

| IMPACT OF COVID-19 ON THE GCC ECONOMIES & ECONOMIC STIMULUS PLANS

| COVID-19'S IMPACT - UAE

BIE Member States confirm one-year postponement for Expo 2020. The global mega event will now run from 1 October 2021 to 31 March 2022, a delay that allows all participants to safely navigate the impact of COVID-19, and allows the World Expo to focus on a collective desire for new thinking to identify solutions to some of the greatest challenges of our time.¹

Abu Dhabi's non-oil foreign merchandise trade hits AED37.1 bn in January, February. The value of non-oil foreign merchandise trade through Abu Dhabi ports hit AED37.1 billion in January and February, 2020, up 3.6 percent from AED35.8 bn during the comparable period last year, according to figures released by Abu Dhabi Statistics Centre (SCAD), on Sunday 3rd May 2020.²

Following Dubai, more UAE malls, restaurants reopen. Malls in the United Arab Emirates' capital Abu Dhabi began reopening to a restricted number of customers this weekend as the UAE eases lockdown measures imposed more than a month ago to combat the novel coronavirus.³

India plans huge air and sea repatriation mission for citizens stranded in Gulf. Charter flights from Dubai and Abu Dhabi are scheduled for Thursday and naval ships have sailed for the UAE and Maldives.⁴

| RESPONSE TO THE CRISIS AND STIMULUS PACKAGES

| DUBAI

Dubai South announces economic stimulus package to support its business community in 2020. As part of its keenness to align with the vision of the UAE's leadership to stimulate the economy and support different sectors of the business society, Dubai South Free Zone announced economic stimulus incentives to

mitigate the effects of the current situation that the UAE and the world is going through. This announcement is part of Dubai South Free Zone's unwavering commitment to foster a business-friendly environment and meet the needs of its valued customers.⁵

DHCA announces business relief package with focus on directly-impacted segments and DHCA-owned properties. DHCA's Relief Package benefits various business segments in the free zone, and considers three broad components – waivers and discounts for directly-impacted segments, additional benefits for businesses operating in DHCA-owned properties, and waivers and discounts in regulatory fees for hospitals, clinics, education providers, research institutions, retail stores, hotels, F&B outlets, consultancies, and support services among businesses.⁶

Emirates SkyCargo reconnects six continents with scheduled cargo flights. Emirates SkyCargo has announced that with effect from the first week May 2020, it has commenced dedicated cargo flights on a scheduled basis every week to 67 global destinations across six continents. This includes 11 destinations in the Middle East, seven in Africa, 22 in Asia, six in Australasia, 15 in Europe and six cities in the Americas.⁷

Over 180,000 lights shine on Burj Khalifa after donations pour in first 24 hours. Launched as part of the '10 million meals' campaign on Saturday, the World's Tallest Donation Box enables companies, entities and the public to purchase lights of Burj Khalifa, for as little as Dh10 each, to collectively donate 1.2 million meals or food parcels to low-income individuals and families in the UAE.⁸

| ABU DHABI

ADGM launches more initiatives to cushion impact of Covid-19. These measures follow an

1 <https://www.expo2020dubai.com/en/whats-new/expo-stories/bie-announcement>

2 <https://www.wam.ae/en/details/1395302840379>

3 <https://www.reuters.com/article/us-health-coronavirus-emirates-idUSKBN22F06Z>

4 <https://www.thenational.ae/uae/transport/coronavirus-india-plans-huge-air-and-sea-repatriation-mission-for-citizens-stranded-in-gulf-1.1015089>

5 <https://www.wam.ae/en/details/1395302840351>

6 <https://www.mediaoffice.ae/en/news/2020/May/04-05/DHCA-announces-business-relief-package-with-focus-on-directly>

7 <https://www.mediaoffice.ae/news/2020/May/04-05/Emirates-SkyCargo-reconnects>

8 <https://www.mediaoffice.ae/news/2020/May/03-05/Over-180000-lights-shine-on-Burj-Khalif>



earlier set of incentives, including rent deferrals and service charge waivers. Abu Dhabi Global Market launched more initiatives, including additional fee waivers, to help business operating within the financial free zone to cope with the impact of Covid-19. The new incentives, revealed on Wednesday, include a 50 per cent reduction on fees associated with the incorporation of new ADGM companies and limited liability partnerships (including branches), until December 31 this year.⁹

Abu Dhabi Ports signs virtual declaration to keep east-west trade open amid pandemic.

