

# The FBC Weekly Briefing - Covid-19 Outbreak

02 JULY 2020

## This edition at a glance...

- UAE commercial centres, restaurants allowed to operate at 60 percent capacity. Dubai's economic sectors operations to return to normal working hours.
- National Emergency Crisis and Disaster Management Authority (NCEMA) issued government guidelines for international travel.
- Entry permitted to Abu Dhabi emirate for those receiving negative Covid-19 test within 48 hours.
- Saudi Customs has confirmed that e-commerce transactions of goods imported from outside Saudi Arabia will be subject to a 15 per cent VAT on or after 1<sup>st</sup> July 2020.
- Kuwait begins 2<sup>nd</sup> phase of easing corona virus restrictions.
- Monthly labour fees have been slashed for three months, starting July 1<sup>st</sup> in Bahrain.
- "Our new research suggests that, at least initially, our perceived well-being has been surprisingly resilient, with work and family well-being even marginally improving, while financial and social have taken an understandable hit." Know more on how is the pandemic affecting personal well-being globally in our management focus article from Cigna.



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



## | UAE - COVID-19'S IMPACT, RESPONSE TO THE CRISIS AND STIMULUS PACKAGES

### | UAE

National Emergency Crisis and Disaster Management Authority (NCEMA) confirmed government guidelines for international travel.<sup>1</sup>

**UAE Government:** commercial centres, restaurants allowed to operate at 60 percent capacity. The Ministry of Health and Prevention (MoHaP) and the National Emergency Crisis and Disaster Management Authority (NCEMA), have raised the capacity of shoppers and diners allowed in commercial centers and restaurants to 60 percent while taking into consideration all relevant preventive and precautionary measures. No more than four people are allowed at each table, with dining tables to be distanced 2 metres apart, according to a joint statement by NCEMA and MoHaP on 25<sup>th</sup> June 2020.<sup>2</sup>

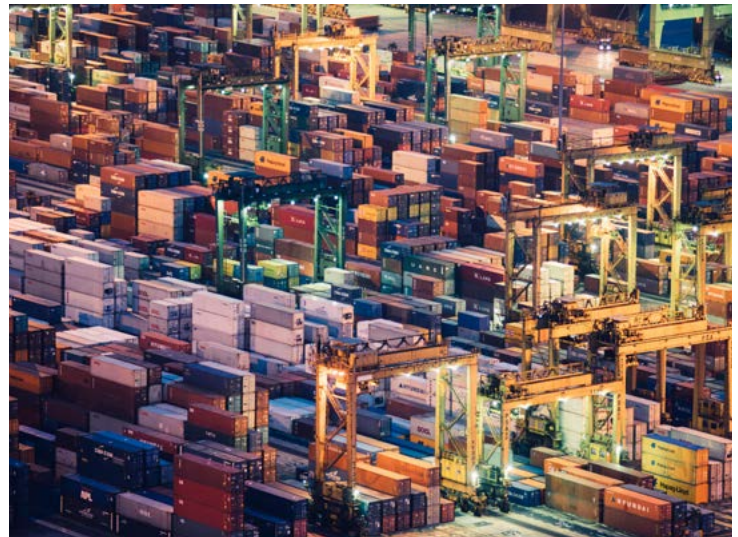
The UAE government announced that mosques, prayer spaces, and other places of worship will gradually reopen nationwide from 1<sup>st</sup> July and operate at 30 percent capacity. The development comes in coordination with relevant federal and local authorities who continue to take all considerations for precautionary and preventive measures. However, prayer spaces located on motorways, industrial areas, labour camps, cooperative societies, commercial centres and parks will all remain closed until further notice.<sup>3</sup>

### | DUBAI

Dubai's economic sectors operations to return to normal working hours. Following the successful completion of the National Disinfection Programme in the UAE, Dubai Economy has announced that all economic

sectors operating in this stage in the emirate can return to normal working hours as they were before the global outbreak of COVID-19, while adhering to precautionary measures, such as placing physical-distancing stickers, wearing masks and gloves, providing sterilisation devices, and checking body temperature of people entering.<sup>4</sup>

Emirates published Travel guidance for Dubai residents.<sup>5</sup>



The Dubai Maritime City Authority, DMCA, has issued a circular lifting the timing restrictions for maritime activities. The step indicates the return of the maritime sector in Dubai to its normal pace following the Dubai Government's successful completion of the National Disinfection Programme, which paved the way for the restoration of economic activities including tourism initiatives.<sup>6</sup>

**Jafza Announces Robust Incentives To Help Companies Get Back To Business.** In line with the emerging market dynamics, Jafza now offers on-demand warehouses on short-term lease with multi-functional storage options, competitive rates, and no VAT or Customs duties. Companies can now take on lease

1 <https://twitter.com/NCEMAUAE/status/1278426423225704455> and <https://www.arabnews.com/node/1698501/middle-east>  
2 <https://www.wam.ae/en/details/1395302851284>  
3 <https://www.wam.ae/en/details/1395302852048>  
4 <https://www.wam.ae/en/details/1395302851256>  
5 <https://www.emirates.com/uk/english/help/flying-you-home/dubai-residents/>  
6 <https://www.wam.ae/en/details/1395302852026>

