

# PERSPECTIVE

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## **Covid-19's Economic Reckoning in Southeast Asia**

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### **EXECUTIVE SUMMARY**

- Southeast Asian countries have suffered relatively fewer reported cases and deaths from the Covid-19 pandemic compared to the rest of the world. The region's success in containing the pandemic though shows significant cross-country differences.
- Countries that have implemented very stringent measures for an extended period of time – whilst helping to cope with the pandemic – have experienced sharp declines in consumption and investment.
- Sharp contractions in exports have adversely impacted trade dependent economies in the region. However, corresponding large falls in imports have partially neutralised some of these effects though not on unemployment.
- Trade-dependent economies will recover on the back of a global economic recovery, which depends on the availability of vaccines for Covid-19. Indonesia and the Philippines, countries with larger domestic markets and less trade dependence, will need to bring the pandemic under control without resorting to stringent control measures.
- There is emerging evidence that the deep economic contraction in the second quarter of 2020 will lead to a sharp rise in unemployment and poverty. Concerns with large fiscal deficits and rising debt levels could constraint future fiscal stimulus efforts.

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## INTRODUCTION

The Covid-19 pandemic has infected more than 29 million persons worldwide since it was first detected in China in December 2019.<sup>2</sup> To date, more than 940,000 people have lost their lives to the pandemic globally. Southeast Asia has suffered less compared to the rest of the world. Though the region's share of the world's total population is around 9%, its share of Covid-19 cases and fatalities stand at 2% and 1%, respectively. This has been partly due to the early draconian measures that many countries in the region had implemented to flatten the Covid-19 curve. Cross-border travel restrictions and lockdowns froze production activities except for essential goods and dampened consumption - had a significant impact on Southeast Asian economies, particularly in the second quarter (Q2, April to June) of 2020. Though the economic performance of Southeast Asian countries has been fairly dismal in Q2/2020, there are significant differences across these countries. Thus, it is useful to undertake a comparative review of the economic performance of Southeast Asian countries in Q2/2020.

## THE HUMAN COST OF COVID-19

To date, more than four hundred thousand persons in Southeast Asia have been infected with Covid-19 (**Table 1**). Three countries – Indonesia, Singapore and the Philippines – account for 96% of the total cases in the region. The infection rate (cases per million population) observed is likely to be affected by testing rates (**Table 2**). More than 9,800 lives have been lost to the pandemic in the region. Two of the most populous countries - Indonesia and the Philippines -account for 98% of total deaths. Indonesia has the highest average Covid-19 mortality rate (4.1% of cases). Though the number of cases in Singapore is relatively high, its mortality rate at 0.05% is extremely low by the global standard (3-4%).<sup>3</sup>

The progress in controlling the spread of Covid-19 – or the flattening of the curve - has also been very uneven across countries. Various factors account for such differences – spatial distribution of population, economic structure as well as government policy responses. Some of the policy responses that have been effective in coping with the pandemic include quick shutdown of borders, lessons learned from prior-experiences (e.g. SARS in Singapore, Vietnam), robust public health system (Singapore, Thailand, Malaysia), clear government messaging, effective local quarantine and responsive testing/tracing measures.<sup>4</sup> Whilst it is difficult to attribute the progression in Covid-19 cases to specific combinations of policy responses, the effects of some of these policy responses are stark. One useful quantitative measure which encapsulates some of these policies is the Stringency Index.<sup>5</sup> The trends in Covid-19 cases can be contextualised against the government's policies by using the Index (**Figure 1**).

**Table 1: Covid-19 Cases and Deaths in Southeast Asia (as at 23/8/2020)**

	Population ('000)	Cumulative Cases	Cases per million population	Cumulative Deaths	Mortality Rate (%)	New Cases	New Deaths
Brunei	437	143	327	3	2.10	0	0
Cambodia	16,719	273	16	0	0.00	0	0
Indonesia	273,524	151,498	554	6,594	4.35	2,090	94
Laos	7,276	22	3	0	0.00	0	0
Malaysia	32,366	9,257	286	125	1.35	8	0
Myanmar	54,410	444	8	6	1.35	9	0
Philippines	109,581	187,249	1,709	2,966	1.58	4,884	26
Singapore	5,850	56,266	9,618	27	0.05	50	0
Thailand	69,800	3,395	49	58	1.71	5	0
Vietnam	97,339	1,014	10	26	2.56	5	1
Total	667,302	409,561	614	9,805	2.39	7,051	121

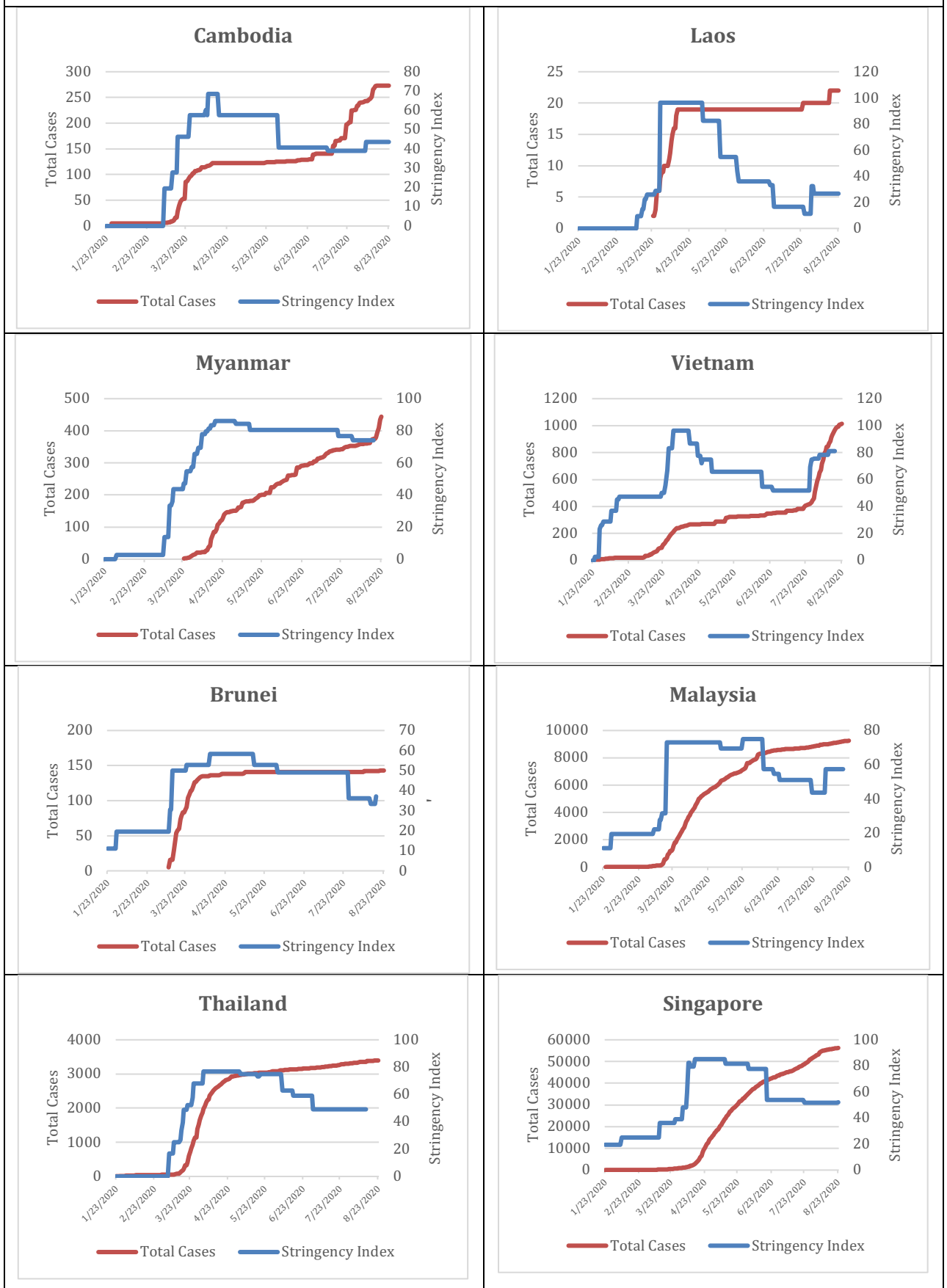
 Sources: <https://covid19.who.int/table> and United Nations: World Population Prospects 2019

