Weekly Member Update #3 on Mitigation of COVID-19 Crisis (04/06/20)

How governments are maintaining support for SMEs:
For a detailed summary of mitigation actions being taken by national governments see this page produced and updated by the IMF.
- **Saudi Arabian Monetary Authority** is implementing a Postponement of Payments Program worth SAR 30 B to help funding authorities providing capital to MSMEs and other companies. The program allows for a six months delay of repayments. Click here for more about measures by other agencies.
- In **Switzerland**, the Federal Council presented a comprehensive package of measures to cushion the economic impact of COVID-19. Bridging credit facilities (worth CHF 20 B) are intended to provide companies with sufficient liquidity to cover their current overheads despite turnover reductions associated with COVID-19.
- The **German government** announced a support package aimed specifically at the cultural sector. The measures are part of a US$54 B aid package for self-employed freelancers and small cultural businesses and include grants for studio rent and artists’ housing expenses.
- The **government in Myanmar** continued the trend among developing countries of offering concessionary loans to crisis-hit SMEs as well as tourism businesses, with earmarked US$72 B.
- Pressure grew on policymakers to identify approaches to support the informal sector, which accounts for most employment in the developing world. Measures being proposed include relaxing formality and tax compliance requirements for businesses receiving state aid.

How banks have acted decisively:
- **BBVA** has introduced several proactive measures to support SMEs across Latin America, the U.S. and Turkey. For instance, BBVA’s Peruvian unit has launched a EUR 640 M line of credit.
- Spain’s **CaixaBank** has provided physical retailers with new digital payment solutions to migrate sales of their products online. Specifically, impacted businesses can now manage purchases via major social networks and messaging applications.
- As part of the ‘National Safeguards Program in Response’ to COVID-19, the **Qatar Development Bank** has extended its financial benefits to SMEs; find the key highlights of the program here.

How tech and fintech players are contributing to the response:
- **Google** became the latest tech company to fund online advertising credits for SMEs, announcing US$340 M of advertising credits. The move followed a similar announcement from Facebook and is part of concerted effort by major tech firms to bring SMEs online.
- **B2B fintechs** accelerated the rollout of new products designed to help SMEs cope with the crisis, including: support for SME product delivery services, online interfacing with government COVID-19 mitigation programs and connecting with financial advisors.
- Popular digital payment applications such as **Cash App**, **Venmo** and **Zelle** have offered to help the US Treasury Department with the online distribution of the $2 trillion stimulus package. However, a few challenges remain.