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Philippines reliance on prolonged lockdowns caused economic deterioration – WB

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4 minutes

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MANILA, Philippines — The Philippines’ reliance on prolonged lockdowns rather than prioritizing mass testing at the onset of the pandemic caused an economic deterioration that it struggles to recover from, even as regional peers are already seeing significant improvements, the World Bank said in a report.

“The Philippines relied more on prolonged restrictions on mobility rather than an effective test-based strategy,” the WB report said, adding that “countries with greater quarterly growth contraction in 2020 had higher infection rates, imposed more stringent mobility restrictions, had more highly indebted governments and were more dependent on earnings from tourism.”

The report also described the relationship between the number of COVID-19 tests conducted and GDP growth among countries in the Asia-Pacific.

According to the WB, the Philippines conducted only 17 tests per confirmed COVID-19 case, way below the testing in Vietnam (4,277), Laos (2,080), China (1,853), Cambodia (897) and Malaysia (244).

Because of mass testing, mobility restrictions were not as severe, resulting in gross domestic product growth for Vietnam (2.9 percent), China (2.3 percent) and Laos (0.4 percent) in 2020. Cambodia's GDP also contracted, but only by 3.1 percent, and Malaysia by 5.6 percent.

The Philippine economy, on the other hand, shrank 9.5 percent, its worst in several decades and the sharpest drop in the region.

Considering all these, the World Bank said only China and Vietnam are expected to grow strongly this year by 8.1 percent and 6.6 percent, respectively.

Meanwhile, the Philippines will remain below pre-pandemic levels until 2022, with a projected 5.5 percent GDP growth this year.

Further, new COVID-19 variants are expected to exacerbate outcomes by impairing vaccine effectiveness and increasing coverage levels needed for herd immunity.

“In countries where COVID-19 control has not been achieved, like the Philippines, rapid vaccination is a priority to reduce high numbers of deaths and pressure on struggling health systems,” the World Bank said.

Trying our best

In response, Malacañang said yesterday that the Philippines has been trying its best and is no longer stuck in lockdown, with the economy remaining open despite stricter mobility rules within the NCR Plus bubble.

“On the prolonged lockdown, this is the reason why we opted not to MECQ or ECQ even if there is a surge in the cases because it is important really to ensure that the economy is open so that our countrymen will not starve,” presidential spokesman Harry Roque Jr. pointed out.

Roque also highlighted the country’s increased number of testing laboratories and daily testing capacity that reached 50,000 tests.

He likewise said that while the country is in negative territory, the economy is starting to grow, referring to a trade department report stating an increase in registered investments, despite the pandemic. – **Christina Mendez**

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