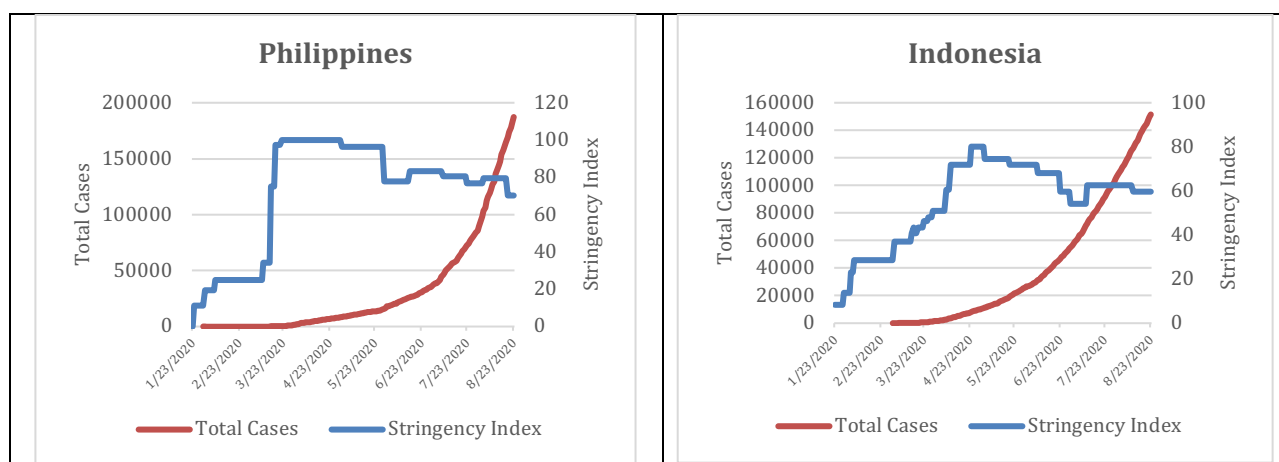
**Table 2: Covid-19 Testing Rates in Southeast Asia**

Country	Date for Testing Data	Total Tests Conducted	Tests per 1 thousand Population
Cambodia	8/9/20	106,529	6.4
Indonesia	20/8/2020	1,969,941	7.2
Malaysia	20/8/2020	1,152,140	35.6
Myanmar*	18/8/2020	139,514	2.6
Philippines	16/8/2020	1,948,932	17.8
Singapore*	18/8/2020	1,745,928	298.4
Thailand*	20/8/2020	789,951	11.3
Vietnam	29/4/2020	261,004	2.7

 Note: \*Tests performed, Source: <https://ourworldindata.org/>

**Figure 1: Covid-19 Cases and Stringency Index**





Sources: Total Covid-19 cases are from <https://covid19.who.int/table> and the Stringency Index is from <https://www.bsg.ox.ac.uk/research/research-projects/coronavirus-government-response-tracker#data>

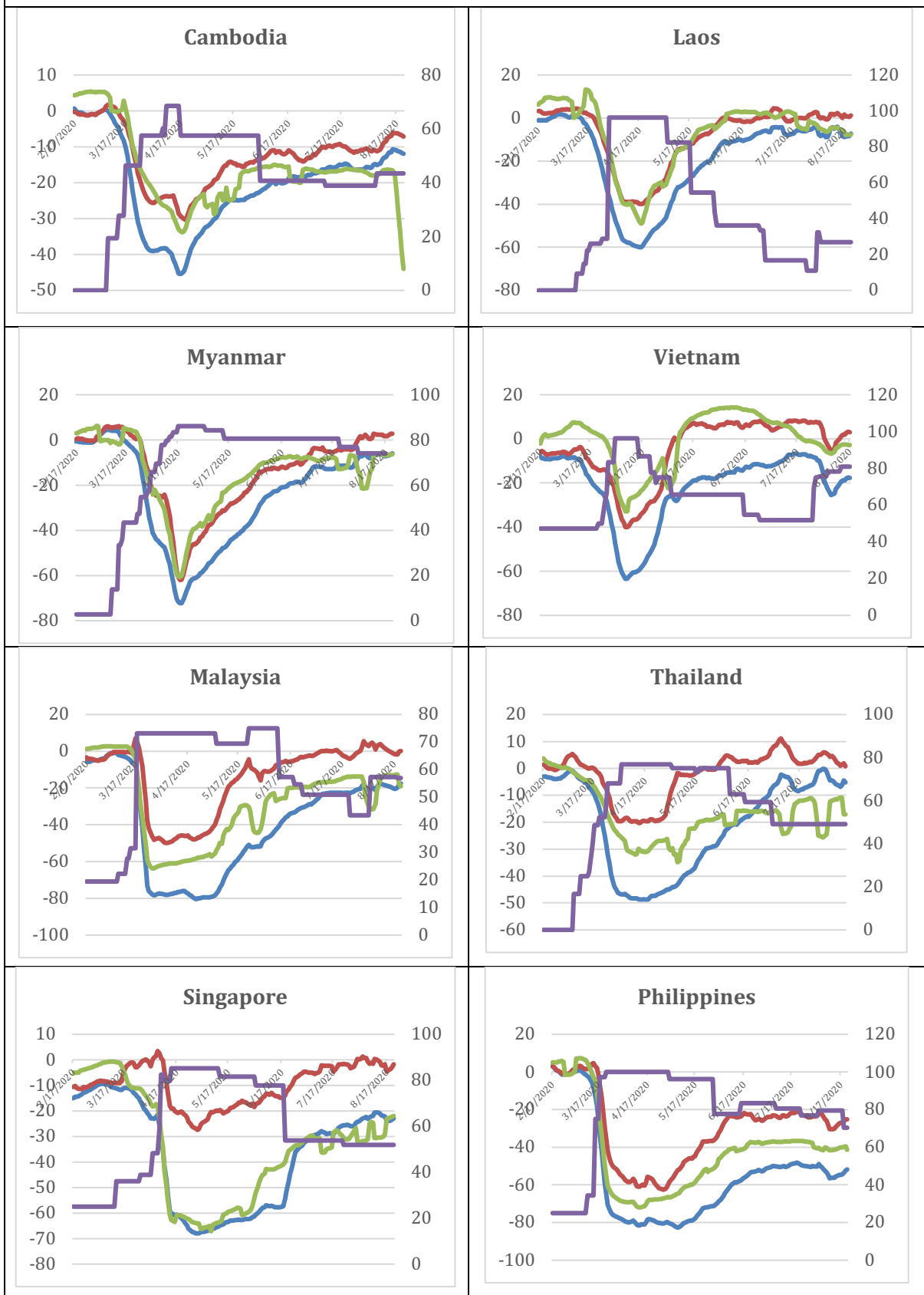
The number of Covid-19 cases in the CLMV countries has been relatively low but there is some degree of uncertainty due to the low testing rate. Looking at the trends in Covid-19 cases, these countries have experienced a second wave of Covid-19 infections, though its timing differs across countries. This could be due to the premature relaxation of containment and closure policies. For other countries, the infection curves indicate that the pandemic is under control in Brunei, Malaysia, Singapore and Thailand.<sup>6</sup> The containment and closure policies were applied intensively and for an extended period in these countries. There appears to be a lack of progress in the containment of the Covid-19 pandemic in Indonesia and the Philippines. The trends in the Stringency Index in these countries indicate that the containment and control measures were relaxed too early or/and not strictly enforced. This could be attributed to these countries having a large informal sector with very limited social protection programs. The low testing rates may also have compounded the problem in these countries.

