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BRACING FOR THE ECONOMIC IMPACT OF COVID-19

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BRACING FOR THE ECONOMIC IMPACT OF COVID-19

A GROWING PANDEMIC

The COVID-19 pandemic has significantly changed the political and economic landscape of the region. While it is clear that COVID-19 has had an immediate impact on healthcare systems and on the health and lives of the people around the world, it is undeniable that it will have long-lasting economic effects as well. As such, this paper focuses on three specific sectors that were severely weakened by the pandemic - trade, tourism and infrastructure - in the Philippine context. The paper also highlights the importance of the private sector in cushioning the impact of the COVID-19 pandemic and provides a thorough discussion of the policy recommendations supported by the Institute.

GLOBAL SITUATION

The coronavirus pandemic has changed the world dramatically. It is the worst crisis that the globe has faced since World War II, according to the United Nations (UN). Since the initial reported cases in Wuhan, China, its rapid global spread has been unprecedented and has brought the world to a standstill.

As of this writing, there have been over 2.6 million confirmed cases and almost 200,000 deaths worldwide. As countries try to contain the spread of the virus, healthcare systems are being challenged and tested as institutions cope with the volume of patients requiring care and treatment due to COVID-19.

However, while it is clear that COVID-19 has had an immediate impact on healthcare systems and on the health and lives of people around the world, it is also undeniable that it will have long-lasting economic effects as well.

The global economy is expected to enter a recession as a result of the pandemic, said to be comparable to the Great Depression in the 1930s. The UN said the measures governments are imposing to control the spread of the virus could bring a recession "that probably has no parallel in the recent past". According to the ASEAN+3 Macroeconomic Research Office (AMRO) Regional Economic Outlook (AREO 2020), "global policy uncertainties remain elevated while business sentiment remains depressed and continues to weigh on investment spending. These uncertainties could exacerbate the current slowdown in the world economy and increase global market volatilities."

According to the World Bank, "GDP projections have already been revised downward for most regions and countries, driven by shocks to both domestic demand and supply and sharp declines in the circulation of goods and services, as well as people and lately capital." Some estimates predict that the pandemic will trim global economic growth by as much as 2% per month and global trade by 13% to 32%.[1]

* THE VIEWS AND OPINIONS EXPRESSED IN THIS PAPER ARE THOSE OF THE AUTHOR AND DO NOT NECESSARILY REFLECT THOSE OF THE INSTITUTE.

CHANGING ECONOMIC LANDSCAPES

In the Philippines, the virus has also taken a toll on the healthcare system and economic prospects. Given the lack of and uneven distribution of health facilities across the country; and disproportionate number of medical professionals to patients, the healthcare system has found it challenging to keep up. Since the first confirmed case in January, the number of cases has since then risen to almost 8,000 cases with fatalities at 530.

IMPLEMENTATION OF ENHANCED COMMUNITY QUARANTINE

In light of the low absorptive capacity of the Philippine healthcare system, the government placed Metro Manila and the entire Luzon island under Enhance Community Quarantine (ECQ) in mid-March to slow the spread of the virus.

During the ECQ, all private establishments were ordered to temporarily close. Only companies providing essential services such as food and medicine, banks, energy, water, and telecommunication services are allowed to stay open.

Mass public transport facilities were also suspended and land and sea travel were restricted. While movement of cargo within and from Luzon was supposed to remain unhampered, there have been reported challenges due to the setup of military-run checkpoints at key points entering and exiting Metro Manila.

THE BAYANIHAN ACT

On March 23, 2020, Congress held a special session to approve the "Bayanihan to Heal as One Act" to help the pandemic. The bill granted the President emergency powers, one of which was the authority to reallocate, realign, and reprogram around PhP 275 million from the national budget. Of this amount, PhP 75 million was to be allocated for emergency health services, while the remaining PhP 200 million was to be allocated for the Social Amelioration Program (SAP). The SAP provides emergency cash aid to low-income families affected by the imposition of the ECQ.

Originally scheduled to end on the 16th of April 2020, the ECQ in Metro Manila and other provinces was recently extended until the 15th of May 2020. The government has promised to continue providing assistance to the millions of low-income families and daily wage workers left without work during the lockdown. However, President Duterte has also warned of funds running low and that programs and projects for 2020 would likely have to be shelved to allocate additional funds for its response.

While the focus of government so far has been on the immediate needs of Filipinos, the prolonged lockdown is expected to have drastic economic implications for the Philippines moving forward.

