THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Covid-19 Economic Turbulence and Governments Stimulus Package: A Quest for Survival as Global Recession Looms in the 1st Quarter of 2020

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Abstract:
This paper demonstrates the essential role various governments are playing to stimulate their economy within the framework of COVID-19 in the 1st Quarter of 2020 with more than a million people in over 205 countries and 2 international conveyance infected as at April 2020. The paper centers around governments' expenditure to drive containment and encourage employee retention as economies head towards recession due to border closure and movement control order. Thus main reason for government tax cuts and other fiscal measures to reduce the likelihood of recession as millions of people lose their jobs weekly. The paper provided a background information on government economic Stimulus packages and an in-depth analysis of the intervention implemented by early hit COVID-19 countries with huge packages like Germany, Singapore, Malaysia, New Zealand, Canada and Indonesia. Qualitative research approach was adopted as the method to carry out this research due to domestic movement control and international border closures in most countries (2.6 billion people/ one- third of global population people living under lockdown). The finding reveals that monetary and fiscal measures play a significant role in mitigating the health, economic and social impact of COVID-19 pandemic as the virus briskly spreads. In conclusion, the researchers came up with recommendations and further stressed the need to curtail the spread of coronavirus by supporting less income households and businesses to retain their employees as measures to lessen the effect of recession and policies to boost economic recovery are coordinated.

Keyword: *Covid-19, Coronavirus, Economic Turbulence, Government Stimulus Package, Recession*

1. Introduction

Many countries in the first quarter (Q1) of 2020 witnessed the unrolling of emergency plans to save their economies as a result of the Coronavirus pandemic. Coronavirus popularly known as COVID-19 just like the global financial crisis has wrecked markets globally (Martyr & Mukhopadhyay, 2020). Relative to previous comparable occurrences, such as the 2003 SARS epidemic, economies worldwide have largely become more interconnected with China playing bigger role in global output and commodity markets. As seen in OECD interim assessment, prior to COVID-19 Pandemic, economic activities and financial conditions had begun to improve steadily despite the existing trade tensions among some countries. Until the COVID-19 hit, even though weak, Growth was stabilising. Movement restrictions of people, as well goods and services, and other containment methods such as temporary factory shut down have cut manufacturing and domestic demands sharply worldwide. The global impact has lowered the confidence and growth of the services and manufacturing sector through business and leisure (tourism) travel, supply chains and commodity markets. Consequently, it has been projected that this year (2020) annual global GDP growth will drop to 2.4%, compared to the weak 2.9% in 2019(OECD, 2020).

The world is witnessing an economic maelstrom that may well be bigger than the financial crisis of 2008, In Europe, a robust and co-ordinated fiscal response is developed by leaders to shield businesses and households from the anticipated impact of the pandemic (FT reporters, 2020). The COVID-19 outbreak as witnessed has caused substantial suffering to people as well as significant economic disruption. Globally, countries are feeling China's output contractions in terms supply chains, and commodity markets. Though on a small scale, subsequent outbreaks across the globe in other economies are experiencing similar effects with a highly uncertain global prospects in the first quarter of 2020 leading to a prediction of a ½ % likely total global growth this year (OECD, 2020). The socioeconomic impact of the coronavirus outbreak on poor and emerging nations will take years to recuperate with forecast that Africa could lose nearly half of its jobs if outbreak is not contained. The loss of jobs will no doubt have a huge repercussions on all societal aspects, like education and food security (Suleymanova, 2020). As the coronavirus outbreak began to grow in Africa, greater measures to shift volumes of cash transactions to digital payments is being put in place since World Health Organization (WHO) flagged 'cash transaction' as one of the conduits for the spread of COVID-19. Famous tech firms in Africa that committed to the curb of COVID-19 include Safaricom, M-Pesa, Paga, CcHub, Zindi and Jumia (Bright, 2020).