In an effort to collaborate and keep trade flows open during the ongoing COVID-19 crisis, Abu Dhabi Ports has joined 19 of the world's leading port authorities in signing a first-of-its-kind virtual declaration. Hosted via video conference, the Ports Authorities Roundtable, PAR, Declaration calls on member ports to work together by allowing merchant ships to berth and carry out cargo operations to maintain the global supply chain. The Declaration also commits the maritime sector to adhere to best practice in ensuring the safety of seafarers in terms of precautionary measures when dealing with coronavirus cases.¹⁰

Tamm, the Abu Dhabi government services ecosystem, launched a digital platform Abu Dhabi Pay to offer secure and standardised methods of online payments in the emirate. Abu Dhabi Pay also offers features such as payment processing, reconciliation and settlement, reports and audit and one payment for several settlements.¹¹

Abu Dhabi Airports to deploy new technology to counter COVID-19. Abu Dhabi Airports has partnered with Tawazun Strategic Development Fund (TADF) to launch the new CoDi BOT UGV (Unmanned Ground Vehicle), designed and manufactured by UAE-based company Marakeb Technologies, an affiliate company of TADF, for the disinfection of viruses including COVID-19.¹²

Abu Dhabi Customs launches economic stimulus package to support importers. The General Administration of Abu Dhabi Customs launched a package of economic incentives to support importers in Abu Dhabi and to mitigate the consequences of the current exceptional circumstances as a transit gateway for all vital sectors.¹³

The stimulus package falls within the framework of Abu Dhabi government initiatives to preserve the national gains and support the vital sectors

and companies, especially small and medium ones.

| SHARJAH

The Sharjah Entrepreneurship Centre (Sheraa), has pledged a \$1 million solidarity fund to help startups that are under strain due to the coronavirus pandemic.¹⁴

Sharjah Ruler issues law decree to organise AIID. H.H. Dr. Sheikh Sultan bin Muhammad Al Qasimi, Supreme Council Member and Ruler of Sharjah, issued Decree-Law No. (1) of 2020 on the organisation of the Authority of Initiatives Implementation and Infrastructure Development (AIID) in the Emirate of Sharjah, "Mubadara". The AIID's headquarters shall be based in the City Sharjah and may establish branches within and outside the Emirate and upon the approval of the Sharjah Executive Council (SEC). The Authority aims to implement the initiatives and promote the infrastructure development in the Emirate of Sharjah, contributing in ensuring proper implementation of government capital initiatives and projects related to infrastructure and in all fields in accordance with the highest standards; creating the infrastructure for government development projects in the emirate; ensuring optimal use of the human and financial resources; and enhancing the urban, social and economic development in the emirate.¹⁵

| FUJAIRAH

Fujairah waives licensing fees and taxes for some businesses amid Covid-19. Fujairah announced tax relief for some businesses in retail and hospitality as the Covid-19 containment measures impacted operations. The tax relief is aimed at businesses in the northern emirate that are affected as a result of stay-at-home directives which in turn led to their temporary closure, state news agency Wam said on Thursday.¹⁶

| UMM AL QUWAIN

Malls and salons reopen in Umm Al Quwain. The emirate's Executive Council said the decision was made after a complete health and safety assessment. It said commercial establishments that reopen must adhere to specific measures to protect public health. These include only opening between 6am to 10pm, while the disinfection drive is not being carried out.¹⁷

9 <https://www.thenational.ae/business/adgm-launches-more-initiatives-to-cushion-impact-of-covid-19-1.1012823>

10 <https://www.wam.ae/en/details/1395302840356>

11 <https://www.thenational.ae/business/economy/tamm-launches-abu-dhabi-pay-to-offer-digital-payment-solutions-for-government-services-1.1014957>

12 <https://www.gulftoday.ae/business/2020/05/02/abu-dhabi-airports-to-deploy-new-technology-to-counter-covid-19>

13 <https://www.wam.ae/en/details/1395302840852>

14 [https://www.gulftoday.ae/business/2020/05/04/sheraa-sets-up-\\$1m-grant-for-startups](https://www.gulftoday.ae/business/2020/05/04/sheraa-sets-up-$1m-grant-for-startups)

15 <https://www.wam.ae/en/details/1395302840539>

16 <https://www.thenational.ae/business/fujairah-waives-licensing-fees-and-taxes-for-some-businesses-amid-covid-19-1.1013393>

17 <https://www.thenational.ae/uae/government/coronavirus-malls-and-salons-reopen-in-umm-al-quwain-1.1012679>



COVID-19's IMPACT - SAUDI ARABIA

Saudi non-oil private sector contracts again, output hits new low - PMI. The seasonally adjusted PMI rose slightly to 44.4 in April from 42.4 in March. Saudi Arabia's non-oil private sector shrank for the second consecutive month in April and its output hit a record low as lockdowns and business closures to tackle the new coronavirus hammered the economy, a survey showed on Tuesday.¹