The island of Luzon alone is inhabited by around 60% of the Philippine population and accounts for 70% of the country's gross domestic product (GDP).[2] The closure of businesses and the restriction on the movement of people and of goods throughout the region will surely impact the growth projections for the country.

According to the Asian Development Bank (ADB), the Philippine economy will slow down to a staggering 2% in 2020, a significant reduction from 5.9% in 2019. This is largely due to slower consumer spending and disruptions in tourism, trade, and manufacturing. In an earlier National Economic and Development Authority (NEDA report, it was reported that there are huge job losses due to the pandemic, along with significant losses in transport, exports, remittances, and consumption if mitigating measures are not implemented.

TABLE 1 . IMPACTS OF COVID-19 TO THE PHILIPPINE ECONOMY
(BY SECTOR)

	Foregone Gross Value Added (in Billions)	% of 2020 Nominal GDP	Impact on Employment (No. of Persons)
Via Transport and Tourism	PHP 77.5 – 156.9	0.4-0.8	33,800- 56,600
Exports	PHP 4.9- 9.8	0.02-0.05	3,000- 6,700
Remittances	PHP3.9-8.5	0.02-0.04	1,700- 4,500
Consumption	PHP45.1 – 93.6	0.2-0.5	16,500 – 62,500
Luzon-enhanced Community Quarantine	PHP298– 1,086.9	1.5-5.3	61,000- 1,000,000
TOTAL	PHP428.7 – 1,355.6	2.1-6.6	116,000- 1,800,000

SOURCE: NEDA (2020)

Image Credit: cpj.org/2020/03/philippines-covid-19-state-of-emergency-includes-p.php

However, the ADB is confident that the economy may recover to 6.5% in 2021 if the pandemic is curbed by June 2020. The international bank further that this rebound will come from expansionary fiscal and monetary policies, a boost in public investment, and in private consumption.

THE PHILIPPINE ECONOMIC STIMULUS ACT OF 2020 (PESA)

This goes without saying that economic interventions need to be studied and considered to provide support to business entities whose operations were heavily affected by the public health crisis and in effect, revitalize the economy. The Philippine Economic Stimulus Act of 2020 (PESA), a consolidated bill of the “National Stimulus Strategy Act” of Rep. Joey Salceda (2nd District, Albay) and the “Economy Moving Forward as One Act” of Rep. Stella Quimbo (2nd District, Marikina City) which earmarks a PHP 370 billion economic stimulus is one of those examples.

The stimulus package cuts across three approaches, namely, transitional, sectoral and structural. Transitional interventions are aimed at mitigating the damages of the public health crisis on the economy and maintain employment levels of a sector or an industry. These are cash and non-cash support of government to business entities and regulatory relief for payment obligations, among others. Sectoral interventions are industry-specific assistance such as micro, small and medium enterprises (MSMEs), tourism, agriculture, export and import industries and other critically-impacted businesses. For instance, government can adopt zero tariff rates on essential imported raw materials; and incentives, loans and training for tourism or agri-fishery enterprises. Structural interventions aim to accommodate any sector or industry through institutionalized mechanisms or existing programs such as the “Build, Build, Build” program, loan guarantee programs and credit refinancing for MSMEs and the coordination of monetary and fiscal policies.

ECONOMIC SECTORS IN PROSPECT

Like many countries around the world, the Luzon lockdown was a necessary measure to slow the spread of COVID-19. This, however, came with a hard cost. In order to provide an understanding on how serious the pandemic is, this paper focuses on three specific sectors that were severely weakened by the pandemic – trade, tourism, and infrastructure.

A. TRADE

The lockdown severely affected economic activities in the nation's capital as businesses and factories shut down and workers laid off from their jobs. Checkpoints severely hampered the movement of both people and goods while land, air and sea travel were restricted.

According to Bangko Sentral ng Pilipinas (BSP), Business Expectations Survey business confidence weakened in the first quarter of 2020. It plummeted from 40.2% to 22.3%, drawing from the effects of the Taal Volcano eruption, the African swine fever outbreaks, and then to the COVID-19 pandemic.[3]

On the other hand, the BSP's Consumer Expectations Survey (CES) revealed that the percentage of households with savings climbed to an all-time high of 37.8% during the first quarter of 2020, from 36.3% of the fourth quarter of 2019. Respondents opted to save money for emergencies, health and hospitalization, education, and retirement, especially with the concerns on the COVID-19 pandemic and the Taal Volcano eruption.[4]

Interestingly, the two surveys were conducted before the Philippine government's imposition of ECQ. As such, both business and consumer confidence are expected to be even bleaker for the second quarter. This is critical as consumption alone makes up 75% of the country's demand-side economic growth.

