
Covid19 impact on Southeast Asian Economies



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Forecasted impact of Covid19 on Southeast Asia

GDP GROWTH AND PROJECTED GROWTH RATES FOR SOUTHEAST ASIA, % PER YEAR

	2018	2019	2020 forecast				2021 forecast	
			IMF	ADB	WB Baseline	WB Lower-case	IMF	ADB
Southeast Asia	5.1	4.4		1.0				4.7
ASEAN-5*		4.8	-0.6				7.8	
Brunei	0.1	3.9		2.0				3.0
Cambodia	7.5	7.1		2.3	2.5	1.0		5.7
Indonesia	5.2	5.0	0.5	2.5	2.1	-3.5	8.2	5.0
Lao	6.2	5.0		3.5	3.6	2.2		6.0
Malaysia	4.7	4.3	-1.7	0.5	-0.1	-4.6	9.0	5.5
Myanmar	6.4	6.8		4.2	3.0	2.0		6.8
Philippines	6.2	5.9	0.6	2.0	3.0	-0.5	7.6	6.5
Singapore	3.4	0.7	-3.5	0.2			3.0	2.0
Thailand	4.2	2.4	-6.7	-4.8	-3.0	-5.0	6.1	2.5
Vietnam	7.1	7.0	2.7	4.8	4.9	1.5	7.0	6.8

*The ASEAN-5 is Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Sources: International Monetary Fund, *World Economic Outlook, April 2020*, (Washington, D.C.: IMF, 2020), <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>; Asian Development Bank, *Asian Development Outlook (ADO) 2020: What Drives Innovation in Asia?* (Manila: ADB, 2020), <https://www.adb.org/sites/default/files/publication/575626/ado2020.pdf>; World Bank, East Asia and Pacific Economic Update, April 2020: *East Asia and Pacific in the Time of COVID-19*, (Washington, D.C.: World Bank, 2020), <https://openknowledge.worldbank.org/handle/10986/33477>.

Country specific impact

- Hardest hit will be Thailand, which was already struggling in 2019 and early 2020 with a severe drought, budget delays, and a strong currency and was somewhat slow to respond to the onset of the pandemic.
- Vietnam stands out in all these forecasts as the only ASEAN economy to maintain moderate growth in 2020, and is expected to strongly rebound in 2021.
- The rest of Southeast Asia expects negative to moderate growth depending on the impact of the 2nd wave of the Covid.

Open vs Command Economy response

Singapore

- Widespread temperature-taking and testing
- Contact tracing with high tech tools
- Targeted quarantine measures for confirmed cases, those in contact with them, for returning travelers.

“open for business”

Vietnam

- Closed non-essential businesses and schools
- Enacted large-scale quarantines (sometime as long as 21 days)
- Tens of thousands of people have been placed in quarantine camps for returning travelers.

“strict control”

Best & Worse in Response to Covid: Thailand?



Best?

- Model health care system in Southeast Asia
- Investment in health security capacity:
 - Monitoring and tracking cases of infectious disease,
 - Epidemiological training,
 - Lab testing, and
 - Electronic surveillance reporting.

Worse?

- State of Emergency until May 31, 2020
- Can arrest and detain those charged with sharing supposedly “false” information
- Alcohol ban extended until April 30, 2020

Source: [Amy Searight](#), CSIS, 20 April 2020

Supply chain issues in summary...

- Food supply chains are vulnerable and stressed during this pandemic
- Overly restrictive lockdowns seriously disrupt food supply chains in Southeast Asia's mega-cities:
 - Greater Jakarta (over 35 million inhabitants),
 - Manila (over 21 million inhabitants),
 - Greater Bangkok (over 16 million inhabitants)
- This can lead to famine among the urban poor and migrant workers