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June 3, 2020

Asia Reopening Updates

China

- China is allowing most industries—even those considered to pose a relatively higher risk because of potentially
 dense crowds—to gradually resume operations, subject to continuing capacity limits and other safety and
 sanitation protocols.
 - On May 11, for example, <u>Shanghai Disneyland</u> reopened. The government limited the park's capacity, and Disneyland imposed its own safety procedures. The park's enhanced procedures require staff members to check ticketholders' temperatures when they enter; call for guests and staff members (except for costumed characters) to wear face masks; and encourage or mandate social-distancing in lines, on rides, and in photographs with characters. Shanghai Disneyland has also temporarily suspended parades, theater shows, and fireworks to prevent people from crowding into buildings or bunching up on sidewalks.
- In commercial centers in many cities across China, many manufacturers and the vast majority of retailers, including malls, supermarkets, and other consumer-goods stores, have resumed operations.
 - o For example, in Shanghai, China's largest commercial hub, nearly all day-to-day businesses have reopened, including shopping malls, restaurants, and luxury outlets.
 - In May, auto manufacturers in China also began to ease strict <u>physical distancing rules</u> for workers in plants. For example, consistent with relaxed local-government restrictions, assembly-line workers no longer must stand one meter or more apart.
 - According to a May 20 State Council Information Office's <u>announcement</u>, by May 18, 99.1% of China's large industrial enterprises and 91% of its small-to-medium enterprises had resumed operations.
- To encourage consumers to spend money at reopened stores and to boost retail recovery following the COVID-19 shutdown, governments in many Chinese cities have also issued consumption coupons.
- Despite the trend toward reopening, consumers, retailers, and commercial centers still face certain restrictions:
 - Customers are required to wear face masks;
 - o Retailers must close unnecessary entrance and exit doors;
 - In most cities, security staff at mall entrances are required to check each customer's body temperature before the customer enters the mall; in Shanghai, however, customers can now enter most businesses without a temperature check;
 - Some businesses require a customer to display or provide a "green code" (a health QR code for tracing movement and personal contacts), a customer ID, and contact information before the customer is permitted to enter; and

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- Large commercial centers, malls, and stores—including IKEA and Costco—have imposed additional capacity restrictions to limit crowds.
- As a result of the COVID-19 shutdown, consumers and businesses have changed their behavior in ways that appear to be persisting (at least temporarily) even as the economy reopens:
 - Retailers have increased their online sales, largely by offering contactless pickup services at locations outside of large residential communities;
 - Some businesses have launched employee-sharing initiatives: for example, the major supermarket chain HeMa has begun to hire temporarily unemployed workers from restaurants that closed during the COVID-19 shutdown;
 - o Restaurants provide hand sanitizer to all diners and require customers to sit apart from each other, with at least one empty table in between each diner and any other diner.
- IKEA presents an interesting case study in how shutdown orders affected major retailers—and how they have adapted their operations when the government permits them to reopen:
 - On January 30, 2020, the government required IKEA to shut down all 30 of its locations;
 - In early March 2020, IKEA reopened nine of its stores on a reduced schedule and without opening the in-store restaurants. The reopened stores also turned off their air-conditioning systems and began to disinfect all public facilities each day;
 - Also in March, IKEA launched an online store and announced a supply-chain finance plan to shorten the payment terms for local suppliers;
 - o In April 2020, some of IKEA's in-store restaurants reopened with certain additional precautionary measures in place.
- Other aspects of day-to-day life also are resuming: China continues to reopen schools, and domestic travel is on the rise. In mid-May, airlines offered more than 10,000 domestic flights per day, just 60% of pre-outbreak capacity, but more daily service than any other day since February 1.
 - As of May 8, all of Hilton's 250 hotels in China's mainland have resumed business, and 98% of InterContinental Hotels Group PLC's 470 hotels in China were operational as of May 5.
 - O China also proposed fast-track entry for travelers from certain countries, such as Japan.

Japan

- The government never officially announced a lockdown or stay-at-home order, but instead declared a state of emergency and strongly "requested" that people stay home and that businesses close.
- Even though many businesses closed down, the Japanese government appears not to have issued official reopening orders or policies. On May 14, however, Japan <u>lifted</u> the declared state of emergency for 39 of the country's 47 prefectures, clearing the way for businesses in those areas to gradually resume operations. Then, on May 21, Japan lifted the declared state of emergency in Osaka and nearby areas; on May 25, the government lifted the state of emergency for all of Japan.

