Argentina:

**Business climate**: Deterioration of the heterogeneous business climate according to the sectors: certain sectors (eg automobile, aeronautics, tourism) very affected by confinement, even at a standstill (à l’arrêt); others less (eg food, health) because they are considered as essential. Recession for 2020 estimated by the IMF at 5.7%. Debt renegotiation process underway. Support measures put in place by the government, especially for SMEs.

**Containment level**: State of health emergency. Extension of confinement until June 28, but establishment of a differentiated regime according to the provinces.

**Borders**: Borders closed, except for Argentines and residents. Suspension of commercial flights until September 1.

**Opening to the flow of goods**: De facto restriction of trade since 03/20 (customs services focus on import operations relating to essential activities described in decree 297/2020) / Lack of specific controls against imports or exports of goods / Health emergency law (in force until March 2021): 0% customs duty and priority treatment of health products (medical devices, drugs, vaccines, inputs).

**State of transport / logistics**: Internal flights: suspended (but holding exceptional flights); Interurban, interstate and international public transport: suspended with exceptions. Ports: open for repatriation of Argentines and residents, and international transport of goods. Reception of goods from France possible / No major logistical difficulties reported, but slowdowns were noted

**Tariff and non-tariff barriers:** Increase in the list of products subject to prior authorization, put in place before a health crisis.

**Failures and payment terms :** Proven payment difficulties; fragility of VSEs and SMEs / measures taken by the government to reduce the impact of Covid-19 (flexibilization of quarantine, emergency work and production assistance program including reductions or reductions of up to 95% of employers' contributions and various social contributions + coverage of 50% of the net salary of employees in the private sector up to a minimum of 2 salaries)

**Economic support plan :** 13 bn USD of measures to support activity - credit lines granted by the Central Bank, State contribution to the payment of salaries, increase in unemployment insurance, increase in public investment, reduction in employers' contributions April; increased spending in the health system and construction of field hospitals; support measures for vulnerable populations and on demand

**Significant developments in other sectors:** Development of digital transformation / e-commerce projects and other digital solutions (edtech, fintech, etc.)

Brazil:
**Business climate:** Confinement in the big cities (SP, Rio) but deconfinement in progress in the shops (St Valentin on 12/6) with a relaxation of the rules.

**Containment level:** Federal state therefore the 26 federated states manage the health situation in their own way. : 7 states are in "lockdown", 10 states have streamlined their procedures, 9 have simply maintained the status quo and 1 state has tightened. Peak estimated to be reached on July 7, 2020.
**Opening of borders**: Very few flights maintained to / from France. Air France maintains a small part of its flights and KLM also (France via Amsterdam).

**Opening to the flow of goods:** No official restriction. Delay on certain import operations because problems of availability of employees but certain customs clearance are accelerated.

**State of transport / logistics:** Terrestrial with almost no effect. Air cargo unaffected. Public transport of people very reduced and therefore effect on production.
**Failures and payment methods:** Impact probably but difficult to measure at this stage

**Tariff and non-tariff barriers:** Depreciation of almost 30% against the euro since the start of the year but the real has almost resumed its Brazilian pre-containment course.
**Evolution of regulations:** Ease of registration of health products linked to the health crisis and accelerated customs clearance for basic products.

**Economic support plan**: Mobilization of 750 billion BRL (about 10% of GDP) to fight the pandemic and the crisis - an amount which consolidates budgetary support measures, transfers to states and lines of credit set up by federal operators. But at the same time he indicates that the impact of these measures on the budget balance will be 2.6%, bringing the structural deficit to 5.2%, a figure no doubt provisional given other measures that could be announced later.

**Significant developments in other sectors**: The construction and infrastructure sectors will benefit from a Marshall post-Covid19 development plan with in particular a lot of privatizations (around 1,000 billion BRL or around 170 billion euros). Digital sector is booming with edtech (Tech dans l’éducation) in particular but also cybersecurity.

