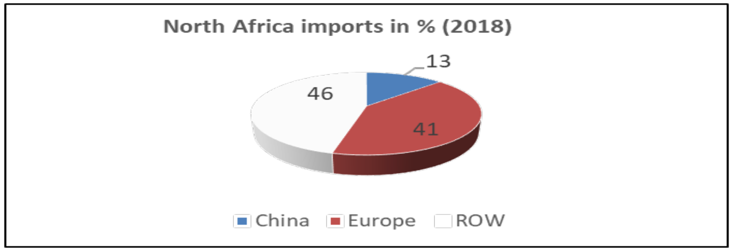
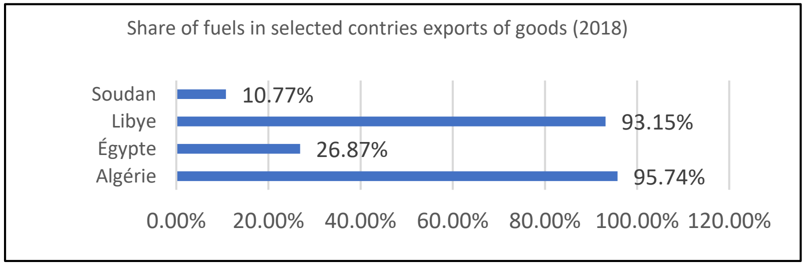
COVID-19 update North-Africa

Case distribution on 17 March 2020

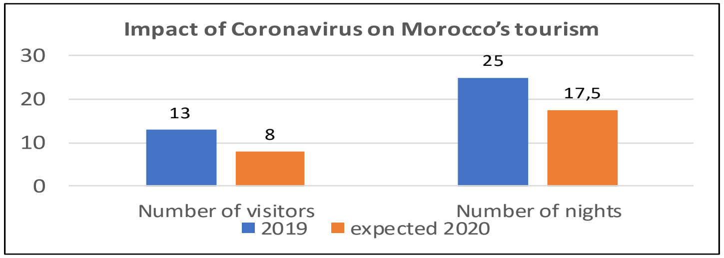
COUNTRY	CASES DETECTED
Algeria	65
Egypt	196
Libya	0
Mauritania	1
Morocco	49
Sudan	1
Tunisia	27

Economic impact North-Africa





- The level of economic openness of North African and their exposure to the most affected countries -China and the European Union for the time being- condition the importance of potential impact of the Coronavirus. The drop of almost 50% on Fuels prices will affect mostly Libya and Algeria (Exports and fiscal situation). Some specific sectors, such as tourism, trade and the hotel and catering industry, are expected to be the most affected ones in North Africa.



- Most North African countries tourism sector depend on the European market. The expected effect will be much greater that the simple and marginal drop in the number of Chinese tourists
- North African economies will also be affected through:
  - Disruption on the supply chains will affect manufacturing production, specially textile, electronics and mechanics
  - Movement restrictions, and in some cases curfew, is impacting negatively business continuity
  - Countries are putting in place needed emergency funds that will impact the fiscal sustainability in a context where activity is reduced
- A drop in Tunisian productivity of 20%, 30% and 50% will produce (Ben Hammouda, Hedi Bchir 2020):

Variables	Scenario 1	Scenario 2	Scenario 3
Growth rate	1.75	0.95	0.57
GDP Loss	-1.65	-2.45	-3,97
Unemployment rate	1.53	2.19	3.44

- State of Emergency declared (Sudan)
- Total or partial suspension of flights and border crossings (All countries).
- Schools and universities suspended (Algeria, Egypt, Libya, Morocco, Sudan & Tunisia)
- Collective prayers, religious gatherings, conferences & cultural events suspended (Algeria, Egypt, Morocco, Tunisia)
- Cafés, restaurants, cinemas, gyms, hammams suspended (Morocco)
- Prison visits reduced or suspended (Algeria, Egypt, Morocco)
- Mandatory 2 week isolation for travelers and legal sanctions against travelers, business owners who do not respect Government instructions (Tunisia)
- State regulation of food, sanitary gel and medical masks prices (Morocco)
- Fresh produce to be sold directly to supermarkets without going though wholesale markets starting from March 18th (Morocco)
- Sterilization and infection operation in public spaces & transport, administrations, courts, police stations, etc.(Morocco); and in Hotels (Egypt)
- Call for donations to the Ministries of Health and Finance (Tunisia)
- Public transport suspension (Tunisia, tbc)
- Working days reduced to 5 hour shifts, distributed into 2 time slots (Tunisia)
- Companies advised to let all workers who can work remotely, allow the absence of staff with health conditions, reduce meetings and disinfect premises (CGEM in Morocco)
- Legal complaints to be carried out by email or fax (Morocco).
- National Bank announcement that physical access to banks limited but ATMs to be refilled continuously (Morocco)

- National Bank: key rate reduced by 25 basis points to 2% (Morocco)
- Emergency Fund allocations for the fight against the pandemic and support the economy (Egypt, Morocco)
  - In Egypt, set up of an L.E. 100 billion to fund the anti-Coronavirus strategy and its related precautionary measures
  - In Morocco, a MAD 15 billion special Fund to finance emergency medical equipment, support the national economy, and limit the social impact of the crisis (includes donations)
  - Set up of an Economic watch committee (Comité de veille économique) (Morocco, Libya)

In Morocco, the committee has been approached to consider:

- Postponement / elimination of social security and tax deductions (income and corporate tax, VAT etc...)
- Postponement of bank maturities
- Preservation of credit lines and opening of loan lines
- Setting up a support fund for the tourism industry
- State (administration, public establishments, etc.) commitment to pay their debts to providers and accelerate the reimbursement of the VAT.