Europe India Chamber of Commerce

Newsletter

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On this occasion of Labour Day May 1, 2020, EICC conveys its best wishes all a Happy Labour Day 2020. This Labour Day has a special significance because of COVID-19 with which the world is struggling. Those who are on the frontline to save us from this invisible enemy need our wishes and greetings. We would not have been here if Labour is not in this world because they do everything for us, they are very precious for us.

Govt approval must for all FDIs from neighbouring countries including China

The government on Saturday made its prior approval mandatory for foreign investments from countries that share land border with India to curb "opportunistic takeovers" of domestic firms following the Covid-19 pandemic, a move which will restrict FDI from China.

Countries which shares land borders with India are China, Bangladesh, Pakistan, Bhutan, Nepal, Myanmar, and Afghanistan.

"An entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the government route," according to a press note issued by the Department for promotion of Industry and Internal Trade (DPIIT).

It said that the government has amended the FDI (foreign direct investment) policy to curb "opportunistic takeovers/acquisitions" of Indian companies on account of Covid-19 pandemic.

It also said that government approval will be mandatory for any transfer of ownership of any existing or future FDI in a company in India, which results in change in beneficial ownership, falling under this new restriction.

"In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction or urview of the (amended policy), such subsequent change in beneficial ownership will also require government approval," 'it said.

According to sources,the decision would restrict foreign investments from China amid fears that companies in the neighbouring country might make takeover bids at a time when domestic firms are battling lockdown imposed to contain rapid spread of coronavirus.

Currently such a norm was there for investments coming from Pakistan. A company can invest in India, subject to the FDI policy except in those sectors/activities which are prohibited.

"Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investment," it added.

Commenting on this, Nangia Andersen LLP Director Sandeep Jhunjhunwala said Chinese tech investors have put an estimated USD 4 billion of greenfield investments into Indian start-ups, as per the estimates of India-China Economic and Cultural council.

"Such is their pace that over the last few years, 18 out of India's 30 unicorns are Chinese-funded. Overall, time is right for India to safeguard longer-term considerations and protect its technology

ecosystem by blocking hostile deals and effectively dealing with the looming challenge posed by Chinese tech companies," he said adding SEBI had earlier sought details from custodians regarding investments coming from China into Indian stock markets.

PwC India Partner (Tax and Regulatory) Vikram Doshi, said, "Covid-19 will impact several businesses, especially ones that are highly leveraged. It will open up takeover opportunities in many sectors."

He added that this press note is an attempt to place a check and give the government an opportunity to review such takeovers and investments coming into India from specific jurisdictions.

According to the DPIIT data, India received FDI from China worth $2.34 billion (Rs 14.846 crore) between April 2000 and December 2019. During the same period, India has attracted Rs 48 lakh from Bangladesh, Rs 18.18 crore from Nepal, Rs 35.78 crore from Myanmar, and Rs 16.42 crore from Afghanistan. There are no investments from Pakistan and Bhutan.

Chinese central bank - People's Bank of China - has recently hiked its stake in mortgage lender HDFC Ltd to 1.01 per cent.

Although FDI is allowed through automatic route in most of the sectors, certain areas such as defence, telecom, media, pharmaceuticals and insurance, government approval is required for foreign investors.

Under government route, foreign investor has to take prior approval of respective ministry/department. Through automatic approval route, the investor just has to inform the RBI after the investment is made.

There are nine sectors where FDI is prohibited and that includes lottery business, gambling and betting, chit funds, Nidhi company, real estate business, and manufacturing of cigars, cheroots, cigarillos and cigarettes using tobacco.

During April-December 2019-20, FDI into India increased by 10 per cent to $36.77 billion.

(Times of India, 18/4/2020)

COVID-19 plunges world economy into brutal recession

The World Trade Organization said it expects world trade to tumble by between 13 and 32 percent this year.

A week before the International Monetary Fund updates its forecasts for the global economy that will take into account the initial damage incurred since the coronavirus emerged in China at the start of the year, the first sets of data are coming in.

France's central bank estimated Wednesday that the country's economy contracted by around six percent in the first three months of 2020, its worst quarterly performance since World War II.

Meanwhile, the leading economic institutes in Germany expect Europe's top economy to contract by nearly 10 percent in the second quarter.

That would be twice as deep as the contraction Germany suffered in 2009 as the global financial crisis hit the continent, and it would constitute the country's worst performance since the institutes began keeping records in 1970.

"During the first two quarters of the year, the economies of Western countries are collapsing," said Philippe Waechter, economist at Ostrum Asset Management.

If the United States is somewhat behind Europe in terms of shutting down businesses to stem the spread of the coronavirus and first-quarter figures will not be impacted, the effect is likely to make itself felt in the second quarter.

"It's impossible to imagine that the United States could escape the deep recession being suffered elsewhere," said Waechter.

Both California, which has the world's fifth-largest economy ahead of Britain and France, and the US financial capital New York City are both under confinement measures.

Meanwhile, the World Trade Organization said Wednesday it expects world trade to tumble by between 13 and 32 percent this year.

WTO chief Roberto Azevedo warned the world is facing the "deepest economic recession or downturn of our lives."

Forecasts made just a few weeks ago have become outdated.

(Source: WTO, 9/4/2020)

Coronavirus outbreak has severely disrupted Indian economy: World Bank

The World Bank on Sunday said the coronavirus outbreak has severely disrupted the Indian economy, magnifying pre-existing risks to its outlook. In its South Asia Economic Update: Impact of COVID-19, the World Bank estimated the Indian economy to decelerate to 5 per cent in 2020 and projected a sharp growth deceleration in fiscal 2021 to 2.8 per cent in a baseline scenario.

