



SOCIETA' DI SAN FRANCESCO DI SALES
Sede centrale salesiana
Via Marsala 42 - 00185 Roma
General Economist

Rome, 06-04-2020
Prot. 20/0137

Dear Provincial Economers,

I greet you from Rome, where, after the GC28 we started with the ordinary work of the General Council. With this letter I will update you on the different topics that we will address, since, we could not see in the following months.

A) Coordination to give concrete answers following the Coronavirus crisis

In these days, here in Rome, we are very busy coordinating and helping our provinces in the way they find funds and means, but also creative ideas, to meet the challenges of COVID-19. I am sad to see that so many people had to die. Security measures are insufficient, or regulations have been considered too late. At the same time I was struck by the energy of our centers, where, Youth, Lay people and SDB found creative and effective solutions to help people find protection or to live better during isolation by coping with the lack of food or basic necessities. I thank all those who are not afraid and who understand that God is waiting for us in every human body. We have created a **synergy between the Mission Sector and the General Economist Office, together with the Don-Bosco-Network (DBN)** for the coordination of this emergency. Anyone wishing to receive some more information to give support or to ask for help can write to the following email address: solidarity.covid19@sdb.org.

I recommend you to read the **letter of our Rector Major** who wrote to us on Easter 2020, containing his reflection about the GC28 and the fight against Coronavirus. The letter is accompanied by a video that you can use to demonstrate the effort that Congregation is making in face of the challenges we have now. <https://youtu.be/P8vXTdU7B04>

B) Calendar for Provincial Economers: sexennium 2020 – 2026

For the **NEW ECONOMERS** the courses will always be held in Rome at the General House (Sacro Cuore)

2020	7 – 12 september		2022	10 – 15 may
2021	10 – 15 may		2023	15 – 20 may
2024	6 – 10 may		2025	13 – 17 may

For the Provincial Economers of each **Region**, meetings are planned, prepared and led by the Economers of the regions, with the presence of the General Economer and / or his staff at the Headquarter. The foreseen calendar, region by region:

Africa-Madagascar	8 – 12 September 2021	5 – 10 November 2024
America South Cone and Interamerica	23 – 27 November 2021	8 – 12 April 2024
Central and Northern Europe and Mediterranean	To be defined	
Asia Oceania	4 – 6 August 2021	
South Asia	22 – 24 February 2021	

In the years when will take place the "International Conferences on the Economy at the service of the Salesian Charism" (2022 and 2025) and in the year of the Team-Visits (2023) the General Economer will meet the Provincial Economers on this occasion and not in other conferences.

A new tool to form and accompany the Economers will be the international conferences "Economy at the service of the Salesian Charism". All the Provincial Economers will participate together with the leaders of the PDOs and the Mission Offices.

19 – 23 September 2022	Meeting Point Future - International Conference ECONOMY AT THE SERVICE OF THE SALESIAN CHARISM - Salesian University of Rome/Italy
8 – 13 settembre 2025	Before and after the GC29 - International Conference ECONOMY AT THE SERVICE OF THE SALESIAN CHARISM

C) Some reflections about the situation of markets in this moment of crisis due to COVID-19

We all know that COVID-19 has a negative influence on the market. Perhaps in some regions of our Congregation we still do not notice it, but surely there will be a negative trend in the coming months.

Yields on the "safe" bond classes have risen, as investors partly generate liquidity from these bonds, while on the other hand the debt ratios of the states are rising with the extensive fiscal programs. This led to corresponding price losses for bonds with longer durations. The courageous intervention of the central banks also brought this movement to a halt for a short time.

Here is a brief overview of the monetary and fiscal policy measures adopted to date, which could be extended almost indefinitely:

Monetary and fiscal policy measures

Fed: Interest rate cut by 150 bp to 0% key rate

Increase of the purchase program to USD 700 billion

Bill USD Commercial Paper Funding Facility (short-term loans)

Facilitating lending conditions for commercial banks, providing US dollar liquidity through swap agreements with other central banks

ECB: Launches additional purchase programmes worth EUR 120 billion and EUR 750 billion. Additional TLTROs with preferential conditions. Relief for banks' capital provisioning.

Further interest rate cuts in the UK, Australia, Malaysia, Canada, HongKong, Poland, Turkey, Pakistan, Morocco, Tunisia etc.

The measures are going into two directions: the central banks ensure that banks remain liquid and a financial crisis like Lehman Brothers is prevented; governments are fighting against the recession that will be caused by the loss of production and consumption. The most important thing in this context is that companies are kept solvent. If there are many insolvencies, this will in turn affect the banking sector.