Saudi Arabia's SABIC slashes capex due to coronavirus, expects to struggle in Q2. Saudi state-run SABIC, the Middle East's biggest petrochemical producer, has suspended almost all of its capital expenditure plans, CEO Yousef al-Benyan said Monday, warning that the COVID-19 economic crisis will further pressure

its product prices and margins.²

RESPONSE TO THE CRISIS AND STIMULUS PACKAGES

Saudi Arabia isolates Dammam industrial zone. Saudi Arabia will isolate an industrial area of the eastern city of Dammam from Sunday, preventing entry and exit until further notice, to curb the spread of the novel coronavirus, state news agency SPA said on Saturday.³

Saudi Arabia to cut salaries by 40%. A Saudi ministerial decision issued on Monday allows companies in the private sector to reduce salaries by 40 per cent and allows termination of contracts owing to the economic hardships resulting from the COVID-19 pandemic, according to daily newspaper Al Sharq Awsat.⁴

1 https://www.zawya.com/mena/en/economy/story/Saudi_nonoil_private_sector_contracts_again_output_hits_new_low_PMI-TR20200505nZUN000AT1X2/
2 <https://www.spglobal.com/platts/en/market-insights/latest-news/metals/050420-saudi-arabias-sabic-slashes-capex-due-to-coronavirus-expects-to-struggle-in-q2>
3 <https://www.thenational.ae/world/gcc/coronavirus-saudi-arabia-isolates-dammam-industrial-zone-1.1014139>
4 <https://gulfnews.com/world/gulf/saudi/covid-19-saudi-arabia-to-cut-salaries-by-40-1.1588609488167>



COVID-19's IMPACT - BAHRAIN

RESPONSE TO THE CRISIS AND STIMULUS PACKAGES

Bahrain PM orders suspension of SCE units' rent collection. His Royal Highness Prince

Khalifa bin Salman Al Khalifa, the Prime Minister of Bahrain, has ordered suspension of the collection of rents from tenants and beneficiaries from leased shops and lands registered in the name of the Supreme Council for Environment (SCE) for three months.¹

1 https://www.zawya.com/mena/en/legal/story/Bahrain_PM_orders_suspension_of_SCE_units_rent_collection-SNG_173678304/



COVID-19's IMPACT - OMAN

RESPONSE TO THE CRISIS AND STIMULUS PACKAGES

Oman's Khazaen economic city announces incentives. The Khazaen economic city has launched a set of incentives and facilities for investors. A statement issued online by the Oman News Agency (ONA), said: "Khazaen launches a set of incentives and facilities that include exemption from rental fees for the first year with 50 per cent discount on rental fees during the second and third years."¹

Oman locks down industrial zone over coronavirus fears. Omani authorities on Monday sealed off a third district as part of efforts to combat the novel coronavirus. Al-Wadi Al-Kabir industrial area in Muscat governorate will remain closed until further notice in order "to take health and safety measures," Oman Municipality said.²

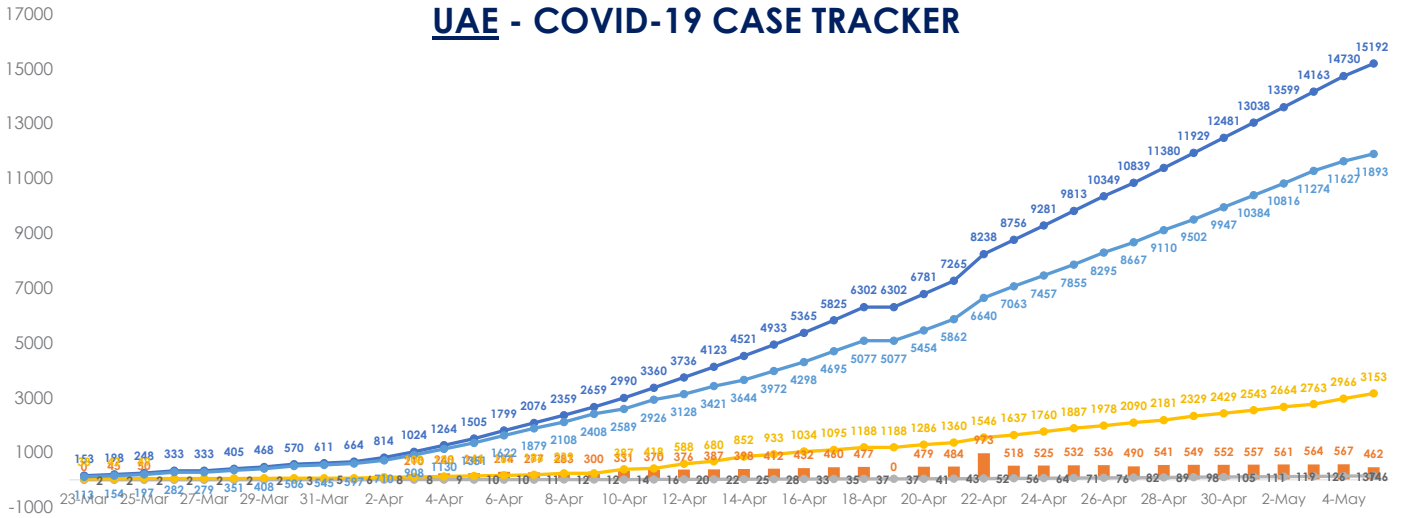
1 <https://timesofoman.com/article/3014549/oman/omans-khazaen-economic-city-announces-incentives>
2 <https://www.arabnews.com/node/1669346/middle-east>