**Great demand for medical products and equipment. Easy access to the market. Huge healthcare sector in Brazil and looking for innovation**

Chile :

**Business climate**: Activity down 14.1% in April 2020 (1st month of total containment) compared to March 2020 (-0.1% in mining activity). Estimates of decline in GDP of between 5.2 and 7% in 2020 according to the OECD. Impact of the Covid-19 heterogeneous according to the sector / very accentuated on shops and service activities in particular. GDP growth of 5.3% in 2021 according to the IMF.

**Containment level** : Constitutional emergency state of “catastrophe” until September 18 / Strict confinement applied to the entire metropolitan region of Santiago and other municipalities / provinces, with a weekly assessment by region and by municipality / Curfew between 10 p.m. and 5h throughout the country / confinement of 14 days compulsory for those returning from abroad.

**Borders:** All land, sea and air borders are closed to non-resident foreigners, including those in transit. Resumption of Air France flights on July 6, at the rate of one return flight per week.
**Opening to the flow of goods:** No restrictions.
**State of transport / logistics:** No specific logistical difficulties reported.
**Failures and payment terms** : Increase in the number of failures in March / April 2020; Government support measures specifically geared towards VSEs / SMEs (specific credit lines, reduction of contributions and taxes, etc.)

**Tariff and non-tariff barriers:** No evolution

**Evolution of regulations:** No development linked to the Covid-19 crisis.

**Economic support plan:** Launch of a Covid fund of 12 billion USD over a period of up to 24 months and increase in emergency family income. Recovery plan of USD 17.4 billion (increase in the health system budget / income and employment protection measures / tax measures to support SMEs) / special credit lines for companies with state guarantee / public funds to facilitate the financing of SMEs via non-bank financial institutions / partial unemployment funds / reduction of the central bank's key rate to 0.5% / platform aimed at helping SMEs to access public purchases. These measures are in addition to the post-social movement stimulus plan (5.5 billion USD)

**Significant developments in some sectors:** Various ongoing projects in the field of water management / Development of projects in digital transformation / e-commerce and other digital solutions / The Ministry of Public Works (MOP) postponed the launch of calls for tender planned for 1st and 2nd quarters 2020, 4th quarter 2020

**Increase in the budget allocated to health for 2020: resources used for the execution of 75 hospital infrastructure projects, 86 primary care centers,**

Colombia:

**Business climate:** Gradual resumption of economic activity in many sectors of activity. The situation remains very tense in the sectors of tourism, catering, events (museums, theaters, cinemas, concerts, nightclubs) and air transport, which are stationary.
**Containment level**: Containment mandatory until July 1. Wearing a mandatory mask in public spaces. As part of the so-called "intelligent" deconfinement, it is the mayors and the governors who must manage the authorizations to resume activities for economic and commercial activities.

**Opening of borders:** Entry into Colombian territory is not possible from midnight on 23/03 until 31/08, regardless of the means of transport used. All land / river / sea borders are closed in both directions (except humanitarian flights managed by airlines in connection with the Embassies of the countries concerned).
**Opening to the flow of goods:** No restrictions. The main ports (Cartagena and Buenaventura) are operating normally.

**State of transport / logistics:** Among the economic activities that benefit from exemptions from mobility or movement restrictions, we find import-export operations through the ports, airports and land borders of the country and in particular the transport, storage and logistics activities of merchandise. For individuals, interurban land transport is not allowed. Domestic flights are also on hold until further notice.
**Failures and payment terms:** According to the Colombian employers (ANDI), 70% of companies are at risk of bankruptcy because they only have 1.8 months of cash reserves in front of them. Already, 10,000 restaurants out of a total of 90,000 establishments have closed, according to ACODRES, the industry's professional association. The airline Avianca placed itself on May 10, under Chapter 11 of the US bankruptcy law; risk of bankruptcy of Transmilenio in August.

