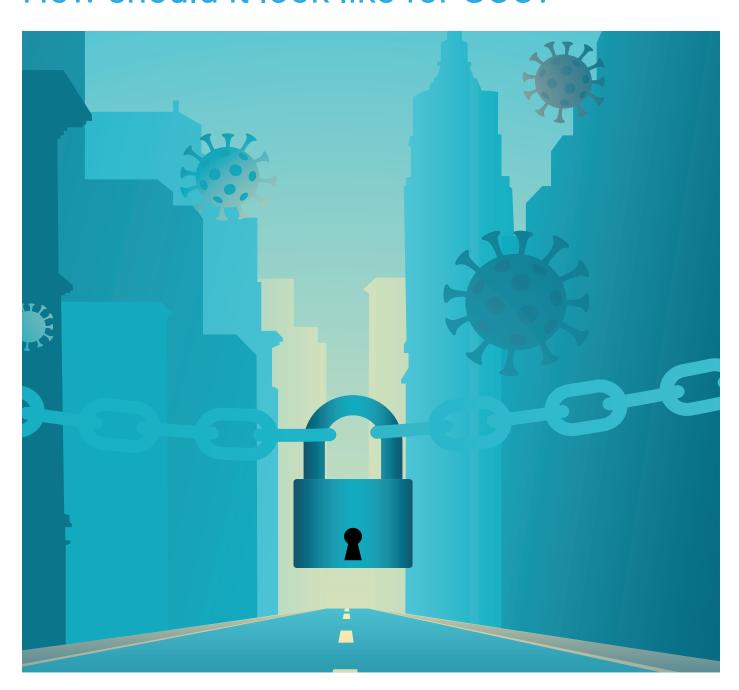


### **WHITEPAPER**

# **Lockdown Exit Plan:**

## How should it look like for GCC?



According to the United Nations, seven lockdown exit strategies are emerging from experiences around the world. In most of the cases, nations are applying a combination of several strategies. The strategies broadly following the pattern outlined in Exhibit 1.

Exhibit 1: Lockdown exit options

Strategy	Description
Improve testing	Rapidly scale-up testing to give greater clarity to the geographic extent and growth of COVID-19.
Lockdown until preventive or curative medicines are developed	Retain reasonably heavy suppression measures until preventive or curative medicines are developed and distributed. Vaccines could take 12–18 months and considerable efforts in manufacture, distribution and administration. Existing medicines could be tested within 6 weeks, but may have limited, if any, impact on COVID-19.
Contact tracing and mass testing	Identify those who have the disease and everyone they have come into contact with, then isolate, test and monitor those people. Typically requires considerable human, financial and logistical resources. Effectiveness could be supplemented with advanced surveillance technology, such as TraceTogether (Singapore).
Immunity permits	Antibody tests to identify and grant permits to those with immunity to return to work. May create perverse incentives for people to contract the virus as a way to get back to work or to forge permits.
Gradual segmented reopening	Gradual opening up certain regions or businesses, or restricting lockdowns to certain hours (curfews) or high-risk demographics (shielding). Can be combined with adaptive triggering to reimpose restrictions if COVID-19 cases begin to rise rapidly. However, some modelling suggests that even a gradual relaxing of some suppression measures will see infections quickly spread again.

Strategy	Description
Adaptive triggering	Ease lockdown once infections decline, reimpose when they begin to rise above intensive-care capacity, repeat. Would require regular shutdowns lasting two-thirds of the year, making little difference to permanent lockdown from an economic perspective.
Mitigation	Gradually allow the infection to spread across the population with some social distancing measures in place. Reportedly working in Sweden, where an estimated 25–40 per cent of Stockholm have contracted COVID-19, but relies on good adherence to basic social distancing measures and stronghealth-care capacity.