A lockdown which is the ideal strategy to slow the spread of COVID-19 outbreak is not considered an option among the masses in less developed countries. Especially in developing countries where there is inadequate supply of electricity and water supply in most communities. In determination to slow the spread of coronavirus, businesses have been ordered by governments to shut down and billions of people ordered to stay indoor worldwide. Countries like India where over half of its 1.3 Billion populace live below poverty line are hugely affected by the Movement control order. There is need to urgently act to curtail the COVID-19 pandemic which results to economic hardship on informal l workforce, especially. The necessity to offer debt relief to emerging countries was stressed by World Bank and the International Monetary Fund (IMF), according to David Malpass, World Bank's President. Further to stimulating emergency packages with grants and loans proposition, the World Bank and IMF called on certified bilateral creditors to offer instant debt relief to poorest countries. These debt relief will pave way for governments to commit new resources on fighting the OVID-19 pandemic and its economic concerns (Suleymanova, 2020).

Today, citizens of countries like Jamaica are buying domestic products as their ways of supporting the domestic production activities which will in turn reduce the economic impact of the pandemic especially unemployment and loss of government revenue (MOF, 2020). The advent of COVID-19 pandemic has caused the stock markets to plunge globally with many economist calling for governments' massive economic-stimulus package as possible solution in time of recession (Riedl, 2020).

Since the COVID-19 outbreak in China, more than 1.8 million have been infected and over **113,000** deaths recorded worldwide. An effective containment strategy can best be attained greatly through a well-coordinated travel l cooperation and advisories basis. As previously witnessed during the 2008-2009 recession where several governments and central banks operated together to help contain the financial crisis. Without collective coordination and assistance worldwide, a country like Nigeria will likely explode with spread of refugees beyond it border. Pool funds and information sharing will speed up treatments and anti-viral vaccine arrival (Zakaria[1]).

With the alarming unemployment and poverty rate (Abubakar et al., 2020) in regions like Africa and South America, there is need for governments across the globe to speedily intervene on how to contain the spread of the coronavirus outbreak as well as discover the vaccine before it spreads deeply in to poor countries.

1.1. Statement of Problem

The outbreak of coronavirus through numerous channels has affected economic activities in terms of drop in domestic consumption and anticipated imminent investments worldwide. Members of Asia's Development Bank (ADB) like Hong Kong, China; Mongolia; the Philippines; Singapore; and Viet Nam with robust tourism, trade and manufacture linkages with China have been affected significantly by the COVID-19 outbreak. Most emerging economies in Asia responded to the coronavirus pandemic in several ways with governments setting-up inter-agency task forces and coordinating mechanisms to harmonize citizens' response protection. Currently, Asian countries affected by the outbreak have carried out supportive macroeconomic policies, implemented reassuring fiscal measures as well as cut interest rates (ADB, 2020).

11 million people are likely to be driven into poverty in East Asia and the Pacific region despite witnessing a steady 6% of overall growth due to low income and informal being the most vulnerable (Thestar, 2020). *To pawn the economic impact of COVID-19 pandemic, a number of countries worldwide especially in the ASEAN region (South-East Asia) have implemented measures in form of fiscal and non-fiscal incentives as well as cash hand-outs as stimulus (Ayman, 2020).*

In Europe, the regional funding programmes under European Commission is in the process of mobilising €37bn to combat the pandemic. In anticipation that 'full flexibility' will be granted to EU states in its fiscal rules to enable nations to boost their expenditure, many economists fear the consequences of huge expenditure packages for high indebted countries like Greece and Italy (FT reporters, 2020).

In Latin America where some leaders remain in denial, the coronavirus arrived in strength as governments' worldwide struggle to mitigate the shock as it threatens both public health and livelihoods (Bello, 2020). Brazil with more than 5000 cases and Chile with over 2000 cases are the most affected countries in Latin America out of the region's nearly 19,000 total COVID-19 cases as of April, 1st 2020 (Montanez, 2020). Furthermore, Latin American may likely encounter serious economic and humanitarian crises following the speed of the spread in March 2020 despite the regions slow hit compared to Asia. Latin America's first case was confirmed on February 26 in Brazil, and by March 5, 2020, the region recorded around 2,274 cases. With too many index cases in circulation and an underfunded public health system ($949 annual per capita expenditure), many are of the opinion that the territory may end up like Italy. Though, countries like El Salvador's suspension on mortgage and credit card debt, Chile's $11.75 billion stimulus package, as well as Mexico, Brazil, and other countries' policies to cut down interest rates will help to stimulate the economy (Charles, 2020).

