SWITZERLAND GLOBAL ENTERPRISE

Spain, June 15, 2020

Country	Gov measures for Swiss subsidiaries in country	Economic Outlook 2020	Movement of goods	Movement of people
Spain	✓			

Red = critical situation / expected GDP decline bigger than 5% compared to previous year
Yellow = difficult situation / expected GDP decline up to 5% compared to previous year
Green = normal or almost normal situation / remaining GDP growth compared to previous year

1. General Situation

DESCRIPTION OF THE CURRENT SITUATION

- Find latest information available here at: the Spanish Government (Spanish & English) Spanish Ministry of Health (Spanish) and Spanish Central Bank (English).
- On June 21, the last extension of the State of Alarm ends and Spain will finish the period of confinement caused by the COVID-19. Still, some restrictions and cautions will apply.

GOVERNMENT MEASURES

- The Spanish government, together with the private sector, have put in place substantial social and economic measures up to 200 billion Euros rescue package, including:
  - Bank credit guarantees, guarantees and public credits worth more than 60 billion Euros to facilitate that adequate funding reaches companies. Measures adopted by the Spanish Ministry of Economy. Government and Institution measures
  - Labour/Employment related measures to cope with the economic and social impact of COVID-19, taking over a good part of furloughed workers' salaries to avoid company closures. Major modifications to work conditions in Spain
- Extended protection to the most vulnerable workers, such as self-employed, temporary workers or domestic service. Major modifications to work conditions contract in Spain; Guide to social and economic assistance - Ministry of Social Rights.
- On May 29th, the Council of Ministers approved the Minimum Income Scheme (*Ingreso Mínimo Vital*). Estimations indicate that the benefit could reach around 850'000 households (as it is intended for household units), that is approximately 2.3 million people. The amount, payed monthly from this month, will be comprised between 460€ and 1'015€ depending on the household members and their income. Social Security – ELPAIS - News
- If approved, Spain could be assigned €77 billion in grants and €63 billion in loans from a €750-billion Covid-19 recovery program announced by the European Commission. ELPAIS - News

ECONOMIC OUTLOOK (ECONOMIC DEVELOPMENT, EFFECTS ON INDUSTRIES)

Economic Development and Outlook:

- The economy has been hit hard by the crisis.
- The Spanish Central Bank (BDE) expects the GDP to fall between 9% and 11.6% (up to 15.1% if there is a significant outbreak). Next year, output is expected to make a robust rebound of 7.7% to 9.1%.
- The level of uncertainty over the scale of the adverse impact on activity and international trade is very high.
- Spain has acted on several fronts, taken special measures focused on strengthening the healthcare system, protecting employment, supporting vulnerable households, and providing liquidity to firms.

Effect on industries:

- According to some projections, the production losses during the period of imposed restrictions would reach a -8% of annual GDP for industry and -9% of annual GDP for the manufacturing sector.
- Sectors more harmed by the current situation would be Commerce, Transport & Hospitality, with a decrease of 31% of annual GDP; Construction, with a decrease of 23% of annual GDP and Services, with a decrease of 16% of annual GDP EsadeECPol.

2. Movement of goods

- There are no restrictions on the movement of goods.
- Due to limitations caused by the current situation, the period for some taxes payment and documents submission has been extended. Spanish Tax Agency

3. Movement of people

RESTRICTIONS ON ENTRY FROM SWITZERLAND

- The Ministry of Foreign Affairs, European Union and Cooperation launched the telephone service CONECTA International Mobility through which it aims to facilitate international travel for all those entrepreneurs, workers, professionals or technicians who need to undertake international trave.

  From Spain: 060
  From abroad: +34 911252122

- From May 15 until now entry to the national territory of Spain from Schengen area through ports and airports is restricted. Spain will reopen borders to EU states on June 21; travelers arriving in the country will no longer be required to stay in quarantine for two weeks. Meanwhile, access will only be granted to:
  - Spanish citizens.
  - Residents in Spain, having to prove their habitual residence.
  - Cross-border workers.

    - Healthcare or elderly care professionals who travel to carry out their professional activity.
    - Those proving causes of *force majeure* or a situation of need.

- Foreign personnel accredited as a member of diplomatic missions and people who move to Spain for "exclusively work-related reasons, provided that they are accredited" may also access through these borders.
- To ensure the continuity of economic activity and to preserve the supply chain, these measures will not be applicable "to the transport of goods, including the crew of ships, in order to ensure the provision of maritime transport services and fishing activities, and the aviation personnel necessary to carry out commercial air transport activities". President's Office
- These restrictions are in addition to those already adopted at land borders with France and Portugal and restrictions on the entry of travelers through external borders (originating from countries outside the Schengen area) at ports and airports.
- The reestablishment of controls at Spain's internal borders with France and Portugal came into force on March 17, while the restriction of passenger access across Spain's external borders at ports and airports began on March 23.
- On March 23, the temporary closure of the land posts enabled for entry and exit from Spain through the cities of Ceuta and Melilla was also established.

RESTRICTIONS ON MOBILITY WITHIN THE COUNTRY

- As of 16th of June, Spanish regions are divided as follows: Phase Details & Map
    - Phase 2: Madrid Region, Barcelona Metropolitan Area, part of Lleida and Castilla León are in this phase. Malls cinemas, concerts venues, etc. can open with capacity limited from 30-50%.
    - Phase 3: Most of the country is in this phase, thus allowing most businesses to open with reduced restrictions. The main difference between Phase 2 and Phase 3 is the increase in capacity permitted at restaurants, venues and other public facilities, among others.
      A key difference is also that regional authorities take control of the de-escalation process during Phase 3, and can decide how long this last phase last.
    - *New Normal*: Now, only Galicia reached the *new normal*. This new stage will continue to have some measures and restrictions in order to adapt to a society where the coronavirus is still present.
      The use of masks for people over 6 years old, the social distance of one and a half meters or the promotion of teleworking will continue to be in force.
- From 21 June, all citizens will be able to move freely across and between all regions of Spain. Meanwhile, only those who justify health, work, professional or business reasons may move between provinces; return to the place of family residence, assistance and care of the elderly, dependents or people with disabilities, *force majeure* or situation of need or any other of a similar nature.