Singapore needs to remain as an open trading nation and to find new links in connecting critical supply lines globally.

ii) Infrastructure: To continue investment in infrastructures and strengthen resilience through projects like the food production plan (technological alternatives to grow more food)

iii) Research and Development (R&D): Singapore is finalising a five-year R&D plan to sharpen country's competitiveness by further supporting basic and applied research in high impact areas such as biomedical sciences, climate change, and artificial intelligence.



Over **200 corporate leaders** in the **UK** (incl. executives from HSBC, Lloyds Bank, Aviva, BP, etc) called on Prime Minister Boris Johnson to “deliver a clean, just recovery” from the COVID-19 pandemic. In the joint letter, the group calls for a **sustainable, inclusive and resilient recovery plan** that “creates quality employment” for the country's future.



In April, **Amsterdam** released their recovery plan “Amsterdam Circular Strategy 2020-2025” that adopts an economic framework known as “doughnut economics”. Its main objective does not focus on economic growth but to **improve health and other social resources** such as **ensuring affordable housing and jobs, revamping recycling programs, and cutting food waste**.

INDIVIDUAL INNOVATION



Ken Abante, an economic policy researcher from Ateneo De Manila University, rallied friends and volunteers and created a **citizen budget tracker** for COVID-19 that helps monitor government funds during the pandemic.

The budget tracker **looks for gaps in the budget strategy, and hold the government accountable** for its fiscal spending.