The COVID-19 outbreak came at a time when India's economy was already slowing, due to persistent financial sector weaknesses, the report said. To contain it, the government imposed a lockdown' with restrictions on mobility of goods and people.

The resulting domestic supply and demand disruptions (on the back of weak external demand) are expected to result in a sharp growth deceleration in FY21 to 2.8 percent in a baseline scenario (an estimate subject to wide confidence intervals), the report said, adding that the services sector will be particularly impacted. A revival in domestic investment is likely to be delayed given enhanced risk aversion on a global scale, and renewed concerns about financial sector resilience.

Growth is expected to rebound to 5.0 per cent in fiscal 2022 as the impact of COVID-19 dissipates, and fiscal and monetary policy support pays off with a lag, the report said. In a conference call with reporters, World Bank Chief Economist for South Asia Hans Timmer said India's outlook is not good.

And if the domestic lockdown is prolonged, then the economic result can be much worse than what the World Bank has in its baseline range of forecasts. Among the steps that India can take to address this challenge, Timmer said the first step is to focus on mitigating the spread of the disease, and to make sure that everybody has food.

Then, it is very important to prepare for a rebound and that means there should be a focus on temporary jobs programmes, especially at the local levels. Those initiatives should be supported. And it is important to prevent bankruptcies especially of a small and medium sized enterprise, Timmer said in response to a question.

In the longer run, this is really an opportunity to bring the Indian economy on sustainable path not just fiscally, but also socially, he said.

The World Bank is working with India to mitigate the challenge posed by COVID-19. It has approved USD1 billion to India, of which the first tranche has already been released to deal with the emergency in the health care sector.

The first tranche aims at delivering civilian diagnostic equipment, put in place additional capacity to deal with testing and make testing available that benefits the entire population, said World Bank Vice President for South Asia Hartwig Schafer.

The World Bank is also working with India on two additional operations, which is anticipated to be ready in a matter of weeks. These include, employment, banking and micro, small and medium enterprise sector.

In its report, the World Bank said that the COVID-19 outbreak has magnified pre-existing risks to India's economic outlook.

The government is undertaking measures to contain the health and economic fallout, and the RBI has begun providing calibrated support in the form of policy rate cuts and regulatory forbearance.

Given significant uncertainties, there is a wide confidence interval around the baseline estimate. If a large-scale domestic contagion scenario is avoided, early policy measures payoff, and restrictions to the mobility of goods and people can be lifted swiftly, an upside scenario could materialize in FY21, with growth around four per cent, it said.

However, if domestic contagion is not contained, and the nationwide shutdown is extended, growth projections could be revised downwards to 1.5 per cent, and fiscal slippages would be larger, the World bank said.

(Financial Express, 12/4/2020)

World Bank approves $1 billion aid to India to fight Covid-19

The World Bank's Board of Executive Directors has approved a fast-track $1 billion India COVID-19 Emergency Response and Health Systems Preparedness Project to help India prevent, detect, and respond to the COVID-19 pandemic and strengthen its public health preparedness.

This is the largest ever health sector support from the Bank to India.

This new support will cover all states and Union Territories across India and address the needs of infected people, at-risk populations, medical and emergency personnel and service providers, medical and testing facilities, and national and animal health agencies.

"The project will immediately enable the Government of India (GOI) to scale-up efforts to limit human-to-human transmission, including reducing local transmission of cases and containing the epidemic from progressing further. In parallel, interventions to strengthen the health system will be rolled out to improve the country's capacity to respond to the COVID-19 epidemic and be better prepared to respond to emerging disease outbreaks, including transmission between humans and animals," a World Bank statement said on Friday.

Procurement of testing kits; setting up of new isolation wards — including turning hospital beds into intensive care unit beds; infection prevention and control; and purchase of personal protective equipment, ventilators, and medicines, particularly in district hospitals and designated infectious disease hospitals will be scaled up under the project, it said.

(Economic Times, 3/4/2020)