Before the ECQ took effect in March, preliminary data from the PSA showed that total trade from January 2020 to February 2020 decreased. As such, the effects of the ECQ are expected to be mostly felt in March with lower total trade than in February. The trade gap is also likely to narrow, especially that almost 23% of the country's imports are from China, which was the epicenter and source of the COVID-19 pandemic.

One of the most pronounced consequences of the lockdown across countries was the constraint on the global supply chain from food and other necessities.

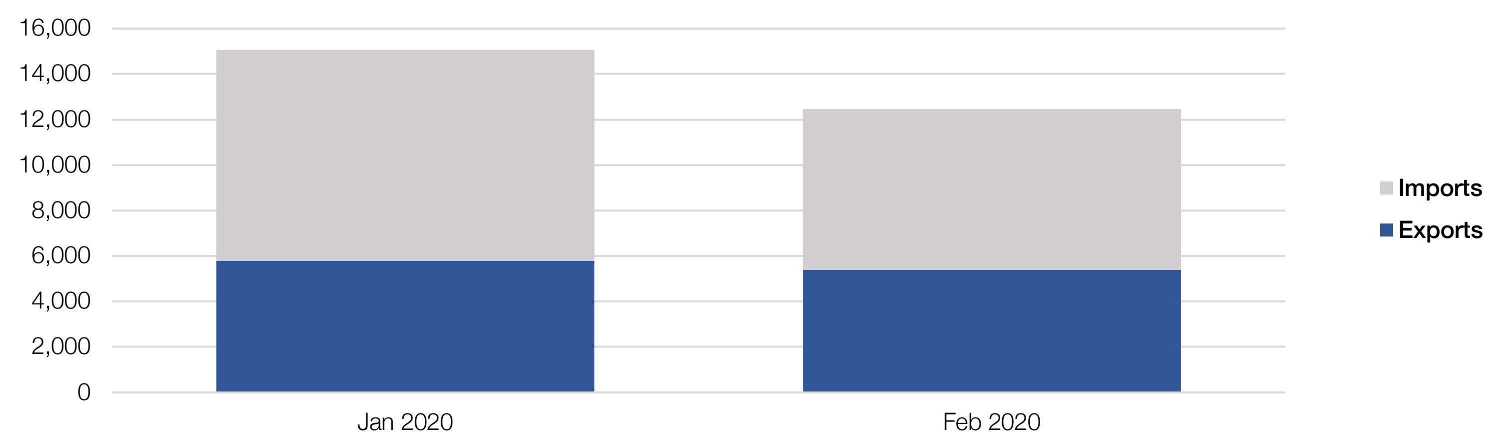
For agriculture, the Food and Agriculture Organization of the United Nations (FAO) said the "protracted pandemic crisis could quickly put a strain on the food supply chains, a complex web of interactions involving farmers, agricultural inputs, processing plants, shipping, retailers, and more." It is important to underscore that the problem is not food scarcity per se, but the movement of such due to border closures, movement restrictions, and disruptions in the shipping and aviation industries.

In fact, tons of vegetables and other agricultural products in the Northern part of Luzon were spoiled and thrown away as farmers were not able to sell their harvest due to movement restrictions.

In manufacturing, the sudden imposition of an ECQ in Luzon, hundreds of manufacturers were forced to shut down temporarily. As of March 20, 2020, some 703 factories had suspended operations.[5]

Exports too have been affected. The export of electronic products, the top export of the Philippines over the years, is unlikely to hit the projected 5% growth for 2020 due to the COVID-19 pandemic,

TABLE 2 . TOTAL PHILIPPINE TRADE: JANUARY-FEBRUARY 2020
(IN MILLION USD)



SOURCE: PHILIPPINE STATISTICS AUTHORITY (2020) according to the Semiconductors and Electronics Industries in the Philippines Foundation Inc. (SEIPI).

The export of coconut oil, which is the country's top agricultural export, is also seen to decline as a result of an oversupply in global vegetable oils complemented by the decline in local copra production. The United States Department of Agriculture-Foreign Agricultural Service (USDA-FAS), estimated that coconut oil exports may decline to 810,000 metric tons (MT), which is 23% lower from last year's 1.025 million MT.