South America is expected to witness lower export revenues, decline in oil prices, tightening of financial conditions especially countries with vulnerable economies, tourism flow as well activities in service and manufacturing sectors due to containment measures (Alejandro, 2020).

In the context of Africa, Italy and China's coronavirus experiences are extremely valuable. However, not directly due to demographic differences, high frequency of endemic diseases and health system constraints. Africa's median age is 19.7 years compared to China's 38.4 years, and European Union's 43.1 years where most of the severe vulnerable COVID-19 cases are over 60 years. Even though Africa's youth age range is considered a significant protective factor, it is widely anticipated that severe coronavirus incidences will occur in people with illnesses that affects the immune system. Since almost all health systems in Africa lacks the capacity to absorb the coronavirus pandemic, aggressively focusing on containment measures should be the continent's generally approach with religious leaders, youth leaders, community leaders and health leadership on board (Kaseje, 2020).

Countries worldwide are trying to emulate the few that have succeeded in controlling the outbreak at the moment with focus on preventing a resurgence. Colossal energy has been devoted in subduing the pandemic as many urge for quicker and further rigorous methods. To stabilize the economy, mammoth energy has been expended through public-policy reactions. However, to avoid perpetual annihilation of our livelihoods, there is need to come up with 'timebox' solutions. COVID-19 must be suppressed to curtail the extent of global economic shock (Sven, et.al, 2020).

Many nations are ensuring that *front-line health-related* spending is obtainable as health personnel strive to protect the wellbeing of the sick as well as slowdown the spread of the virus as the top priority. Furthermore, fiscal and monetary, measures has proven to be key in mitigating the economic impact of the virus through cash hand-outs, subsidised wage as well as tax relief for affected households and businesses. Central banks are expected to increase their monitoring role to develop contingency plans that will offer liquidity assistance to financial institution. Existence of far-reaching monetary and fiscal stimulus can be able to boost the confidence and aggregate demand (Alejandro, 2020).

1.2. Research Methodology

Qualitative research approach was adopted as the method to carry out this research due to domestic movement control and international border closures (Lockdown) in most countries. This method was adopted because the researchers needed to stick to the limitation of the period of focus (first quarter 2020: Q1 2020). In the process of carrying out this research, contemporary literature, corporate reports, online publications, professional empirical documented works and opinions in related to Coronavirus pandemic, economic stimulus, economic turbulence and recession were reviewed. This paper inquires deeply the experience and intentions of governments, media, public health and economic experts through published works and graphic data. Selected countries were chosen based on the role played by its government to stimulate the economy (Umar et al., 2020).

2. State of Global Economy: Economic Turbulence, Recession and Economic Stimulus

As the world confronts the magnitude of the virus shock caused by the coronavirus pandemic, countries will not be able to manage the economic, social and health impact reverberating worldwide without the cooperation of world powers. The world is predicted to witness economic paralysis with countries like United States of America (US) losing over 10 million jobs in two weeks and Italy entering the crisis as country with third highest public debt worldwide (expected to face fiscal breakdown if it attempts to spend huge to combat the economic crisis despite been Europe's third largest economy). Others developed economies like Germany is expected to contract by 5% in 2020 disrupting its record of 40 quarters without experiencing a full-blown recession. Other expected turmoil is the government- private debt challenges where public-private debt stands at $260 trillion and $90 trilliongross global GDP as well as the US and China debt-to-GDP ratios of 210% and 310%, respectively (Zakaria[1], 2020).

Developing nations like Nigeria, Brazil, Indonesia and India will experience a hard hit if the virus is not contained on time to avoid falling into their own version of 'great depression' as they are currently cash-strapped as well as loss of tax revenue. Furthermore, the coronavirus economic shutdown is adding to the economic frustration experienced by oil states such as Libya, Nigeria, Iran, Iraq or Venezuela due to collapse of oil demand and Russia- Saudi Arabia price dispute. Majority of oil states revenue largely depend on oil sales profits (Zakaria[1], 2020).