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- According to a May 25 <u>announcement</u> by Prime Minister Shinzo Abe, Japan will reopen social and economic life in approximately three-week-long phases:
 - O During the initial phase, the government will permit concerts and exhibitions, subject to capacity limits; the government will allow larger audiences in subsequent phases.
 - o The government's plan permits karaoke parlors and gyms to reopen on June 1, but they, too, will be subject to capacity limits and other restrictions.
 - Professional sports leagues, including Nippon Professional Baseball and J-League Soccer, can resume on June 19. Initially, athletes will play in empty stadiums; the number of fans will gradually increase in later phases.
 - o Though live music and nightlife venues, including hostess bars, may not reopen initially, the government will likely permit them to reopen on June 19.
 - O By August 1, the government plans to allow all sporting events to take place, with crowd sizes limited to 50 percent capacity.
 - O During each phase, the government will evaluate infection rates and analyze the risk of the disease spreading in each region of the country.
- Trade groups and associations, including Keidanren, Japan's most powerful business lobby group, have <u>issued</u> industry-by-industry guidelines and recommendations related to Japan's reopening.
 - Some of the guidelines call for employers to make broad, general changes to offer their workers more flexibility and to make their workplaces safer.
 - For example, Keidanren suggested that member companies consider offering their workers three-day weekends and staggered working hours to reduce rush-hour commuting; it also encouraged companies to promote telework and to hold conferences, events, job interviews, and shareholders meetings online.
 - Industry groups also suggested that retailers, supermarkets, convenience stores, and drugstores reserve specific hours for particularly vulnerable shoppers.
 - Other guidelines suggest very focused, industry-specific modifications.
 - Industry groups suggest, for example, that Pachinko pinball parlors lower their background music so that customers need not shout to talk to each other.
 - The Japan Ryokan and Hotel Association also recommends that guests avoid the practice of *oshaku* (pouring alcohol for others as a sign of respect) and that restaurants serve individual-sized portions of sashimi, rather than plating sashimi on a single serving tray.

South Korea

Just as the government was easing social distancing measures that allowed for a phased reopening of businesses
in early May, South Korea experienced a new spike in cases linked to an outbreak at a number of Seoul
nightclubs and bars.

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- o Responding to the new infections, the mayor of Seoul <u>ordered</u> all the capital's bars and nightclubs to shut down indefinitely. Before this recent wave of infections, South Korea had not previously enacted such strict lockdowns, relying instead on extensive testing and contract tracing.
- With the new outbreak, South Korea also <u>extended</u> school closures by an additional week, which means students will not begin their gradual return to schools until at least May 20, 2020. When schools do reopen, they will implement precautions, such as reducing class sizes and asking students to go to class on alternate days.

Singapore

- Though Singapore initially loosened restrictions after it appeared to have contained its outbreak, Singapore again imposed and extended its "Circuit Breaker" restrictions, including restrictions closing businesses and schools, from May 4 to June 1, after COVID-19 rates <u>increased</u>.
- During that period, Singapore gradually resumed and reopened selected activities and services:
 - Beginning on May 5, the government allowed traditional Chinese medicine needle acupuncture to reopen, but only for pain management.
 - o Beginning on May 12, the following industries and businesses resumed operations:
 - Manufacturing and on-site preparation of all food, including cakes and confectionery, ice cream, cocoa, chocolate and chocolate products, and other snacks;
 - Food retail outlets, including those serving cakes and confectionery, packaged snacks and desserts, for takeaway and delivery only;
 - Home-based food businesses, but only for delivery or collection;
 - Retail laundry services;
 - Barbers and hairdressers, for basic haircut services; and
 - Pet-supply stores.
 - O Businesses that reopened were required to meet enhanced safety measures, including requiring employees to maintain physical distance and to avoid staff gatherings. Some business locations, including offices, factories, hospitals, hotels and hairdressers, were also required to use a contact-tracing app called SafeEntry that registers employees' and visitors' arrivals and departures; taxis will also soon be required to use the app.
- When its Circuit Breaker restrictions end on June 1, Singapore will begin activities according to a three-phased reopening plan:
 - o Phase One: Safe Reopening (beginning on June 2)
 - Some lower-risk businesses and services (including car and air-conditioning repair, pet grooming, and hairdressers and barbers) will be allowed to reopen, but employees are encouraged to continue to telework if possible;

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- Households will be allowed to receive a limited number of visitors (such as parents or grandparents who live elsewhere) each day;
- Students scheduled to graduate from school will resume daily on-campus instruction; other students will rotate each week between in-person and distance learning;
- Healthcare and preventive health services will resume, with limited services at Senior Activity Centers.
- o Phase Two: Safe Transition
 - The government will fully reopen schools, allow slightly larger social gatherings, and permit nearly the entire economy (including retail, food-and-beverage outlets, personal health and wellness facilities, home-based services, and sports and public facilities) to reopen. Singapore will enter Phase Two only if and when community infection rates remain sufficiently low and consistent.
- o Phase Three: Safe Nation
 - During this "new normal" phase, all social, cultural, religious, and business gatherings will resume, subject to capacity limits until an effective vaccine or treatment is developed.