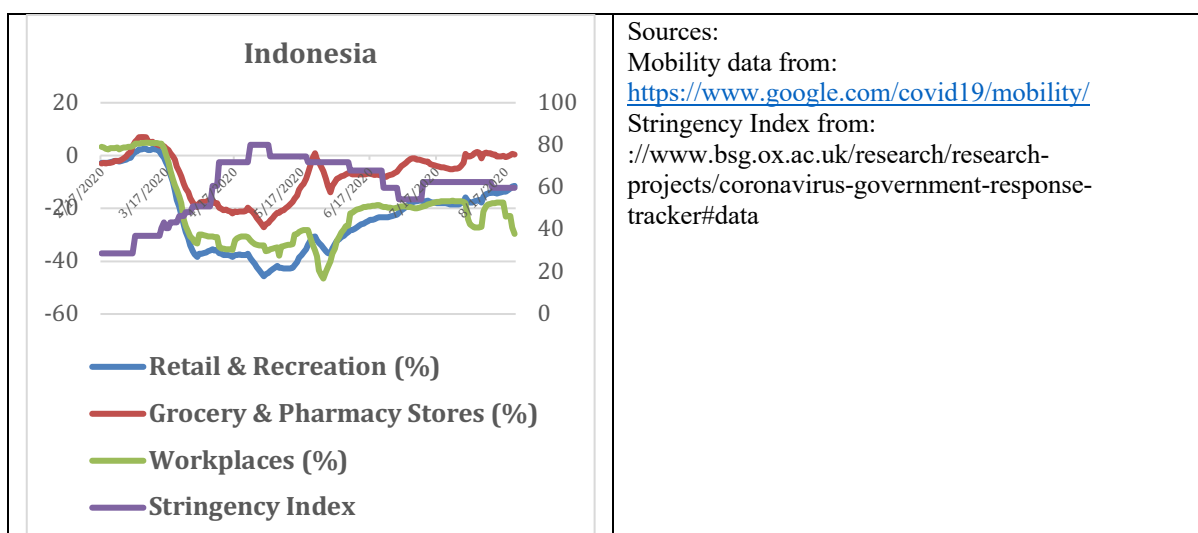
## GOVERNMENT’S ECONOMIC POLICY RESPONSES

The economic cost of Covid-19 is an outcome of the interactions between the pandemic *per se* and governments’ responses to it. The containment and closure measures, in particular, had a severe dampening impact on the economy. These impacts can be seen across Southeast Asian countries in the form of a reduction in mobility in three areas – retail and recreation, grocery and pharmacy stores and workplaces (**Figure 2**).<sup>7</sup> Though cross-country comparison is not possible (due to local differences in location categories), trends in the mobility data do provide useful proxy snapshots of in business activities.

Two dimensions are worth noticing – the extent of the decline in mobility (maximum percentage decline) and the speed of recovery (slope of line after the troughs). The depth of the decline in the mobility in retail and recreation is particularly deep in three countries – Myanmar (-72%), Malaysia (-80%), and the Philippines (-82%). The containment and control measures were also implemented for relatively longer period in these countries. The speed of recovery in mobility appears to be slower in a few countries such as Malaysia, Singapore, Philippines and Indonesia.

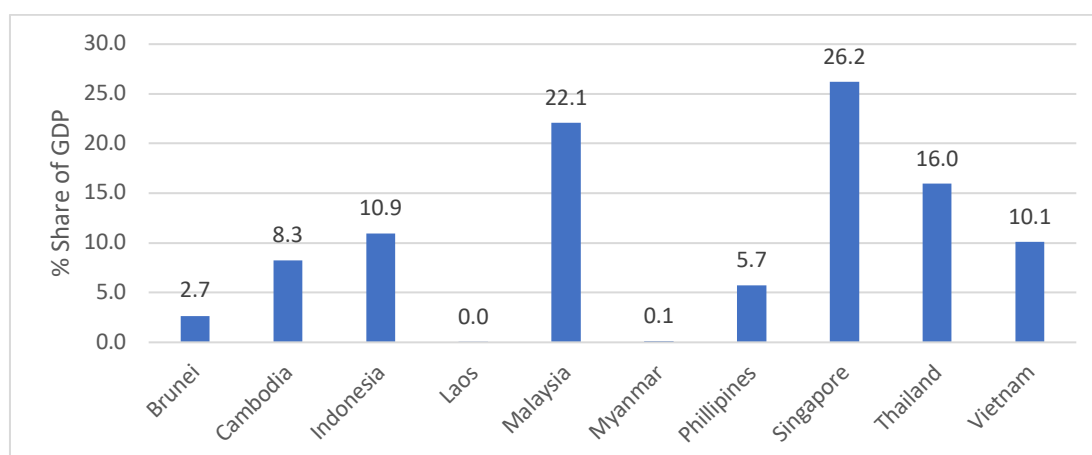
**Figure 2: Impact of Containment and Control Policies Impact on Mobility**





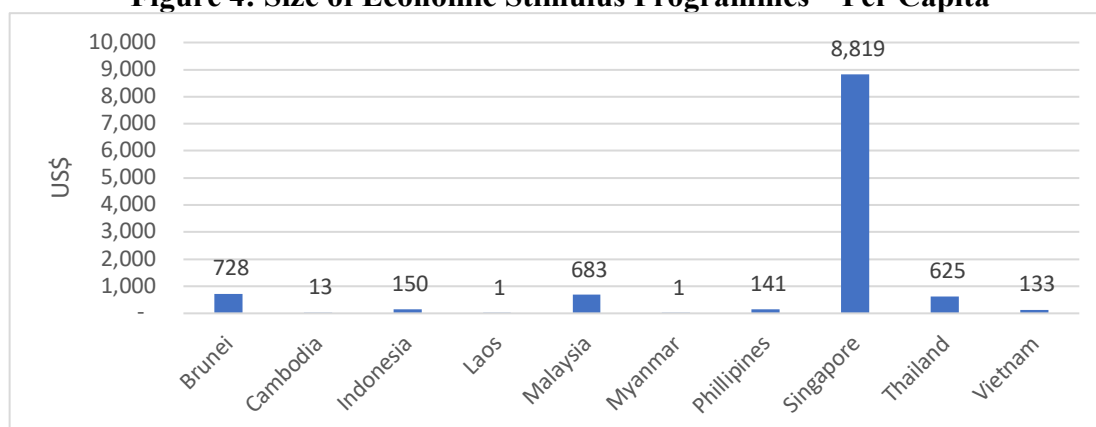
To ease the impact of the containment and control measures as well as jumpstart the economic recovery process, almost all governments in the region have implemented economic stimulus programmes.<sup>8</sup> There are significant variations in the size of the *announced* economic stimulus programmes – in both share of GDP and per capita terms. In terms of stimulus size as a share of GDP, Singapore (26.2%) spent the most followed by Malaysia (22.1%) and Thailand (16.0%) (**Figure 3**). These are the same countries that have also implemented containment and control measures for extended period of time. The cross-country variations are even starker when the size of economic stimulus is measured in per capita terms (divided by population size). Singapore is the exception at US\$8,819. Countries in the second tier spent significantly less at US\$728 for Brunei, \$683 for Malaysia and US\$625 for Thailand (**Figure 4**). There is a tendency for countries with higher number of Covid-19 cases (per capita terms) to spend more (per capita terms). It is worth noting that the actual speed of the fiscal stimulus rollout matters. For example, health and economic stimulus expenditures by the Indonesian government only achieved 34.67% of its allocation for these expenditures by mid-September.<sup>9</sup> Official country data on actual economic stimulus is scarce but statistics on government expenditures provide some indication of this.

