

Tonga

Policy responses

Containment	<ul style="list-style-type: none"> • Declaration of state of emergency (20 March),¹ extended until 8 July,² further extended till 8 Aug³ • Lockdown and curfew (29 March),⁴ partial relaxation on 4 May^{5,6} • Border closure • Port screening • Travel bans • Social distancing rules • Closure of public spaces • April 12th: Easing of restrictions on by lifting the national lockdown. • School reopened 21 April⁷ • Punishment on violation of isolation orders • 11th June: lifting national lockdown and easing domestic restrictions by reducing curfew hours and removing the prohibition on contact sports⁸. • 5th August: Authorities have extended state of emergency until August 31st.⁹ • Revised: State of emergency extended until October 26 and border closure until further notice • Mar 19, 2021: ¹⁰ <ul style="list-style-type: none"> -Traveller Banned <ul style="list-style-type: none"> Masks are required in public spaces Quarantine for 14 days required for all countries. Health screening required for all countries. -Partial lockdown in effect <ul style="list-style-type: none"> -Events partially allowed (50 people indoors and 100 people outdoors are not permitted) -Transport operational with restrictions -All shops open (Tourist attractions are closed) -Restaurant and bars are open with restrictions.
Fiscal	<p>2nd April: Total stimulus: TOP60 million (equivalent to 5.3% of GDP)</p> <ul style="list-style-type: none"> • Businesses: short-term assistance to all affected sectors • Health: TOP 21 million • Employment: 3-month moratorium on Government Development Loans & TC Gita Recovery Loan Fund, deferral of retirement contributions and hardship allowances for laid-off employees (up to 3 months), needs-based

¹<https://matangitonga.to/2020/03/20/tonga-declares-state-emergency>

² <https://matangitonga.to/2020/06/11/tonga-state-emergency-covid-19-restrictions-extended-8-july>

³http://www.xinhuanet.com/english/2020-07/08/c_139197621.htm

⁴<https://asiapacificreport.nz/2020/03/27/pacific-coronavirus-lockdown-curfew-begin-in-tonga-on-sunday/>

⁵<https://www.rnz.co.nz/international/pacific-news/416917/tonga-extends-state-of-emergency>

⁶<https://www.garda.com/crisis24/news-alerts/338701/tonga-authorities-to-ease-covid-19-restrictions-may-4-update-8>

⁷<http://www.tonga-broadcasting.net/?p=18034>

⁸<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#T>

⁹<https://www.garda.com/crisis24/news-alerts/366266/tonga-authorities-extend-state-of-emergency-until-august-31-update-12>

¹⁰ <https://covidcontrols.co/restrictions/tonga>

	<p>financial assistance, tax and duty relief, and assistance with the payment of utility bills by public enterprises</p> <p>June 22, 2020:</p> <ul style="list-style-type: none"> • FY2021 budget approved at deficit 3.5 % of GDP
Monetary	<ul style="list-style-type: none"> • Remains accommodative given low inflation and slow economic recovery
Financial/foreign exchange	<ul style="list-style-type: none"> • Provision of liquidity support to the banking system by the National Reserve Bank of Tonga (NRBT) Board • Exchange rate remains pegged against a basket of currencies (within a ± 5 percent monthly adjustment limit) • Committed to easing exchange control requirements if needed
SME measures (last update 22 January 2021)	<p>Loan support and deferral of loan repayment:</p> <ul style="list-style-type: none"> • The Government of Tonga announced a three-month moratorium on Government Development Loans & TC Gita Recovery Loan Fund. • The National Reserve Bank of Tonga (NRBT) and commercial banks are assisting SMEs by (i) reducing or suspending the principal loan repayments to interest only loan repayments, (ii) restructuring loans to businesses that have reduced business hours, in affected sectors such as tourism and related industries, (iii) extending the terms of loans to reduce repayments, (iv) reducing loan interest rates on a case by case basis and (v) providing access to short-term funding.
Other	<ul style="list-style-type: none"> • April 16, 2020: First Round of ADB assistance from Pacific Disaster Resilience Program. \$6 million to help finance Covid-19 response.¹¹ • May 12, 2020: World Bank US\$5.5 million to strengthen resilience and fight towards Covid-19¹² [ADB sources suggest WB USD8.4 million]¹³ • May 26, 2020: USAID allocated US\$9.9 million towards covid-19 efforts in Pacific Island regions of FSM, Fiji, Nauru, Kiribati, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. (individual breakdown unavailable) • June 26, 2020: Second Round of ADB assistance from Strengthening Macroeconomic Resilience Program. \$12.2 million grant to help finance Covid-19 response¹⁴ • October 23, 2020: The government has received Personal protective equipment (PPE) and other essential medical equipment provided by the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO), transported by the United Nations World Food Programme (WFP), and financed by the Asian Development Bank (ADB).¹⁵ • December 14, 2020: USD10 million under the Pacific Disaster Resilience Program (Phase 3); 17 December 2020, USD0.25 million from the regional project, Supporting Recovery by Micro, Small and Medium-

¹¹ <https://www.adb.org/news/adb-provides-12-2-million-assistance-tongas-covid-19-response>

¹² <https://www.worldbank.org/en/news/press-release/2020/05/13/tonga-us8-4-million-to-strengthen-resilience-and-fight-covid-19>

¹³ <https://covid19policy.adb.org/policy-measures/TONGA>

¹⁴ <https://www.adb.org/news/adb-provides-12-2-million-assistance-tongas-covid-19-response>

¹⁵ <https://www.adb.org/news/adb-unicef-and-who-provide-medical-supplies-tonga-covid-19-response>

	<p>sized Enterprises in the Pacific from the Effects of the COVID-19 Pandemic.(ADB) ¹⁶</p> <ul style="list-style-type: none"> • December 16, 2020: USD30 million funding from the World Bank in support for Tonga's most vulnerable, under the Tonga: Supporting Recovery After Dual Shocks Development Policy Operation. It will support Tongan businesses, workers and vulnerable households to recover from the dual shocks caused by the COVID-19 pandemic and the recent typhoons.¹⁷ • 25 January 2021: USD9.95 million Rapid Credit Facility (RCF) from the IMF as emergency financing and debt relief. ¹⁸
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Source: IMF, Policy Responses to COVID-19, if not specified.

¹⁶ <https://covid19policy.adb.org/index.php/policy-measures/TON>

¹⁷ <https://covid19policy.adb.org/policy-measures/TON>

¹⁸ <https://covid19policy.adb.org/index.php/policy-measures/TON>