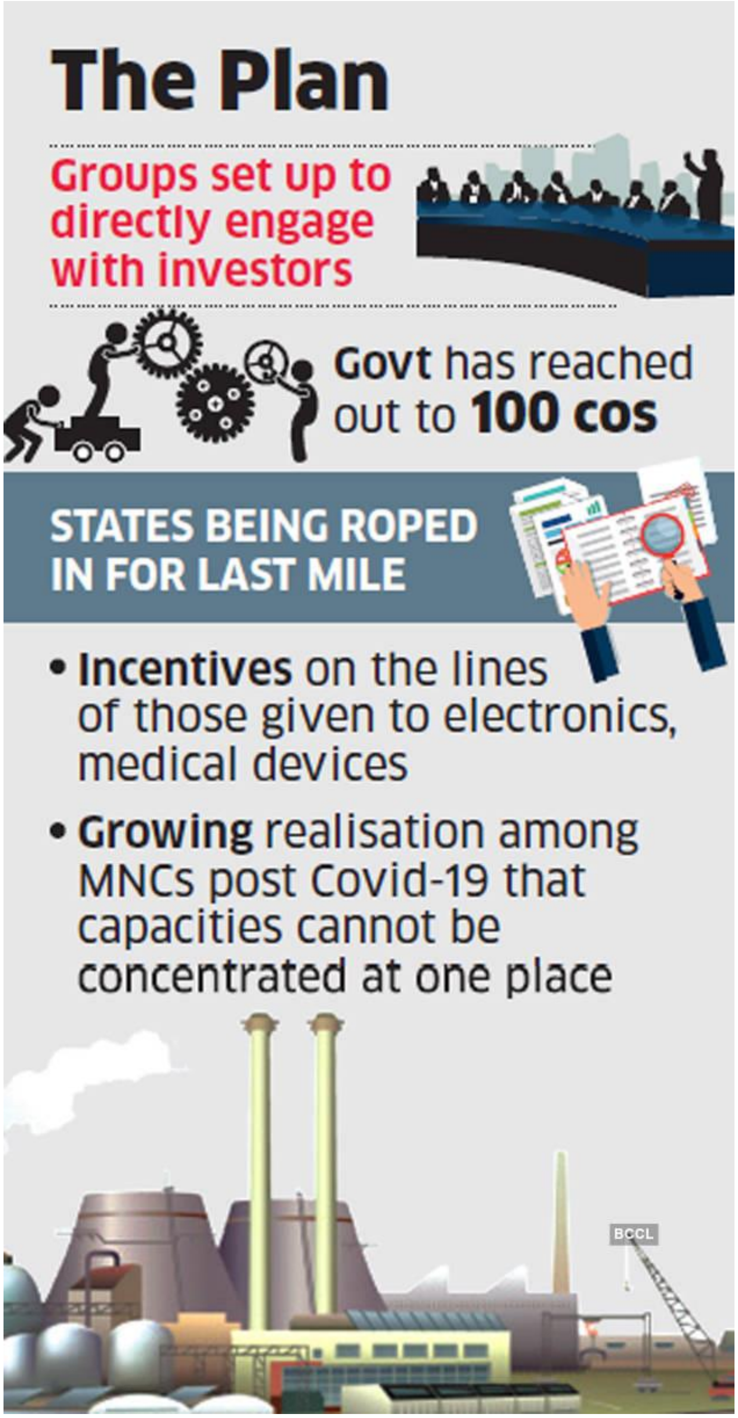
Red carpet for firms looking to ditch China

The benefits will be on the lines of those given to manufacture electronic and medical devices.

The Prime Minister's Office, Niti Aayog and the Department for Promotion of Industry and Internal Trade are firming up a plan to offer incentives to attract companies looking to shift manufacturing activities out of China.

The benefits will be on the lines of those given to manufacture of electronic and medical devices. These may include production-linked incentives such as capital expenditure benefits.

There is a growing realisation among multinational firms after the Covid-19 pandemic that capacities cannot be concentrated at one place. India has set up dedicated groups to directly interact with firms that may want to diversify out of China.



"More sectors could be offered sops on the lines of electronics and medical devices… Those are being worked out," a government official told ET.

The official said last year's corporate tax rate cut and these additional sops would make India — with its large market —as competitive as Vietnam.

The DPIIT already has a list of states that have large land banks and are willing to offer quick approvals for interested companies, the official said.

"A number of countries are now keen that their industry diversifies manufacturing... There is going to be a shift," the official said, adding that India has changed its policies considerably to emerge as an attractive alternative destination.

The government has already reached to about 100 multinational companies that have manufacturing units in China and may be keen to move out.

(Economic Times, 22/4/2020)

IMF Projects India's Growth Rate at 1.9% in 2020, Forecasts Global Recession Due to COVID-19

Washington: The IMF on Tuesday projected a GDP growth of 1.9 per cent for India in 2020, as the global economy hits the worst recession since the Great Depression in the 1930s due to the raging coronavirus pandemic that has nearly stalled all economic activities across the world. Also Read - 2020 Could See Worst Global Economic Fallout Since Great Depression in 1930s: IMF

With this subdued forecast, India is likely to record its worst growth performance since the 1991 liberalisation. But the International Monetary Fund, in its latest edition of the World Economy report, has placed India as the fastest-growing emerging economies of the world.

It is among the only two major countries, which will register a positive growth rate in 2020. The other being China, for which the IMF has projected a growth rate of 1.2 per cent.

"We project global growth in 2020 to fall to -3 per cent. This is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period," Indian–American Gita Gopinath, the IMF Chief Economist said, adding that the COVID-19 pandemic will severely impact growth across all regions.

The Great Depression was the worst worldwide economic downturn that lasted for 10 years from 1929, beginning in the US when the New York Stock Exchange on Wall Street crashed and wiped out millions of investors.

Most countries, in the advanced economy group, are forecast to contract this year, including the United States (5.9 per cent), Japan (5.2 per cent), the United Kingdom (6.5 per cent), Germany (7.0 per cent), France (7.2 per cent), Italy (9.1 per cent), and Spain (8.0 per cent), the IMF report said.

Even with a sharp rebound in the remainder of the year and sizable fiscal support, the Chinese economy is projected to grow at a subdued 1.2 per cent in 2020.

The IMF said several economies in the region were forecast to grow at modest rates, including India (1.9 per cent) and Indonesia (0.5 per cent), and others are forecast to experience large contractions (Thailand, 6.7 per cent).

The IMF said that other regions are projected to experience severe slowdowns or outright contractions in economic activity, including Latin America (5.2 per cent) with Brazil's growth forecast at 5.3 per cent and Mexico's at 6.6 per cent; emerging and developing Europe (5.2 per cent) with Russia's economy projected to contract by 5.5 per cent.

The Middle East and Central Asia (2.8 per cent) with Saudi Arabia's growth forecast at 2.3 per cent, with non-oil GDP contracting by four per cent, and most economies, including Iran, expected to contract; and sub-Saharan Africa (1.6 per cent) with growth in Nigeria and South Africa expected at 3.4 per cent and 5.8 per cent respectively.

This is a crisis like no other, and there is substantial uncertainty about its impact on people's lives and livelihoods, Gopinath said.