Jafza warehouses from 300 sqm to 15,000 sqm in size, with free water and electricity as a bonus. Importantly, the comprehensive range of focused support includes easier rental terms like monthly rentals and deferred rental payments, cost-effective transport services that save costs, enhance ease of accessibility and enable speedier services. In-house logistics solutions such as clearing and document processing services, 24/7 lease issuance, fast-track EHS approvals are tailored to assist companies manage their supply chain costs while facilitating trade and efficient movement of goods.<sup>7</sup>

**KLM and Air France to resume Dubai flights in July.** With tourists allowed to fly into Dubai again from July, Air France and KLM will



be among the first non-local airlines to fly passengers into the emirate. KLM will offer daily flights to and from Dubai, from the airline's hub in Amsterdam, with the first flight scheduled for Wednesday, July 1. Air France will fly to Dubai three times per week, with return flights to Paris on subsequent days. The first flight will also head from Paris to Dubai on Wednesday, July 1.<sup>8</sup>

**Emirates adds flights to seven more destinations from Dubai.** Seven additional cities have been added to Emirates' flight routes in July - Khartoum (from July 3), Amman (from July 5), Osaka (from July 5), Narita (from July 8), Athens (from July 15), Larnaca (from July

15) and Rome (July 15). This takes the total number of destinations offered by Emirates to 48.<sup>9</sup>

**Dubai Economy has launched a 'Market Dialogue'** initiative to broaden its communication with the business community and consumers through advanced technology platform. The virtual dialogue seeks to identify the most prominent challenges faced by businesses, including those related to COVID-19 and its impact, engage with the various business sectors, and propose innovative solutions that contribute to business continuity.<sup>10</sup>

**Dubai Chamber launches CSR programme to help SMEs in Dubai navigate COVID-19.** Dubai Chamber of Commerce and Industry

has launched its Business Mentoring and Support, BMS, Programme - a CSR initiative designed to help small and medium-sized enterprises, SMEs, in Dubai steer new challenges posed by the COVID-19 pandemic. The programme will see SMEs in Dubai paired with large companies offering professional advice and resources tailored to unique needs, and helping participants strengthen business skills and competencies. At the same time, it provides an opportunity for large corporates to enhance their CSR impact and contribute to the development of Dubai's economy.<sup>11</sup>

**Smart Dubai has published a report titled 'COVID-19: City Experience Resilience And Impact Report'**, which offers a holistic view of the impact caused by the COVID-19 outbreak and outlines its effects on smart services. The report is an initiative from Smart Dubai and aims to facilitate the formulation of a post-COVID-19 strategy, as per the directions of the wise leadership. It was compiled by the Happiness Agenda team at Smart Dubai, in collaboration with Smart City Specialists represented by both the Smart City Experience (focusing on city services) and Work Environment Specialists (focusing on human resources). They represented 20 government,

7 <https://www.mediaoffice.ae/en/news/2020/June/24-06/Jafza-Announces-Robust-Incentives-To-Help-Companies-Get-Back-To-Business>  
8 <https://www.thenational.ae/lifestyle/travel/klm-and-air-france-to-resume-dubai-flights-in-july-1.1040959>  
9 <https://www.khaleejtimes.com/coronavirus-pandemic/coronavirus-emirates-adds-flights-to-seven-more-destinations-from-dubai-1>  
10 <https://www.mediaoffice.ae/en/news/2020/June/30-06/ded>  
11 <http://wam.ae/en/details/1395302850793>



semi-government, and private sector entities. The study focused on three different subjects: employees, corporate operations, and services provided to customers and employees alike.<sup>12</sup>

## | ABU DHABI

**Entry permitted to Abu Dhabi emirate for those receiving negative Covid-19 test within 48 hours.** The Abu Dhabi Emergency, Crisis and Disaster Committee for the COVID-19 pandemic, in collaboration with the Department of Health, Abu Dhabi, and Abu Dhabi Police, have announced that entering Abu Dhabi emirate is permitted for all those who have received negative test results within the previous 48 hours. Results must be shown via the AlHosn App or text message from any hospital or any screening centre in the UAE that is affiliated to the National Screening Programme. The movement of mail and all types of goods is exempted. The public must continue to adhere to all precautionary measures, including wearing masks and observing physical distancing inside vehicles. Entry of non-Abu Dhabi-based workers is still prohibited. This follows continued positive outcomes in curbing the spread of Covid-19 in the emirate.<sup>13</sup>

**Abu Dhabi Sports Council (ADSC) announced the resumption of indoor sporting activities across the emirate of Abu Dhabi from July 1st.** It is the second phase in reopening training facilities that include gymnasiums, provided the gym-goers, trainers and technical staff adhere to the prescribed guidelines and precautionary measures. The gymnasiums can accommodate up to 40 per cent capacity and open 24 hours and seven days a week. It also allows children from ages 12 and adults up to 60 years.<sup>14</sup>