Hampering trade activity especially food and medicine and even other input materials is alarming because it could worsen the crisis. Consequently, this can result in price spikes and increased priced volatility, without proper implementation of price controls (i.e. Memorandum Circular No. 77) for retail prices on basic agricultural and fishery commodities and essential medicines and medical devices.

Despite these, some industries continue to operate amid this crisis, whose losses are expected to be lower. Enterprises exempted from the ECQ are: manufacturing and processing plants of basic food products, essential products, medicine and medical supplies; retail establishments; logistics service providers; hospitals and medical clinics; food preparations and water refilling stations; delivery services transporting only food, water, medicine and other basic necessities; banks and capital markets; power, energy, water, IT, and telecommunications supplies and facilities, waste disposal services; and export and business process outsourcing (BPO) companies.

Furthermore, while Fitch Solutions projects that the country's consumer and retail sector will be one of the sectors to be hardest hit,[6] there was a rise in the use of online retail, specifically online delivery services. Shortly after the ECQ took into effect, the DTI expected a boom in food delivery services, in view of the government's prohibition of dine-in services of restaurants and restrictions in the movement of people.[7] Indeed, according to the Oxford Business Group, take-out and food delivery services continue to thrive in the country.[8] Interestingly, one of the country's largest delivery service providers even launch a new service, which allows users to order grocery items, personal care products, and other necessities.[9]

Non-bank fin-tech solutions have also marked a spike in transactions. Alternative e-wallet facilities have seen record-high transactions as the public divert into online payment means. The quarantine period has undoubtedly forced all enterprises to shift to technology solutions to continue operations, which may be the status quo months or years after the lockdown period. There will be a dramatic change in public mindset to accelerate digital transformation.

DTI Secretary Ramon Lopez has also urged more manufacturers to produce face masks, as demand of households is expected to rise to 1.2 billion pieces per month. This figure excludes the demand for face masks of health care workers.[10] Likewise, pharmaceutical firms part of the Pharmaceutical and Healthcare Association of the Philippines (PHP) vowed to increase their manufacturing capacity to ensure the adequate supply of medicines and medical equipment in the country.[11]

But given the high demand for medical-related supplies, various companies have shifted their operations to address these needs. Some manufacturing companies have repurposed their factories and shifted to producing supplies that are most urgently needed in this time of crisis, such as personal protective equipment (PPEs). A group of garments and wearable exporters begun producing PPE sets, while the an electronics company started manufacturing face masks, face shields, and ventilators.[12]

Aside from these, the country's biggest liquor manufacturers have shifted to producing ethyl alcohol to be donated to various hospitals across the country.[13] Companies that would manufacture such products were offered various incentives, such as exemption from import duties, taxes, and other fees.

TRADE OUTLOOK

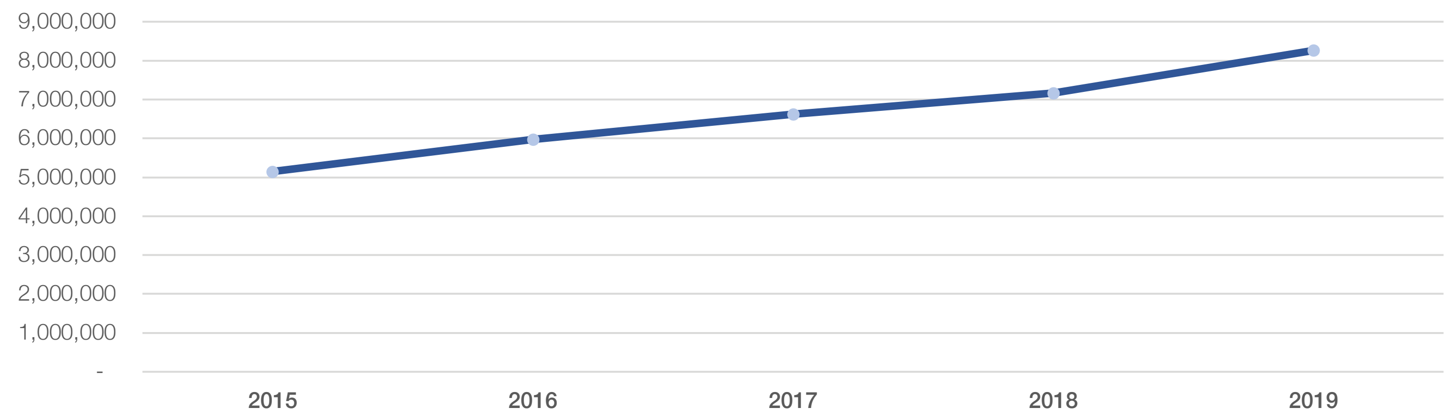
The Inter-Agency Task Force for the Management of Infectious Emerging Diseases (IATF-EID) issued Resolution No. 16 in March 2020, which created the IATF Technical Working Group (TWG) for Anticipatory and Forward Planning. This TWG, which is chaired by NEDA, is directed to "develop detailed recommendations in the rebuilding of consumer and business confidence and the resumption of a new normal state of economic activities, including strategic stockpiling."