A lot depends on the epidemiology of the virus, the effectiveness of containment measures, and the development of therapeutics and vaccines, all of which are hard to predict.

In addition, many countries now face multiple crises a health crisis, a financial crisis, and a collapse in commodity prices, which interact in complex ways, she said.

Assuming the pandemic fades in the second half of 2020 and that policy actions taken around the world are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains, Gopinath said the IMF projects global growth in 2021 to rebound to 5.8 per cent.

India's growth rate in 2021 is projected at 7.4 per cent, while that of China at 9.2 per cent. The United States has been projected to grow at 4.5 per cent and Japan 3 per cent, the IMF report said.

This is a truly global crisis as no country is spared, Gopinath said. Countries reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions, she added.

The emerging markets and developing economies face additional challenges with unprecedented reversals in capital flows as global risk appetite wanes, and currency pressures, while coping with weaker health systems, and more limited fiscal space to provide support. Moreover, several economies entered this crisis in a vulnerable state with sluggish growth and high debt levels, the IMF chief economist wrote.

According to the World Economic Report, the rebound in 2021 depends critically on the pandemic fading in the second half of 2020, allowing containment efforts to be gradually scaled back and restoring consumer and investor confidence.

Significant economic policy actions have already been taken across the world, focused on accommodating public health care requirements, while limiting the amplification to economic activity and the financial system.

The projected recovery assumes that these policy actions are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains, it said.

India is likely to record its worst growth performance since the 1991 liberalisation this fiscal year as the coronavirus outbreak severely disrupts the economy, the World Bank said on Sunday.

India’s economy is expected to grow 1.5 per cent to 2.8 per cent in the 2020-21 fiscal which started on April 1, the World Bank said in its South Asia Economic Focus report. It estimated India will grow 4.8 per cent to 5 per cent in the 2019-20 fiscal that ended on March 31.

(IMF, 14/4/2020)

Council of the European Union

Report on the comprehensive economic policy response to the COVID-19 pandemic

1. The COVID-19 pandemic constitutes an unprecedented challenge with very severe socio-economic consequences. We are committed to do everything necessary to meet this challenge in a spirit of solidarity.

2. A coordinated and comprehensive strategy is necessary to deal with health emergency needs, to support economic activity and to prepare the ground for the recovery. This strategy should combine short, medium and long-term initiatives, taking account of the spill overs and interlinkages between our economies and the need to preserve confidence and stability.

3. Several measures have already been taken at the national and EU levels, as set out in the statement of the Eurogroup in inclusive format of 16 March. A subsequent letter of the President of the Eurogroup of 24 March outlined further elements of policy response under consideration. The European Council, in its statement of 26 March, invited the Eurogroup to present proposals on the economic response to the COVID-19 pandemic within two weeks. Replying to the Leaders’ mandate, this report takes stock of actions taken thus far and outlines a comprehensive and coordinated economic response.

Coordinated actions taken so far at the level of the Member States, the EU and the euro area

4. Since the onset of the crisis, Member States have continuously stepped up efforts to support the economy.

5. A timely, temporary and targeted discretionary fiscal stimulus is being provided in a coordinated manner. Significant public resources are directed to strengthen the healthcare sector and civil protection mechanisms and to support affected workers and economic sectors. To date, the aggregate amount of Member States’ discretionary fiscal measures amounts to 3% of EU GDP, a threefold increase since 16 March, on top of the significant impact of automatic stabilisers.

6. Furthermore, Member States have so far committed to provide liquidity support for sectors facing disruptions and companies facing liquidity shortages, consisting of public guarantee schemes and deferred tax payments, which are now estimated at 16% of EU GDP, up from 10% on 16 March.

7. The Ministers of Finance stand ready to take further measures as needed, as developments unfold.

8. **Flexibility in EU rules.** On 23 March, Ministers of Finance agreed with the assessment of the Commission that the conditions for the use of the general escape clause of the EU fiscal framework, a severe economic downturn in the euro area or the Union as a whole, are fulfilled. This offers the flexibility necessary to the national budgets to support the economy and to respond in a coordinated manner to the impact of the COVID-19 pandemic. Overall fiscal guidance will be provided within this framework and as part of a streamlined European Semester exercise. We welcomed the Commission's decision to issue a specific temporary state-aid framework to expedite public support to companies, while ensuring the necessary level playing field in the Single Market as well as the recent extension of the framework to cover support for research, testing and production relevant in the fight against the COVID 19 pandemic. We also welcome the Commission' guidance on the use of all the flexibilities offered by the EU public procurement framework in this emergency situation, issued on the 1st of April.
9. **Use of the EU budget.** We welcome the proposals by the Commission to make best use of existing EU budget resources to fight the crisis. The proposal for a Coronavirus Response Investment Initiative was approved by the European Parliament and the Council and is in force as of the 1st of April. This will allow the use of EUR 37 billion under cohesion policy to address the consequences of the COVID-19 crisis. In addition, the scope of the Solidarity Fund was broadened to include major public health crises. Starting from the 1st of April, this allows the hardest hit Member States to get access to financial support of up to EUR 800 million in 2020.
10. **Monetary Policy.** We welcome the resolute action taken by the European Central Bank to support liquidity and financing conditions to households, businesses and banks, which will help to preserve the smooth provision of credit to the economy. On 18 March, the ECB decided to launch a EUR 750 billion Pandemic Emergency Purchase Programme (PEPP), to expand the range of eligible assets under the corporate sector purchase programme (CSPP) and to ease the collateral standards. These measures are aimed at ensuring that all sectors of the economy can benefit from supportive financing conditions that enable them to absorb the Covid-19 shock.
11. **Financial Stability:** We welcome the guidance provided by supervisory authorities to financial institutions on the interpretation and application of the regulatory requirements in the current exceptional circumstances. We also welcome the release of capital buffers. To overcome the financing pressures faced by firms and households, making full use of the flexibility provided for in the regulatory framework is essential. We will continue to monitor closely the evolution of the situation and to coordinate European and national measures. Where necessary, we stand ready to take further actions, including legislative measures, if appropriate to mitigate the impact of Covid-19.

