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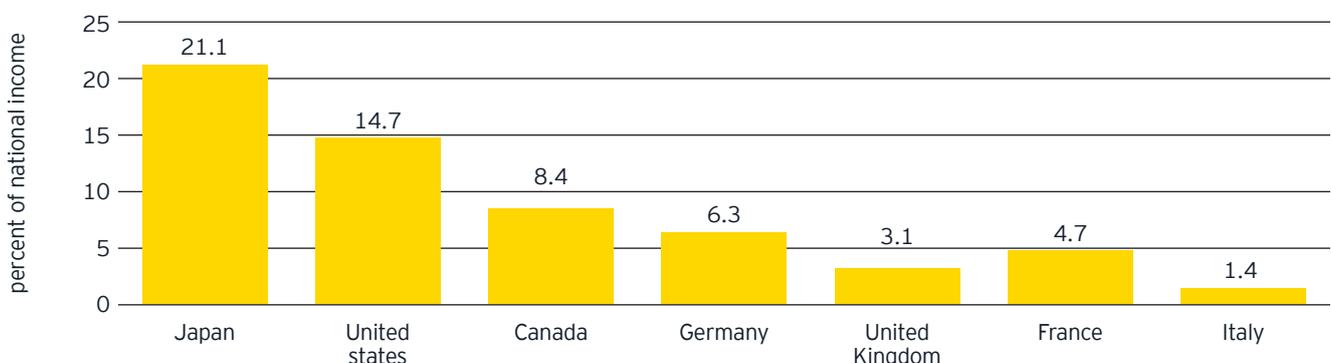
# COVID-19 has elevated the need for business leaders to anticipate government policy

In their response to the pandemic, governments have taken exceptional steps to preserve lives and livelihoods, such as asking citizens to stay at home and subsidizing private-sector wages. As the focus shifts to reviving social and economic life, what role will governments play in the economy, and what are the implications for businesses?

# Fast-moving policy changes will challenge business resilience

Governments are making policy and regulatory changes at an historic rate. Unless businesses can get ahead of these changes and prepare in advance for different tax and regulatory scenarios, they will struggle to thrive in this uncertain and fast-changing environment.

IMF estimate of the size of the fiscal measures implemented in response to COVID-19



<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>



## Why EY

**Smarter responses to government policy will drive a stronger recovery.**

With EY helping you to navigate fast-moving regulatory environments and shifting economic support packages, you'll protect your bottom line and reputation, and build the resilience to recover faster.

## Navigating a saw-toothed economic recovery

As the world's economy recovers, we envision a slow-paced, uneven recovery with varying rates of growth across sectors and geographies, characterized by periods of acceleration offset by setbacks. This saw-toothed shaped return to growth requires organizations to be more flexible, resilient and adaptable. Business leaders should be ready for government to play a more proactive role. As a result, they will need to communicate to policymakers the challenges and opportunities they face in the new economic environment. Leaders that deepen their understanding of the political and public policy landscape will be better equipped to anticipate ongoing changes and build resilience for the future.



# Key actions to recover stronger

**3%-39%**

share of GDP governments have allocated to COVID-19 support programs.

Source: EY Tax COVID-19 Response Tracker. EY analysis based on "Policy Responses to COVID-19." International Monetary Fund, [www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19](http://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19), data as of 22 May 2020.

## Adapt operations

1. Proactively monitor political pressures, health data and scientific advice for the different jurisdictions in which they operate, drawing on external support to provide further intelligence on likely changes.
2. Establish a consistent internal set of workplace safety standards and engage with trade associations to enable faster responses to changing rules.
3. Track and assess their continued eligibility for support programs, ensure they meet ongoing repayments and reporting obligations as the programs unwind, and monitor any conditions that come with support such as taking measures to promote sustainability.

## Increase resiliency

1. Communicate with policymakers. Open a dialogue about the challenges your business faces in the current environment and the policies that will mitigate them.
2. Be ready to act fast as governments introduce laws and regulations much quicker, and with less consultation, and ensure that procurement and sales teams are communicating to avoid inventory mismatches in a shifting regulatory environment.
3. Introduce contingency planning for different post-COVID-19 tax and economic environments.
4. Build resilience in the supply chain ahead of any new guidance or regulatory action.
5. Set up a dedicated COVID-19 monitoring team at the center of the organization, discuss actions at Board level and ensure a CXO level individual is responsible for these actions.



# Respond faster. Recover stronger. Reframe your future.

In a global crisis that impacts every part of the business, the global EY network of member firms has the capabilities to lead you through each stage of COVID-19 crisis and beyond. By helping you to better anticipate policy changes, we'll help your business manage the quickly evolving government and public policy environment.

## Key actions

- ▶ Monitor political pressures and scientific advice for the different jurisdictions in which you operate.
- ▶ Establish a consistent internal set of workplace safety standards and engage with trade associations.
- ▶ Track and assess your continued eligibility for, and compliance with, economic support as programs evolve.
- ▶ Open a dialogue with policymakers.
- ▶ Prepare for the fast introduction of laws and regulations, without consultation.
- ▶ Anticipate tax expansions and introduce contingency planning for different post-COVID-19 tax and economic environments.

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Register and listen here:

<https://event.on24.com/wcc/r/2318542/33C7EA52BF4AD1CBF36D4EC4FA4DBC1B>

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