**A Chinese pharmaceutical company has partnered with an Abu Dhabi company to test a vaccine for the Covid-19 virus in the UAE.** The trial will be the world's first phase 3 clinical trial of a Covid-19 inactivated vaccine, and is due to take place after a clinical cooperation agreement was signed between Sinopharm

China National Biotech Group (CNBG) and Abu Dhabi-based artificial intelligence and cloud computing firm Group 42 (G42). The two companies aim to accelerate the development of a safe and effective vaccine that could enter the market by the end of 2020 or early 2021. G42 will lead the clinical trial operations in the UAE under the supervision of the Department of Health of Abu Dhabi.<sup>15</sup>

**Hub71 has collaborated with two leading banks, Mashreq Bank and First Abu Dhabi Bank, to help identify and solve the pain points faced by startups.** This follows the launch of Hub71's whitepaper which explored the challenges that startups face when opening a UAE bank account.



The whitepaper, titled: Rethinking Banking for Startups aims to foster collaboration with more UAE banks to pioneer new banking solutions designed specifically for tech startups. The findings outline how it may be possible to reduce the time taken for a startup to open a bank account in the UAE – from an average of 63 days – to less than five days.<sup>16</sup>

## | SHARJAH

**SEC extends suspension of social activities until the end of July.** In line with the directives of H.H. Sheikh Sultan bin Mohammed bin Sultan Al Qasimi, Crown Prince and Deputy Ruler of Sharjah, and Chairman of the Sharjah Executive

12 <http://wam.ae/en/details/1395302850892>

13 <https://covid19.ncema.gov.ae/en/News/Details/1356>

14 <https://www.wam.ae/en/details/1395302851613>

15 <https://www.meed.com/uae-to-host-covid-19-vaccine-tests>

16 <http://wam.ae/en/details/1395302850811>



Council, the Sharjah Executive Council, SEC, issued a decision to extend the period of suspension of all social events, celebrations held in wedding halls, event halls, hotels, and government and community facilities until the end of July, as part of precautionary measures to prevent coronavirus. The provisions of the decision should be implemented as of July 1st, 2020, to be operational until the end of July 2020, extendable if needed.<sup>17</sup>

17 <https://www.wam.ae/en/details/1395302851214>

18 <https://www.wam.ae/en/details/1395302852045>

19 <https://www.wam.ae/en/details/1395302852042>

## | KSA - COVID-19'S IMPACT, RESPONSE TO THE CRISIS AND STIMULUS PACKAGES

The Saudi Customs has confirmed that e-commerce transactions of goods imported from outside Saudi Arabia will be subject to a 15 per cent Value Added Tax (VAT) on or after 1 July 2020. On its twitter page, the General Authority of Customs stated that all sales and purchases in e-stores that includes importing products to Saudi Arabia through customs will be subject to a VAT of 15 per cent if their import or consignment arrives on or after July 1, 2020. The adjusted tax applies to all supplies of taxable goods or services imported into the Kingdom and currently subject to the 5 per cent rate.<sup>1</sup>

King Salman extends economic measures to aid private sector. Custodian of the Two Holy Mosques King Salman has ordered the extension of several government initiatives to support the private sector and investors

1 <https://gulfnnews.com/business/saudi-arabia-to-charge-15-vat-on-goods-imported-through-e-commerce-1.72295243>

2 <https://saudigazette.com.sa/article/595007/SAUDI-ARABIA/King-Salman-announces-new-measures-to-aid-private-sector>

3 <https://www.arabnews.com/node/1697431/saudi-arabia>

## | RAS AL KHAIMAH

Ras Al Khaimah Government offices will resume work with a 100 percent capacity of the workforce from Sunday, July 5. The Ras Al Khaimah Department of Human Resources has circulated the decision that includes cancelling all exceptions granted to employees of the emirate's government. The exceptions are limited to only one category of employees with chronic diseases on the submission of a detailed medical report approved by the relevant medical committee.<sup>18</sup>

## | AJMAN

Ajman Government offices will resume work with a 75 percent capacity of the workforce from Wednesday, July 1<sup>st</sup>.<sup>19</sup>

in mitigating the impact of the coronavirus outbreak. The initiatives included supporting the salaries of Saudis working in the private sector through the SANED system. Also, the initiatives partially exempted foreign residents from expatriate levy for those whose Iqama has expired for one month. The extension includes financial support, exemptions, relief measures and accelerating payment of private sector dues.<sup>2</sup>

Health Ministry issues guide to tourists in Saudi Arabia. Saudi Arabia's Ministry of Health has recommended measures to tourists and travelers to prevent them from contracting or spreading coronavirus. The measures are to be taken while traveling, in residence, in open recreational areas such as beaches and parks, in closed entertainment places, while out shopping, and in restaurants and cinemas. There are also measures to be taken while in children's company.<sup>3</sup>



