

COVID-19 Pandemic

Report on Geographical Impact for
Week 16-2020

18 April 2020

North
Atlantic
Ocean

OPE

AFRICA



Global & Regional Spread of COVID19



SPREAD OF COVID19 VIRUS | GLOBAL IMPACT



Cases

W16	2,160,207
W15	1,610,909

▲ 34%



Deaths

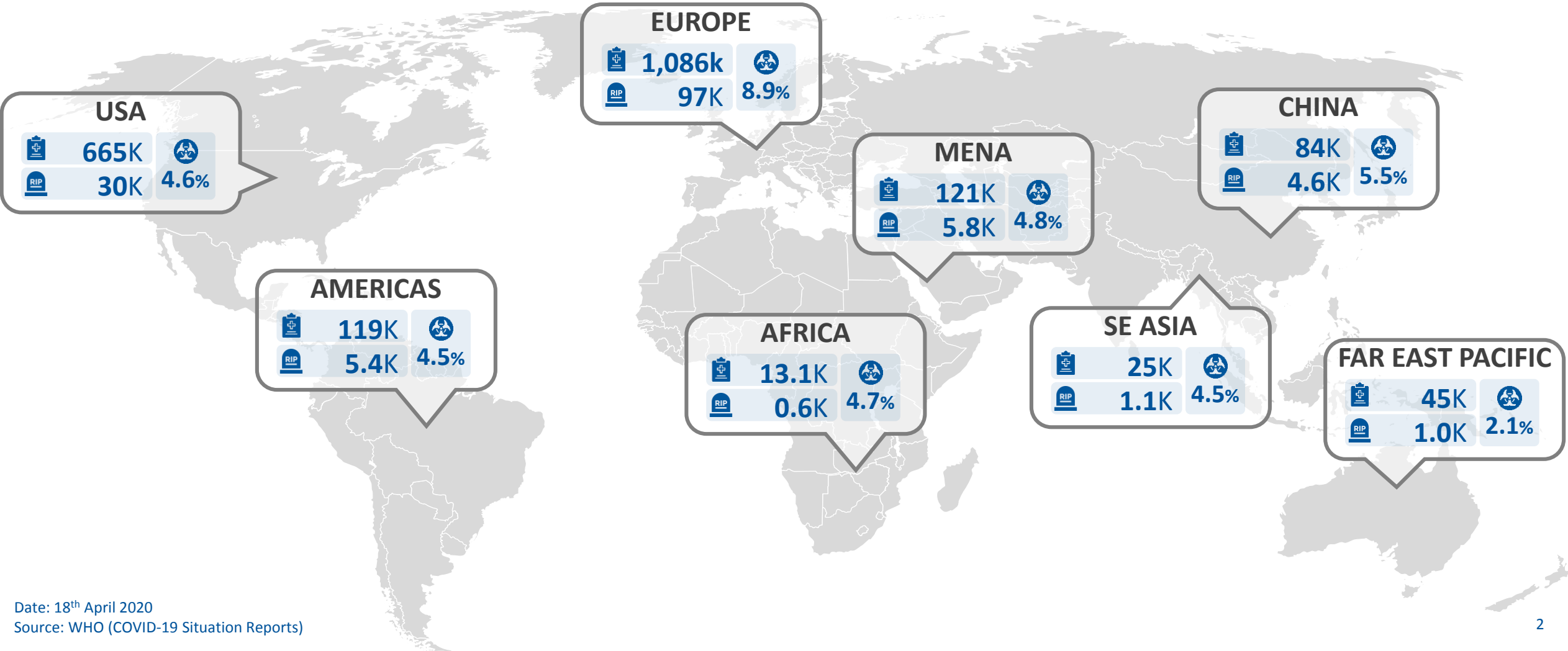
W16	146,088
W15	99,690

▲ 47%

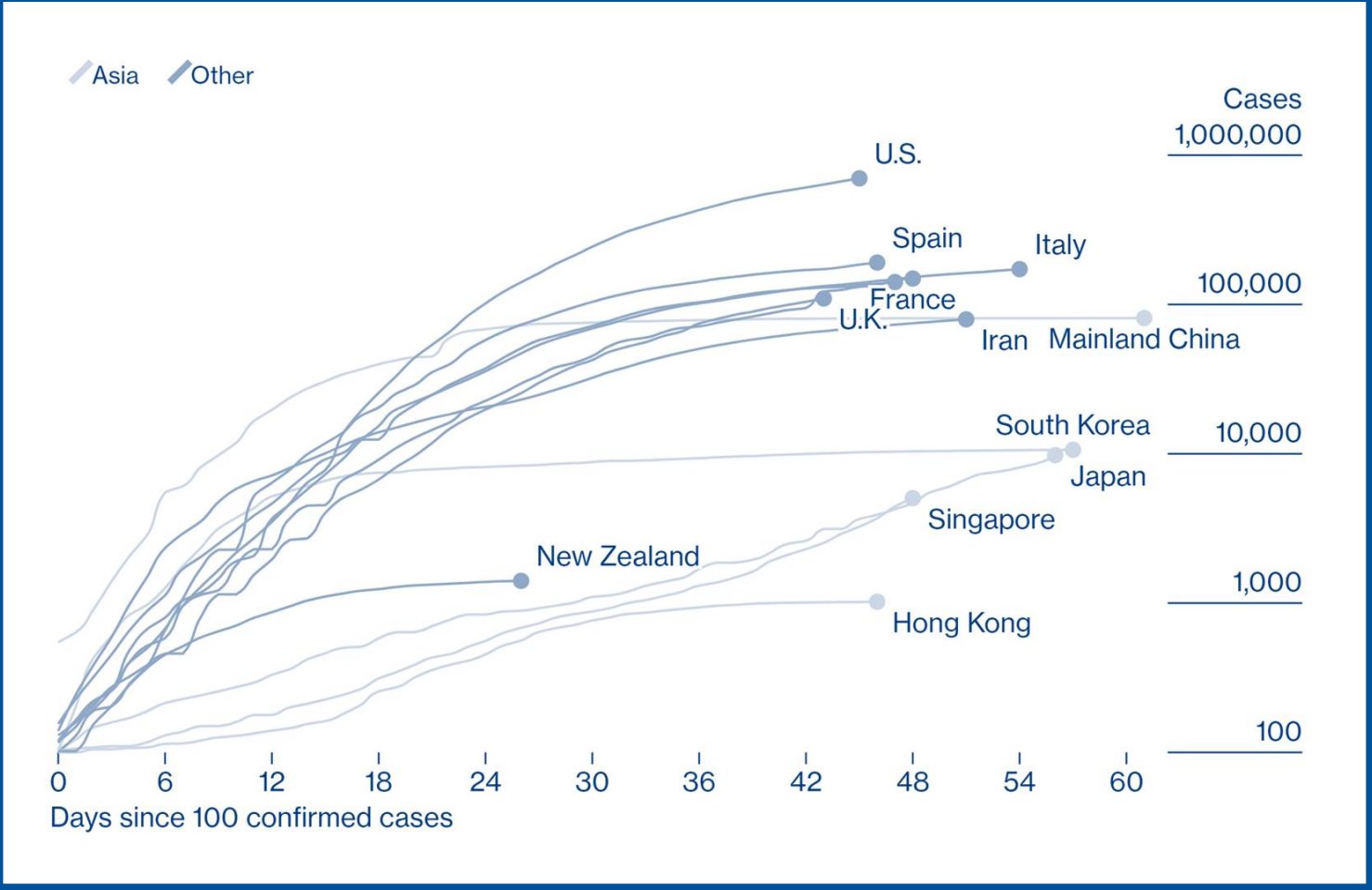


Mortality Rate

W16	6.8%
W15	6.2%



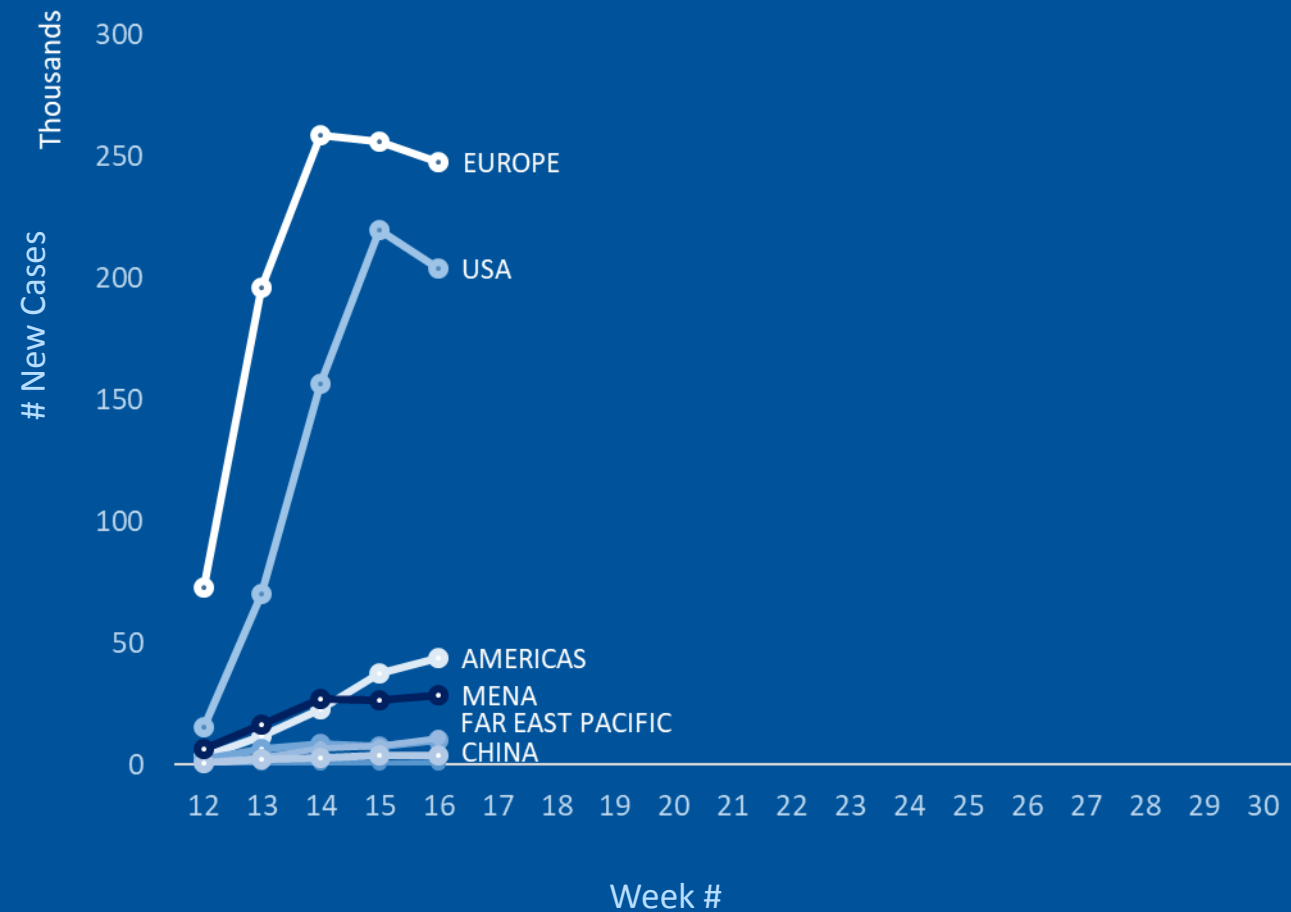
While the spread of COVID-19 is starting to flatten out across the world, continued lockdown measures will remain to avoid a resurgence



Lockdown Schedules			
Cities	Start	End	Duration
Muscat	10 Apr	8 May	38d
Riyadh	06 Apr	TBA	-
Dubai	04 Apr	24 Apr	20d
Doha	17 Mar	TBA	-
Kuwait City	12 Mar	TBA	-
Bahrain	18 Mar	23 Apr	36d
New York	16 Mar	15 May	60d
London	23 Mar	07 May	45d
Wuhan	23 Jan	08 Apr	76d
