

**Deeper than expected economic slump seen as gov't counts P2-T losses from COVID-19 crisis**

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The inter-agency Development Budget Coordination Committee announced 13 May that the economy will contract between 2 percent to 3.4 percent this 2020, worse than their original projection of a "zero growth" to a 1 percent decline. Prior to the health crisis, the government was looking to expand the economy by 6.5-7.5 percent.

**Budget Response**

ON THE PHONE: **CARLOS DOMINGUEZ**  
THE PHILIPPINES' SECRETARY OF FINANCE

**PHIL FIN SEC. RELIEF BUDGET WORKS OUT TO ABOUT 5-6% OF GDP**

US\$3.9 billion (with grants and loans from ADB and World Bank)

Relax debt-to-GDP ratio from 41% to 46%

Budget deficit from 3.2% to 5.3%

**The Philippines has 'a lot of headroom' for virus-linked fiscal stimulus: Finance secretary**

**4 Pillar Economic Stimulus and Crisis Response**

First pillar: **P305.2-billion emergency support for vulnerable groups and individuals**, including displaced workers, small businesses and local governments. Includes:

- P205 billion in cash subsidies to 18 million low-income households
- P35 billion in wage subsidy for those employed by micro, small and medium enterprises (MSMEs).
- Up to 1.2 million Filipinos could temporarily lose their jobs amid the pandemic.

Second pillar: **P35.7 billion for health sector**, including health insurance coverage for all COVID-19 payments, special risk allowance, hazard pay and personal protective equipment for front-line health workers, as well as increased testing capacity.

Third pillar includes **fiscal and monetary policies to keep the economy afloat**, worth P830.5 billion, including P310 billion or \$6.1 billion in borrowings from multilateral lenders and bilateral partners.

Fourth pillar—an **economic recovery plan to create jobs and sustain economic growth**—is still in the works.


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**“BUILD BUILD BUILD” could be improved to  
 “BUILD BACK BETTER”?**


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### Lessons from Taiwan: Near 100% health insurance

**Lessons from Taiwan's experience with COVID-19**  
 New Alert issued by Cheng-Ching Tu

**Identical**      **Same**



A staff member of a health care facility in Taipei, Taiwan, wearing a face mask with the national flag design, as protection due to the coronavirus disease (COVID-19) outbreak, at a facility for non-susceptible people, as they wait to make a regular New Year's Eve visit, in Taipei, Taiwan, March 20, 2020. (AP Photo/John Wong)


- Taiwan was well positioned to react quickly and effectively to the COVID-19 outbreak.
- Taiwan's experience with SARS in 2003 helped drive the government to react immediately to the emerging crisis, classifying the unknown disease as "Severe Special Infectious Pneumonia" as early as January 15, before later adopting the name COVID-19.
- Taiwan has a 99.9% national health insurance coverage rate and has been evaluated as the world's best system by [the Global Health Care Index](#).
- Early intervention, a flexible command structure, a comprehensive epidemic prevention strategy, integrated medical big data, and proactive information disclosure


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### Lessons from Vietnam: Transparency and Trust

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**Vietnam's Low-Cost COVID-19 Strategy**

Cases around 1/5 of Singapore despite shared border with China.

**COMMS:** Credited to authorities' focus on communication and public education through technology platforms and systematic tracing of pathogen carriers.

**TRUST:** Citizens have been voluntarily sharing personal health information via a [government-launched app](#) called NCOVI.

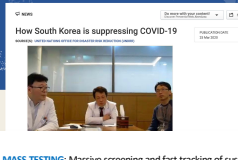
**TRANSPARENCY:** With 65% of Vietnam's 96 million people online, [they](#) successfully shared information about the new virus.


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### Lessons from South Korea: Trace, Test and Treat

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**How South Korea is suppressing COVID-19**


**TRANSPARENCY:** First policy is one of complete openness and transparency in sharing updated information on new infections through the Korean Centre for Disease Control. Key learning from the outbreak of MERS (Middle East Respiratory Syndrome) in 2015 and the result is that there is no confusion among the public. No cities locked down, no transport closed, and international entry open.

**CONTAINMENT AND MITIGATION:** Strong public support on social distancing

**SURGE CAPABILITY:** Triage system was created comprising five isolation hospitals to take care of 19% of cases designated critical and severe, while mild to moderate cases are handled by a network of public community hospitals. Bed spaces have also been created through revamped hotels, gyms and residential centres.


**MASS TESTING:** Massive screening and fast tracking of suspect cases, underpinned by the accelerated production of emergency diagnostic kits with a weekly diagnostic capability of 430,000. Dr. Lee said the main weapon is the diagnostic kits combined with drive-through and walk-through test centres.

Mortality rate at 1.4% compared to a global mortality rate of 4.34%


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### Components of Health Sector Anchored Recovery

- TECHNOLOGY** for rapid testing / Apps for tracking / Real time information sharing / Telemedicine
- TRUST** for compliance with quarantine and willingness to share information (give up privacy for the common good, combined with strong social cohesion and no discrimination)
- TRANSFORM** “brick and mortar” health system to build surge component and emphasize inclusion


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### Why focus on the health sector?

- Consistent with immediate crisis response and recovery objectives to ensure that the health system also recovers;
- Economic recovery period should be underpinned by a test, trace and treat capabilities in the health care system designed to prevent a relapse, or a w-shaped recovery.
- Critical in backstopping psychology of recovery;
- Philippines' healthcare system offers strong investment and growth opportunities as a driver of economic growth.