Additional crisis response instruments and preparing the ground for the recovery

12. At this critical juncture, we are ready to step up the EU response to support, bolster and complement efforts made so far. We are committed to ensure the conditions for an adequate response to the crisis in every EU Member State. In that context, measures envisaged by the

European institutions should be implemented in light of the severity of the economic consequences of the pandemic on individual Member States.

13. **EU budget flexibility.** We welcome the Commission's proposals regarding the further temporary flexibility in the use of EU funds, such as allowing transfers between funds, regions and policy objectives, abandoning national co-financing requirements and supporting vulnerable members of society. This will help to mobilise effectively the EU budget to face the repercussions of the COVID-19 pandemic.

14. **Emergency Support.** We agreed that a dedicated COVID-19 instrument to support the financing of emergency aid, through the provision of grants, is necessary, to first and foremost reinforce our healthcare systems. In this context, we welcome the Commission proposal of 2 April to re-activate the Emergency Support Instrument in the context of the COVID-19 outbreak. This instrument can at this stage provide support of EUR 2.7 billion from EU budget resources. Its firepower can be strengthened rapidly, through additional voluntary contributions from Member States. We call on Member States to explore ways to further reinforce the Emergency Support Instrument in the context of the legislative process.

15. **Strengthening EIB activities**. We welcome the initiative of the EIB Group to create a pan-European guarantee fund of EUR 25 billion, which could support EUR 200 billion of financing for companies with a focus on SMEs, throughout the EU, including through national promotional banks. We invite the EIB to operationalize its proposal as soon as possible and stand ready to put it in place without delay, while ensuring complementarity with other EU initiatives and the future Invest EU programme. This initiative is an important contribution to preserving the level playing field of the single market in light of the national support schemes.

16. **Safety nets in the EU and EA.** Safety nets are in place in the euro area and the EU. In the euro area, the ESM is equipped with instruments that could be used, as needed, in a manner adapted to the nature of the symmetric shock caused by COVID 19. We propose to establish a Pandemic Crisis Support, based on the existing ECCL precautionary credit line and adjusted in light of this specific challenge, as a relevant safeguard for euro area Member States affected by this external shock. It would be available to all euro area Member States during these times of crisis, with standardised terms agreed in advance by the ESM Governing Bodies, reflecting the current challenges, on the basis of up-front assessments by the European institutions. The only requirement to access the credit line will be that euro area Member States requesting support would commit to use this credit line to support domestic financing of direct and indirect healthcare, cure and prevention related costs due to the COVID 19 crisis. The provisions of the ESM Treaty will be followed. Access granted will be 2% of the respective Member's GDP as of end-2019, as a benchmark. With a mandate from the Leaders, we will strive to make this instrument available within two weeks, while respecting national procedures and constitutional requirements. The credit line will be available until the COVID 19 crisis is over. Afterwards, euro area Member States would remain committed to strengthen economic and financial fundamentals, consistent with the EU economic and fiscal coordination and surveillance frameworks, including any flexibility applied by the competent EU institutions. The Balance of

Payments Facility can provide financial support to Member States that have not adopted the euro. It should be applied in a way which duly takes into account the special circumstances of the current crisis.

17. **SURE**. In the spirit of solidarity and in light of the exceptional nature of the COVID -19 crisis, we agree on the need to establish, for the duration of the emergency, a temporary loan-based instrument for financial assistance under Article 122 of the Treaty on the Functioning of the European Union. We will strive to make the instrument operational as soon as possible. In this context, we welcome the Commission proposal of 2 April to set-up a temporary instrument supporting Member States to protect employment in the specific emergency circumstances of the COVID-19 crisis. It would provide financial assistance during the time of the crisis, in the form of loans granted on favourable terms from the EU to Member States, of up to EUR 100 billion in total, building on the EU budget as much as possible, while ensuring sufficient capacity for Balance of Payments support, and on guarantees provided by Member States to the EU budget. The instrument could primarily support the efforts to protect workers and jobs, while respecting the national competences in the field of social security systems, and some health-related measures. This proposal should be taken forward without delay in the legislative process. The Member States' position on this emergency instrument does not pre-judge the position on future proposals related to unemployment insurance. Consistent with its legal basis, access to the instrument will be discontinued once the COVID-19 emergency has passed.

18. We agree that a coherent strategy in the EU is needed to support Member States' efforts to return to a normal functioning of our societies and economies and to promote a relaunch of economic activity and investment to ensure sustainable growth.

19. **Recovery Fund**. In this context, we also agreed to work on a Recovery Fund to prepare and support the recovery, providing funding through the EU budget to programmes designed to kick-start the economy in line with European priorities and ensuring EU solidarity with the most affected member states. Such a fund would be temporary, targeted and commensurate with the extraordinary costs of the current crisis and help spread them over time through appropriate financing. Subject to guidance from Leaders, discussions on the legal and practical aspects of such a fund, including its relation to the EU budget, its sources of financing and on innovative financial instruments, consistent with EU Treaties, will prepare the ground for a decision.