WEEKLY BRIEFING COVID-19 OUTBREAK

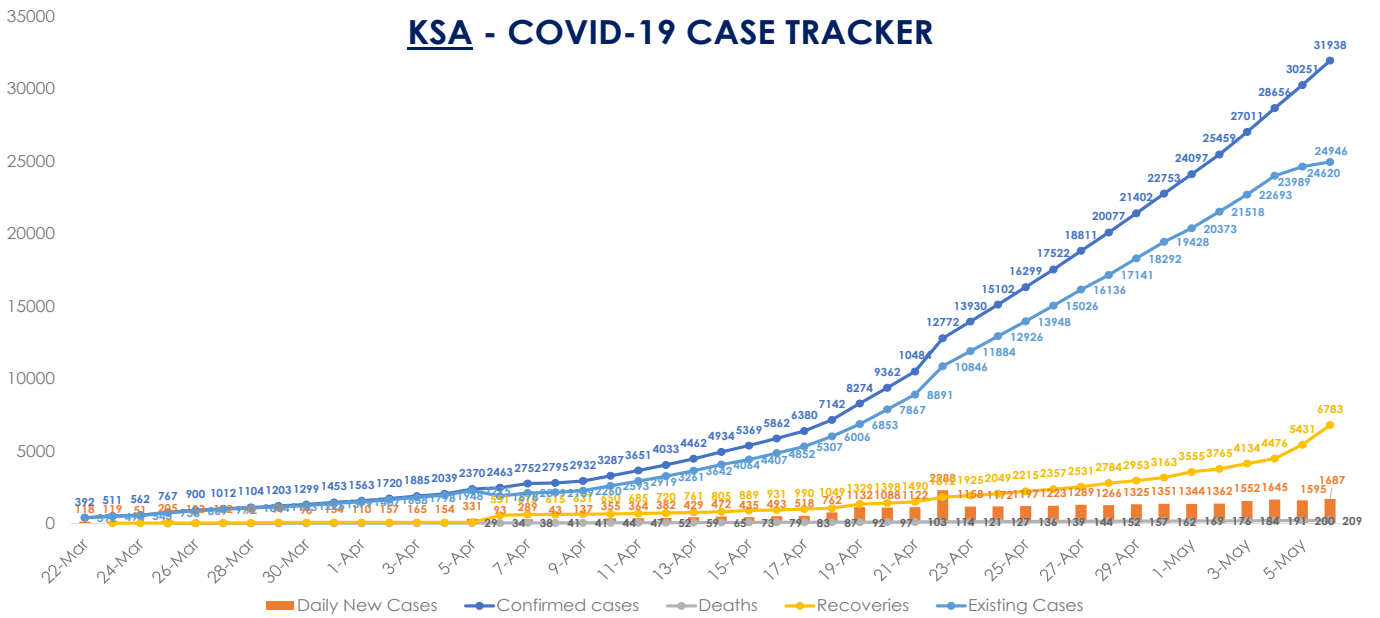
Register here to get the next one directly to your inbox!

[Register here](#)