**Tariff and non-tariff barriers:** The EU-Colombia free trade agreement remains in force. In addition, the government has decided to lower or completely eliminate customs duties on the import of intermediate goods or final products, intended for the health and air transport sectors.
**Evolution of regulations:** Regulatory developments aim above all to favor the country's supply of essential products (health, food, in particular) via fiscal, tariff or non-tariff incentives, to allow individuals and businesses to more easily access liquidity (loans to subsidized or guaranteed rates, assumption by the government of employer charges (12%) in April and May, accelerated reimbursement of IS, IR and VAT credit balances by the tax authorities, etc.).

**Economic support plan:** Measures in support of the tourism (hotel, catering, events) and air transport sectors, recently extended to other sectors of activity, notably providing for the postponement of the payment of tax charges. With regard to financial aid, opening of a special line of credit at subsidized rates "Colombia responde para todos" for an amount of 150 M USD by BANCOLDEX, the Foreign Trade bank, intended for SMEs and start-ups, all sectors confused. FINDETER, the territorial development bank, has announced an envelope of 180 M EUR intended, both for the public and private sector, to finance projects at preferential rates in the fields of transport, housing, health, water and sanitation, education and culture, etc. Finally, as part of the "Unidos por Colombia" program, the government launched a loan guarantee program of EUR 2.8 billion (1% of GDP), with an initial allocation of more than EUR 450 million, intended for SME. At the international level: approval of a loan of 250 M USD by the World Bank and renewal by the IMF of its flexible line of credit (FCL) intended for the Colombian government for an amount of 10.8 billion USD. The government will pay 40% of the minimum wage for companies with a turnover drop of more than 20% turnover; 3 days without VAT to support consumption; government to cover 50% of June semi-annual bonus for minimum wage earners.

**Significant developments in other sectors**: Since the end of April, the building and manufacturing industries have been allowed to resume their activity as soon as they fulfill a strict protocol in terms of health security. Since 11/05, the furniture, automotive, machine tool, IT / electronic / optical sectors have also been able to reactivate their production by applying mandatory biosecurity rules. In the commercial sector, car dealerships, garage owners, service stations, bookstores, stationery stores and newsstands, specialized DIY stores, dry-cleaners (only at home) can reopen; From 1 June, the resumption of commercial activities will also be authorized gradually and depending on the region (this is particularly the case for hairdressers and shopping centers, all shops combined, with a maximum capacity of 35% ). In Bogota and certain other large cities, this CC opening will only take place in mid-June under strict health protocols. 60% reduction in fuel consumption during quarantine; Increase in online sales over 80%, especially in the sports (85.6%), retail (52.9%), and health (38.2%) categories.

Mexico :

**Business climate:** National deconfinement started since June 1 - average of 30% resumption of activity in essential sectors. Strong pressure from the Mexican employers to reopen the economic sector as quickly as possible. The Mexican Business Council (CMN - MEDEF equivalent) has obtained an annual line of credit of USD 12 billion from the IDB which will support 30,000 companies by guaranteeing the "liquidity of their invoicing". After an unprecedented drop in the Mexican peso in March (35% depreciation against the USD), the peso is gaining ground again: the Mexican peso appreciated by + 7.63% in May , or its best performance in a month in 25 years.

**Containment level:** Acceleration of the number of deaths and cases detected. Daily active communication at the national level around the Covid - National deconfinement since June 1 but left free to the appreciation of each State of the Republic according to level of pandemic by State (distribution of Regions by use of a level by set of 4 colors: red (full pandemic), orange, yellow and green (absence of pandemic).

**Opening of borders** : No restrictions. 8 weekly air flights operated by AF and Aero Mexico over Paris-Mexico. Land borders, in particular that with the United States, open with restriction of the flow of people. **State of transport / logistics**: No restrictions.
**Failures and payment terms:** No visibility to date
**Tariff and non-tariff barriers**: No change at this stage (EU-Mexico Free Trade Agreement) - Entry of the new North American Free Trade Treaty (T-MEC) from July 1, 2020.
**Evolution of regulations** : Shopping center closures; bars and restaurants. Adaptation of sanitary provisions at all points of entry into Mexico. The economic reopening will be based on the health situation in each state.

