

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.