The world is surely near entangled in an overwhelming recession brought by the COVID-19 pandemic. With growing fears lately that the downturn could be extremely punishing and long lasting as various governments deepen restrictions on firms to stop the spread of the coronavirus outbreak which in turn obstructs consumer-led economic growth (Goodman, 2020). International Monetary Fund (IMF) warned that growth in 2020 will be negative as the world faces 'a recession that is as bad as the global financial crisis'. With Several Wall Street economists agreeing that they see a recession and Goldman Sachs pondering that the unemployment rate in the United States could peak at 9% soonest. Capital Economics strongly believe the second-quarter of the US economic growth will plummet by 40% and a spiking 12% unemployment (Sabga, 2020).

2.1. Economic Turbulence

As businesses globally shut down or cut down their workforce on daily basis in every sector, other opportunities arise. What defines, inspires and characterised a free market system when it comes to loss of jobs or earnings and corporate overall competitiveness is the constant turbulence (Brown et.al. 2006). Occasionally economic turbulence which causes sudden suffering occur across economies or industries. Especially, the shipping sector when business owners experience great fortunes or bankrupts (Stopford, 2009). The regularity of turbulences is associated with a manager's ability to take prompt decisions in globalized interconnected world (Goulielmos, 2018). Three opportunities identified by

McKinsey Global Institute, as key target for corporate leaders and policy makers to increase prosperity are: Demand (constant assessment of growth regulatory barriers, adoption of new mind-sets and strategies). Secondly, Productivity (Digitization to expand global flows using Internet of Things). And finally, Inclusivity (broader-based economic growth which includes equalizing women participation in labour-market with potentials to add up to global GDP by 2025. (Kauffman et al., 2016).

The serious uncertainty surrounding COVID-19 pandemic, clearly indicates a global turbulence for economies and markets in the future. There is a lot of fear about the current phase of economic outlook worldwide with policy makers coming up with future solutions to return business operations to normal in anticipation of a solid rebound at a slow pace. A rise in purchasing managers' indexes (PMIs) beyond 50-point margin splitting growth from contraction will not lead to a fully return to economic normality, since several firms still struggle with labour scarcities, weak demand and disrupted supply. Similarly, as the pandemic continue to wreak havoc globally, it appears that policymakers and investors have changed their assessment as decline in global equities is precipitously witnessed (Yao, 2020).

The coronavirus pandemic has threatened several industries, including the booming airlines industry which contributes to roaring economies with an estimated double impact from $63 billion to $113 billion if the outbreak is not contained. Currently, Airlines have resulted to cutting available seat miles worldwide as the outbreak intensifies, including regions with minimal cases (Coren, 2020).

2.2. Recession

A recession is best understood as a substantial decline in economic performance which last for a few months. The decline is observed in five economic indicators, namely: real gross domestic product (GDP), manufacturing, retail sales, income, and employment, (Amadeo, 2020). Typically, recession is recognized when there is an economic decline in two successive quarters, as reflected by GDP and unemployment upsurge (Chappelow, 2020). According to National Bureau of Economics Research (NBER), recessions mostly occur when an adverse demand shock is experienced (prevalent decline in spending). Various circumstances prompt recession, including financial crisis, trade shock, contrary demand, pandemics as well as decline in bubbling economic activities. In the United States (US), it means 'a momentous degeneration in economic bustle visibly spreading across the market (NBER, 2008).

Similarly, others are of the opinion that a recession occur when the growth rate of GDP is negative for a minimum of two sequential quarters and above. Nonetheless a recession can silently begin earlier than the quarterly GDP reports are said to be out since GDP data emanates monthly. A recession is mostly short and typically between 9 to 18 months with a long-lasting impact. A decline in consumer demand is usually the main cause behind a slow growth. When sales decline, businesses stop growing thereafter affects the chances of hiring workers. When recession is underway, manufacturers halt the hiring of workers which in turn slows other sectors of the economy. In a recession, once the economy contracts for more than a quarter or long beyond, it can become a depression, especially, if it last for several years (Amadeo, 2020). Since there is no specific definition of 'depression', however, it is mostly measured in the number of years confronted with a prolonged economic slump by a country, instead of quarterly decline. (Sabga, 2020).