**| KUWAIT - COVID-19'S IMPACT, RESPONSE TO THE CRISIS AND STIMULUS PACKAGES**

Kuwait begins 2<sup>nd</sup> phase of easing corona virus restrictions. Public and private sectors resumed work with a maximum of 30 percent capacity, while operations can resume in the financial, construction and retail sectors. Curfew hours have also been relaxed and now start at 8 p.m. instead of 7 p.m., ending at 5 a.m. However, certain restrictions remain – malls are allowed to operate until 6 p.m., while dine-in is not permitted at restaurants and cafes. The second phase is scheduled to last for 30 days.<sup>1</sup>

Kuwait to resume commercial flights in August. The Kuwaiti Council of Ministers approves a three-stage plan to operate commercial flights from and to Kuwait from August 1, 2020 according to Kuwait news agency KUNA. Kuwait's cabinet agreed on a three-stage resumption starting at 30% capacity, the statement said.<sup>2</sup>

<sup>1</sup> <https://www.saudigazette.com.sa/article/594943/World/Mena/Kuwait-begins-2nd-phase-of-easing-corona-restrictions>  
<sup>2</sup> <https://gulfnews.com/world/gulf/kuwait/covid-19-kuwait-to-resume-commercial-flights-in-august-1.1593440028794>



**| BAHRAIN - COVID-19'S IMPACT, RESPONSE TO THE CRISIS AND STIMULUS PACKAGES**

Monthly labour fees have been slashed for three months, starting July 1 in support of the private sector amid Covid-19 downturn. The Labour Market Regulatory Authority

(LMRA) yesterday announced the 50 per cent reduction which applies to fees levied on the issuance and renewal of work permits. It said businesses hardest hit by the pandemic will be exempted from paying fees for July, August and September.<sup>1</sup>

<sup>1</sup> [https://www.zawya.com/mena/en/legal/story/Work\\_fees\\_in\\_Bahrain\\_slashed\\_for\\_three\\_months\\_Labour\\_Authority-SNG\\_178497596/](https://www.zawya.com/mena/en/legal/story/Work_fees_in_Bahrain_slashed_for_three_months_Labour_Authority-SNG_178497596/)



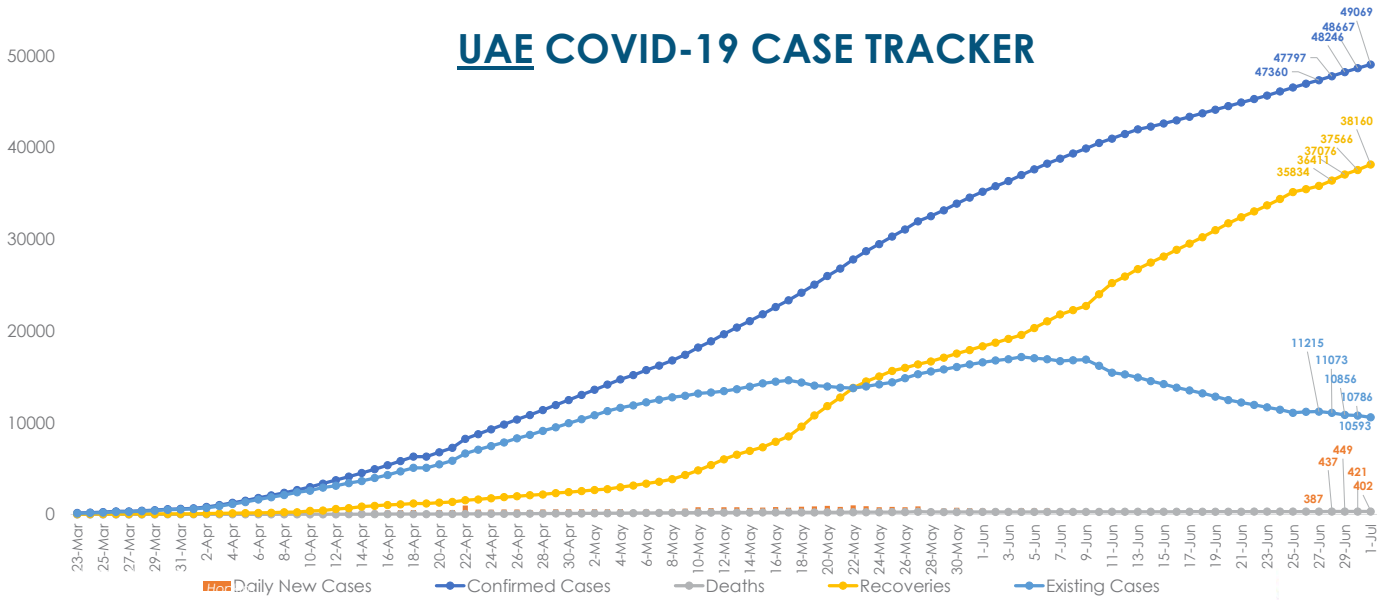
**| OMAN - COVID-19'S IMPACT, RESPONSE TO THE CRISIS AND STIMULUS PACKAGES**

The total value of traded real estate activity in the Sultanate of Oman dropped by 24% YoY to \$2.82bn (OMR878.9m) in May 2020, compared to \$4.96bn (OMR1.91bn) in May 2019, according to the preliminary statistics issued by Oman's National Centre for Statistics and Information.