**Economic support plan** : 1 M in loans for a total value of 25 billion MXN will be granted to SMEs and VSEs at low or zero rates. Allocation of loans at 0% rate, intended for micro enterprises in Mexico City. the measures taken by the government are aimed at: (i) accelerating spending, (ii) granting sufficient resources to companies that need financing (micro-credits for SMEs), (iii) giving a " impulse ”to sectors such as construction and those related to foreign trade, linked to the value chain of the United States and (iv) Use the treaty between Mexico and the United States and Canada (T-MEC) and promote the reopening of the previously mentioned sectors.

**Significant developments in other sectors**: The construction, mining and transport equipment sectors (including automotive and aeronautics) have been included in the list of essential activities that can resume their activities from May 17 (Integration into the chain of subcontracting for American companies).

**Opportunities in the development of telemedicine approaches and vaccine tests (PCR Kit) - Support point: Club Santé Mexique Platform.**

Peru:

**Business climate**: The Business Recovery Plan in 4 stages provides that by the end of June (end of stage 2) 80% of the economy will be operational. Stage 1 in May started and included the recovery of the mining sector, home deliveries, e-commerce, construction and industries providing inputs for essential sectors of health and agriculture (textiles, chemical, machinery), health services (dental, veterinary, ocular), home services (plumbing, electrician), laundromats, home hairdressers and professional sports. Stage 2, which has just started, frees up almost the entire mining sector, legal and municipal services, investment projects, alcoholic drinks industry, hotels for workers and car sales. Resumption of Activities in 4 stages forecasts that towards the end of May (end of stage 1) 70% of the economy will be operational.

**Containment level**: From 01/06, confinement with curfew at night. Essential travel is allowed (banks, food, health services) as well as nearby physical activities since 03/16.
**Opening of borders**: Closed borders (entry and exit) since 03/17. Only humanitarian flights coordinated with the Peruvian State are allowed. **Opening to the flow of goods**: No restrictions on trade. 0% customs duty for 65 tariff lines related to health products.

**State of transport / logistics**: Flights and international transport suspended, except goods and humanitarian flights. Inter-provincial flights and transport suspended except for goods and "internal repatriations" organized by the government. Private transport allowed for professional activities and essential trips with police authorization. Interprovincial transportation allowed for authorized professional activities. Public transportation continues to operate.

**Failures and payment terms** : LATAM Peru, a subsidiary of LATAM airlines, with 60% of the Peruvian air market, is entering a restructuring process in Peru and the United States
**Tariff and non-tariff barriers:** Exports of medical masks and clothing subject to prior authorization from the Ministry of Health.
**Economic support plan**: A plan of 26.6 billion USD (12% of GDP), of which 19.8 billion USD (8.8% of GDP) has been approved. Of the total amount, health measures concentrate USD 795 million, support for households and businesses concentrate USD 9.9 billion (USD 6.1 billion and USD 3.8 billion respectively) and measures to preserve the payment chain concentrate 9 , $ 1 billion. Among the measures to support households, we note the possibility of withdrawing part of the retirement funds by individual capitalization-AFP (2.5 billion USD), the possibility of having "unemployment savings accounts" -CTS (1.4 billion USD ) and direct subsidies to families (USD 1.1 billion). The targeted tax breaks for VSEs and SMEs (2.9 billion USD) are the main measure of support for businesses. The payment chain is mainly insured through the program of credits insured by the State "Reactiva Perú" (8.9 billion USD).

**Significant developments in other sectors:**

* *Mines*: The mining sector experienced negative growth of -6.2% (-12.8% for copper) in Q1 2020. From June, almost the entire mining sector is authorized to restart. The mining sector represents around 8% of GDP; 1/3 of the corporate tax collected and approximately 2/3 of exports.
* *Fishing*: Fishing experienced negative growth of -15.3% in Q1 2020. Industrial and artisanal fishing now operates at 100%.

**0% customs duty for 65 tariff lines related to medicines and sanitary equipment.**