Mainstream economists are of the opinion that recessions is triggered by an economy's insufficient aggregate demand and they promote the adoption of expansionary macroeconomic policy in time recessions. Strategies adopted as solutions for an economy faced with recession vary depending on the policymakers' economic school of thoughts. For Monetarists, it's the adoption of expansionary monetary policy, while the Keynesian economists advocate increase in government expenditure to trigger economic growth. With Supply-side economists believing in tax cuts to stimulate business capital investment. When Interest rates is stretched to the boundary where it reaches 0% (zero interest-rate policy), other interventions measures must be adopted by the government to stimulate recovery because conventional monetary policy cannot be used as stimulus. To Keynesians, fiscal policy like tax cuts or rise in government expenditure works when monetary policy flops. Spending is considered better due to its larger multiplier effect nonetheless tax cuts have a faster effect (Krugman, 2010).

2.3. Economic Stimulus

Economic stimulus refers to the coordination of efforts by government to improve economic development during recession (Hayes, 2020). Monetary policy and fiscal policy are said to be the two commonly popular tools used influence economic activities by government. While monetary policy mainly deals with management of interest rates and total supply of money in circulation as carried out by a country's central bank; Fiscal policy mainly deals with government taxes and expenditure (Segal, 2019).

The argument by economist over the effectiveness of economic stimulus coordination is still going with several believing that it will likely cause further harm in the long-run than short-term good. While John Maynard Keynes, contended that when faced with tenaciously high unemployment, governments must make an effort to deficit spend to further stimulate demand, raise growth rates as well as lessen unemployment. David Ricardo on the other hand contended that consumers will likely spend less if they are aware that they would pay higher taxes in the future to cover government deficits. Even though Ricardo's work remains an essential concern in making policy decisions (Hayes, 2020), as unemployment increases and stock market staggers, the Keynesians are more likely to have their way (Jin, 2010). During economic downturn, tax reductions and increases in expenditures by government can enhance household and commercial expenditure, thus keeps national output, income, and employment higher (Elmendorf and Furman 2008).

As COVID-19 containment measures through Border closure and movement control brings the entirety commercial sectors of the global economy to a standstill, several economists are cautioning of a worldwide recession. Some even compared the rapidity and severity of COVID-19 pandemic's slowdown with the 1929's Great

Depression. The 'Great' Recession is said to earn that moniker as it was considered the worst crisis the economy of US had experienced since 1929's Great Depression (longest-lasting recessions in the history of US) (Sabga, 2020). Thus the reason why the United States of America's Coronavirus Aid, Relief, and Economic Security Act (CARES) provided a $2 trillion stimulus package to battle the harmful effects of the COVID-19 pandemic (NSCL, 2020).

3. Government Stimulus to Counter Economic Impact of COVID-19

Since the start of the COVID-19 outbreak in Asia, the ASEAN nations have witnessed their supply chains troubled and experienced slowdowns of economic activities being China's second-largest trading partner (value in 2019 at over USD500 billion and a 2020 trade worth set target of USD1 trillion). To counter the COVID-19 economic impact, a number of countries globally especially in Asia have issued numerous fiscal and non-fiscal incentives to assist the industrial sector. Notably, majority affected instantaneously and short-term were mostly in sectors like tourism, aviation and hospitality. Several ASEAN governments provided tax breaks and cash hand-outs to their citizens as incentives to lessen the long-term fallout of the coronavirus pandemic (Ayman, 2020).

In response to the current crisis, governments and central banks worldwide implemented a number of fiscal and monetary stimulus measures to counter the economic turbulence caused by the coronavirus pandemic (Alpert, 2020). Selected countries in this study include-

3.1. Indonesia

Two economic stimulus package was released by the Indonesian government to counter the impact of the COVID-19 outbreak. The 1st package of USD725 million in February 2020 and the 2nd package of USD8 billion in March 2020 totalling (Ayman, 2020).