**Figure 3: Size of Economic Stimulus Programmes as a Share of GDP (2019)**



Source: Compiled by authors based on ADB database: <https://covid19policy.adb.org/policy-measures>

**Figure 4: Size of Economic Stimulus Programmes – Per Capita**



Source: Compiled by authors based on ADB database: <https://covid19policy.adb.org/policy-measures>

Aside from the amount spent on fiscal stimulus, the manner in which such the expenditures are targeted matters. Typically, these programmes feature direct and indirect financial support to households, loans to the corporate sector well as lower interest rates through monetary policy. The use of fiscal policy to stimulate the economy has involved direct or indirect support for households and firms. Most countries have provided direct income support for households in the form of cash transfers as well as deferral of income tax payments and social security contributions (**Table 3**). The most common indirect support to households has been subsidies for utilities and loan moratorium.

**Table 3: Key Fiscal Measures Targeting Households in Southeast Asia**

	Direct Income Support / Cash Transfer	Deferral of Income Tax	Reduction and Deferral of Social Security Contributions	Subsidize Utilities	Loan Moratorium for Individuals
<b>Brunei</b>	X	X	X	X	X
<b>Cambodia</b>	X		X		X
<b>Indonesia</b>	X	X	X	X	X
<b>Laos</b>	X	X	X		X
<b>Malaysia</b>	X	X	X	X	X
<b>Myanmar</b>	X	X	X	X	
<b>Philippines</b>	X	X	X		X
<b>Singapore</b>	X			X	X
<b>Thailand</b>	X	X	X	X	X
<b>Vietnam</b>	X	X	X	X	

Sources: Covid-19 Crisis Response in ASEAN Member States, OECD 2020, KPMG, ESCAP, media reports

For firms, tax payments and contributions to social security have been deferred in almost all countries in the region (**Table 4**). Governments in the region have also provided financial assistance facilities to support business, addressing their direct working capital requirements, such as through loan and guarantee schemes. Sector-based support has been



an important form of stimulus policy, especially for the tourism and hospitality sectors. These measures include tax deferrals (Brunei Darussalam, Cambodia, Indonesia, Laos, Singapore and Vietnam), low interest rate loans (Myanmar and Singapore), and comprehensive support packages for the entire sector (Indonesia, Malaysia and the Philippines). Governments in the region have also provided support for micro, small and medium sized enterprises (MSMEs). These include loan facilities for working capital (Brunei and Malaysia), temporary bridging loans (Singapore), low interest loans (Brunei and Thailand), loan moratoriums (Brunei, Malaysia and Singapore) and salary subsidies/tax-deductions (Brunei and Thailand).

**Table 4: Key Financial Support Measures Targeting Business in Southeast Asia**

	Deferred Tax Payment	Deferral of Social Security Contributions	Sector based support	Loans support/ interest rate subsidy to SMEs	Capital injection	Import tariff reduction
Brunei	X	X	X	X		
Cambodia	X	X	X	X		
Indonesia	X	X	X	X	X	X
Laos	X	X	X			X
Malaysia	X	X	X	X		
Myanmar	X	X	X			
Philippines	X	X	X			
Singapore	X		X	X		
Thailand	X		X	X		
Vietnam	X	X	X			X

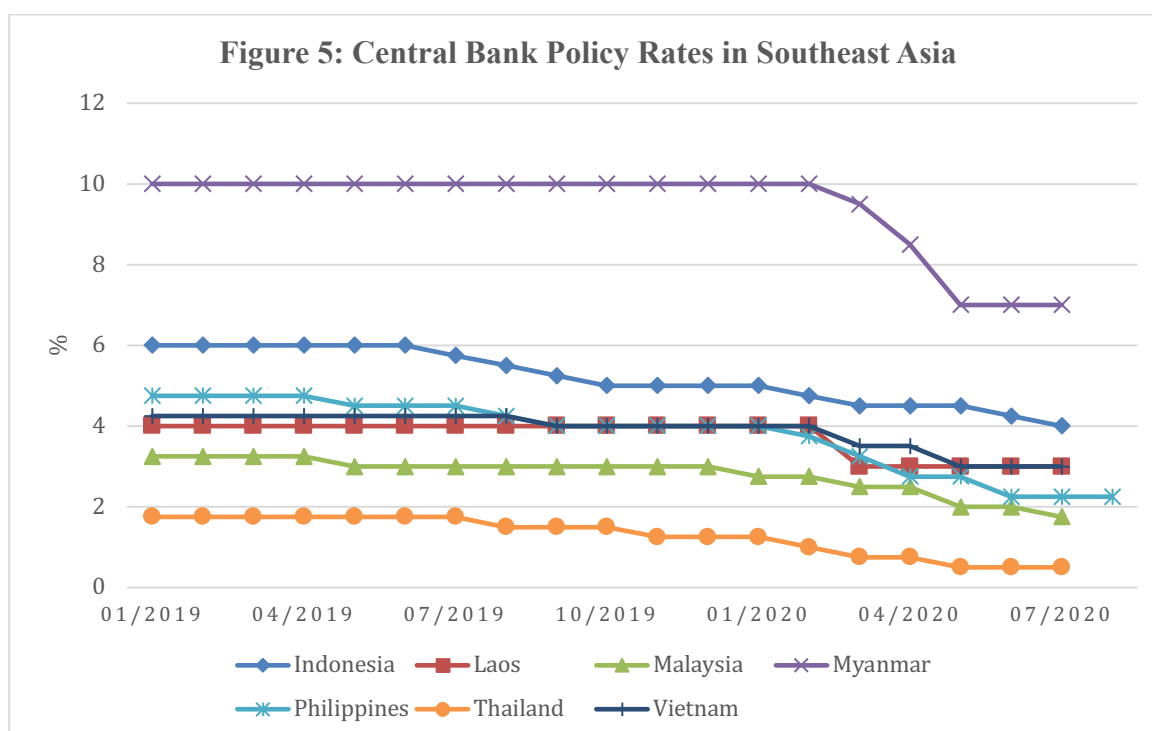
Sources: Covid-19 Crisis Response in ASEAN Member States, OECD 2020, KPMG, ESCAP

Monetary policy has also been used extensively to sustain business operations as well as support the health and stability of the financial sector (**Table 5**). The goals of monetary policy are to ensure sufficient liquidity for the banking system, provide targeted financial support and debt relief or deferral of debt repayments, and in some countries to maintain foreign exchange market stability. Most central banks in the region have adopted expansionary monetary policy stances by cutting interest rates (**Figure 6**), conducting open market operations, and temporarily ease requirements for banks and financial organizations to increase liquidity (**Figure 7**).<sup>10</sup> Many countries are also actively managing the volatility of their financial markets. This is done by reducing the debt burden of businesses (to minimise non-performing loans), temporarily prohibiting short-selling and exempting fees for securities services, among others.