Despite the recent stabilization, the global equity **markets and credit markets are still in their downtrend**. Real estate and microfinance investments have so far remained largely unaffected.

With the quarantine measures taken in the countries, the currently still strongly increasing number of cases should gradually decrease. The regularly updated economic forecasts of the institutes currently assume a **significant recession in 2020** followed by a revival in the following years.

Initial hopes are also being pinned on vaccines and drugs, some of which are already in shortened test procedures, but may be available in the second half of the year.

In the short term, developments on the capital markets are likely to remain turbulent. If the growth in infection figures does not decline, a sustained upward trend in equities and corporate bonds seems unlikely. In the medium to long term, however, the prospects remain constructive. After a return to the growth path, the investment trends that have prevailed to date (such as the low interest rate environment) should continue. **In this respect, we do not recommend - despite the current market situation - making hectic or even alarmist adjustments in long-term investment strategies.**

Even though the stock markets have certainly not yet bottomed out and most customers are reacting rather risk-averse: at current levels, it is not a good time to sell. **Customers should hold existing positions**. Customers with further investment plans should rather use this phase to enter the market in several steps. We are very confident that we will see higher prices again over the year as soon as it becomes apparent that we are returning to the growth path. This can be achieved by staggered purchases in funds, but of course also by gradual additions to individual portfolio management.

The situation linked to the spread of the Coronavirus pandemic has **accelerated the phenomenon of the reduction of offers in the Salesian world**. This problem has been involving us since a long time, causing real difficulties. Now, we have not only lost so many dear benefactors, but, the increase of poverty, the loss of work for many people and the new challenges that families are facing ..., will lead to a sharp reduction in funds to make charity.

Another phenomenon not to be underestimated is the collapse of donations to projects. On the one hand, our letters for campaigns in support of projects sent by post do not reach donors as the state postal service and private couriers work slowly. On the other hand, COVID-19 has opened people's eyes, bringing to light the needs of the closest people, of their own street, village or neighborhood. As a result, our projects on the most distant continents will no longer be a priority.

Dear provincial economers, the situation linked to COVID-19 has become a huge challenge for all of us, our PDOs and mission offices. The sustainability of the provinces, with its needs for the formation of young confreres, for the care of the sick and elderly, for the maintenance of the works, must be guaranteed and where we will not be able to do it, **we must have the courage** to take the necessary measures. Up to now Providence has been with us, and I am sure that in the future we will not be left alone. At the same time, however, everyone must realize that nobody can rely on the funds and supports received in the past. **The distribution of the funds of the Rector Major will decrease**, but not entirely, however, as of today, please ask support only in case of real need. In the future, solidarity within the Congregation is destined to change and, in a few years, we could see how the closeness between the provinces, and within the regions, will bear fruit.

D) Organization of the General Economist Office

After GC28, we proceeded to review our staff respecting the Constitutions and Regulations, trying to improve, in order to achieve greater effectiveness, also avoiding a waste of money, time and work energy.

The following persons are present in the General Economist office, in addition to the General Economist (economogenerale@sdb.org) who will be in direct relationship with the provincial economers:

Name	Role	Activities	Email address
Br. Alberto Rodriguez SDB	Treasurer	PDO (BDP, Oficina Desarrollo) Provincial accounts, cash register, IT system, telephony	tesoriere@sdb.org
Fr. Tullio Orler SDB	Secretary	Legislative authorizations, archiving, correspondence	torler@sdb.org
Dr. Fabio Buconi	Assistant	Reports and financial risk assessment of the provinces	rendiconto@sdb.org

E) Conclusion and Easter greetings 2020

I conclude this letter with my request, addressed to all, to pray for the large number of confreres that COVID-19 has taken away from our communities (more than 40 Salesians especially in Spain and Italy). Let's turn to our beloved Artemide Zatti, calling him to stay with all the confreres who find themselves in a difficult situation, because of the virus and for other reasons.

Dear confreres, "God did not send his Son into the world to be judge of the world; he sent him so that the world might have salvation through him" (Jn 3,17). In these days we hear the cry of our young people, friends, confreres and family members not to leave them alone, to safeguard or recover health, to be close - even if we must keep a safe distance.

I hope that these days of preparation and the Holy feast of Easter will help you find the energy for your mission as religious, to feel a depth in faith and above all that you can experience the joy of those who live in the presence of the Risen One.

With a fraternal greeting,



Jean Paul Muller sdb