Singapore	07 Apr	04 May	27d

Lockdowns are consistently under review and may be revised by each government depending on the status of COVID19 outbreak

GLOBAL TREND | NEW CASES PER WEEK



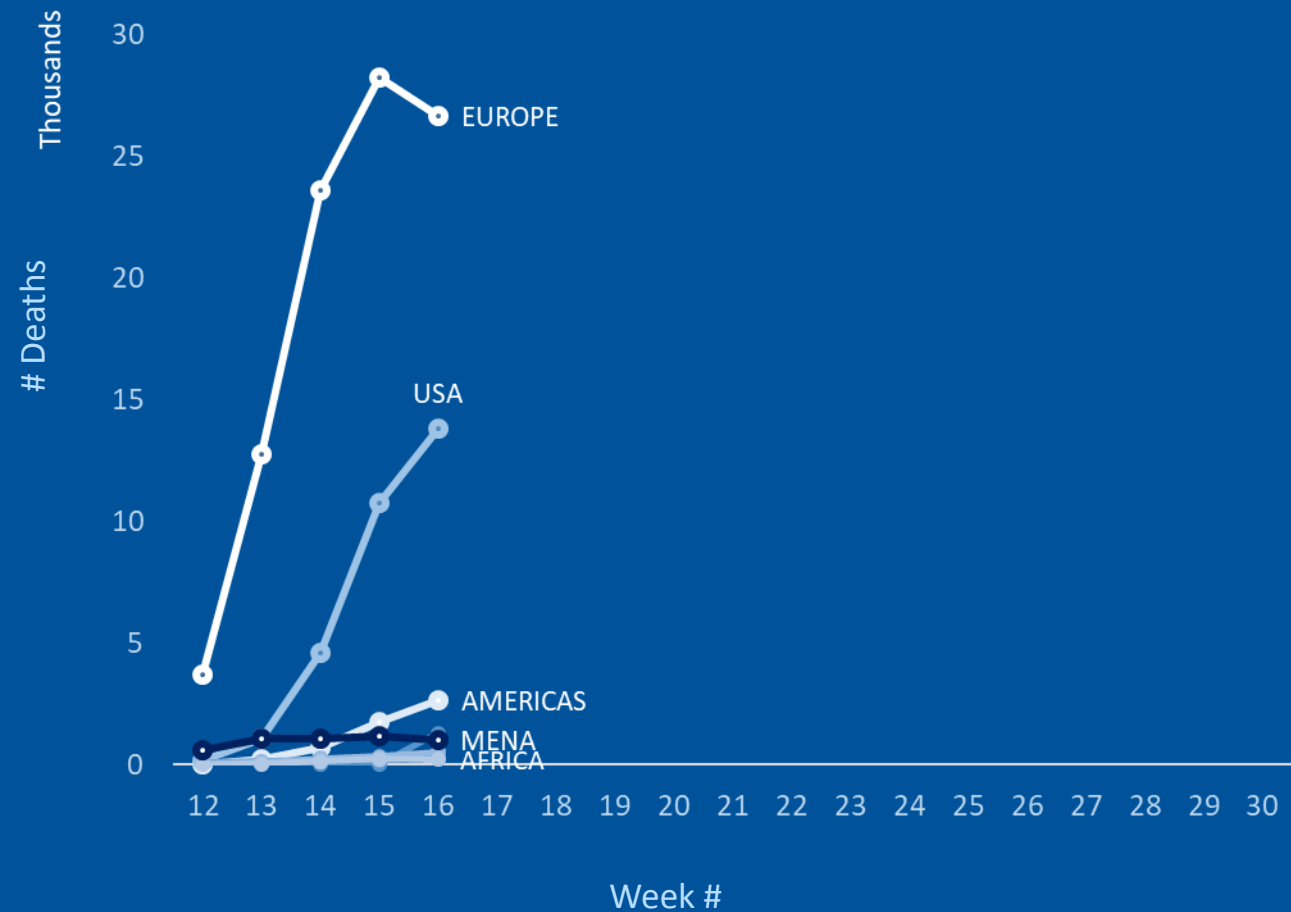
Source: WHO (COVID-19 Situation Reports)



Lockdown measures in recent weeks are helping to stabilize new infection cases particularly in Europe and USA, yet the numbers are significant. Regions who initiated lockdowns later are still showing growth in new cases and should see improvement in the coming 2-3 weeks.

NEW CASES FOR TRAILING 4 WEEKS (x1,000)	W13	W14	W15	W16
EUROPE	195.8	258.8	256.1	247.6
AMERICAS	11.4	22.8	37.5	43.5
USA	70.0	156.5	219.5	204.0
CHINA	0.8	0.6	0.5	0.8
F-EAST PACIFIC	6.6	8.3	7.7	9.9
SE ASIA	3.0	6.5	7.6	11.1
AFRICA	2.3	2.6	3.9	3.8
MENA	16.6	26.9	26.3	28.4
GLOBAL	305.6	480.0	559.2	549.2