20. **Upcoming MFF.** The next EU Multiannual Financial Framework (MFF) will play a central role in the economic recovery. It will have to reflect the impact of this crisis and the size of the challenges ahead, by setting the right priorities, to allow Member States to effectively address the fallout of the coronavirus crisis, to support the economic recovery, and ensure that cohesion within the Union is maintained through solidarity, fairness and responsibility. We welcome the Commission's intention to adapt its MFF proposal to reflect the new situation and outlook.

21. **Roadmap for Recovery**. Work is ongoing on a broader Roadmap and an Action Plan to support the recovery of the European economy through high quality job creation and reforms to strengthen resilience and competitiveness, in line with a sustainable growth strategy. It should put in place the conditions to relaunch our economies whilst promoting economic convergence

22. in the EU and reducing any fragmentation resulting from the crisis, including through the rapid restoration of the full functionality of the Single market. The President of the Commission and the President of the European Council, in consultation with other institutions, including the ECB, have started work to this end. The Eurogroup stands ready to contribute and support this endeavour.

23. Today we are engaged in an effort to safeguard the health and lives of European citizens and to tackle the immediate economic challenge. This includes the fiscal means Member States need to finance the necessary measures. The recovery of the European economy poses a big challenge. We will act together in solidarity and we will deliver. This includes the necessary progress in strengthening the European Union.

Next steps

24. The Eurogroup will pursue the work needed taking into account the intention of the Council Presidency to take the legislative proposals forward without delay.

(Source: Council of the European Union)

10 things the EU is doing to fight the coronavirus

Find out what the European Institutions are doing to mitigate the impact of the Covid19 outbreak, protect people and the economy and promote solidarity.

1. Slowing the spread of the virus

To help limit the transmission of the virus in Europe and beyond, the EU has closed its external borders to non-essential travel, while ensuring essential goods keep moving across the EU through the introduction of green lanes. Additional resources are foreseen for the European Centre for Disease Prevention and Control, which provides rapid risk assessments and epidemiological updates on the outbreak.

2. Providing medical equipment

EU-countries have speedy access to the first ever RescEU stockpile of medical equipment, such as ventilators and protective masks, under the Civil Protection Mechanism. In addition, the EU has set up a huge international tender allowing member states to make joint purchases of equipment and drugs.

3. Promoting research

The EU's Horizon 2020 research programme is funding 18 research projects and 140 teams across Europe to help find a vaccine quickly against Covid-19. The aim is to improve diagnostics, preparedness, clinical management and treatment.

4. Assuring the EU's recovery

To help the EU recover from the economic and social impact of the pandemic, the European Commission will come up with a fresh proposal for the EU's long-term budget for 2021-2027, which will include a stimulus package. The European Parliament has the final word on the proposal.

5. Repatriating EU citizens

More than 10,000 Europeans stranded around the world by the outbreak have been returned home thanks to the EU Civil Protection mechanism.

6. Boosting European solidarity

The European Parliament has backed new rules allowing member states to request financial assistance from the EU Solidarity Fund to cover health emergencies. With the newly broadened scope of the fund, up to €800 million will be made available for member states this year to fight the coronavirus pandemic.

7. Supporting the economy

The European Central Bank is providing €750 billion to relieve government debt during the crisis, as well as €120 billion in quantitative easing and €20 billion in debt purchases. In addition, MEPs voted to make €37 billion from existing EU structural funds available to EU countries to tackle the coronavirus crisis and support healthcare, businesses and workers.

8. Protecting jobs

To ensure employees can keep their job when companies run out of work due to the coronavirus crisis, the Commission has proposed the concept of state-supported short time work (SURE).

9. Safeguarding the internet

With millions of people forced to stay at home, the EU has asked Netflix, Facebook and YouTube to reduce streaming quality to avoid overloading the web. This allows everyone to use the internet, be it for work or for leisure.

10. Protecting the environment and airlines

Parliament has supported the Commission's proposal to temporarily stop empty "ghost flights". By waiving the rule that obliges airlines to operate their planned take-off and landing slots to keep them the following season, the EU is ending unnecessary emissions and helping airlines adjust to lower demand.

(European Parliament, 2/4/2020)

Coronavirus: EU global response to fight the pandemic

Today, the European Commission and the High Representative set out plans for a robust and targeted EU response to support partner countries' efforts in tackling the coronavirus pandemic. The EU's collective action will focus on addressing the immediate health crisis and resulting humanitarian needs, strengthening partner countries' health, water and sanitation systems and their research and preparedness capacities to deal with the pandemic, as well as mitigating the socioeconomic impact. To underpin these actions, the EU will secure financial support to partner countries amounting to more than €15.6 billion from existing external action resources. Together with our partners, we are making sure that the substantial EU funding already allocated to them is targeted to help them deal with the impact of coronavirus.

The President of the European Commission, Ursula von der Leyen, commented: “The virus knows no borders. This global challenge needs strong international cooperation. The European Union is working tirelessly to fight the pandemic. We all know that only together we can stop the worldwide spread of the coronavirus. To that end, the EU will soon convene a virtual pledging event to help mobilise the necessary funding and support the World Health Organisation to assist the most vulnerable countries.”

High Representative/Vice-President Josep Borrell, added: “The coronavirus pandemic requires united, global action in response. The European Union and its Member States are playing their part in tackling this health crisis and its severe consequences – at home and abroad. While we are doing everything we can to provide support of our citizens, we also need to assist our partners in our direct neighbourhood and beyond to address the impact it will have on their livelihoods, stability and security, as their problems are our problems. This is a global fight that we will either win or lose together. Cooperation and joint efforts at the international level and multilateral solutions are the way forward, for a true global agenda for the future.”