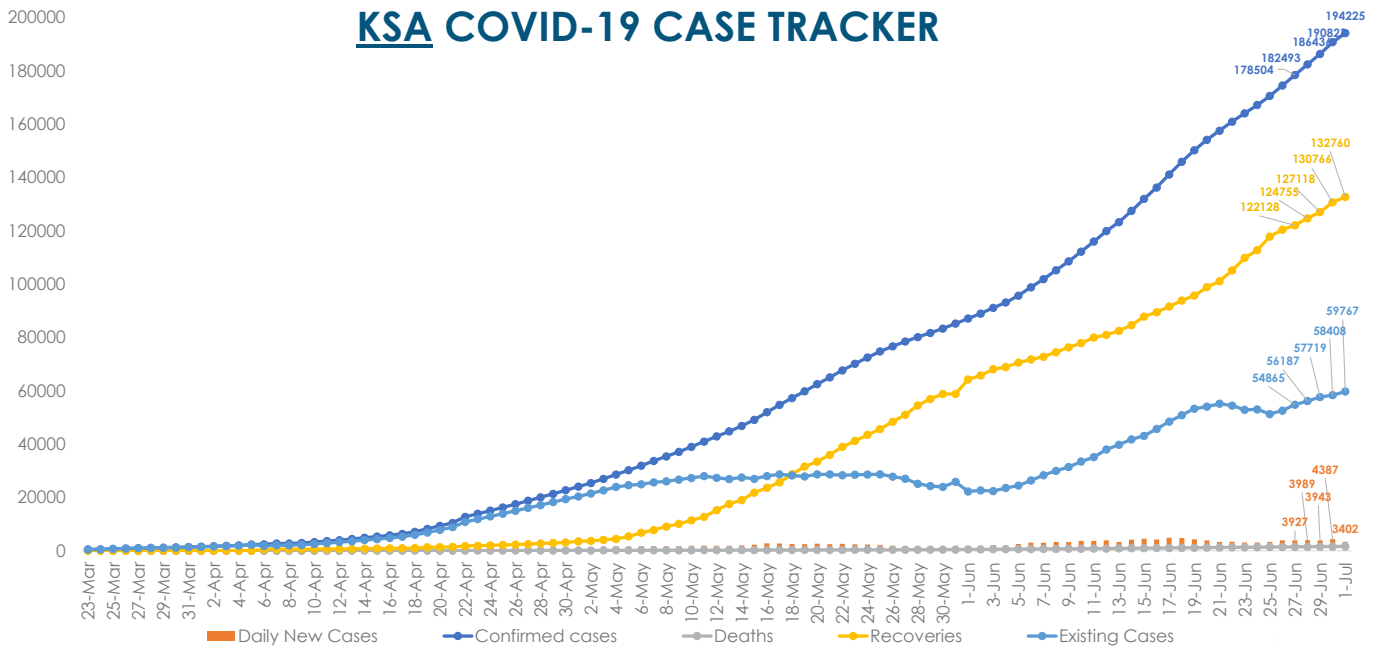
The value of the sales contracts fell 32.3% YoY to \$737m (OMR283.7m) for 15,949 sales contracts in May 2020.<sup>1</sup>

<sup>1</sup> <https://www.constructionweekonline.com/business/266087-oman-real-estate-trading-drops-24-yoy-to-282bn-in-may-2020>