GLOBAL TREND | DEATHS PER WEEK



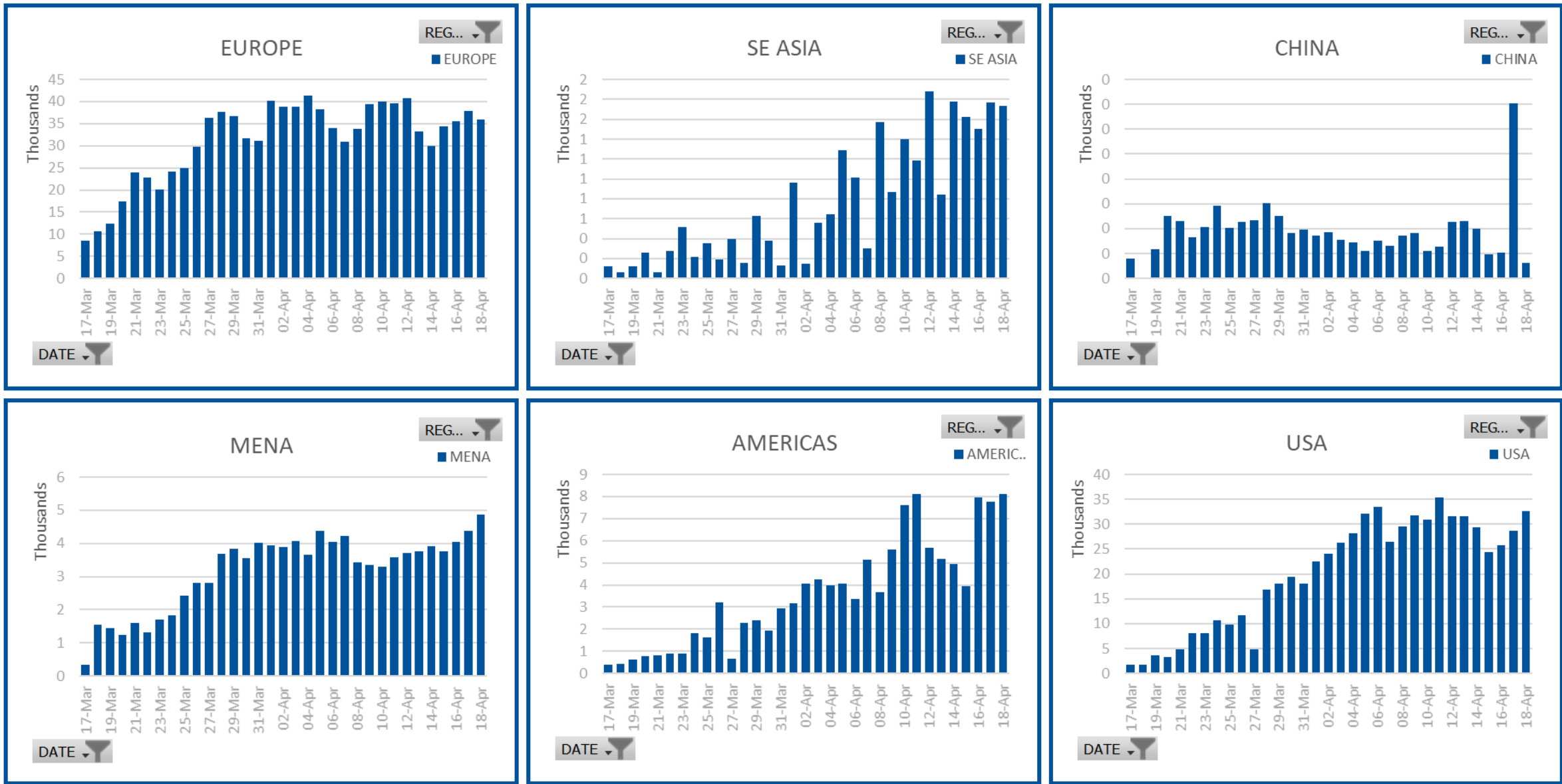
Source: WHO (COVID-19 Situation Reports)




Growth in mortality lags the trend in new cases with most regions continuing to see a rise, except for Europe and MENA. The mortality rate also grew to 6.8% from 6.2% the week before.

DEATHS FOR TRAILING 4 WEEKS (x1,000)	W13	W14	W15	W16
EUROPE	12.7	23.6	28.2	26.6
AMERICAS	0.20	0.70	1.75	2.70
USA	1.04	4.61	10.7	13.8
CHINA	0.04	0.03	0.02	1.30
F-EAST PACIFIC	0.13	0.18	0.20	0.28
SE ASIA	0.14	0.27	0.35	0.52
AFRICA	0.04	0.12	0.25	0.20
MENA	1.04	1.08	1.18	1.01
GLOBAL	15.3	30.5	42.7	46.4


SPREAD OF COVID19 VIRUS | REGIONAL IMPACT DAILY TRENDS




SPREAD OF COVID19 VIRUS | GULF CORPORATION COUNTRIES (GCC)