NEDA has already conducted two online surveys: a rapid assessment for consumers and policy plan for MSMEs in preparation for the "new normal". The PESA Bill, the economic stimulus package designed to help MSMEs and other business entities as among the hardest hit economically, is being proposed under the House of Representatives.

Despite this, the Institute of International Finance (IIF), a Washington-based global financial industry association, predicts that the Asia-Pacific region, with a growth of 1.4% in 2020, will lead global recovery once the COVID-19 pandemic settles. In fact, according to the IIF, the Philippines will be among the few economies seen to experience some growth in 2020 with the 1% growth forecasted for the country.

Notwithstanding these projections, though, it may be too early to pinpoint clear directions because much can still happen in the

TABLE 3 . TOTAL INBOUND TOURISM, 2015-2019
INDUSTRY GROWTH TREND



SOURCE: PHILIPPINE STATISTICS AUTHORITY (2020)

months ahead. But once the dust settles, there is a high probability that economies would be less reliant on China for trade following the concept of diversification. In fact, Japan already started the move when the government set aside US$ 2.2 billion to incentivize Japanese companies to transfer their operations out of China.[14] This may yet signal the start of a new normal in global trade.

As for the Philippines, this may also be the best time to calibrate its trade equation since its negative balance of trade is caused principally by its skewed high import volume from China, which is twice what the Philippines exports to that country. It can take a closer look at its regional integration commitments and international partnerships as an approach to equitably provide for public goods.

During this critical time of emergency, the government needs to have a rational platform that will hasten the recovery of its economy and the return of Philippine society to its once vibrant shape.

B. TOURISM

The tourism sector has progressively become one of the major growth drivers of the Philippine economy. In the last six years, GDP contribution of the tourism sector has exponentially grown. From 2012 to 2018, Tourism Direct Gross Value Added (TDGVA) to the Philippine economy has increased by 4.73%.

Recently. the Department of Tourism (DOT) reached an important milestone by hitting its target number of inbound arrivals for 2019. Before the pandemic, the outlook for 2020 was ever optimistic with the improved marketing initiatives of the DOT in line with the National Tourism Development Plan (NTDP).[15]

However, given the socio-economic impact of the COVID-19 pandemic, DOT estimated that the tourism sector would lose PhP 42.9 billion in revenues for the next three months, taking into account China's large share of tourist arrivals to the Philippines. Even when things normalize, there is a possibility to consider reduced visitors per tourism site.

On the other hand, NEDA projects a 1.42 million decrease in tourist arrivals if the pandemic continues until June.[16] With the cancellation of 32 routes – equivalent to 8,000 international and domestic flights, the Center for Asia Pacific Aviation's (CAPA), projects that most of the local airlines will be bankrupt by the end of May. Moreover, members of the Air Carriers Association of the Philippines (ACAP) including Cebu Air Inc. and the country's flag carrier Philippine Airlines Inc. have already shut down passenger operations, translating to 30,000 canceled flights and affecting five million passengers.

Given the current situation, it will be a challenge for the tourism sector to stay on track with their targets in terms of revenue generation, employment and tourist arrivals. For inbound tourism, the top markets of the Philippines are currently the pandemic hotspots with China being the source of the outbreak, affecting its East Asia neighbors, South Korea and Japan. Moreover, tourist behavior, both inbound and outbound, is projected to be more on the preventive and conservative side due to the imposed travel restrictions and the increasing number of confirmed cases in the country. This will further spillover to industries that are connected with the tourism sector such as transport and energy, among others.

Furthermore, the ECQ is projected to have a long-term impact on travel-related businesses, including aviation and tourism agencies. Inbound and outbound travel was the first to be cut off in terms of operations, depleting further tourism receipts and income generation for the aviation industry. Aviation companies have restricted their operations to repatriation and cargo efforts for the sustainment of the country's supply chain. It has also resorted to cutting down its labor force and restructuring its operations in order to adapt and minimize further economic damage with the uncertainty of the COVID-19.