	Beneficiary	Stimulus Package
1	Local airlines and travel agencies	US$6 million
2	Marketing and promotion of local tourism	Above US$10 million
3	Domestic tourists: visit to any of the 10 government promoted tourist destinations	US$27 million worth of discounts
4	Hoteliers and restaurants in the 10 tourist destinations promoted	6 months tax waiver
5	Domestic Flights from March to May 2020	30% Discount
6	Subsidised Food Program for 15 million low-income households	US$324 million
7	Subsidised housing program of 175,000 new homes	US$104 million

Table 1: Indonesia's First Stimulus Package

	Beneficiary	Stimulus Package
1	Corporate Income Tax (CIT) reduction	For 6 months at 30%
2	Import tax payment and Relaxed Value Added Tax (VAT) refund	6 months deferral on import tax
3	Income earners below 200 million rupiah (US$13,000)	6 months income tax exemption
4	Simplification of Import & Export	Scrapping 749 Harmonization
		Codes (HS) products, consisting
		of 443 HS codes.
5	Import and Export License application f	Quick approval for reputable
		Traders
6	SMEs with good credit history	Eligible for loans of up to
		10 Billion Rupiah (US$655,000).

Table 2: Indonesia's Second Stimulus Package

The 2nd stimulus package was launched to safeguard the economy and small- and medium-sized enterprises (SMEs) with a predominant focus on the manufacturing sector (Ayman, 2020). The package comprises an array of fiscal and non-fiscal incentives in addition to SMEs special stimulus. The fiscal incentives which is mainly for the manufacturing sector as well as corporate and individual income tax reduction. While the Non-fiscal incentives target is to simplify import and export activities (Ayman[3], 2020).

3.2. Singapore

Through its 2020 State Budget, the Singapore government implemented some incentives to support firms affected by COVID-19 pandemic. The government of Singapore pledged S$800 million (USD570 million) to ensure containment drive of the virus and to support the frontline health personnel. Other incentives introduced to help businesses through Corporate Income Tax (CIT) rebate for 2020 at the rate of 25% and capped at S$15,000 (US$10,700) for each company. The Goods & Services Tax (GST) will remain at 7% without increment until 2021 (Ayman, 2020). Another significant feature in the budget is the S$8.3 billion (USD5.9 billion) fund for the country's 'transformation and growth' strategy. To develop the local human resources, focus will be on retraining, reskilling, businesses support from start-up to growth, and developing economic ties through the new Free Trade Agreements (FTAs) and Double Tax Agreements (DTAs) (Ayman, 2020).

3.3. Malaysia

The Malaysian government issued a stimulus package worth around US$4.8 billion in February 2020. The package comprised of strategies to mitigate the instant impact of the coronavirus pandemic, spur economic progress, stimulate investments, and boost local firms to adopt digitalization and automation (Ayman, 2020). With the Securities Commission and Bursa Malaysia waiving listing fees for businesses interested in listing on the LEAP or ACE market. The waiver's 12-month validity period and the incentive is open to businesses with market capitalization of below RM500 million (US$113 million) seeking for opportunity to list on the Main Market (Ayman[2], 2020).

	Beneficiary	Stimulus Package
1	Debtors	Banks to restructure & reschedule loans as well as offer moratoriums
2	Tourism industry, Hotels, Airlines, and Travel agencies. There is also travel	6 months deferment of monthly Tax Instalments
3	SMEs Loan	RM 2 billion (US$453 million) available worth in loans with each SME eligible to obtain up to Rm 1 million (US$226,000)
4	Domestic tourism	500 million ringgit (US$113 million) worth discount vouchers
5	Upgrading employee skills	Rm 100 million (US$45 million)
6	Low-income households	Rm 200 (US$ 45)
7	Small-scale infrastructure projects	Rm 2 billion (US$450 million)
8	Food production industry	Rm1 billion (US$226 million) loan.
9	SMEs digitalization or automation	Rm300 million (US$68 million)loan
10	Early & Growth-stage local companies	500 million ringgit (US$113 million)

Table 3: Malaysia's Second Stimulus Package

The coronavirus pandemic has affected Malaysia's supply chains due to the country's trade relations with China been its biggest trading partner (US$68 billion valued in 2019) in the last 10 years (Ayman[2], 2020).