Thailand

- On May 16, the Bangkok Metropolitan Administration said its communicable disease—control committee had eased restrictions on 10 business groups. The businesses allowed to reopen are:
 - Shopping centers, restaurants, and beverage shops;
 - Other shops at malls, except movie theatres, game shops, bowling alleys, coin-operated game machines, tutorial classes and amulet shops;
 - o Daycare nursing homes for the elderly;
 - o Off-premises film-shooting teams, with on-screen and off-screen limits;
 - Meeting rooms, hotels and conference centers may hold meetings of up to 50 people from the same organization or company;
 - O Clinics, beauty centers and nail salons may reopen and offer all services other than Botox, pimple piercing, or any other face-related procedures;
 - o Fitness centers outside malls, including yoga studios, may reopen, but guests cannot exercise for more than two hours per visit;
 - o Indoor exercise facilities, including gyms and venues for sports such as badminton, squash, fencing and climbing; spectators are prohibited;
 - o Public swimming pools inside and outside apartment buildings and condominiums, but swimming lessons are prohibited and guests may not stay for more than two hours; and

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- o Botanical gardens, flower gardens, libraries and arts centers can reopen, but must arrange lines and cannot present video shows.
- On May 22, Thailand's Center for Covid-19 Situation Administration announced a third phase of lockdown relaxations, scheduled for June 1. The government has not yet, however, announced which businesses will be permitted to resume operations. During previous phases, the government allowed retail and food stores, pharmacies, financial institutions, some personal service facilities, and government organizations to reopen. Higher-risk businesses, including nightclubs, amusement parks, massage and tattoo parlors, boxing camps, and exhibition centers, remain closed.

Vietnam

- On May 8, the Vietnamese government <u>allowed</u> most non-essential businesses and activities—including sports
 events and festivals—to resume operations with preventative measures. Clubs and karaoke parlors, however,
 remain closed. Despite the nationwide easing of restrictions, local health officials can implement stricter
 regulations based on local conditions.
- The government has also taken steps to increase domestic travel:
 - O Because the government has eased social-distancing regulations for public transportation and common carriers, buses, taxis, trains, ships, and planes can now operate at full capacity. Transportation providers must, however, continue to take certain precautions, including requiring passengers to wear masks, complete health screening forms, and frequently wash their hands.
 - o As a result of the decreased restrictions on transportation providers, airlines and railways have increased domestic capacity, particularly on popular routes between Da Nang, Hanoi, and Ho Chi Minh City.
- Although the government has permitted domestic travel to increase, restrictions on foreign travel remain in place. Foreign nationals generally may not enter Vietnam; those who do must quarantine for 14 days at state facilities.

India

- On May 17, the Indian Government's Ministry of Home Affairs <u>extended</u> India's lockdown for a third time. The renewed restrictions remain in place until May 31.
- Though the government has allowed some business and activities to resume, many significant restrictions remain:
 - Educational institutions, movie theaters, gyms, places of worship, and shopping malls must remain closed; and
 - o Domestic and international air travel and metro rail services generally may not operate.
- State governments and union territories will, based on health ministry guidance, classify and demarcate zones according to a Red, Green, Orange, and Containment scale.
 - o In Containment zones, nearly all activities and travel are prohibited; in Red and Orange zones, only essential activities will be permitted; and in Green zones, some additional activities and travel are allowed.

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- Regardless of a zone's classification, the government will forbid non-essential activities and movement between 7 p.m. and 7 a.m.
- On May 24, the Indian Ministry of Home Affairs <u>allowed</u> limited international travel to resume.

Philippines

- On May 16, the Philippines <u>allowed</u> additional businesses in Manilla—including malls, delivery and carry-out restaurants, bookstores, and mall-based hardware and clothing shops—to reopen.
 - o To minimize the risk of infection, however, malls must limit capacity, require customers to wear masks, practice social distancing, and submit to temperature screenings.
 - o The government has also asked malls to turn off WiFi and air conditioning to discourage crowds.
- Previously, the government had allowed large-scale construction projects in Manilla and certain manufacturing
 operations to resume operations. Barbershops, salons and gyms, trains and public transportation remain closed,
 and people are still required to stay home.
- On May 28, the Philippines' coronavirus task force <u>recommended</u> that President Rodrigo Duarte ease additional restrictions in Manila.