



Comparison between B20 Statement on Finance & Trade, and G20 Action Plan on COVID-19

B20 Statement on Finance & Trade	G20 Action Plan on COVID-19
<p>Support a globally-coordinated response.</p> <p>a) The response calls for coordinated fiscal, monetary, trade, and prudential measures, and collaboration between global standard setters such as the Financial Stability Board, the Basel Committee on Banking Supervision, International Organization of Securities Commissions and the International Association of Insurance Supervisors, and multilateral institutions including the World Trade Organization, the IMF, the World Bank, and the United Nations.</p> <p>b) IMF supported by other multilateral institutions should track and conduct diagnostic analysis of impacts of national measures, to enable governments make informed policy decisions.</p>	<ul style="list-style-type: none"> • We ask the FSB to continue supporting international cooperation and coordination on the COVID-19 response through information sharing, assessing vulnerabilities, and coordinating on the response to policy issues. • We commit to share country data, analysis and experiences on a timely basis on the implementation and impact of COVID-19 containment measures to support policy making. • We support enhanced policy and operational coordination across all relevant International Organizations (IOs), at multilateral, regional and country levels, to ensure resources get to where they are most needed and in a timely fashion.
<p>Continue to monitor and provide globally-coordinated support to countries with heavily-disrupted balance of payments. In some countries, COVID-19-related trade disruptions has made an outsized impact on balance of payment. Addressing the condition and mitigating its cascading impacts requires coordination with global institutions such as the IMF and World Bank, and regional multilateral institutions.</p>	<p>International support to countries in need:</p> <ul style="list-style-type: none"> • We support the IMF's crisis response package and welcome its readiness to mobilize its US\$1 trillion lending capacity. • We call for a swift implementation of the emergency response packages adopted by the World Bank and Regional Development Banks. This amounts to more than US\$ 200 billion for emerging and low-income countries. • We support a time-bound suspension of debt service payments for the poorest countries that request forbearance

<p>Given the importance of USD currency in financing Global Trade flows and the shortage of USD liquidity, the establishment of USD swap lines by the US Federal Bank with 14 countries has gone a long way towards easing USD liquidity. As this crisis is systemic and global in nature, coordinated action by the central banks of many emerging markets, the IMF, World Bank and the US-Fed may be needed to address the issue of USD liquidity.</p>	<p>We welcome the important steps already taken by the IMF, World Bank, Regional Development Banks, and central banks, including through the deployment and expansion of bilateral swap lines.</p>
<p>Temporarily enact available flexibility mechanisms for prudential standards to encourage countercyclical measures.</p>	<p>We commit to follow the FSB's principles in its COVID-19 report to the G20 to monitor and share information on a timely basis to assess and address financial stability risks from COVID-19; recognize and use the flexibility built into existing financial standards to support our response; seek opportunities to temporarily reduce operational burdens on firms and authorities</p>
<p>Sustaining demand. Several measures can be taken to sustain demand through this disruptive period.</p> <ol style="list-style-type: none"> a) Supporting funding through MSME-specific packages, such as reducing or postponing tax payment. b) Providing financial support to companies, particularly MSMEs c) Maintaining disposable income and ease household expenses for the most vulnerable citizens through employment-protection packages and subsidies, such as reducing the fixed cost of utilities, and distributing non-cash vouchers and basic goods. d) Redeploying jobs by increasing match-making labour programmes, providing allowances for employee training programmes, facilitating employer to employer temporary reallocation, or rapidly re/up-skilling 	<ul style="list-style-type: none"> • We commit to providing substantial support to businesses, especially small-medium sized enterprises, and households • We commit to supplying targeted liquidity and funding support, to businesses and small-medium sized enterprises. • We commit to supporting individuals and households to retain their attachment to the labour market • We commit to support workers through active labour market, training and reskilling policies to minimize the loss of human and organizational capital.

<p>Prevent disruptions in global supply chains to enable effective crisis response in the short-term and enhance resilience in the medium-term.</p> <p>Ensure opening and servicing of infrastructure, including ports, road, rail, cargo airports, critical for the movement of goods across regions and to lockdown areas, and ensuring that operators and their staff can speedily and safely do their work.</p>	<p>We will ensure smooth and continued operation of the logistics network that serve as the backbone of global supply chains.</p>
<p>Refrain from taking any protective measures (including tariffs and export restrictions) against WTO rules that interfere with the global trade of goods and services especially front-line medical and healthcare products and supplies.</p>	<p>We agree that emergency trade measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with WTO rules. We are actively working to ensure the continued flow of vital medical supplies and equipment.</p>
<p>Create a favourable fiscal and regulatory environment to ensure a strong rebound of companies and the global economy once the pandemic subsides. Include incentives for businesses and entrepreneurs that develop innovative solutions for sustainable and resilient health care systems and sector supply chains.</p>	<p>We pledge to continue to put in place a comprehensive package of monetary and regulatory policy measures to support economic and financial stability, and together with fiscal response, ensure an appropriate overall degree of macroeconomic policy support</p>