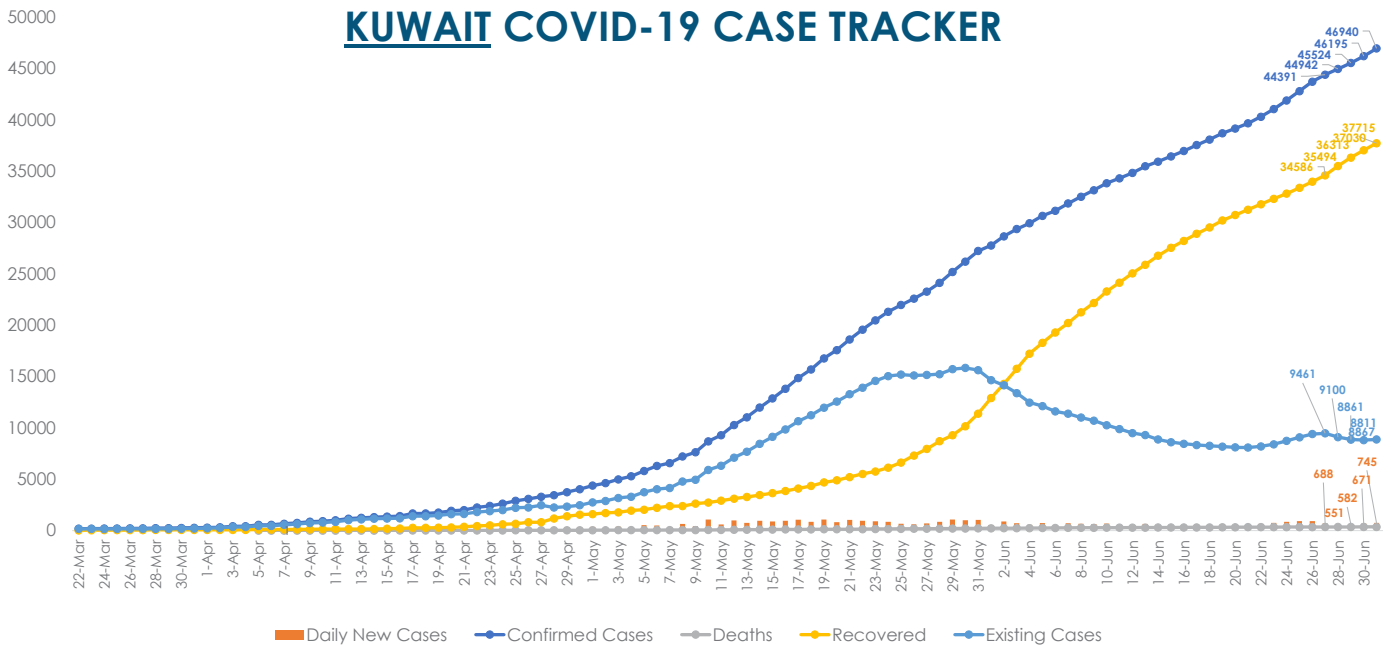
## UAE COVID-19 CASE TRACKER



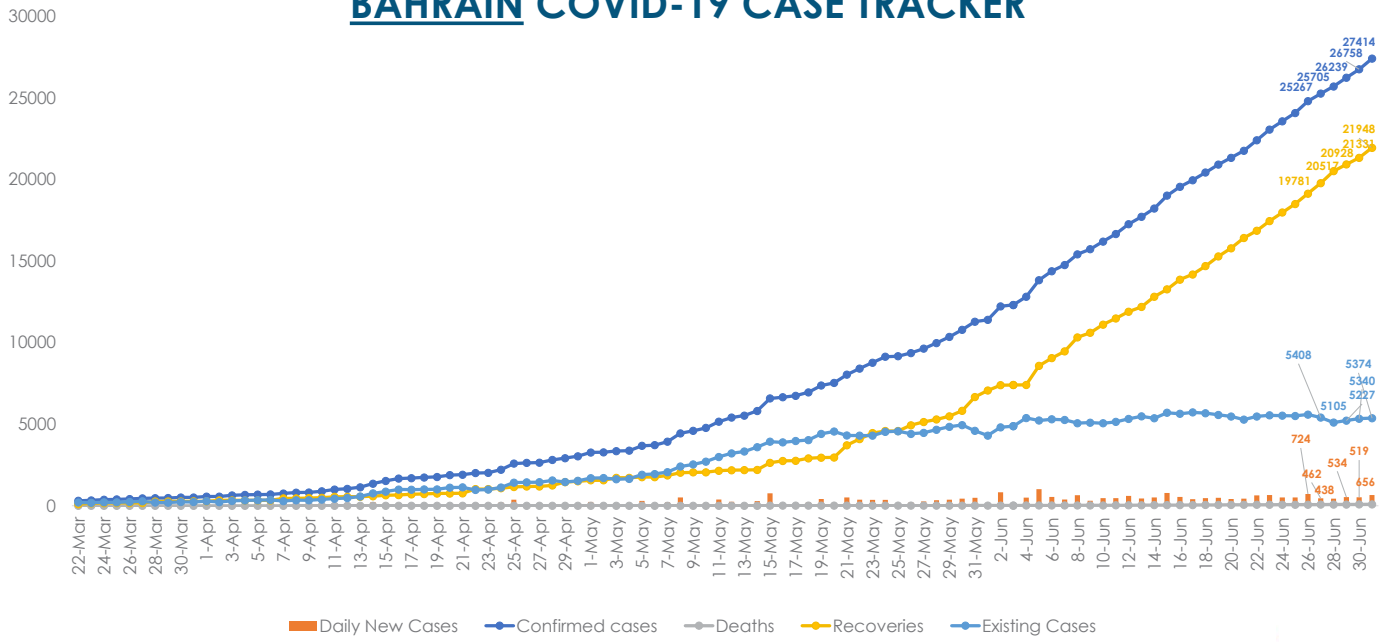
## KSA COVID-19 CASE TRACKER



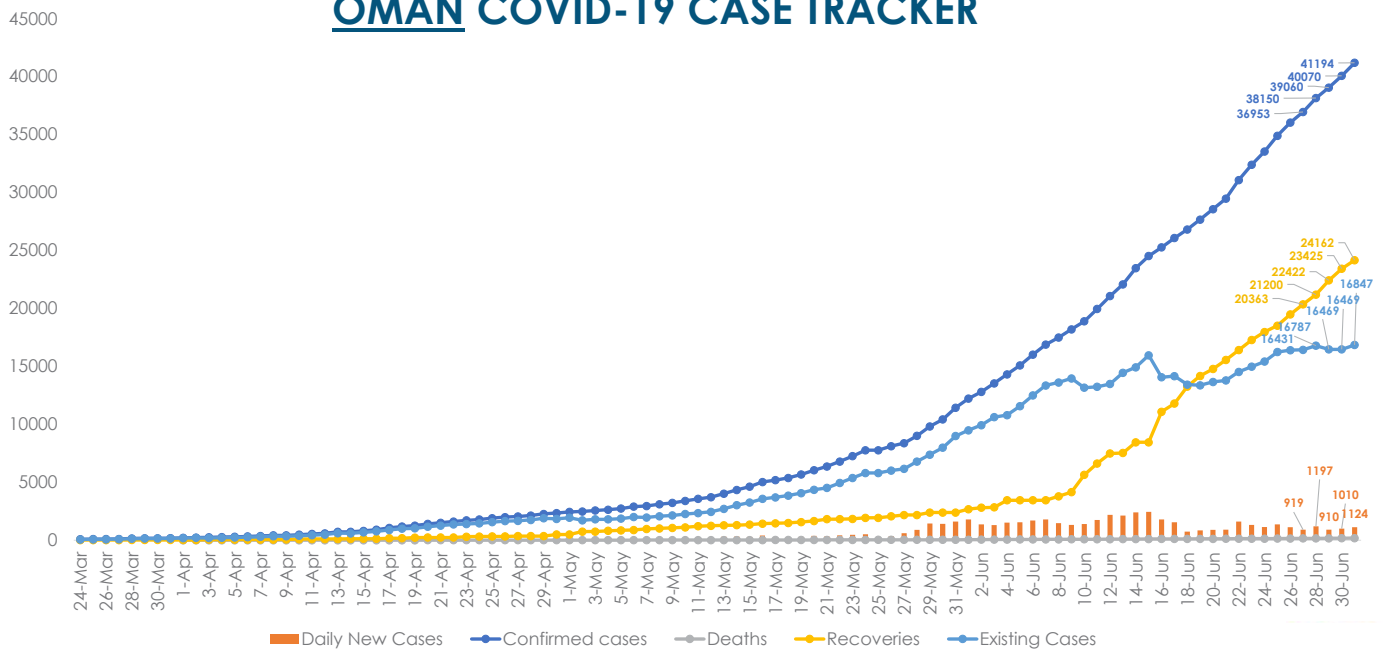
## KUWAIT COVID-19 CASE TRACKER



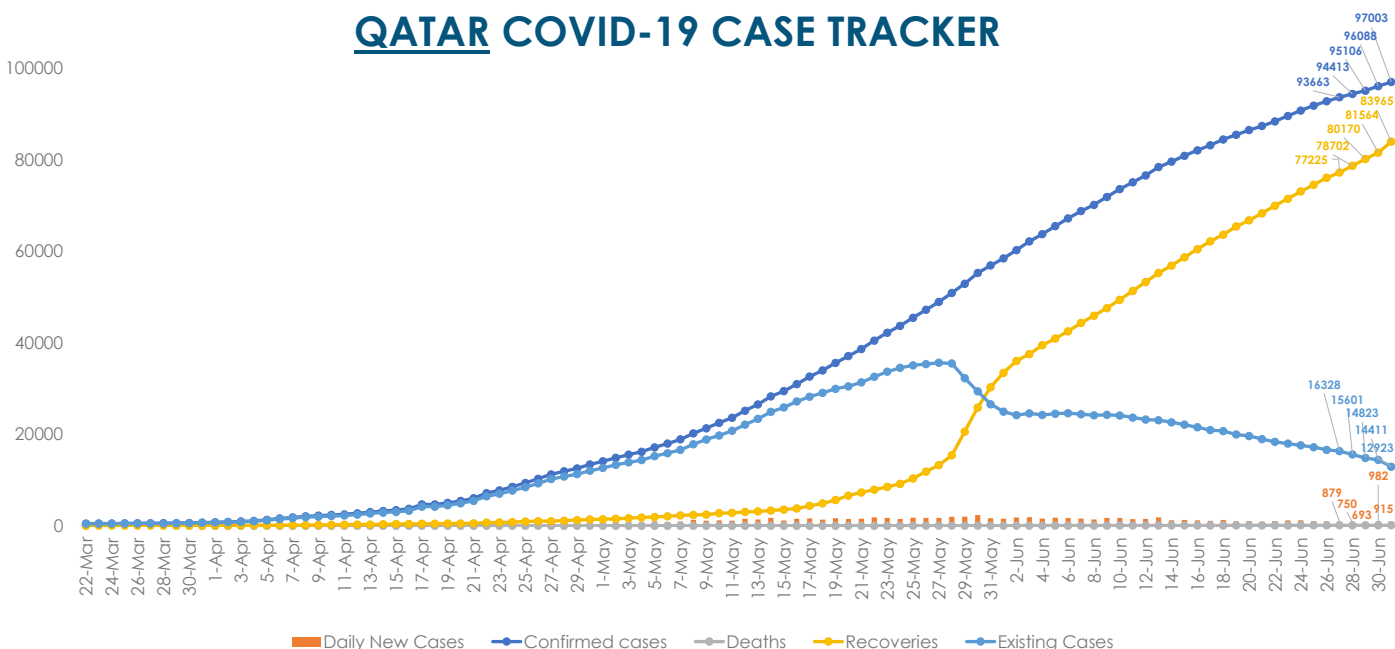
## BAHRAIN COVID-19 CASE TRACKER



## OMAN COVID-19 CASE TRACKER



## QATAR COVID-19 CASE TRACKER





## Well-being in Lockdown - Global Impact Study

The COVID-19 pandemic has affected every part of our daily lives – professional, financial, social, family and personal. Protecting our loved ones, maintaining financial stability, coping with competing family priorities while working from home and watching an unfolding global crisis is unsettling for most of us. But how is the pandemic affecting personal well-being globally? Our new research suggests that, at least initially, our perceived well-being has been surprisingly resilient, with work and family well-being even marginally improving, while financial and social have taken an understandable hit.



Cigna has developed the COVID-19 Global Impact Study to assesses how the pandemic is affecting the well-being of working people in different parts of the world and at different stages of the pandemic.

Despite the seismic changes to people's lives since the outbreak of COVID-19, overall global well-being has remained consistent between January and April 2020 at 62.5 points - indicating good perceived well-being. There may be several reasons for this and it is a testament to people's resilience that much of the data does suggest that people are coping as best they can. Many people will be feeling anxiety, concern and confusion, but we know that people's responses

to crises is complex and in the initial stages working people will be at the forefront of family efforts to focus attention on the things they can control. However, we expect this may change as lockdown measures are eased and the 'new normal' becomes more real.

Financial well-being unsurprisingly dropped one point to 54.8 points, despite many national governments' efforts to cushion people from the most severe financial hardship. This may have dampened the financial impact for many people, but it will continue to be a rising concern over the coming months.