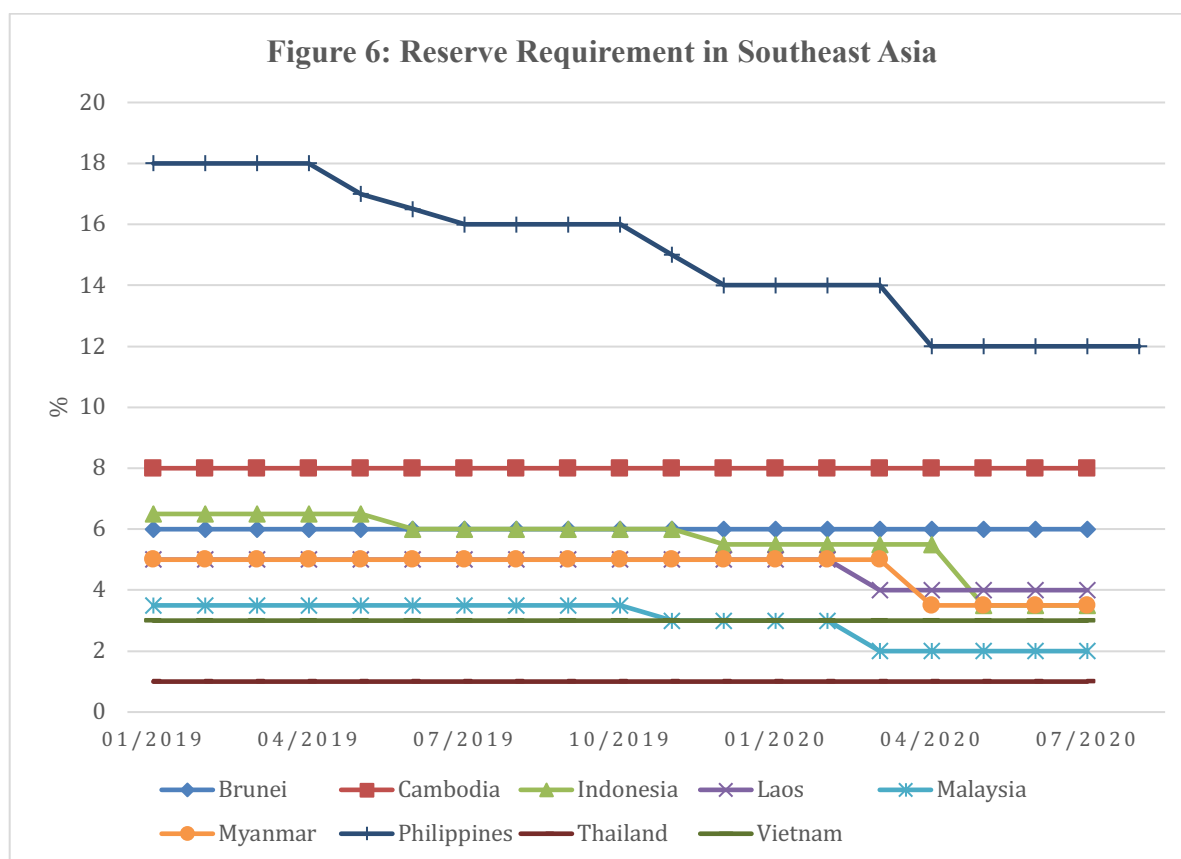
**Table 5: Key Monetary Policy Measures to Address Covid-19 in Southeast Asia**

	Reduction in Policy Rate	Reduction in Reserve Requirement	Purchase of Government Bonds	Exchange rate intervention
<b>Brunei</b>		X		
<b>Cambodia</b>		X		X
<b>Indonesia</b>	X	X	X	X
<b>Laos</b>	X	X		
<b>Malaysia</b>	X	X		
<b>Myanmar</b>	X	X		
<b>Philippines</b>	X	X		
<b>Singapore</b>				X
<b>Thailand</b>	X		X	
<b>Vietnam</b>	X			

Sources: Covid-19 Crisis Response in ASEAN Member States, OECD 2020, KPMG, ESCAP



Source: ASEAN statistics, via CEIC



## ECONOMIC PERFORMANCE IN Q2-2020

Despite the economic stimulus implemented in Southeast Asia, the economic impact of Covid-19 has been very severe in the second quarter (Q2) of 2020. With the exception of Vietnam, the economies of all countries in the region contracted in Q2-2020 based on year-to-year comparisons of Q2 (**Table 6**).<sup>11</sup> Four countries have been particularly hard hit, namely, Malaysia (-17.1%), Philippines (-16.5%), Singapore (-13.2) and Thailand (-12.2%). The severe impact of Covid-19 on some of these countries are likely to have been compounded by the depth and duration of the containment and control measures implemented. These measures – as summarized by the Stringency Index – were less intensely implemented in these countries.

A diagnosis of factors affecting growth can be carried out by decomposing quarter-to-quarter growth by expenditure (**Table 7**). There is significant diversity in the key drivers of economic slowdown across countries in the region. In terms of domestic factors, the contractions in consumption (C) in Q2/2020 were particularly severe in Malaysia, Singapore and the Philippines. The decline in investment (I) emerged to be a serious drag on the economies in the region in Q2/2020, in particular, Singapore, the Philippines, Malaysia and Indonesia. Available statistics also indicate dismal performance in foreign direct investment (**Appendix Tables 1 and 2**).

**Table 6: Real GDP Growth (% , year on year)**

	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020
Brunei	-0.22	6.60	2.13	7.10	2.39	NA
Cambodia	7.05	7.05	7.05	7.05	NA	NA
Indonesia	5.07	5.05	5.02	4.97	2.97	-5.32
Laos	NA	NA	NA	NA	NA	NA
Malaysia	4.54	4.78	4.40	3.55	0.73	-17.07
Myanmar	6.75	6.75	6.75	NA	NA	NA
Philippines	5.74	5.39	6.34	6.66	-0.71	-16.48
Singapore	1.00	0.20	0.70	1.00	-0.30	-13.20
Thailand	2.89	2.44	2.63	1.49	-1.97	-12.16
Vietnam	6.82	6.73	7.48	6.97	3.68	0.36

Source: ASEAN Economic Monitor, via CEIC

The contributions of government expenditures (G) were quite limited during this period. Some would find this surprising given the centrality of fiscal stimulus in jump-starting the economy. This is not a paradox as direct cash transfers to households and firms are technically not part of government expenditure but would appear (partially) as expenditures on consumption and imports. The large contraction in government expenditure observed across many countries in the region implies that governments have found it difficult to undertake direct expenditure related to procurement and projects.

The impact of exports (X) on an economy's growth is a combination of two factors – the volume of exports and the share of exports in the economy. The adverse impact of contractions in exports in Q2/2020 has been particularly damaging for very open economies such as Singapore, Malaysia and Thailand.<sup>12</sup> However, more recent trade statistics do indicate a weak recovery in exports since June.<sup>13</sup>

Unlike exports, imports (M) are leakages to the economy as they involve expenditures on goods and services produced abroad. For many countries in the region, the magnitude of the decline in imports has been large enough to offset the decline in exports, resulting in an overall positive contribution of the trade sector (or net exports, X-M) to the economy.<sup>14</sup> However, the impact of exports and imports on domestic employment is asymmetric as a decline in exports worsens unemployment.