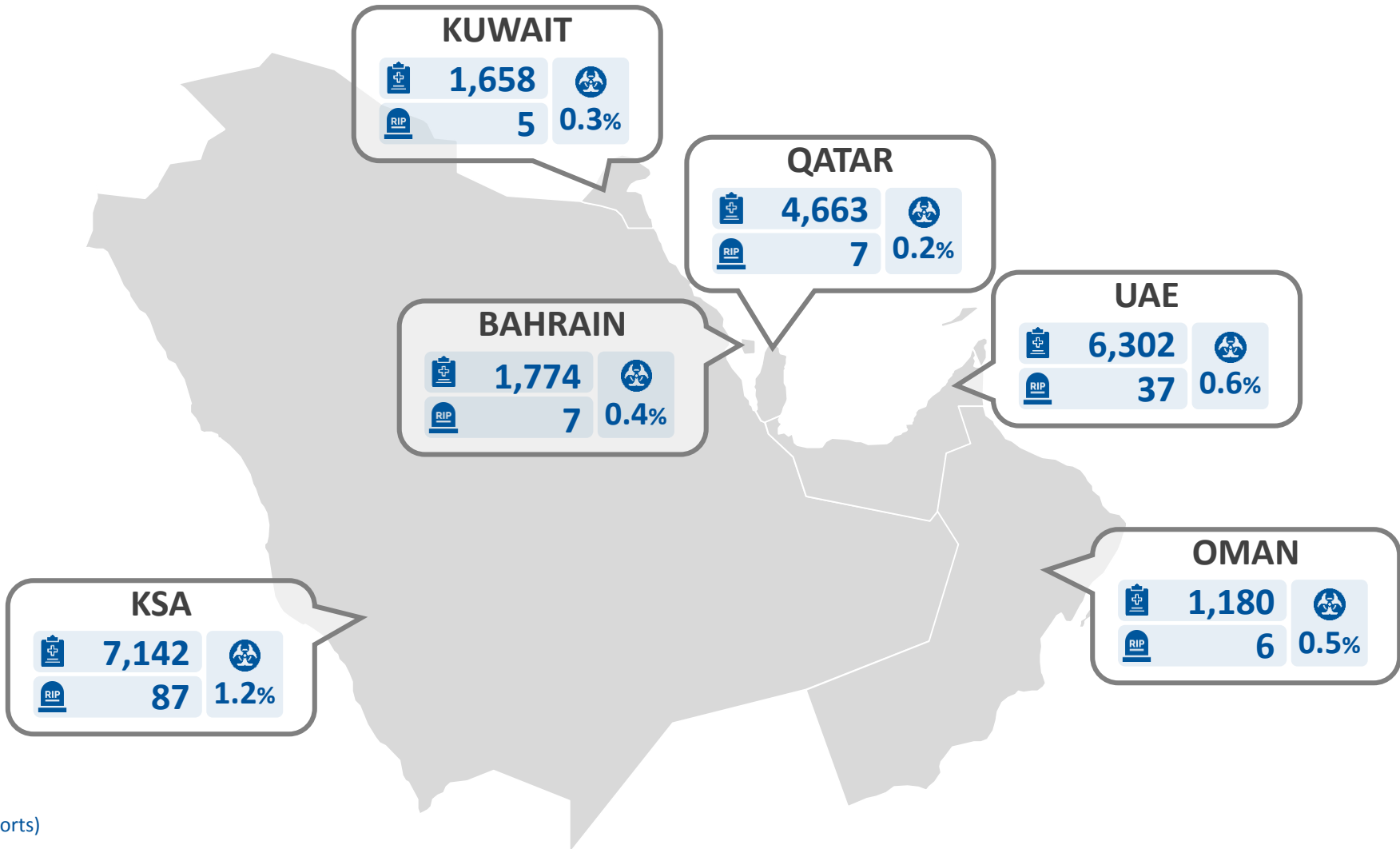
# Cases	W16	22,689	▲ 88%
	W15	12,060	



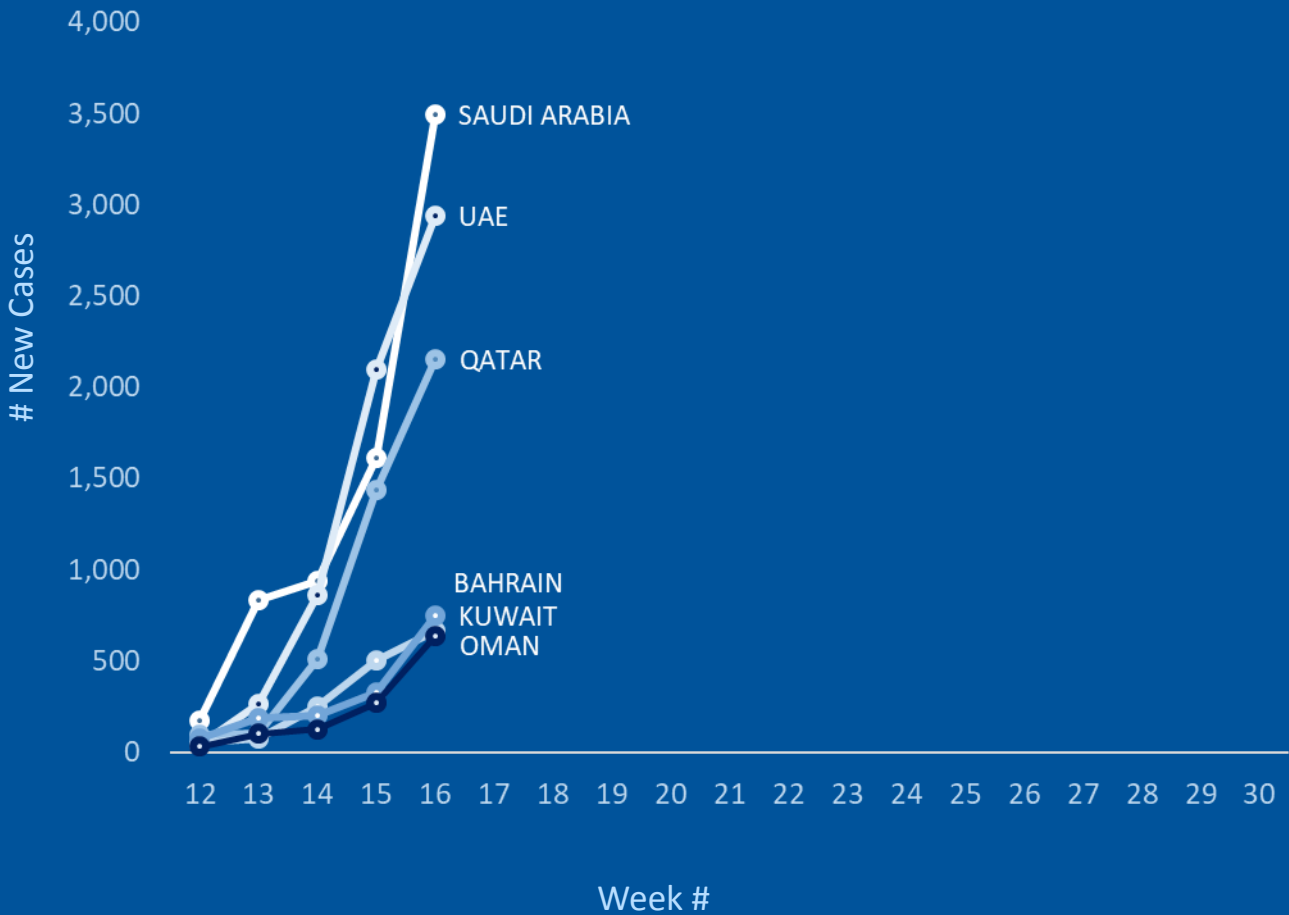
# Deaths	W16	149	▲ 89%
	W15	79	



Mortality Rate	W16	0.7%
	W15	0.7%



GCC TREND | NEW CASES PER WEEK



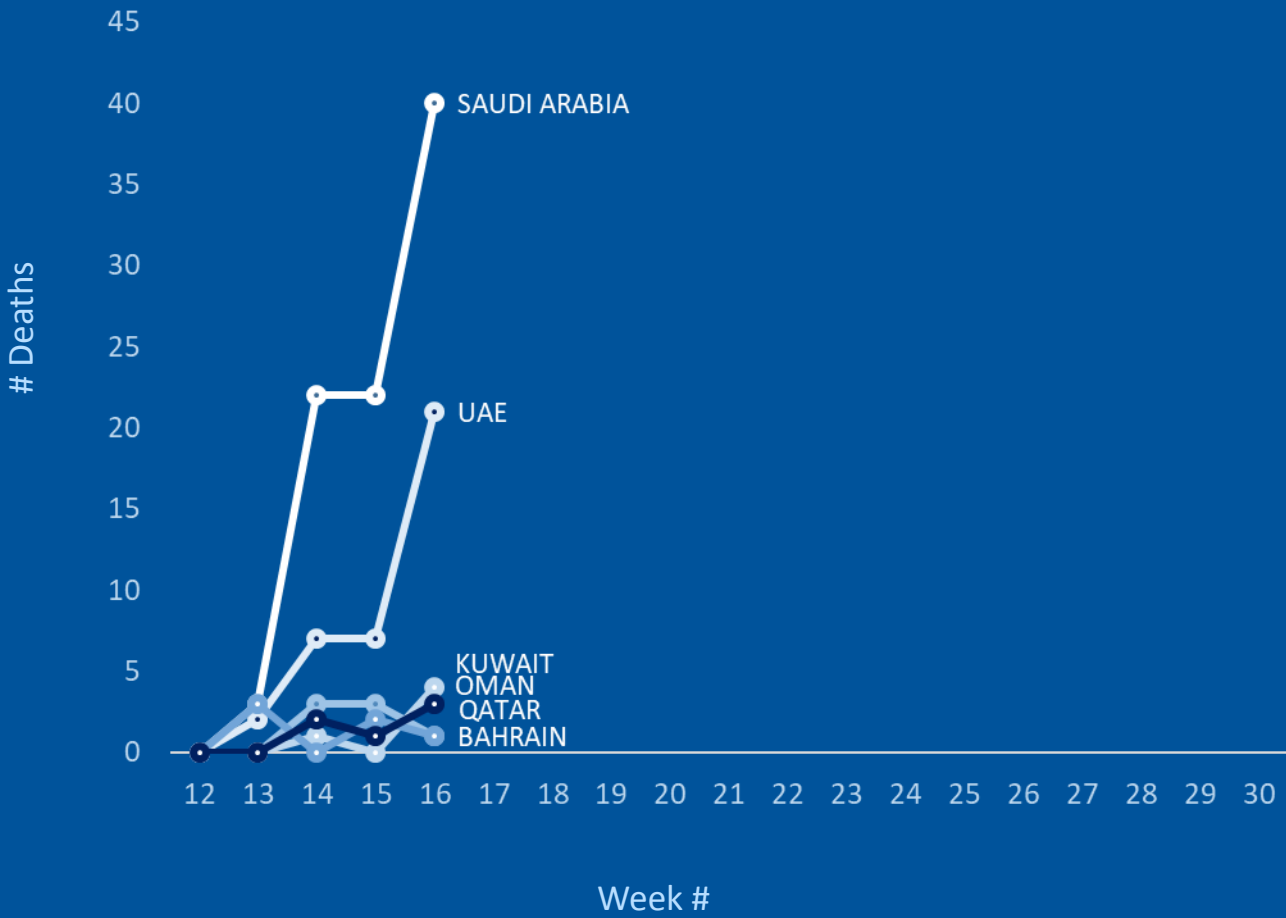
Source: WHO (COVID-19 Situation Reports)



In the last week, all the GCC countries showed significant rise in the number of new cases. GCC countries initiated lockdowns at the end March/beginning April and as a result, it is expected for the GCC to continue to see a rise in new cases with a possible peak two to three weeks away in May'20.

NEW CASES PER WEEK	W13	W14	W15	W16
KSA	830	935	1,612	3,491
UAE	265	859	2,096	2,942
QATAR	102	513	1,437	2,151
KUWAIT	76	252	507	665
BAHRAIN	188	200	325	746
OMAN	100	125	269	634
GCC	1,561	2,884	6,246	10,629