3.4. Germany

In March 2020, Germany announced a program by its state bank, KfW, to loan out as much as $610 billion to firms to mitigate the effects of the coronavirus and $172 billion increase in expenditure (Alpert, 2020). Included in the spending package is shown in table below

	Beneficiary	Stimulus Package
1	SMEs	$55 billion
2	Self-employed	$16,225
3	safety net programs for the self employed	$8.5 billion
4	Protective equipment and development of a vaccine	$3.9 billion
5	unspecified fiscal measures	$60.7 billion

Table 4: Germany's Stimulus Package

3.5. New Zealand

New Zealand's COVID-19 response package is considered one of world's leading. The government's stimulus package is gargantuan in scale and exclusively suited to the economic challenge confronted. New Zealand's stimulus package is worth 4% of GDP compared to smaller packages by other government at 0.5% to 1.5% of GDP. With expectation that the economy will witness a boost in coming months and anticipation that the May Budget will offer better stimulus to help restore societal and economic normalcy (Shamubeel, 2020). The fiscal method complements huge moves from the RBNZ which resulted to lowering the OCR to 0.25% with readiness to print money. The citizens have been urged not to fear the expenditure size or its debt impact as the country's debt trajectory remains low when compared globally.

Moreover, the government's interest rates per annum is currently less than 1% (this means that the cost of debt will not be a hindrance to future expenditure).

New Zealand's stimulus package focused mainly on upfront expenditure to offset numerous potential economic agony from unemployment to income loss. The table below shows a breakdown of the package.

	Beneficiary	Stimulus Package
1	SMEs	$5.1 billion for three months wage subsidy to support businesses with big falls in sales (-30 percent)
2	Low-income households	$2.8 billion Increase in benefits and winter energy payments
3	Aviation support package	$0.6b
4	Health Sector	$0.5b
5	Covid19 leave & self-isolation to support families and reduce burden of businesses	$0.2 billion
6	Labour redeployment.	$0.1b

Table 5: New Zealand's Stimulus Package

The package displayed in the table above is to blunt the recession the New Zealand is falling into.

3.6. Canada

The Canada's economy is said to heading for a downturn as businesses shut down to halt the spread of COVID-19. Around 1 million employment insurance claims witnessed within a week and Air Canada laid -off 5,000 People amid widespread travel restrictions (BBC, 2020). In reaction to the promptly sprouting threat of COVID-19 pandemic, the Canadian government has focused on generating a strategy to curtail the potentially overwhelming economic, social and health impact of this crisis. Multiple announcement of measures by the federal government intends to protect and safeguard employees and companies from financial mischief (BDO, 2020). In an attempt for government to stabilize the Canadian economy as part of its COVID-19 Economic Response Plan, a set of economic measures such as —provision of up to $27 billion as direct support to Canadian employees and companies, along with tax deferrals support worth approximately $55 billion.

	Beneficiary	Stimulus Package
1	New Emergency Care Benefit (ECB) to support	$900 every two weeks for up
	COVID-19 Patients and those taking care of sick	to 15 weeks
	family members; and Parents with children who	
	require care due to school closures	
2	Individual Income Support	one-time special payment of around
		$400 for single individuals and $600
		for couples for qualified individual
3	Canada Child Benefit (CCB)	Proposed extra $300 per child for
		qualified families
4	Senior Citizens	Reduction in required minimum withdra-
		wals from registered retirement income
		funds (RRIFs) by 25% for 2020
5	Student Loans	6 month interest-free moratorium on the
		Repayment
6	New distinctions-based Indigenous Community	$305 million
	Support Fund	
7	Homeless Support	$157.5 million reaching Home
		Initiative
8	women's shelters and sexual assault centres	$50 million Support
9	Mortgage payments	6 month deferral
10	SMEs, Non-profit organizations and charities	3 months subsidy of temporary wage equal
		to 10% of remuneration paid of up to a
		maximum of $1,375 per employee and
		$25,000 per eligible employer
11	Insured Mortgage Purchase Program (IMPP). Long-	$50 billion insured mortgage pools
	term stable funding to banks and mortgage	purchased by government
	lenders, to help facilitate continued lending to	
	Canadian borrowers, and to add liquidity to	
	mortgage market	
12	Businesses coping with COVID-19	$10 billion credit facility program