Domestic tourism movement has also been restricted due to the non-cross border movement implementation further taking a toll on tourism-related consumption, including land-based transportation, retails sales, hotels, and tour packaging.

TOURISM OUTLOOK

The latest economic assessment of NEDA showed that the tourism sector is projected to lose around PhP 77.5 billion to PhP 156.9 billion (0.4% to 0.6%) of the nominal 2020 GDP. Similarly, the IATA has also estimated a revenue loss of US$ 3.5 billion for the Philippine aviation industry along with a US$ 3.75 billion loss from the 2020 GDP representing 21.9 million passengers.[17] Tourism Secretary Bernadette Puyat assured the public that DOT is continuously monitoring the situation and would provide a wide range of assistance to stakeholders of the country's tourism sector in light of the COVID–19 pandemic.[18]

During the initial stages of the outbreak, DOT and its attached agencies laid out their response and recovery plan to mitigate the impact of the pandemic on the country's tourism sector.[19] The DOT's recovery plan includes the immediate implementation of a moratorium on the collection of accreditation fees from new and renewing applicants from Tourism Enterprises (TEs) and Tourism–Related Enterprises (TREs). In coordination with the Tourism Promotions Board, the DOT has decided to waive the participation fees in international fairs and exhibitions between 2020 and the end of 2021.

To cushion the impact of the pandemic on labor and employment, DOT also submitted the list of displaced workers from various tourism-related enterprises for cash assistance to the Department of Labor (DOLE). The department likewise coordinated with the DOLE to include tourism frontlines among the recipients of Hazard Pay for the duration of the ECQ, particularly those who are employed at accommodation establishments that house health workers and repatriated overseas Filipino workers (OFWs).

In response to the appeal of the country's travel industry, DOT has coordinated with local banks including the Development Bank of the Philippines (DBP) to provide rehabilitation financing support such as the extension of low-interest loans for tourism enterprises that were heavily affected by the pandemic. The department has also communicated with the Social Security System (SSS), PAGIBIG Fund, and PhilHealth for the suspension of tourism workers' contributions. The Philippine government through the DOT assured its tourism stakeholders that it will continue to extend significant assistance to mitigate the economic impact of the crisis on the tourism sector.

C. INFRASTRUCTURE

Along with traditional growth drivers such as consumption and foreign remittances, the Philippines was leaning heavily on its infrastructure sector to boost its economic growth in 2020. Focused on funding the implementation of flagship projects under the "Build, Build, Build" Program (BBB), the Philippine government has allocated 24% (PhP 989.3 billion) of its approved 2020 national budget to infrastructure development.[20]

In particular, the Department of Public Works and Highways (DPWH) and the Department of Transportation (DOTr) were given significantly higher allotments in 2020, securing Php 581.7 billion (25% growth) and PhP 100.6 billion (45% growth) respectively. The steady increase in the budget allocation for the infrastructure sector is in line with the Duterte administration's commitment to upgrade the country's infrastructure and provide interconnectivity between people and communities.[21]

When President Duterte took office in 2016, his economic team launched the BBB program to address the country's underinvestment in the infrastructure sector. Historically, the Philippine government's infrastructure spending to GDP ratio only averaged at 2.6% over the past six administrations. Currently, the infrastructure budget of the Philippines accounts for 4.7% of the GDP and is projected to reach 7% by the end of President Duterte's term in 2022.

Considered the centerpiece of President Duterte's economic agenda, the BBB program is anchored on the implementation of 100 high-impact infrastructure projects that are clustered into five categories: transport and mobility, water, urban development, information and communications technology (ICT) and power. With an estimated cost of PhP 4.2 trillion, these projects are intended to help bring down the costs of production, improve rural incomes, facilitate the efficient movement of goods and people, and generate jobs.

TABLE 4 . INFRASTRUCTURE SPENDING AS % OF GDP
(FIRST TWO YEARS OF EACH ADMINISTRATION)

RAMOS	ARROYO	B. AQUINO	DUTERTE
1993 1.3	1998 1.4	2011 1.8	**2017 6.3**
1994 1.9	1999 1.7	2012 2.0	**2018 6.2**

SOURCE: DEPARTMENT OF BUDGET AND MANAGEMENT

Since its launch in 2016, the BBB program was able to generate more than 4.2 million jobs and construct 9,000 kilometers of roads, 2,000 bridges and 70,000 schools around the country.[22] Of the 100 high-impact infrastructure projects, 46 projects are undergoing implementation and 50 have been targeted for completion by the end of President Duterte's term in 2022.