GCC TREND | DEATHS PER WEEK



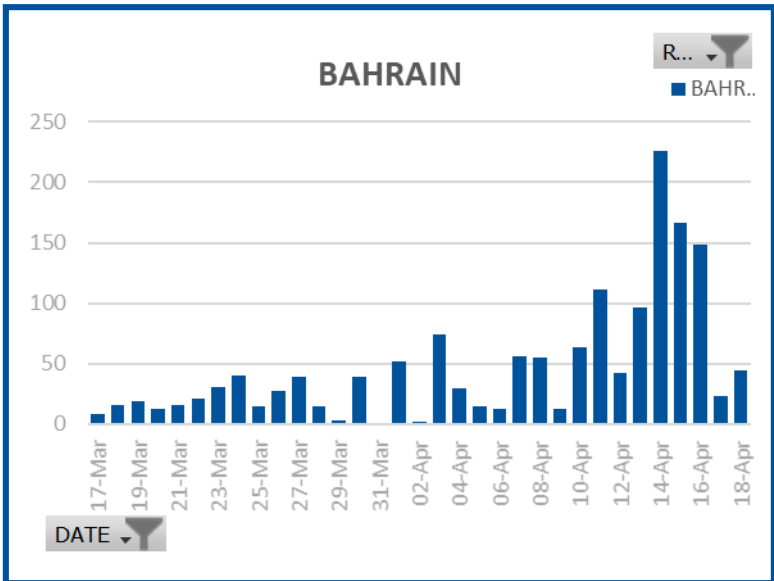
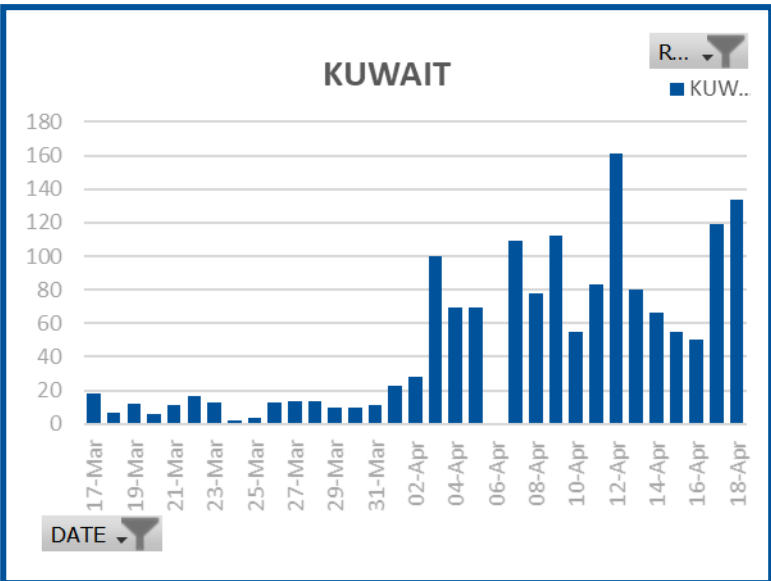
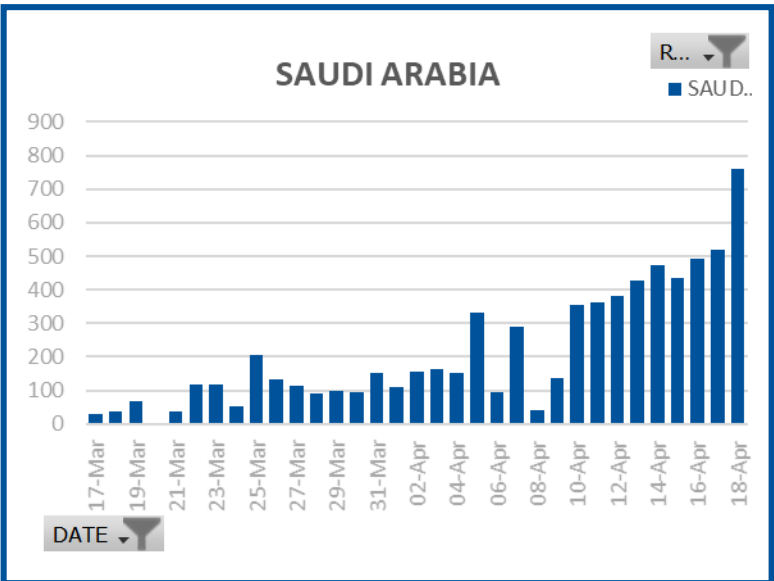
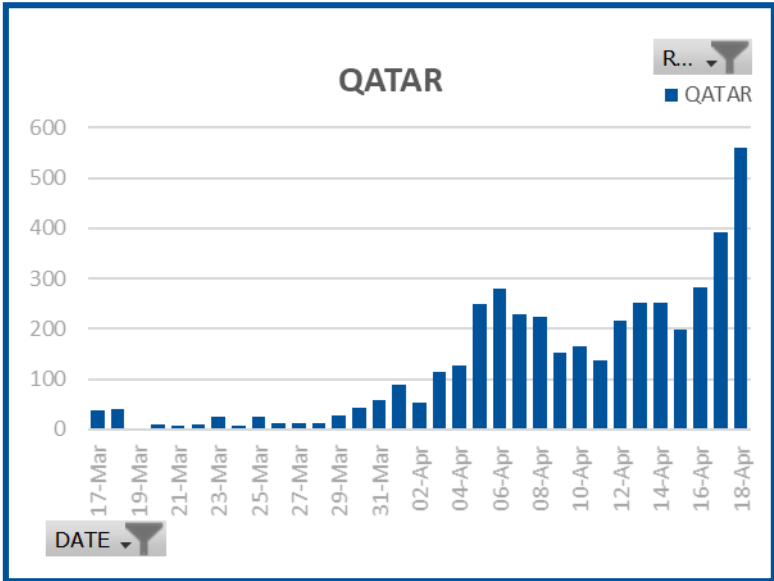
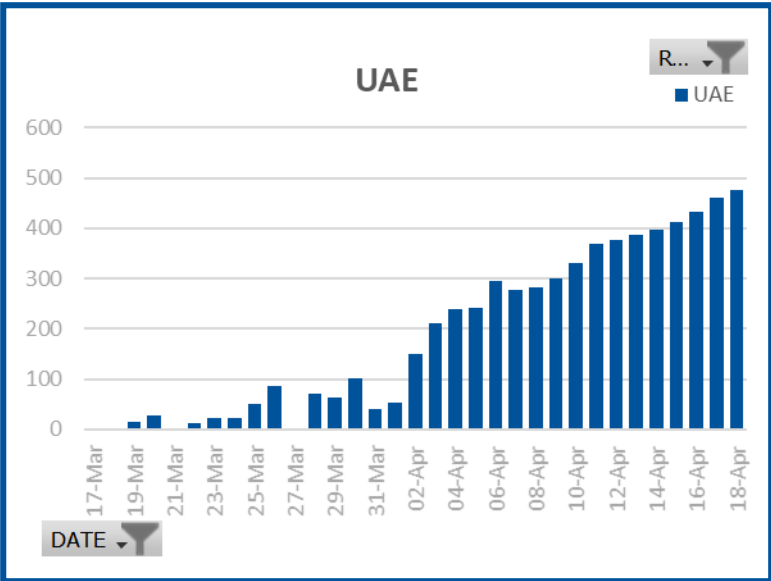
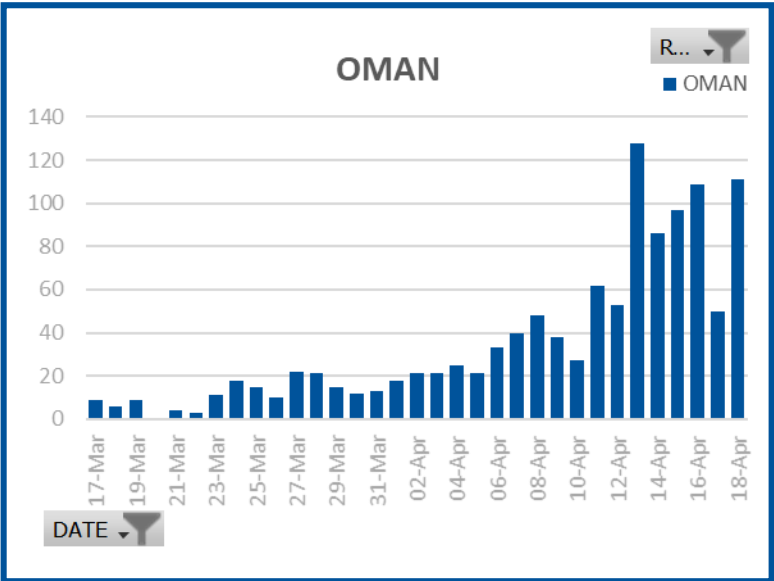
Source: WHO (COVID-19 Situation Reports)



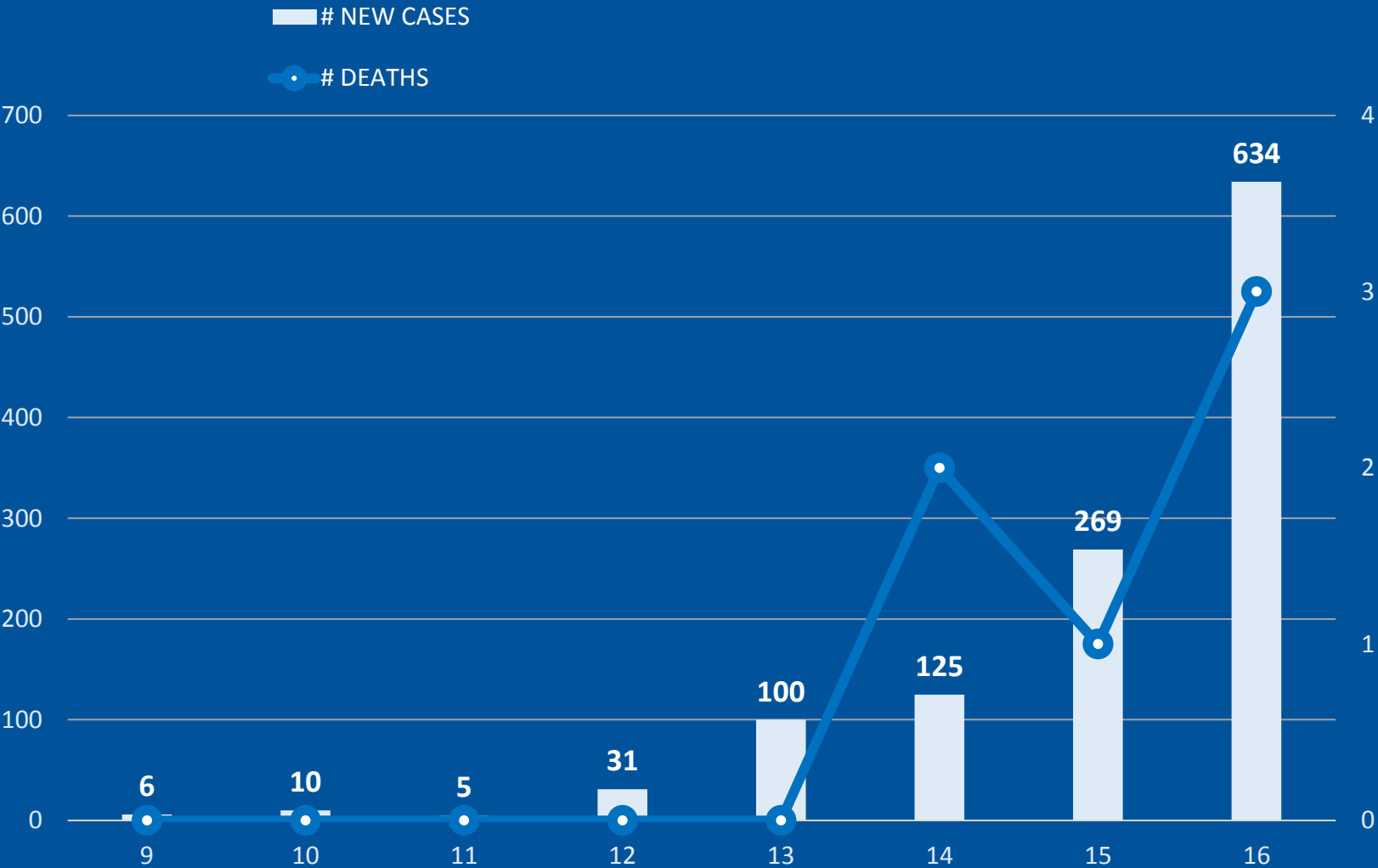
The number of death cases across the GCC remain stable with a morality rate at 0.7%, which is well below the global rate of 6.8% and can be attributed to the capacity in health care systems to handle the current level of infectious cases.