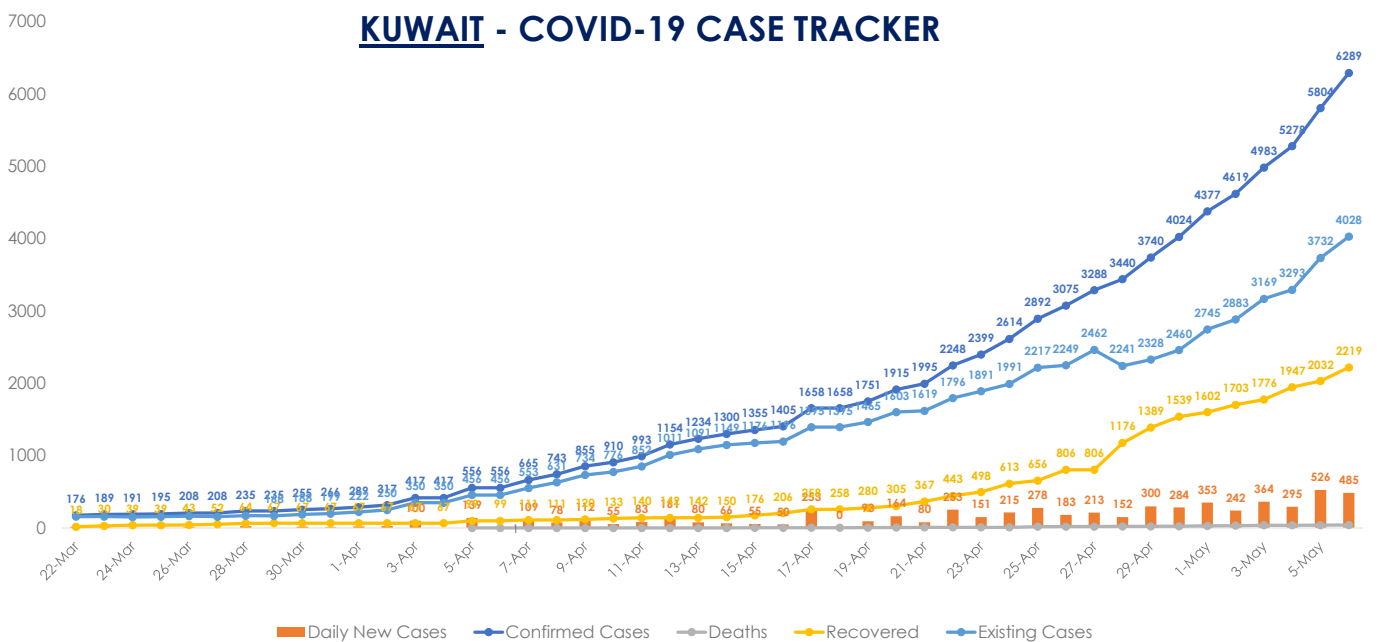
UAE - COVID-19 CASE TRACKER



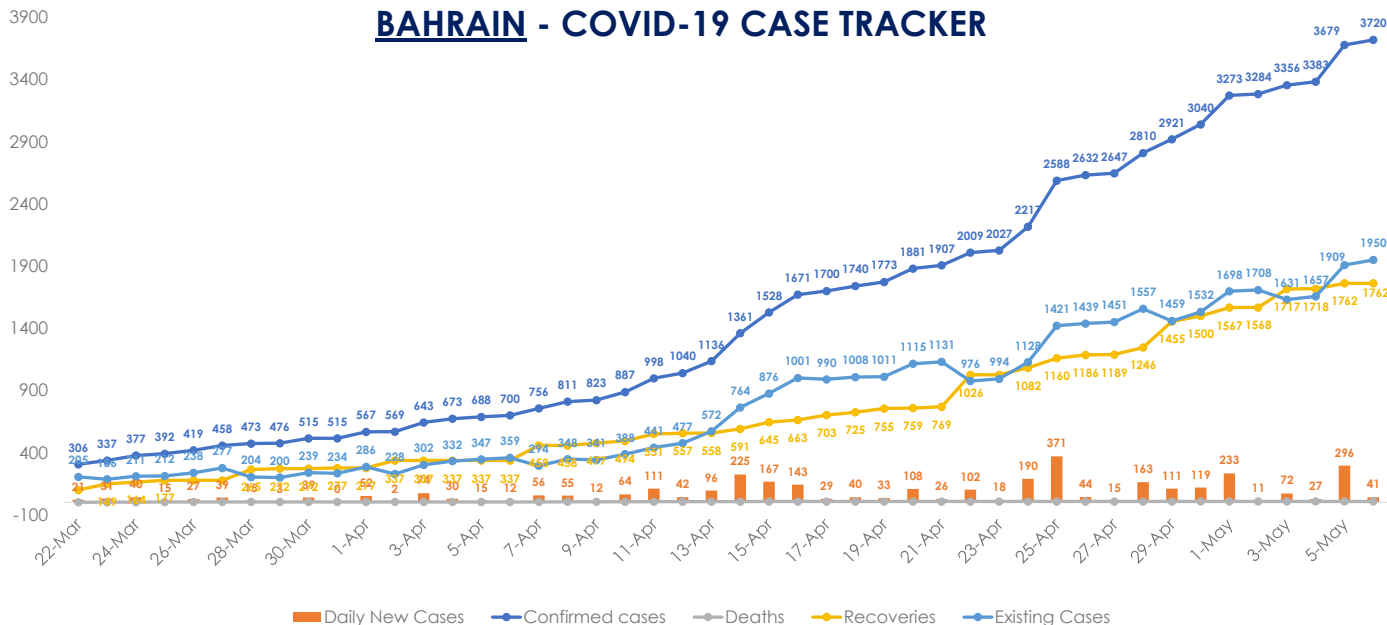
KSA - COVID-19 CASE TRACKER



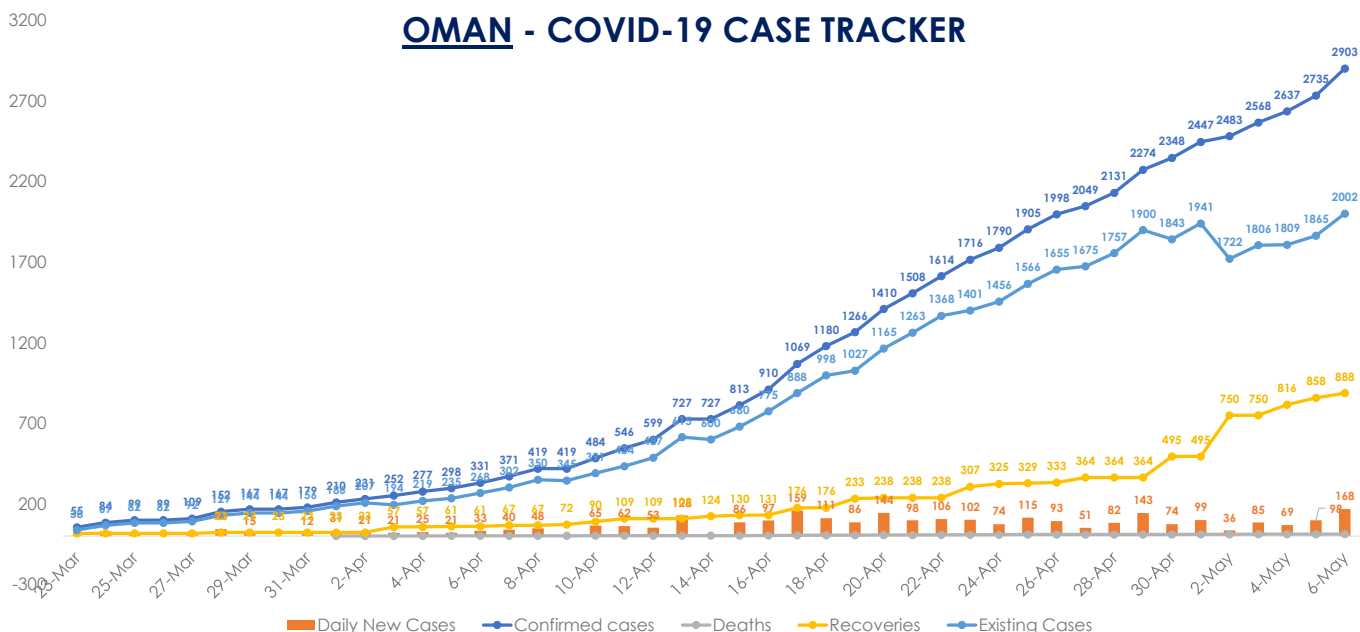
KUWAIT - COVID-19 CASE TRACKER



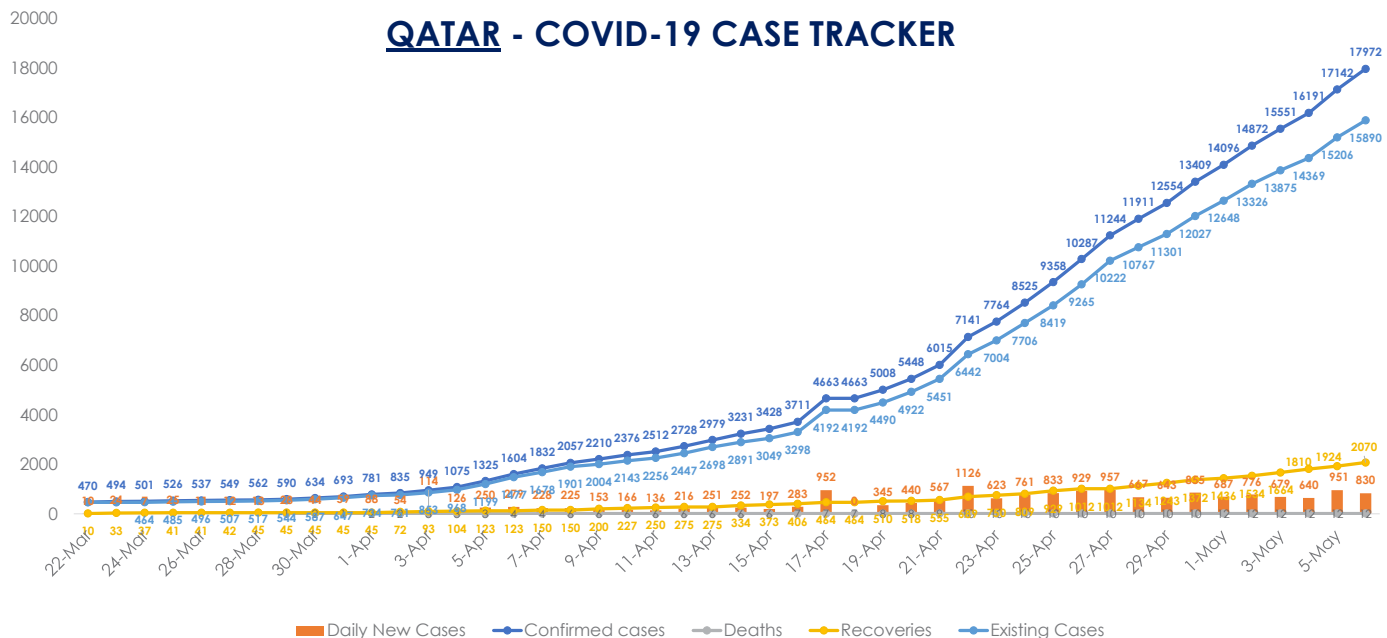
BAHRAIN - COVID-19 CASE TRACKER



OMAN - COVID-19 CASE TRACKER



QATAR - COVID-19 CASE TRACKER



Redundancy & Restructuring work with Virtual Labour Market

The Ministerial Resolution 279 of 2020, effective 26 March 2020, introduced the concept of ‘redundancy’ into the Labour Law which now allows private sector businesses affected by the precautionary measures to restructure the contractual relationship with their employees. It addresses the termination of surplus of non-UAE national workforce as well as the listing and hiring current resident in the Virtual Labour Market.

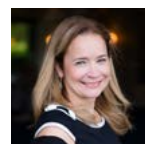
The Resolution requires the employers to follow the given guidelines after they have identified the surplus employees:

- Continue to provide the former employee with all of their entitlements, with the exception of basic salary – including housing, transport and other allowances and private medical insurance – until such time that the employee secures alternative employment or leaves the United Arab Emirates;
- Register the individual on to the MoHRE’s ‘Virtual Labour Market’ so that they can take up work for another organisation. A new employer can then lawfully hire the employee by choosing one of the following work permit options:
 - transfer of work permit;
 - temporary work permit; or
 - part-time work permit.
- The Employer remains liable to pay the end of service benefits to the employee(s) made redundant upon cancellation of his/her residence visa.

MOHRE has also given guidelines to the private sector about hiring. The Ministry has asked the private sector employers to post any vacancies that come up in their company on the Ministry’s Virtual Labour Market.

MOHRE has released an electronic platform called the [Virtual Labour Market](#). It enables job seekers inside and outside of UAE to search for a job in the nation. The platform enables individuals to register their CVs and credentials to the site. Companies can post, search, and post about vacancies in their company and lookup for a suitable match for the position. The Virtual Labour Market is an artificial intelligence (AI) system enabled platform, which matches the requirements of the jobs announced by the companies with that of the individual’s profiles in an interactive manner. Recruiters can search for qualified candidates by creating their page to display their vacancies and also by searching the website for job seekers.

The possibility to make employee redundant exists only as long as the Decree remains valid. In other words, once the validity of the Decree is expired, employers will need to apply the UAE Labour Laws which does not allow redundancy as defined in the Decree. It is therefore of the utmost importance for employers to assess their needs within the next few weeks before the expiry of the Decree.