The pandemic, however, presents potential risks for the country's infrastructure sector. With the ECQ still in place, the ongoing construction of the projects under the BBB program has been placed on hold. These projects include PPP deals proposed by the private sector such as the PhP 734-billion New Manila International Airport in Bulacan and the PhP 102-billion upgrade of the Ninoy Aquino International Airport (NAIA). Although the DPWH is preparing to resume construction once the quarantine is lifted, further delays could have an unfavorable effect on the expected jobs to be generated by the BBB program, its timeframe and overall project management.

INFRASTRUCTURE OUTLOOK

As pointed out, public investment spending on infrastructure will be curtailed as government should prioritize resources for public health. However, this has also put the future projects of the BBB program into question.

Flagship infrastructure projects under the BBB program will be funded by the national budget, multilateral and bilateral development partners as well as the private sector. However, multilateral lenders such as the Asian Development Bank (ADB), the Asian Infrastructure and Investment Bank (AIIB) and the International Monetary Fund (IMF) are currently prioritizing financial assistance for countries that are heavily affected by the pandemic.

In the case of the Philippines' bilateral partners in the BBB program such as China, Japan, and South Korea, these countries are also addressing their domestic COVID-19 outbreaks and may set aside talks about official development assistance (ODA) in the meantime. Even the private sector, which the Philippine government gave more opportunities through PPP deals, may also be tackling financial issues caused by the pandemic on their businesses.

President Duterte has also raised the possibility of canceling major infrastructure projects scheduled in 2020 to free up funds for the country's COVID-19 response. In this regard, there is an immediate need for the Philippine government to reassess available sources of financing given the resetting of priorities due to the public health emergency.

FORWARD MOVING OUTLOOK

> *"A stronger and more effective response... is only possible in solidarity if everybody comes together and if we forget political games and understand that it is humankind that is at stake,"*
> *- United Nations Secretary-General Antonio Guterres*

These are challenging and unprecedented times that require a responsive and decisive government in partnership with the private sector's initiatives and the public's socio-economic needs and demands. This section synthesizes the proposed solutions by different industry organizations, business groups and even research institutions that ADRI believes the government should prioritize moving forward.

First and foremost, the National Government must prioritize revitalizing economic activity without endangering public safety. To spur public investment and consumer spending, economic activities (e.g. production of goods and services, factories and selected offices) must be allowed and encouraged if and only when it is safe and possible to do so. Business entities must put in place health and safety measures such as social distancing protocols so as to minimize transmission risks.

Of course, the government to ease into opening public transportation for workers and employees and removing checkpoints between LGUs given disinfection measures. Securing such supply chains will improve the movement of essential goods and services that are crucial during these times. An alternative option is fast lanes for food and beverage, health personnel, medical supplies, financial institutions, public utilities and many others. This needs to be safeguarded and planned well with safety protocols.

Second, we need to push for more inclusive policies that encourage collaborative work with the private sector, the civil society and media. These three entities have been invaluable in mobilizing food and medical supplies to hospitals and underprivileged communities, sounder and more effective sector-based and community-based policies to widespread information dissemination. To wit, the private sector should be mobilized and incentivized to produce face masks and personal protective equipment (PPE). Supply chain connections can be maximized to import quality medical supplies such as ventilators and other medical equipment.

Third, infrastructure work must be revived but with priority adjustments. The government's "Build, Build, Build" (BBB) Program should also prioritize boosting the efficiency of agriculture and manufacturing supply chains.

Furthermore, this experience should have also taught that stronger and more accessible health systems are necessary. There is a need to unburden and improve the quantity and quality of medical facilities and better pay for medical professionals. Adequate funding for universal