DEATHS PER WEEK	W12	W14	W15	W16
KSA	3	22	22	40
UAE	2	7	7	21
QATAR	0	3	3	1
KUWAIT	0	1	0	4
BAHRAIN	3	0	2	1
OMAN	0	2	2	3
GCC	8	35	35	70

SPREAD OF COVID19 VIRUS | GCC IMPACT DAILY TRENDS



OMAN TREND | NEW CASES & DEATHS PER WEEK



136%

New Cases Growth
Last Week-on-Week



200%

Death Cases Growth
Last Week-on-Week

Insights on the Road to Recovery from COVID19

North
Atlantic
Ocean

OPE

AFRICA

“The lockdown measures need to last two, three or, ideally, up to six months”.

28 March 2020

Jenny Harries

Deputy Chief
Medical Officer
England



Nick Jennings

Professor of
Artificial
Intelligence at
Imperial College
London

“Research modes indicate at least two-thirds of the time until herd immunity is established, households need to reduce contact with schools, workplaces or the public by 75%.”

March 2020

“recommend the restrictions stay in place until daily cases drop consistently over at least a consecutive two weeks period”.

March 2020

Annelies Wilder-Smith

Professor of
Infectious Diseases
at the London
School of Hygiene
and Tropical
Medicine



Michael J. Ryan

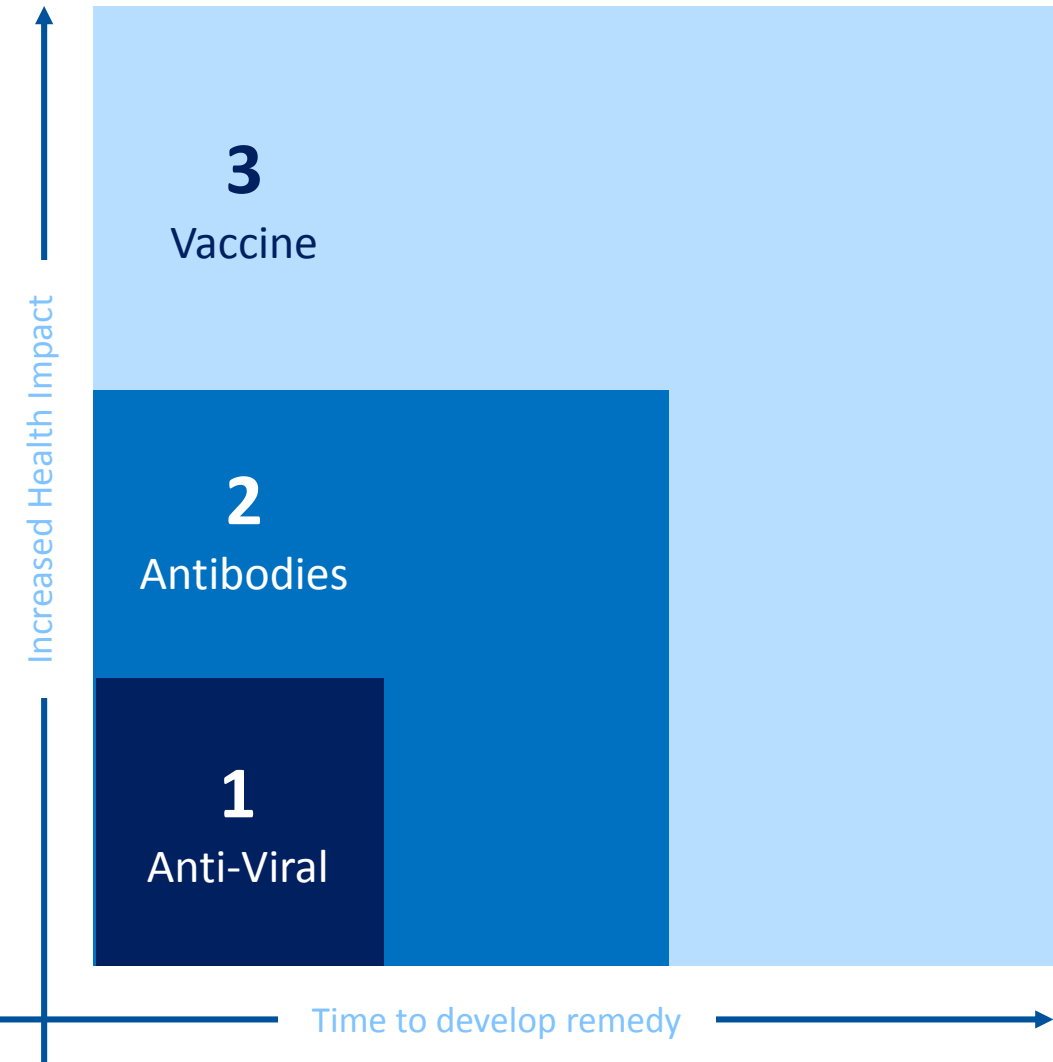
Executive Director
of the World Health
Organization's
Health Emergencies
Programme

“We don’t want to end up in a cycle of lockdown, release, lockdown, release and to avoid such repeating cycles requires a transition strategy”

3 April 2020

Various means of lockdown and social distancing will continue to be enforced for large parts of the remainder of this year and will necessitate that businesses adopt their resource planning, budgets and cash flows accordingly.

AS OUR THIRST FOR A REMEDY TO COVID-19 GROWTHS, MEDICAL RESEARCH WILL UNCOVER VARIOUS MEASURES TO SLOW & FINALLY STOP THE PANDEMIC



Biotech and medical research will overtime discover and develop various measures to slow COVID19 with greater effectiveness until a cure is eventually found to stop the COVID 19 pandemic:

- | | |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 – 3 Months | Frontend Development of Anti-Virals
Initial research will uncover and lead to quick-win measures in the form of anti-virals. They will prevent people from getting sick, however, it will only have modest effectiveness. |
| 3 – 9 Months | Midway Development of Anti-Bodies
Discovery of treatments which will stimulate patient's immune system to attack those cells effected by COVID19. This will have a great impact to stem the tide of patients becoming critically ill and provide vital relief to healthcare. |
| 12 – 18 Months | Backend Development of Vaccine
Development of a safe and effective vaccine which will provide immunization against COVID19 through mass distribution and bring the pandemic to a halt. |

WHILE THE ONLY END GAME FOR OVERCOMING COVID-19 IS THE DEVELOPMENT OF A VACCINE, OTHER MEASURES CAN HELP TO BRING BACK NORMALITY

Phase 1 | Slow the Spread

Introduce and maintain physical distancing measures by quarantine or voluntary isolation. Increase medical testing and treatment capacity. Urge practices such as working/learning from home using remote tools and technologies.

1

Phase 4 | Rebuild and Prepare

COVID-19 will not be the last public-health emergency and investment is needed to modernize and fortify health care systems. Introduce new protocols and measures for traveling to identify & limit future emergencies.

4

Phase 2 | Gradual Re-Opening

Countries can move to Phase 2 after sustained reduction plus when they are able to diagnose, treat and isolate patients. Slow re-opening of businesses and schools can be done with:

- routine surveillance testing
- serology testing for antibodies
- strict public hygiene practices
- limiting people gatherings
- vital care for vulnerable people
- sufficient health care capacity

2

When, and How, Does the Coronavirus Pandemic End?