Commissioner for International Partnerships, Jutta Urpilainen, explained: ”As long as the coronavirus threatens lives somewhere, we are not safe. This is the core of international cooperation and partnerships. We need to work together in order to tackle our shared challenges. Today the European Commission steps up and leads with this significant global response package of more than €15.6billion the joint work with our partners, particularly in Africa, for a safer future for us all.”

Neighbourhood and Enlargement Commissioner, Olivér Várhelyi, said: “As part of our global response to the coronavirus pandemic we are redirecting over €3.8 billion of foreseen funds for the Western Balkans and our immediate neighbours to the East and to the South, to where their real needs are today: for urgent response to the health crisis, to strengthen the health systems and to mitigate the socio-economic impact of the pandemic. We share a continent and we can only succeed together.”

Janez Lenarčič, Commissioner for Crisis Management, warned: “We are facing what could become the biggest humanitarian crisis in decades. The impact of the coronavirus outbreak on the most fragile countries, migrants and the most vulnerable people is likely to be dramatic. This is particularly the case in the confined and often insalubrious setting of refugee and internally displaced people camps. That is why we need to respond vigorously to the public health emergency, make sure humanitarian actors continue to have access to carry out their life-saving assistance and support transport and logistic for key humanitarian operations.”

Team Europe package

The EU's response follows a ‘Team Europe' approach, aimed at saving lives by providing quick and targeted support to our partners to face this pandemic. It combines resources from the EU, its Member States and financial institutions, in particular the European Investment Bank and the European Bank for Reconstruction and Development, to support partner countries and address their short-term needs, as well as the longer-term structural impacts on societies and the economy. The first Team Europe packages are already being implemented in the immediate neighbourhood: the Western Balkans, in the East and to the South.

The EU, as global actor and major contributor to the international aid system, will promote a coordinated multilateral response, in partnership with the United Nations, International Financial Institutions, as well as the G7 and the G20.

The European Union will continue to adapt its response to the evolving situation and focus on the most affected countries in need of health support, such as countries in Africa, the Neighbourhood, the Western Balkans, the Middle East and North Africa, parts of Asia and the Pacific, Latin America and the Caribbean. The EU's response will focus on the most vulnerable people, including migrants, refugees, internally displaced persons and their host communities and integrate its strategic objectives set out in the Green Deal and the Digital Agenda.

From the overall package of €15.6 billion, €3.25 billion are channelled to Africa, including €1.19 billion for the Northern African neighbourhood countries.

The EU is securing in total €3.07 billion for the whole neighbourhood – €2.1 billion for the South and €962 million for the Eastern Partner countries – and €800 million for the Western Balkans and Turkey.

In addition, the overall package includes another €1.42 billion in guarantees for Africa and the neighbourhood from the European Fund for Sustainable Development (EFSD).

The EU will support Asia and the Pacific with €1.22 billion, another €291 million will go for the Africa, Caribbean and Pacific region, €918 million to support our partners in Latin America and the Caribbean and €111 million to support Overseas Countries and Territories.

Delivering the EU global response package in practice

€502 million for Emergency response actions focus amongst others, on:

Providing immediate support to the Response Plans of the World Health Organisation and the United Nations, as well as to the appeal of the Red Cross and Red Crescent Movement to boost emergency preparedness and response in countries with weaker health systems and those dealing with humanitarian crises;

Providing immediate humanitarian support in affected countries, in particular in health, water, sanitation and hygiene (WASH) and logistics;

Supporting increased production in Europe of personal protective equipment and medical devices to meet urgent needs in Europe and in partner countries;

Organising the supply of in-kind assistance to affected countries through the Union Civil Protection Mechanism;

Providing guarantee and liquidity provisions to local banks via International Financial Institutions and European Development Finance Institutions, supported by the European Fund for Sustainable Development;

Supporting global efforts to combat export restrictions and ensure supply chains remain intact, notably for essential medical supplies and pharmaceuticals;

Associating the Western Balkans to EU initiatives such as the Joint Procurement Agreement for medical equipment and the European rapid alert system for communicable diseases. Countries negotiating their accession can also apply for the EU Solidarity Fund.

€2.8 billion to support research, health and water systems. The EU is, amongst others:

Supporting partner countries in building resilient, responsive health and social protection systems;

Supporting communication and awareness efforts on basic protective measures and hygiene advice to prevent the spread;

Allowing some EU funding from global health initiatives like the Global Fund to fight Aids, Tuberculosis and Malaria, the Global Alliance for Vaccines and Immunisation (GAVI) and the Global Financial Facility to be used to respond to the coronavirus, while ensuring continuation of vital health programmes;

Supporting further research on diagnostics, treatment and prevention, and once a vaccine is available, fast-tracking approval and subsidizing vaccines and their delivery in vulnerable countries;

Supporting experts training, epidemiological surveillance and strengthening regional health organisations in Africa, Latin American and the Caribbean and Asia and the Pacific;

Welcoming candidate countries in the Western Balkans to the EU's Health Security Committee and reflecting how best to associate potential candidates;

Supporting equal access to health systems for migrants, refugees and host communities.

€12.28 billion to address the economic and social consequences. The EU is amongst other:

Providing direct budget support and concessional financing for partner countries to adopt reforms for socio-economic development and poverty reduction, and measures to protect workers during the crisis;

Mobilising macro-financial assistance for Western Balkan and neighbouring countries with the International Monetary Fund (IMF);

Supporting the private sector, especially small and medium enterprises (SMEs) and the self-employed, via guarantees, liquidity provisions and technical assistance and further reorient guarantees from the European Fund for Sustainable Development towards short-term risk-sharing on loans;

Providing public sector loans from the European Investment Bank, notably for healthcare equipment and supplies;

Working with international organizations and European companies to build strong and resilient value chains in strategic sectors and ensure labour rights and corporate social responsibility;

Promoting forms of debt relief considered by the IMF in affected countries.