Table 6: Canada's Stimulus Package

4. Observation / Findings

The sudden stoppage of business activities to reduce the spread of coronavirus has caused tremendous economic turbulence globally to both public and private sectors. The turbulence will definitely lead more countries to fall into recession as witnessed on daily basis with recovery known to take years. The study reveal the following:-

- Based on the amount committed by different governments as stimulus packages, it is worthy to note that countries with higher GDP and less debts committed huge economic stimulus.
- All the stimulus packages were timely executed and primarily targeted low income households and businesses in order to drive containment of the coronavirus as well as encourage employee retention in the private sector to reduce both economic and societal panic. The stimulus packages attempts to strike a balance to increase healthcare capacity, obviate unemployment and commercial failure.
- Top priority is in terms of benefits and allowances was given to medical and health front-liners as motivation for their commitment.
- Monetary and fiscal measures play a significant role in mitigating the health, economic and social impact of the pandemic as the virus briskly spreads.

The COVID-19 pandemic which led to disruption of economic activities worldwide in the 1st quarter of 2020 was widely attributed to lack of adequate supply of test kits and discovery of vaccines.

5. Conclusion and Recommendation

In conclusion, it is worthy to note that the level of recession in countries worldwide will be determined by the severity of the coronavirus in terms of spread and the necessary measures adopted to curtail the impact. The coronavirus pandemic has disrupt global economic activities with many sectors of the economy shut down and millions of people losing their jobs weekly. There is no doubt that the implementation of appropriate fiscal economic stimulus to protect the most vulnerable households and businesses is the most effective measure to drive containment.

With several economies globally witnessing a slowdown before the advent of the coronavirus pandemic, the outbreak is threating all nations (developed and emerging and underdeveloped) across continents into recession. Governments have been projected to experience a shortfall in accruable revenue which is a determinant of the extent of recession as GDP falls. COVID-19 is widely considered as the cause of the greatest economic crisis of all time with the daily rise of global unemployment as nations struggle to avoid recession due to border closure and movement control. With more than 1.8 million people infected and over 113,000 fatalities, governments worldwide had no option than to enact the strategic tenacity to close international borders and restrict domestic movement as last resolve to curtail the unprecedented spread of COVID-19 pandemic. Social distancing has caused economies worldwide to bleed to recession as it affects aggregate demand.

Although China is doing better at the moment in terms of containment, its economic recovery just like other countries globally is widely expected to make meaningful impact in the 4th quarter of 2020 due to global border closures which in turn affects the supply chain as well as import and export activities of raw material and finished products.

5.1. Recommendation

Governments must act early with intelligence as witnessed in countries like Singapore and South Korea where the virus spread was aggressively curtailed through testing, quarantine monitoring and tireless tracking of places visited by infected people. These strategies and adequately funded public health systems with capacity will make prediction of future outbreak locations possible as agreed with Fareed Zakaria's Washington post of 12 march, 2020.

We all have a role to play as the world battles with coronavirus pandemic. The researchers recommended that -

- There is need to unite and commit to preventive measures individually from apex governments officials to private and public sector as well as community and religious leaders.
- There is need to patronise domestic products as it encourage and supports the survival of domestic business as well reduce the loss of government revenue
- As for Africa and South America, there is need for the government to do more to increase the capacity of the public health sector.
- There is need for more economic contingency plans by central banks to provide more liquidity to SME lenders.

As the global GDP is witnessing a depressing and uncertain prospects growth wise due to COVID-19 pandemic, fiscal stimuli is no doubt the key solution as governments rally around for intervention to reduce economic turbulence and meltdown.

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