There is also a drop in social well-being from 63.2 down to 62.4 points globally, as social distancing reduces the amount of social interaction that people can have with friends. This has been most acutely felt in the UK, which saw an overall decline of a considerable 4.1 points. This was due to a significant drop in people feeling they have enough time with friends (falling from a low score of 31% to an even lower 17%), indicating fewer people feel they are able to connect with their peers. Also, the proportion of people in the UK who felt they are part of the broader community beyond their family fell from 25% to 15% – demonstrating that community bonds may not be as robust as we would hope.

### Work and personal lives collide

The collision of work and personal life during lockdown has seen complex developments in terms of health and well-being. Overall, work well-being indices remained consistent, but there are some areas of improvement such as the delivery of learning and development by employers. This shows that

the initiatives that many employers have rolled-out have been effective. Alongside this, people's perception of family-related well-being was marginally up by 0.6 points (from 66.3 to 66.9), driven by a significant increase in people's belief that they can protect their partner/spouse and the ability to spend enough time with their family.

The majority of people working from home (64%) recognize that they need to sacrifice more of their time, both professional and personal, to support their children or keep them busy, with only a small portion (13%) saying this does not apply to them. Interestingly, this is consistent for both men and women, perhaps showing an equalization of gender roles in childcare during the period. A majority of people (59%) also feel that working from home has made their days longer and that now they are 'always on' (79%). Why, though, despite these drawbacks, does work and family well-being remain consistent?