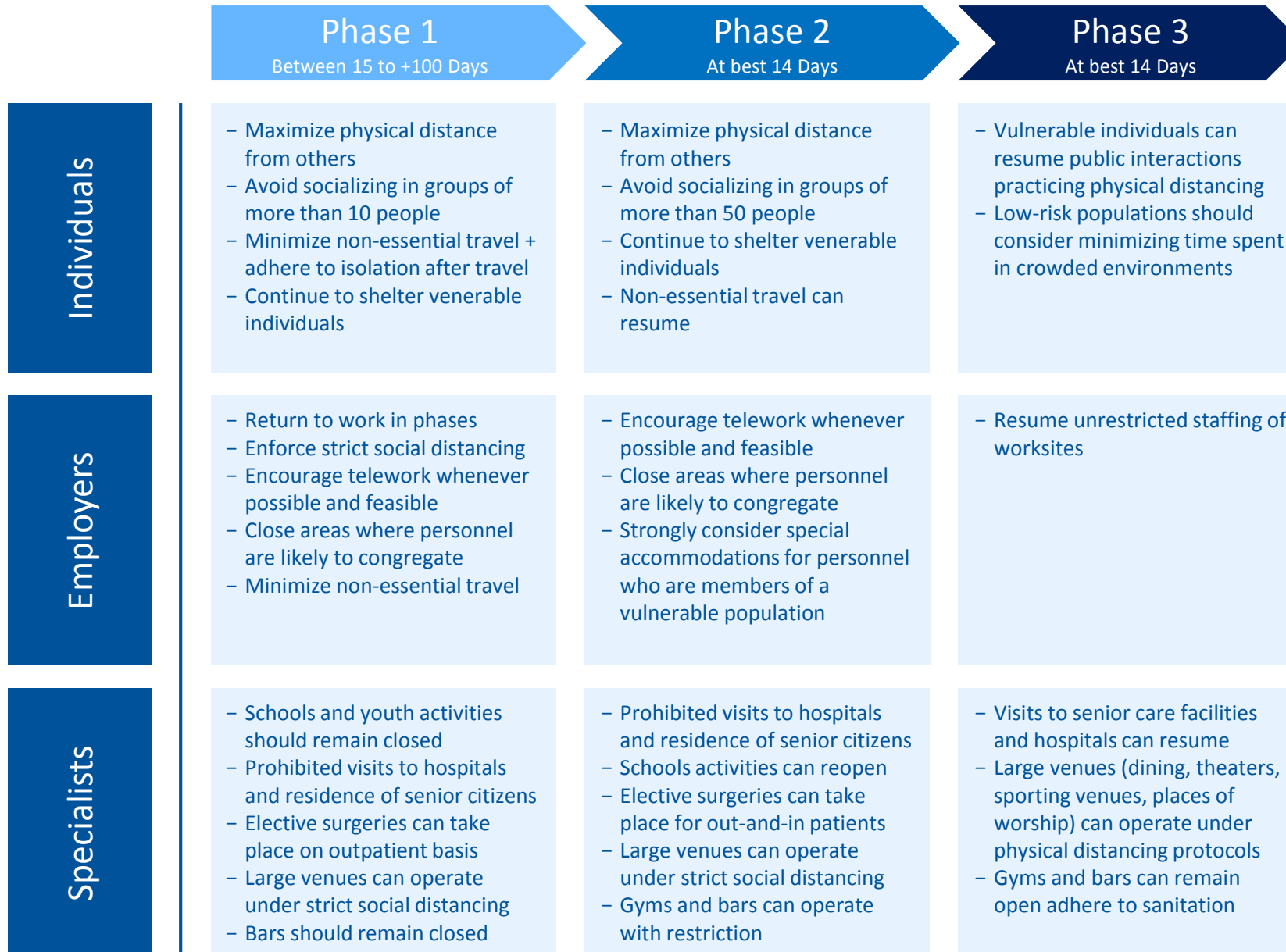
We should not expect life to return to normal quickly as the road to recovery is way beyond 1-3 months. We're facing a prolonged and undefined time period where the pandemic will only end once a herd immunity exist either by mass immunization or large parts of the population develop resistance. Lockdowns are essential temporary measures to put together testing and treatment capabilities which will take time to build-up. Once these capabilities are in place only then will there be means back to normality.

3

Phase 3 | Protection to Lift All Restrictions

Prepare and begin to scale-up manufacturing, distribution and administration of a vaccine. Establish a national plan for mass vaccination of population by priority groups. Ensure the vaccine is safe and effective prior to mass production. Establish tracking mechanisms to classify people with immunity and determine population immunity.

COVID19 | ANTICIPATED REOPENING PLAN FOR USA



PHASES OF REOPENING

Phase 1: Satisfy all reopening criteria

Phase 2: No evidence of a rebound + satisfy reopening criteria a second time

Phase 3: No evidence of a rebound + satisfy reopening criteria a third time

REOPENING CRITERIA

Hospitals:

- Treat all patients without crisis care
- Robust testing program in place for at-risk healthcare workers

Symptoms:

- Downward trajectory of syndromic cases within a 14-day period

Cases:

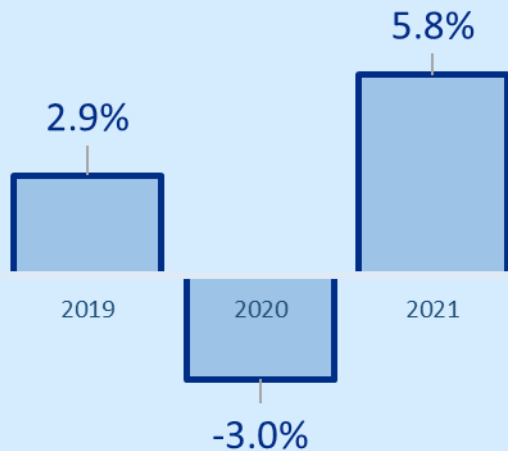
- Downward trajectory of recorded cases within a 14-day period

Economic Impact caused by COVID19



COVID19 | GLOBAL ECONOMIC OUTLOOK & BASELINE ASSUMPTIONS

Global GDP Forecast (% Change)



Pandemic

As a baseline scenario, the pandemic is assumed to fade in the second half of 2020 allowing for a gradual lifting of containment measures.

Duration of shutdown

Global growth forecast assumes all countries experience disruptions to economic activity. The disruptions are assumed to be concentrated in Q2-2020 with a gradual recovery. Assumed loss in working days for 2020 range between 5% to 8%.

Financial conditions

The tight financial conditions for advanced and emerging market economies are expected to remain in place for the first half of the year. Consistent with the assumed path of the pandemic and gradual normalization in economic activity, financial conditions are expected to ease in the second half of 2020.

Trade & Commodity prices

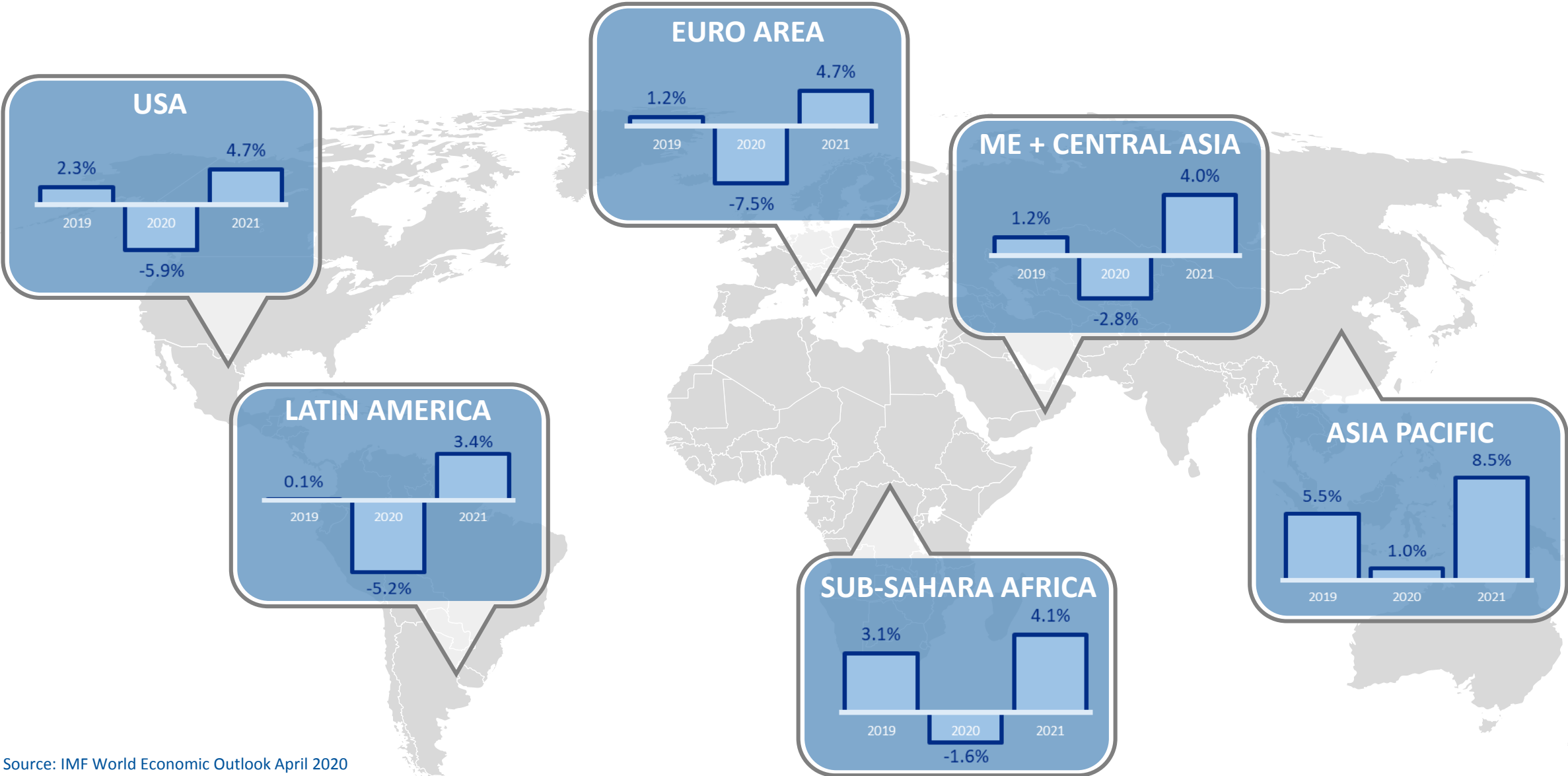
Productivity losses are compounded by weak external demand. Average petroleum spot prices per barrel are estimated at \$35.60 in 2020 and \$37.90 in 2021. Oil futures curves show prices could increase toward \$45 but stay below 2019 level (\$61.40). Metals prices are expected to decrease in 2020 and 2021. Food prices are projected to decrease 1.8% in 2020 and increase 0.4% in 2021.

