COVID in Russia

Russia COVID-19 Cases, Stock

- Total number of cases
- Death rate (percent, RHS)
- The stock of COVID death cases divided by the stock of COVID cases

COVID cases and mortality by country

- BEL
- ITA
- ESP
- US
- GER
- RUS
Severe economic impact of COVID-19: each month of shutdown of non-essential sectors implies a 3 percent drop in annual GDP

Sources: Haver Analytics; and IMF staff calculations.
Note: The classification of sectors generally follows the decree that Italy announced on March 22, 2020. Non-essential sectors: Textiles & apparel; Basic metals; Transport equipment; Construction; Wholesale and retail trade and repair of motor vehicles; Accommodation and food services; Real estate; Arts and entertainment. For wholesale and retail trade (except motor vehicles), adjusted to exclude items related to food, pharma, and other medical products. Figures refer to 2018; earlier year used for some countries.
The WEO forecast for Europe is grim

Real GDP Growth
(Quarter-over-quarter percent change, annualized)

Real GDP Growth Projections
(Year-over-year percent change)

Sources: Haver Analytics; IMF, World Economic Outlook; and IMF staff calculations.
Note: The content of this slide is embargoed until April 14, 2020, 8:30 am EDT.
Downside risks are large

The baseline scenario does not assume that:

- Major disruptions could continue until a vaccine is available, implying a delayed and weaker recovery
- Large balance sheet impairment

If these risks materialize, many countries will face significant constraints responding to a protracted downturn
Different assumptions can lead to very different output trajectories

- The baseline assumes two months of containment measures, a recovery in Q3 with limited damage to balance sheets.

- The downside scenario assumes three months of containment measures, deeper balance sheet impairment, with a more gradual recovery.
We envisage permanent output losses relative to pre-COVID trend of about 5 percent in the baseline—could be double in a downside scenario.

![Graph showing Real GDP (Index, 2019=100) for Advanced and Emerging Europe.](image-url)

Sources: IMF, *World Economic Outlook*; and IMF staff calculations.
The whole policy toolkit has been deployed, supported by substantial easing of fiscal and monetary policy

Policy goals
- Saving lives
- Protecting jobs/people
- Protecting companies
- Ensuring credit flow

Targeted policy measures
- Saving lives:
  - Quarantines & lockdowns
  - Border control
  - Health spending
- Protecting jobs/people:
  - Reduction of working hours
  - Unemployment insurance
  - Direct income support
  - Parental/sick leave
- Protecting companies:
  - Tax cuts/deferrals
  - State guarantees for firms
  - Wage subsidies
  - Equity injections
- Ensuring credit flow:
  - Easing of bank regulations
  - State-backed loans
  - Debt moratoria
  - Lower counter-cyclical buffers
  - New swap lines

Macro policies
- Fiscal policy:
  - Deficit limits relaxed
  - State aid rules eased
  - Discretionary measures
- Monetary policy:
  - Cut in policy rates
  - QE/asset purchases
  - Liquidity injections
  - FX interventions