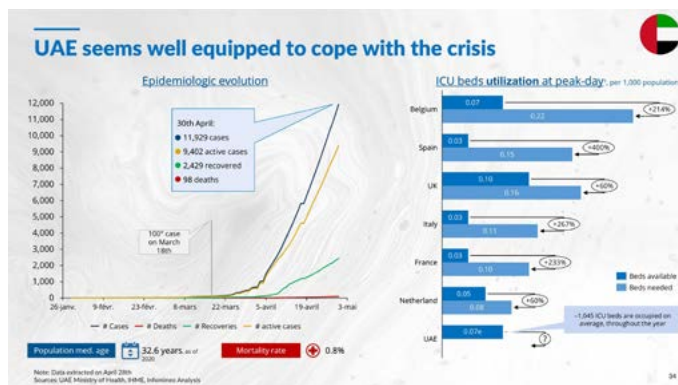
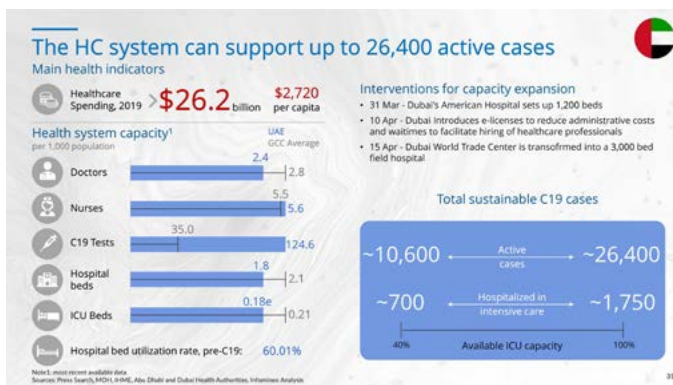
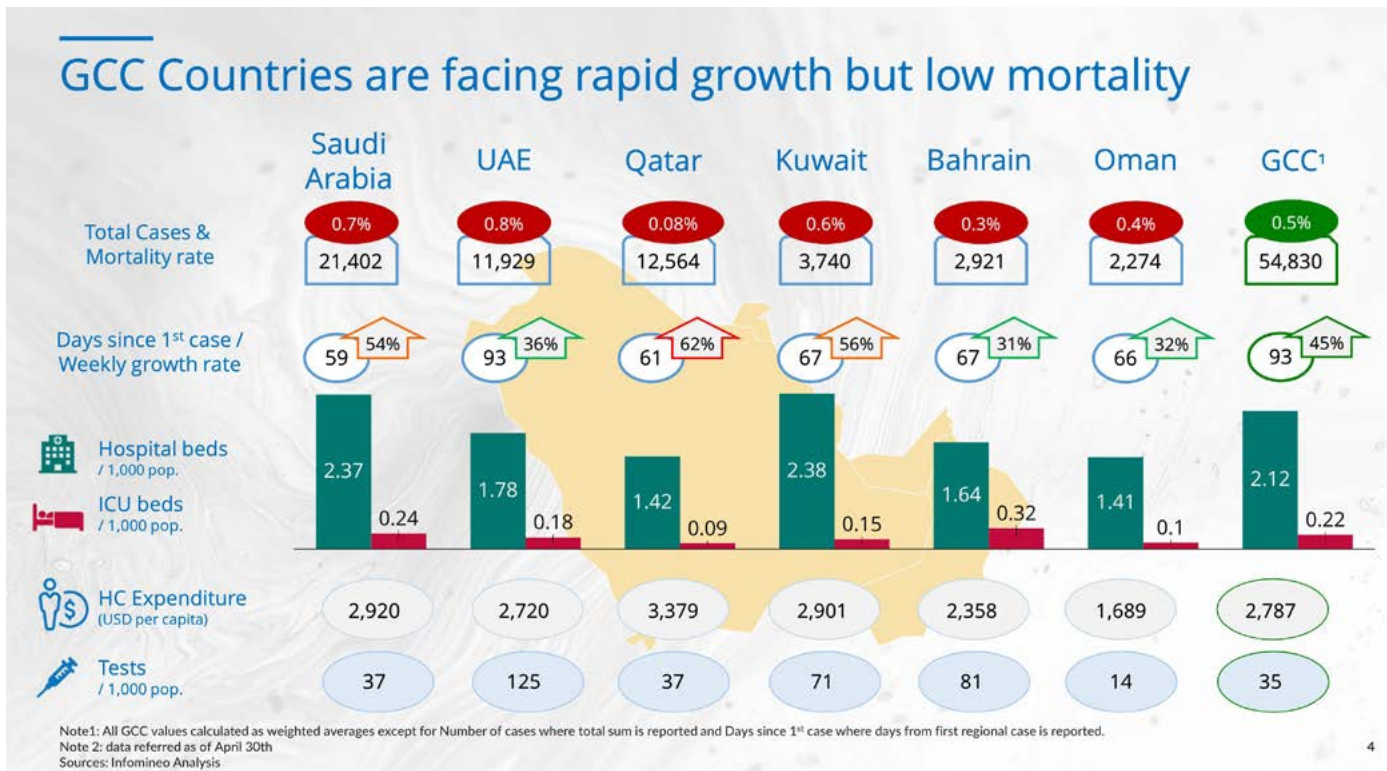
by Hélène Mathieu
Barrister & Solicitor / Avocat
Hélène Mathieu Legal Consultants
www.hmlc.ae



Current level of preparedness of the GCC Countries

The GCC countries are, like many others, victims of Covid-19. However, thanks to their continuous investments in the healthcare system during the past years, they built a sufficient infrastructure to withstand the epidemic, which is reflected in their low mortality rates.

Nevertheless, the spread of the virus, especially in popular areas and labor camps, will have to be controlled before a victory can be claimed! What is the current level of preparedness of these countries, to cope with health crisis? And how exposed are their healthcare systems? Go through our report.



[Download the detailed report by GCC countries online](#)



by Martin Tronquit
 Managing Partner
 Infomineo
martin.tronquit@infomineo.com



The "FBC Weekly Briefing" is published by the French Business Council Dubai & Northern Emirates. The views and opinions expressed in its columns do not necessarily reflect those of the Chamber's Members and Management. All efforts have been made to ensure accuracy of the information within its publication.

The French Business Council Dubai & Northern Emirates endeavours to disseminate accurate and up to date information, and will correct, to the extent possible, any errors that it finds will be reported. However, the French Business Council Dubai & Northern Emirates can in no way be held responsible for the use and interpretation of the information contained in this publication. Copyright: French Business Council Dubai & Northern Emirates 2020 - All right reserved.