COVID-19 will cause Severe Impact on Global Growth

There is extreme uncertainty around the global growth forecast because the economic fallout depends on uncertain factors that interact in hard to predict ways that include:

- pathway of the pandemic
- speed of discovering a vaccine
- application of therapies
- intensity of containment efforts
- extent of productivity and interruptions
- extent of supply disruptions
- tightening global financial markets
- volatile commodity prices
- shifts in spending & behavioral patterns such as avoidance of malls & public transport etc

COVID19 | REAL GDP FORECASTS FOR MAJOR REGIONS



Source: IMF World Economic Outlook April 2020

COVID19 | REAL GDP FORECASTS FOR GULF CORPORATION COUNTRIES (GCC)

Global GDP: (% Change)

2019 = + 2.9%

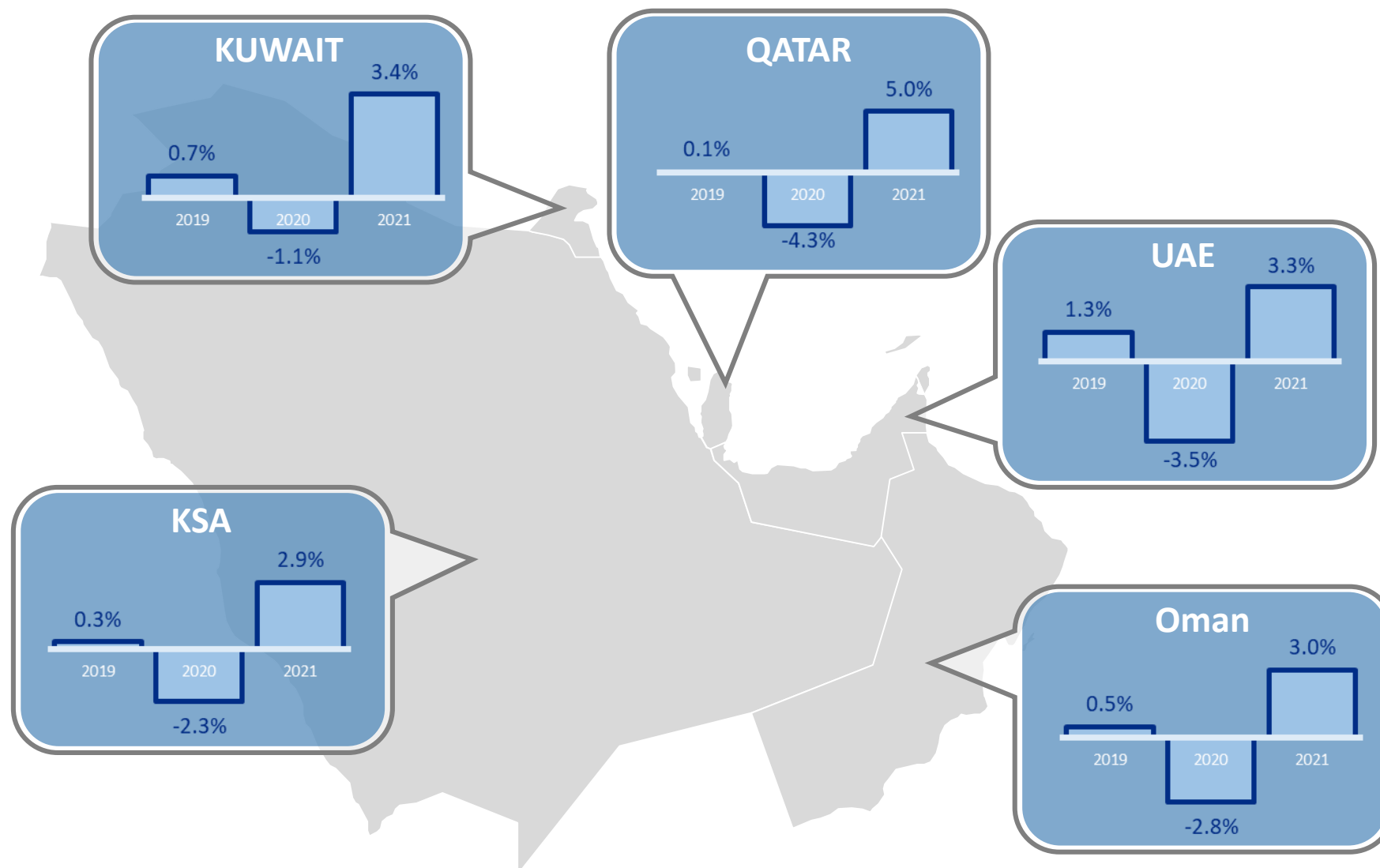
2020 = - 3.0%

2021 = + 5.8%

The negative impact by COVID19 on Oman's GDP in 2020 (-2.8%) will be less compared to the world-wide impact (-3.0%).

Oman is projected to grow 3.0% in 2021 to make it a marginal net positive growth for the next two years combined. This movement is consistent with the projections for the other GCC countries.

It is expected that the GDP of UAE and Qatar for 2020 will be the most affected by COVID-19.



OIL GROWTH (YoY) OUTLOOK FOR 2020 TO 2025



For 2020 as a whole, the magnitude of the drop in the first half leads to a decline in global oil demand of around 90,000 barrels a day compared with 2019. This is estimate has further downside risk as it is uncertain how long the containment measures will be affected and how long scientists will race to find a vaccine as a permanent solution.

The coronavirus will negatively impact demand growth in 2020 (-90 kb/d) followed by a rebound in demand growth to 2.1 mb/d in 2021 and decelerates to 0.8 mb/d by 2025.

This means Global oil demand will grow by 5.7 mb/d over the 2019-25 period at an average annual rate of 950 kb/d. This is a sharp reduction on the 1.5 mb/d annual pace seen in the past 10-year period. This results in prolonged pressure to the medium term on the economies of GCC states.

Oil demand growth slows because demand for diesel and gasoline nears a plateau as new efficiency standards are applied to internal combustion engine vehicles and electric vehicles hit the market.

China and India will account for about half of the demand growth, with petrochemical feedstock LPG/ethane and naphtha driving the oil demand growth, helped by rising plastics demand and cheap natural gas liquid.

Precautionary measures taken by the Oman Government has introduced a number of relief initiatives to relax statutory and regulatory compliance for businesses to help financial and operational burdens.

18
Mar

CBO injected liquidity of OMR 8 billion into the economy with key measures including:

- Lower capital conservation buffers from 2.5% to 1.25%
- Increase lending ratio from 87.5% to 92.5%
- Allow deferment of loans / interest for affected borrowers for coming 6 months without adversely impacting the risk classification of such loans
- Defer risk classification of loans pertaining to gov-projects for a period of six months
- Local banks to consider reducing existing fees and avoid new fees in 2020
- Reduce interest rates on:
 - repo to 0.50% plus increase tenor of repo up to max 3 months
 - FX swap by 50 basis points and increase in the tenor of swap facility up to max 6 months
 - discounting gov-treasury bills to 1.00%
 - bill of exchange and promissory note to 3.00%
 - promissory note with acceptable guarantee to 3.25%
 - promissory note accompanied by trust receipt to 3.50%

23
Mar

CBO added measures urging banks to continue to provide critical functions without disruption and should include:

- Online services + electronic / digital payments
- International payments / remittances
- Salary payments + cheque processing
- Trade + treasury transactions
- Emergency loans
- Government transactions
- ATM/CDM services and call centres
- Fraud/cyber risk monitoring services
- Remittance services should be at minimum cost
- Waive charges levied on point of sale (POS)
- Allow use of expired debit / credit cards
- Extended the deadline for the completion and submission of audited financial statements for borrowers to 30 June

31
Mar

Added government measures to:

- Defer ODB + Al Raffd loan instalments for 6 months
- Defer car installments up to 3 months for NBFCs
- Exempt rent for industrial factories up to 3 months
- Exempt commercial registration renewal for 3 months

Corporate tax relief measures:

- Defer tax return filing up to 3 months from due date
- Defer tax payments up to 3 months from due date
- Extend timelines for filing objections against tax returns
- Flexible tax payment mechanisms
- Extend time to submit supporting documents and clarifications for ongoing objection proceedings
- Exempt fines for deferred tax filing and payments
- Allow tax deduction for contributions relating to COVID-19 according with income tax law and regulations
- Exempt tourist tax for restaurants and municipality tax for commercial entities until 31 August
- Clearing of goods at customs even when importer is unable to obtain or produce the necessary authorization
- Waiver of requirement to obtain a guarantee for the non-submission of original legalized documentation



National Bank of Oman
NBO Head Office
PO Box: 751
PC: 112
Ruwi
Sultanate of Oman