It may be because of the benefits that people see from home working. Ten times as many people felt that working from home makes their workday more flexible than not (76% compared to 8%). For many people with families or other competing personal commitments, this may well be much more important to them, offering them the opportunity to spend time with family during the day, despite longer working hours overall. This is something that employers should bear in mind as restrictions are eased.

## Loneliness

Perhaps surprisingly, the pandemic has reduced feelings of loneliness in working people. Only 8% of respondents said they always felt isolated from others in April, compared to 11% in January, despite lockdowns across most markets. People also feel that this has improved their relationships,

with 73% of people saying they feel close to other people in April, compared to 69% in January. Notably, the markets with the toughest lockdowns saw the greatest improvements with UAE up from 71% to 80%; the UK up from 70% to 79%; and Spain from 81% to 91%. As we continue to track people's attitudes over the coming weeks and months, we will be working to understand the reason for this.

## New normal

These initial findings have implications for employers as they start returning to the 'new normal' working arrangements and how they approach flexible working. Office-based working can promote better collaboration, productivity and efficiency. However, recognizing the value that some employees may have gotten from working from home arrangements will be important in protecting their well-being during these times of change.

Some people, around 13% of respondents, do not believe that life will be the same again. This is particularly strong in Spain, where almost a quarter of people believed this, while in Asian countries where they have experienced outbreaks like SARS in recent times this is much less (China 3% and Thailand 6%).

This pandemic is still unfolding and will continue to impact people's lives in the foreseeable future. Many markets are beginning to reopen and the impact of this remains to be seen. As we continue this piece of research over the coming months, we hope that we ensure that well-being remains front of mind during these developments and can inform how employers respond.

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