One consequence of economic contraction is unemployment. There have been extensive media reports on job retrenchments in the region.<sup>15</sup> In Malaysia, the number of employed persons declined by 359,000 workers with the unemployment rate rising from 3.5% in Q1/2020 to 5.1% in Q2/2020.<sup>16</sup> In Singapore, 6,700 workers were retrenched in Q2/2020 with the unemployment rate rising to 4% in June 2020.<sup>17</sup> Open economies with small agriculture/rural sector (as a share of GDP), such as Malaysia and Thailand, are particularly hard hit as the sector could provide social protection for unemployed urban workers who move back to villages.<sup>18</sup> Beyond unemployment, the economic contraction in the region is likely to exacerbate poverty levels. In Indonesia, the region's most populous country, an economic contraction of -3.5% will increase the number of poor by some 19.7 million.<sup>19</sup>

**Table 7: Decomposition of Growth (Quarter-to-Quarter, %)**

<b>Indonesia</b>	<b>C</b>	<b>I</b>	<b>G</b>	<b>X</b>	<b>M</b>	<b>GDP Growth</b>
12/2018	-0.3	1.0	3.3	-1.2	-0.4	2.4
03/2019	3.3	-0.3	-5.4	-1.8	4.1	-0.2
06/2019	1.3	0.2	2.8	-0.2	-0.4	3.6
09/2019	2.7	2.4	-0.1	1.9	-1.1	5.8
12/2019	0.4	1.3	3.0	-0.3	-0.4	4.0
03/2020	-1.2	-2.9	-5.0	-1.8	2.4	-8.5
06/2020	-6.7	-4.7	1.3	-3.5	3.8	-9.8
<b>Malaysia</b>	<b>C</b>	<b>I</b>	<b>G</b>	<b>X</b>	<b>M</b>	<b>GDP Growth</b>
12/2018	-2.5	-1.7	3.5	1.0	0.5	0.8
03/2019	1.8	0.6	-3.8	-4.5	5.6	-0.3
06/2019	0.5	1.6	0.1	0.4	-2.3	0.2
09/2019	4.1	-1.4	0.2	0.7	0.0	3.5
12/2019	-1.1	-0.6	3.6	1.3	-1.1	2.1
03/2020	-0.3	-0.9	-3.5	-7.6	5.7	-6.6
06/2020	-15.7	-4.9	-0.4	-12.3	10.2	-23.2
<b>Philippines</b>	<b>C</b>	<b>I</b>	<b>G</b>	<b>X</b>	<b>M</b>	<b>GDP Growth</b>
12/2018	11.8	2.4	1.1	-1.8	1.4	14.8
03/2019	-6.6	-3.2	-1.9	0.9	-2.0	-12.9
06/2019	4.1	3.3	4.4	0.3	1.5	13.6
09/2019	-0.4	1.4	-1.5	0.5	-2.2	-2.1
12/2019	12.0	1.9	2.3	-1.0	1.7	16.9
03/2020	-9.8	-5.8	-2.9	-0.5	3.1	-15.9
06/2020	-7.8	-6.1	6.6	-10.0	13.4	-3.9
<b>Singapore</b>	<b>C</b>	<b>I</b>	<b>G</b>	<b>X</b>	<b>M</b>	<b>GDP Growth</b>
12/2018	2.1	1.2	1.3	-3.0	0.1	1.7
03/2019	-0.1	-0.8	2.6	-10.3	8.4	-0.3
06/2019	-0.2	1.2	-5.1	8.8	-4.4	0.3
09/2019	-0.3	-0.7	1.4	-4.4	3.1	-0.9
12/2019	2.3	0.3	1.3	5.4	-8.3	1.0
03/2020	-3.4	-0.3	2.9	-16.1	11.9	-5.0
06/2020	-10.6	-6.8	-4.4	-26.6	30.4	-18.0
<b>Thailand</b>	<b>C</b>	<b>I</b>	<b>G</b>	<b>X</b>	<b>M</b>	<b>GDP Growth</b>
12/2018	-0.2	2.1	-1.1	0.3	0.6	1.7
03/2019	1.1	1.6	0.6	0.2	3.3	6.9
06/2019	4.2	-0.8	0.3	-3.5	-0.8	-0.7
09/2019	1.3	-0.5	2.0	4.7	-0.5	6.9
12/2019	-0.1	1.8	-1.3	-2.0	0.9	-0.7
03/2020	-2.9	-1.9	-0.8	-3.6	1.8	-7.4
06/2020	-2.7	-1.6	0.4	-17.0	11.9	-8.9

Note: C is consumption, I is investment, G is government spending, X is export, and M is import. We use the current prices of GDP components, Source: Computed by authors using CEIC data

## BALANCING ACT AND LOOKING FORWARD

The economies of Southeast Asia have been compromised during the Covid-19 pandemic. The extent of economic slowdown has varied across countries reflecting the policy choice between containing the pandemic and sustaining economic activities. This challenging balancing act has been affected by both economic openness and the economic resources available to governments (fiscal space). The implementation of stringent containment and control measures have had considerable dampening effects on domestic consumption especially in Malaysia, Singapore and the Philippines. The adverse global environment has also impacted countries especially those that are export dependent such as Singapore, Malaysia and Thailand. These are also countries that have allocated considerable resources to stimulate their economies. Other countries with less trade dependence and larger domestic economy such as Indonesia have opted for less stringent containment and control measures with the consequence of rising Covid-19 infection rates but with a more robust economy.

One emerging concern is the medium to long-term consequences of fiscal stimulus which has resulted in larger fiscal deficits and increased government debt (**Table 8**). Though saving lives is an obvious priority and economic recovery imperative, the spectres of higher debt burden and a lethargic future growth (making it more difficult to service debt) are likely to influence policymakers' perceptions of the possibility of further fiscal stimulus.<sup>20</sup> The option of enhancing the efficacy of fiscal expenditure is also challenging given the difficulty of undertaking administrative reforms in the short-term.

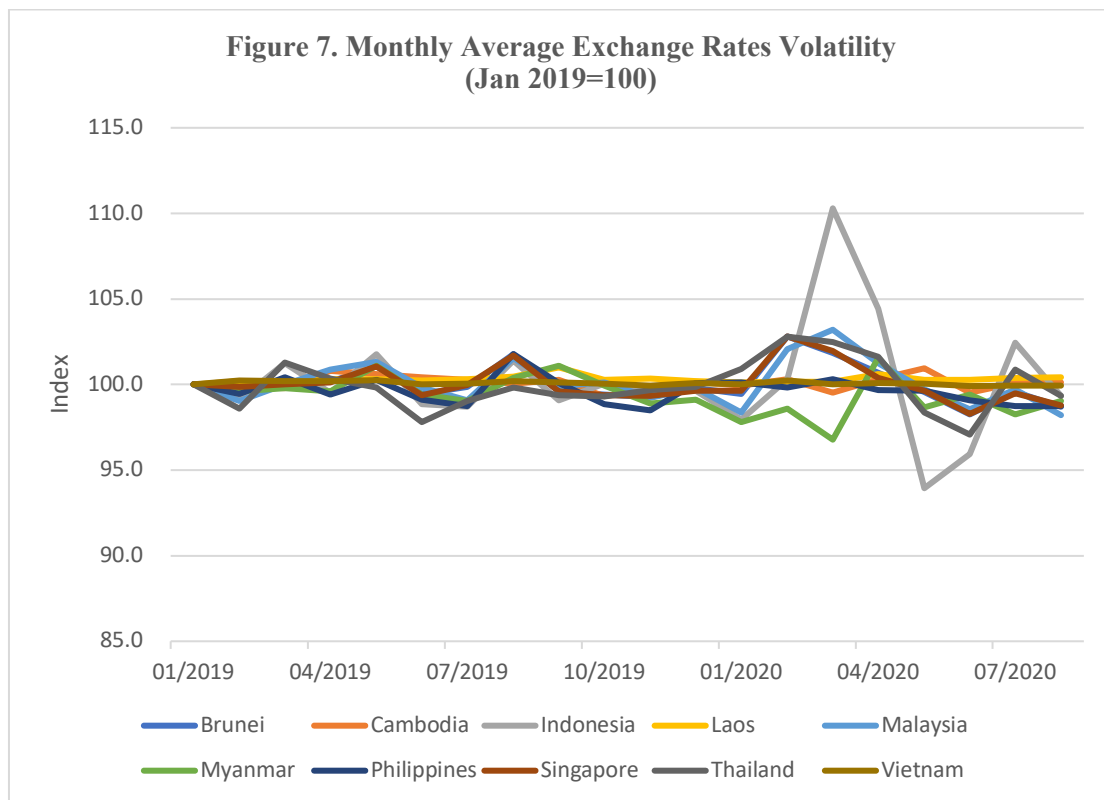
**Table 8: Fiscal Balance and Gross Debt**