(Press release: European Commission, 8 April 2020 Brussels)

Indian Embassies undertake herculean task of community outreach

Indian envoys and diplomats across the globe are doing everything possible to assist Indian nationals in places as far apart as Washington, Singapore, Moscow, Tokyo, Rome and Riyadh, providing them food and arranging for shelters, as countries fight the Covid-19 pandemic.

Indian envoys and diplomats across the globe are doing everything possible to assist Indian nationals in places as far apart as Washington, Singapore, Moscow, Tokyo, Rome and Riyadh, providing them food and arranging for shelters, as countries fight the Covid-19 pandemic.

Embassies in the Gulf, which has millions of Indian expatriates, have been at forefront in assisting the community.

In the UAE, the embassy is supplying food to Indians in need during the lockdown, Ambassador Pawan Kapoor told ET.

In Oman, which also houses a big Indian community, the embassy in Muscat has established 24/7 helplines and a network involving social workers and hypermarket chains to provide food to needy Indian nationals all over the country. It has already reached out to more than 2,000 Indian nationals, according to Ambassador Manu Mahawar. Arrangements have also been made to take care of the medical needs of destitute Indians, Mahawar said.

Similar efforts by Indian embassies are also under way in Saudi Arabia, Bahrain, Qatar and Kuwait.

In Europe, Indian missions have been proactive in attending to the requirements of Indian nationals.

In the Netherlands, Ambassador Venu Rajamony has taken the lead in assisting Indian expats stranded in Schiphol Airport in capital Amsterdam.

“These passengers on short validity visas said that they were travelling on a limited budget and would not be able to sustain themselves for a longer/indefinite period…due to high costs of living and accommodation. They requested the Embassy for help…as the country was already in a semi lock-down situation with the hospitality industry, including budget restaurants and cafeterias, closed…,” Rajamony told ET.

“The Mission made arrangements at a hotel near Schiphol Airport for lodging the passengers in distress. Their lunch and dinner are also being provided through an Indian caterer,” he added. Rajamony has also had online interactions with Indian students from various universities across the Netherlands.

In France, two 24/7 emergency helplines are operational where Indian nationals can seek clarifications and inform the embassy of their condition. An embassy team interacts with Indians who are unwell, according to informed sources.

The Embassy is also assisting Indians who had come to France on short-term visas, to get their visas extended, besides working closely with Indian community associations to organise accommodation and rations for needy Indian students who are unable to pay rent, the sources added.

Meanwhile, in Berlin the Mission has been regularly reaching out to Indian students and community organisations through various platforms, including via a dedicated Covid-19 helpline, emails, weekly video messages and webinars and an interview with a community-run radio channel, explained Indian envoy Mukta Tomar.

Similar assistance has also been rendered by Indian missions in Italy and Portugal, led by Ambassadors Reenat Sandhu and Nandini Singla, respectively.

In the United States, the Indian Embassy and consulates led by Ambassador Taranjit Singh Sandhu have launched proactive outreach on all platforms, including Facebook, Twitter, Instagram and website. It has also set up 24/7 helplines in all 5 consulates; a Peer Support Line for Students (from 11 am to 5 pm, 7 days a week), with outreach to 50,000 students through 8,000 links); Instagram Live Interaction with student outreach to over 25,000 students and detailed advisories (around 20 such).

In Moscow, Ambassador Bala Venkatesh Varma has been at the forefront of assisting the Indian community and 15,000 Indian students across Russia and Central Asia, including Kazakhstan and Uzbekistan.

In Southeast Asia's biggest country, Indonesia, nearly 2,400 Indians have registered with the Indian Embassy for urgent return to the country. This broadly includes stranded tourists, laid off workers and visiting families, according to diplomatic sources. The Indian Embassy is facilitating their stay, food and medicines.

In Singapore the High Commission has set up three helplines available all the time, including one with Tamil language speaker. In addition, senior consular officers are also available all the time on phone. "Indians stranded here are being provided with assistance in extending visas/stay permits; accommodation and food, wherever needed. As the stay gets extended, the Mission also making arrangements for dry ration to be supplied. For those needing to see a doctor and get medicine, we have made arrangements with our panel doctors. We have also made arrangements for a consignment of medicines to be brought from India for those were here on short visit and are stuck and take medicine for diabetes, hyper tension, heart conditions and other ailments," a diplomatic source said.

"For Indian workers in Singapore, mostly living in dormitories for foreign workers, Singapore Government is providing all support, including ensuring full payment of salaries, three meals a day, free medical support and provision of masks and sanitizers. The Indian community is also mobilising support through local NGOs working with migrant workers," the source added.

The Embassy in Bangkok has launched two 24/7 helpline numbers which have been widely publicised through social media and community groups so that Indian nationals affected by the Covid-19 situation can contact it for assistance.

The affected Indian nationals include those who had come as tourists or on business and were stranded due to travel ban/lockdown in India and Thailand, and suspension of international flights.

The Mission has been effectively handling the issue of extension of visas for the stranded Indian nationals and making arrangements for accommodation and daily meals, etc.

Assistance is being provided to the affected people through various Indian diaspora associations, ensuring that the basic needs like food and accommodation are being taken care of, diplomatic sources told ET.

The Indian High Commission in Malaysia has also taken proactive steps to assist stranded Indians transiting through Malaysia.

Besides, accommodation, food and medicines are also being provided to around 300 Indian nationals, who were stranded in different parts of Malaysia.

(Economic Times, 22/4/2020