TABLE 5 . ECONOMIC POLICY RECOMMENDATIONS FROM BUSINESS, ECONOMIC, AND ACADEMIC GROUPS

Institution	Statements
Business Groups	
Makati Business Club	• Give SMEs financial concessions • Grant special permits and exemptions from bureaucratic requirements • Minimize disruption to the supply chain • Provide a stimulus package to help businesses • Facilitate aide from foreign countries and multilateral organizations
Philippine Chamber of Commerce and Industry (PCCI)	• Resume railroad projects and maintenance works of the Metro Rapid Transit (MRT) • Revive the BBB program, prioritize projects that boost agriculture and manufacturing supply chains • Refocus growth strategy on the domestic market/food security • Leverage on disruptive technologies to help businesses • More flexible arrangements for MSEs to access loans
Economic Groups	
Foundation for Economic Freedom	• Allow public transport to resume • Remove checkpoints between LGUs to allow free flow of goods • Allow factories and offices to reopen, limit congestion • Allow operation of essential stores like hardware stores, supermarkets, and groceries • Mobilize the private sector to produce face masks and personal protective equipment (PPE), and to use supply chain connections to import ventilators and other medical equipment • Encourage the private sector to provide financial and other assistance • Ensure uniform policy on checkpoints and curfews
Think Tanks and Academe	
Philippine Institute for Development Studies (PIDS)	• A whole-of-government approach: bringing together the resources of different government agencies and harnessing the expertise of the private sector • Revitalize economic activity without endangering public safety • Ensure supply chains remain operational
University of the Philippines - School of Economics	• Secure supply chains and essential services • Distribute emergency financial and non-financial aid • Government to continue to pay its obligation to contractors • Enforce anti-price gouging and anti-hoarding laws • Support agriculture and supply chains • Provided tax relief to SMEs • Improve the ease and cost of doing business • Government to provide emergency loans to SMEs • Targeted tax and non-tax support • Exporters and importers to receive support • Airline industry to receive direct financial relief • BSP to deploy unconventional monetary policy measures • Transparency and accountability
Ateneo de Manila University - Department of Economics & Ateneo Center for Economic Research and Development	• Facilitate the large-scale procurement PPEs • PPP collaboration in delivering health services • LGUs to support the economic and social activities • Expand unconditional cash transfers (UCT) • Initiate and secure domestic production (including agriculture), processing (including food manufacturing), and distribution in close coordination with the private sector • Debt relief to SMEs, housing mortgages and loans • Provide tax credits to firms that continue to pay staff • Assume payment of utilities of up to P500 per household from March to June 2020 or P2,000 per household roughly P50Bn
De La Salle University-Manila Jesse Robredo Institute of Governance (JRIG)	• Establish inter-LGU assistance and cooperation • Initiate/sustain partnership with the local business sector • Undertake regular and frequent updates on the health condition, changing policies and interventions • Access and repurpose local funds

SOURCE: SOURCE: MAKATI BUSINESS CLUB, PHILIPPINE CHAMBER OF COMMERCE AND INDUSTRY, FOUNDATION FOR ECONOMIC FREEDOM, PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES, UNIVERSITY OF THE PHILIPPINES - SCHOOL OF ECONOMICS, ATENEO DE MANILA UNIVERSITY - DEPARTMENT OF ECONOMICS & ATENEO CENTER FOR ECONOMIC RESEARCH AND DEVELOPMENT, DE LA SALLE UNIVERSITY-MANILA JESSE ROBREDO INSTITUTE OF GOVERNANCE healthcare and DOH programs must be revisited and prioritized. According to the PESA bill, the BBB is a mode through which infrastructure projects in universal health care and education, aside from food security, can be planned.

On this note, transparency and accountability will have to be enforced which is supported by a push for stronger e-governance and ICT infrastructure.

Fourth, restoring the economy post-pandemic must focus on easing the cost of business especially for businesses and employment heavily affected. The Bureau of Internal Revenue can support businesses by extending the filing and paying for income taxes and waive corresponding penalties. The government must revisit granting fiscal incentives and transitional support to firms that have been most impacted by the lockdown. Tax and non-tax support should be targeted for industries that have been heavily affected such as restaurants, travel, leisure, hospitality and retail. For instance, the economic slowdown of countries and global disruptions in the supply chain tolled on exporters and importers alike.

Fifth, as the government plans to roll out monetary policy measures to keep the economy afloat, it must also plan for a stimulus intervention such as social safety nets, especially for vulnerable households and communities; and financial accommodation for critically impacted business entities.

It goes without saying that, in line with more transparency and accountability, the government must ensure a favorable business environment such as addressing red tape, relaxing stifling regulations and enforcing one-stop shops for critical sectors.

This public health crisis has changed the country dramatically and has shifted mindsets in finding solutions and working together. With that in mind, this is also an opportunity for the Philippine government to reinvent its public health approaches and integrated with strategic, evidence-based policies on the economy, governance, ICT and even social welfare.

ENDNOTES

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