Country	General Government Overall Balance (% of GDP)			General Government Gross Debt (% of GDP)		
	2000-07	2020	2021	2019	2020	2021
Singapore	2.8	-3.5	1.8	111.8	113	114.1
Indonesia	-0.7	-5.0	-4.0	30.4	36.9	37.6
Malaysia	-3.8	-4.2	-3.6	57.2	63	59.9
Philippines	-2.4	-3.4	-2.7	38.6	42.9	42.9
Thailand	-0.4	-3.4	-1.7	41.1	48.1	48.9
Cambodia	-3.2	-1.9	-1.7	28.5	31.3	31.7
Laos	-2.6	-6.2	-5.5	60.6	69	68.8
Myanmar	-4.1	-4.7	-4.6	38.2	38.9	38
Vietnam	-1.4	-5.2	-4.1	42.9	45.7	45.5

Note: Brunei Darussalam is grouped into oil producers

Source: IMF Fiscal Monitor, April 2020

The rise in budget deficits could also be problematic for countries with current account deficits that are funded through short-term capital flows. Any capital flight may bring pressure on their currencies resulting in a worsening of USD denominated debt. For example, the Indonesian rupiah has depreciated significantly (by 10%) in March as investor move their portfolio elsewhere. The currency only regained some ground after the central bank intervened by purchasing government bonds (**Figure 7**).



Note: Base month is January 2019=100.  
Source: ASEAN statistics, via CEIC

Looking forward, countries in the region are likely to experience different trajectories. The economic fate of trade dependent countries will depend on the global economy’s performance (Singapore, Malaysia, Thailand and to a lesser extent Cambodia and Vietnam) which in turn will depend on the success on finding a vaccine. For others with relatively larger domestic markets and less trade dependence (Indonesia and Philippines), much will depend on their ability to control the pandemic without resorting to stringent control measures.

In the longer term, the impact of the pandemic on health and human capital is also likely to be important. The policy responses in these areas will affect the capabilities of individuals and firms to create and take advantage of economic opportunities in the future. Thus, governments in the region need to go beyond fire-fighting the current pandemic and start planning for the future despite the deep uncertainties ahead.

**Appendix Table 1: Foreign Direct Investment (year on year, %)**

	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020
<b>Brunei</b>	-92.80	130.92	-74.92	123.04		
<b>Cambodia</b>	8.47	10.60	14.22	25.10	4.11	
<b>Indonesia</b>	25.44	83.60	-12.23	79.58	-30.39	-46.33
<b>Laos</b>	-51.88	-59.75	-79.83	-1.13	41.35	
<b>Malaysia</b>	78.84	-42.48	-58.09	-12.00	-77.41	-94.04
<b>Myanmar</b>	40.35	20.40	100.11	364.68		
<b>Philippines</b>	-11.86	-53.73	-32.01	37.60	-14.21	
<b>Singapore</b>	12.24	13.53	4.45	36.69	-39.80	-31.85
<b>Thailand</b>	-83.48	2.84	39.97	-126.15	444.47	-42.09
<b>Vietnam</b>	3.87	9.37	5.15	-0.82	-6.21	

Source: ASEAN Economic Monitor, via CEIC

**Appendix Table 2: Foreign Direct Investment (USD million)**

	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020
<b>Brunei</b>	24	92	192	66		
<b>Cambodia</b>	920	937	900	912	958	
<b>Indonesia</b>	6,794	7,573	5,970	4,610	4,729	4,065
<b>Laos</b>	169	114	103	171	369	171
<b>Malaysia</b>	5,471	638	592	2,403	1,236	38
<b>Myanmar</b>	508	549	728	507		
<b>Philippines</b>	1,945	1,697	1,564	2,442	1,669	
<b>Singapore</b>	24,639	26,701	26,406	27,731	14,833	18,197
<b>Thailand</b>	669	2,076	4,425	-1,040	3,642	1,202
<b>Vietnam</b>	3,220	3,970	4,080	4,850	3,020	

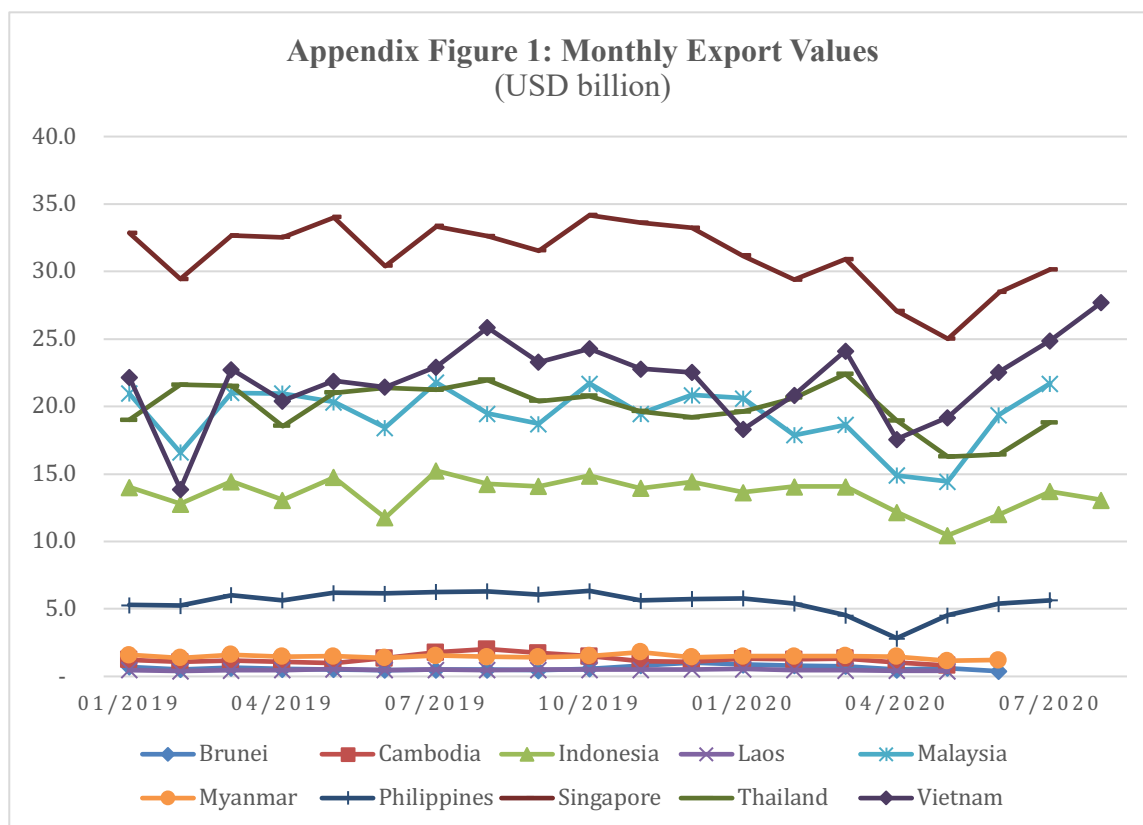
Source: ASEAN Economic Monitor, via CEIC