#### Source: United Nations Economic Commission for Africa (Verbatim)

Internationally, acclaimed success stories in terms of lockdown exit options are countries like South Korea and Taiwan. Some of the common themes emerging from these models include<sup>1</sup>–

- Ramping up testing and deploying technology to better understand local spread or epidemiology, meticulous contact tracing and testing, and collating data to provide tailored insights to communities.
- · Greater use of location-specific or cluster-oriented measures instead of blanket lockdowns.
- Methodically following legacy measures such as social distancing, restrictions on mass gatherings, etc.,
  while enforcing sanitation (e.g., use of facemasks in public spaces).

The philosophy guiding the selective use of lockdown appears to revolve around the concept that thought it is an effective tool to limit interaction to control spread, it is not a panacea for the range of challenges that the health emergency presents. Thus, the exit strategies hinge around identification of suspect cases, quarantine protocols, widespread testing, and contact tracing. In other words, there is realization that this is a cyclical flow that will have to be continued until all those being treated are cured and those in quarantine are certified as negative.

<sup>&</sup>lt;sup>1</sup> Global Health Governance Programme, Edinburgh University

However, the examples from South Korea, Singapore, and Hong Kong (China) also show that the virus can re-emerge if tight control measures, even if only partially, are relaxed. Since lockdowns have heavy economic costs, more targeted measures are necessary. For e.g., case studies are emerging from these locations on containment efforts that are more focused on populations at the highest risk (like those over 65 or those with chronic health conditions). These groups could be shielded and supported through periods of containment measures that may extend farther than for the rest of the general society.

With respect to the GCC, a phased opening may be suitable. A preparatory phase can commence with lockdown de-escalation with minor easing of people movement restrictions, including permitting personal daily walks and physical exercises with prescribed time slots for residents to leave their homes. Then, some businesses can be allowed to reopen, but with appointments only, with people aged over 65 as part of 'vulnerability shielding'.

Several GCC nations have begun partially relaxing lockdown-related restrictions as part of facilitating the economies back into momentum. For e.g., in end of May 2020, the overnight curfew in Dubai was shortened by three hours, and the emirate allowed many businesses to reopen (such as gyms and cinemas), with the condition that social distancing measures are always mandatory. Around the same time, Kuwait announced a five-phase plan to fully exit lockdown, starting from partial curfew in Phase 1 to all activities resumption in the final phase.

A staggered percentage-based opening could be considered too. For e.g., restaurants can be allowed with 30 per cent capacity at any one point, while open-air markets could be placed at about 15 per cent. Outdoor events involving convergence of a number of people should have in place strong social distancing measures, with strict capacity caps. Deploying an optimal control strategy, with a gradual staggered release of the population in tranches will help ensure that the GCC health systems are not unduly overwhelmed by an increased surge in infections.



### Disclaimer

This report has been prepared by Marmore MENA Intelligence, a fully owned subsidiary of Kuwait Financial Centre K.P.S.C (Markaz). Markaz is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. This report cannot be quoted without the prior written consent of Markaz. Any user after obtaining Markaz permission to use this report must clearly mention the source as "Markaz". The report is intended to be circulated for general information only and should not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

The information and statistical data herein have been obtained from sources we believe to be reliable but no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Markaz and are subject to change without notice. Markaz has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated berein, or any opinion projection, forecast or estimate set forth berein, changes or subsequently becomes inaccurate or if research on the subject company is withdrawn.

This report may not consider the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and to understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly investors may receive back less than originally invested. Past performance is not pecessarily indicative of future performance.

(uwait Financial Centre K.P.S.C (Markaz) may seek to do business, including investment banking deals, with companies covered in its research reports. As a result, investors should be aware that the irm may have a conflict of interest that could affect the objectivity of this report. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report efers to website material of Markaz, Markaz has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks of Markaz's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or ollowing such link through this report or Markaz's website shall be at your own risk.

For further information, please contact 'Markaz' at P.O. Box 23444, Safat 13095, Kuwait; Email: research@markaz.com, Tel: 00965 1804800; Fax: 00965 22450647.