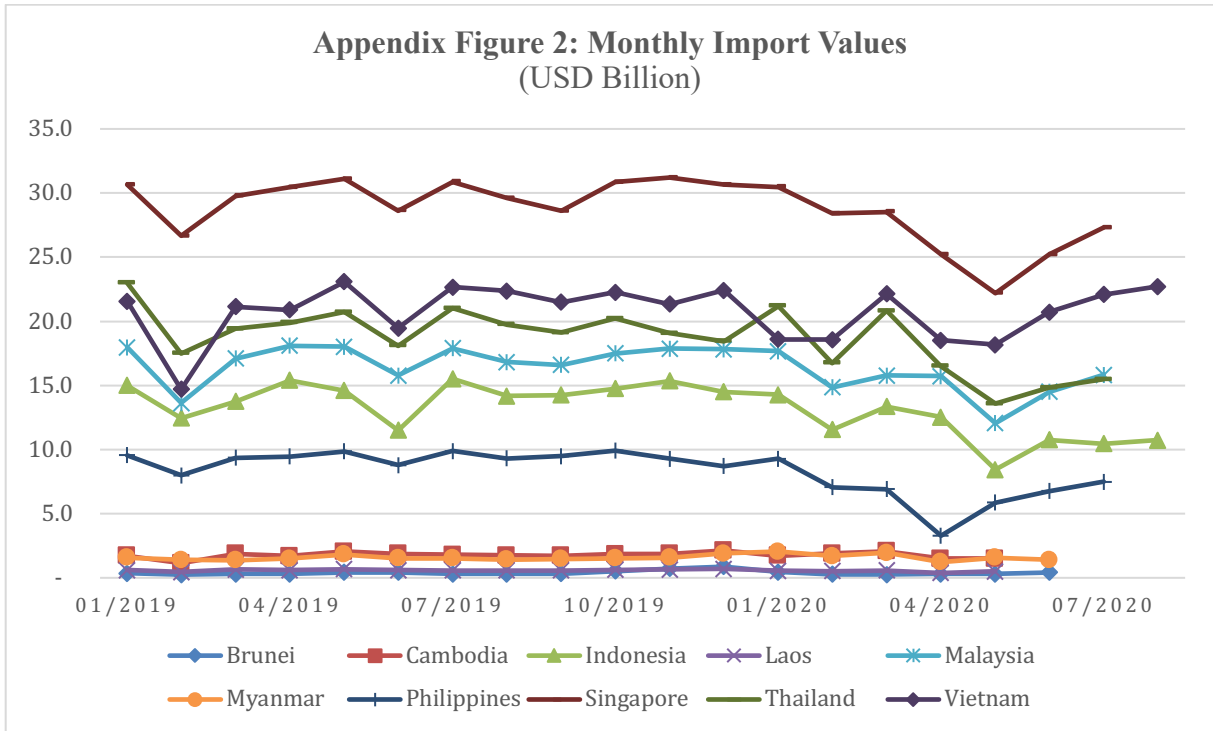


**Appendix Table 3: International Financing for Covid-19 in Southeast Asia (USD million)**

	Asian Development Bank	Asian Infrastructure Investment Bank	World Bank	International Monetary Fund	Total
<b>Brunei</b>					
<b>Cambodia</b>			20		<b>20</b>
<b>Indonesia</b>	1,500	1,000	250		<b>2,750</b>
<b>Laos</b>	20		18		<b>38</b>
<b>Malaysia</b>					
<b>Myanmar</b>	250		50	356.5	<b>656.5</b>
<b>Philippines</b>	1,700	750	100		<b>2,550</b>
<b>Singapore</b>					
<b>Thailand</b>	1,500				<b>1,500</b>
<b>Vietnam</b>		100			<b>100</b>
<b>Total</b>	<b>4,970</b>	<b>1,850</b>	<b>438</b>	<b>356.5</b>	<b>7,614.5</b>

Sources: <https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-covid-19-coronavirus-projects-list>; <https://www.adb.org/news/features/adb-support-recovery-covid-19-pandemic-asia-and-pacific>; <https://www.aiib.org/en/projects/list/index.html?status=Approved>, and; <https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker>





Source: ASEAN Economic Monitor, via CEIC

<sup>1</sup> The authors would like to thank the following people for their comments and suggestions: Hal Hill, Jayant Menon, Michael Schaper, Francis Hutchinson, Lee Hwok Aun, Sharon Seah, Nicolas Lainez, Manggi Habir and Sithanoxay Suvannaphakdy. The usual caveat applies.

<sup>2</sup> <https://covid19.who.int/>

<sup>3</sup> WHO estimates available at <https://www.who.int/>

<sup>4</sup> The authors thank Hal Hill for his insights on this.

<sup>5</sup> The Stringency Index is constructed based on nine areas: 1. School closing 2. Workplace closing 3. Cancel public events 4. Restrictions on gathering size 5. Close public transport 6. Stay at home requirements 7. Restrictions on internal movement 8. Restrictions on international travel 9. Public information campaign.

<sup>6</sup> The high number of Covid-19 cases in Singapore is primarily due to its spread in foreign worker dormitories which are physically separated from the wider community. In the period from 31 March 2020 to 24 August 2020, foreign workers residing in dormitories accounted for 94.5% of the 55,559 cases detected during this period.

<sup>7</sup> The Google mobility data measures percentage changes in visitor numbers to specific categories of location relative to baseline day before the pandemic outbreak.

<sup>8</sup> A relatively small proportion of government expenditures during the pandemic period targeted the health sector e.g. testing, treatment, prevention and control. The share of health support to total government expenditure averaged around 3% in the region.

<sup>9</sup> “Realisasi Anggaran Pemulihan Ekonomi Baru 34,67 Persen”, at:

<https://www.cnnindonesia.com/ekonomi/20200916173105-532-547338/realisasi-anggaran-pemulihan-ekonomi-baru-3467-persen>, Accessed 17/9/2020.

<sup>10</sup> Singapore monetary policy has focused on managing its exchange rate against a trade-weighted basket of currencies. By ensuring that its exchange rate remains stable and low, Singapore runs an accommodative policy stance.

<sup>11</sup> The use of year-to-year GDP statistics entail comparisons of GDP in Q2/2020 with Q2/2019 etc. Quarter-to-quarter analysis of growth compares Q2/2020 with Q1/2020 etc.

<sup>12</sup> The exception is Vietnam – see Appendix Figure 1.

<sup>13</sup> See Appendix Figure 1.

<sup>14</sup> The exceptions being Thailand and Malaysia.

<sup>15</sup> <https://www.straitstimes.com/asia/se-asia/thailand-may-lose-2-million-jobs-due-to-coronavirus-planning-agency>; <https://hrmasia.com/8-million-people-could-lose-jobs-in-the-philippines/>; <https://www.thejakartapost.com/news/2020/04/14/millions-to-lose-jobs-fall-into-poverty-as-indonesia-braces-for-recession.html>; <https://www.malaymail.com/news/malaysia/2020/06/03/covid-19-malaysian-job-losses-could-hit-over-two-million-new-survey-finds/1871989>.

<sup>16</sup> Labour Market Review, Q2/2020, Department of Statistics, Malaysia.

<sup>17</sup> Seasonally adjusted data from the Labour Market Advance Release, Q2/2020, Ministry of Manpower, Singapore.

<sup>18</sup> We thank Hal Hill for this insight. For supporting media report, see: Kompas.com. “Tak Lagi Punya Penghasilan, Alasan Banyak Warga Tinggalkan Jakarta dan Pilih Mudik”, 20 April 2020. <https://megapolitan.kompas.com/read/2020/04/20/21525251/tak-lagi-punya-penghasilan-alasan-banyak-warga-tinggalkan-jakarta-dan>. Accessed 16 September 2020.

<sup>19</sup> Suryahadi, Asep, Ridho Al Izzati and Daniel Suryadarma. (2020). “The Impact of COVID-19 Outbreak on Poverty: An Estimation for Indonesia”, *Bulletin of Indonesian Economic Studies*, 56(2):175-192.

<sup>20</sup> International agencies such as the ADB, AIIB, World Bank and IMF have provided some financial assistance. See Appendix Table 3.

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