

Chapter 2

Policy priorities in response to COVID-19 in Emerging Asia

This chapter presents policy priorities for coping with the social and economic impact of COVID-19 in Emerging Asia. It describes how the crisis has transformed the use of digital tools and the opportunity this presents for the region's tech sector. The chapter outlines the region's efforts to deal with the pandemic's devastating effects on travel and tourism. It examines in detail the health aspect of the crisis, including regional and international efforts to redress shortages of medical staff, healthcare facilities and supplies. The chapter also describes how region-wide initiatives for fighting the pandemic strengthened after a slow start. In all of these areas, it provides suggestions for forward-looking policies to be put in place in case of future outbreaks.

Introduction

Timely and effective policy responses are necessary to deal with the economic and social impact of the COVID-19 pandemic. All countries in Emerging Asia have implemented measures to ease the economic shock, including stimulus packages. However, lessons learned as the pandemic swept the region and the world indicate the need for more broad-based economic policies to hold up growth. This chapter examines policy priorities for coping with the pandemic's impact in Emerging Asia. The crisis demonstrated the importance of digitalisation, which became imperative during confinement to guarantee the continuity of essential services. Looking forward, policy makers need to maximise the use of digital tools, while at the same time ensuring cyber resilience. In the tourism sector, which was badly affected, emergency support measures need to be supplemented with a more holistic longer-term strategy. The health sector needs policies not only to curb the spread of the virus, but also to prepare healthcare systems for potential future outbreaks. Regional initiatives to deal with the pandemic and its effects are currently underway and need to be strengthened.

Surging demand for digital tools creates an opportunity for Emerging Asia

The COVID-19 crisis will negatively impact almost the entire commercial sphere in 2020. However, it will also lead to lasting transformations that should benefit certain sectors, starting with technology and firms that enable online and technology-based services (Box 2.1). Indeed, the health crisis pushed employees, households, businesses and students into a digital world. Digitalisation allowed telework and online platform applications to proliferate while people were confined to their homes. Demand for digital work and non-professional applications ramped up as lockdown measures took effect globally. These include apps to assist business continuity and online learning, and to provide households with alternative solutions, including online transactions more generally. New telemedicine online platforms were also introduced.

Box 2.1. Tech businesses emerge as winners during the COVID-19 period

The use of online services for virtual meetings and teaching increased sharply during the COVID-19 crisis and could become the new norm over time. This will boost demand for ADSL connections, semiconductors, connectivity, software and social networks. The video conferencing technology firm Zoom Video Communications Inc. is one of the major winners in this field. The US software firm derives approximately 8% of its global revenues in the Asia-Pacific region, according to Zoom's March 2020 filing. The company has seen its stock price soar by more than 126% since the beginning of 2020. Tech firms in Emerging Asia could take advantage of this expanding market. China's Tencent Holdings Ltd. recently rolled out Tencent Meeting, a global video conferencing tool. It amassed more than 10 million daily active users in China between December 2019 and January 2020, according to its March 18 earnings release. The stock price of Tencent Holdings Ltd. has risen by nearly 42% year-to-date as of 22 July 2020.

Driven by containment measures to curb the spread of the virus all over the world, the gaming industry also saw record-breaking figures. From 16 to 22 March 2020, for example, 2.74 million video games were downloaded in EMEAA (Europe, Middle East, Asia and Africa), an increase of 52.9% over the previous week, according to the specialised site GamesIndustry.biz. Although two new games were released in that period, the phenomenon is linked to COVID-19 lockdown measures. In addition to the rise of the market for console and PC games, mobile games also reached historic levels. According to the App Annie market observatory, weekly mobile game downloads

Box 2.1. Tech businesses emerge as winners during the COVID-19 period (cont.)

increased by 30% in March 2020, compared to the entire fourth quarter of 2019 (App Annie, 2020). According to the same source, India was one of the largest markets in terms of game downloads on Google Play, while China was the largest market in terms of consumer spending on iOS. Average weekly game downloads in China rocketed by 80% in February 2020 compared to the same period in 2019, with consumer spending up by 15% from Q4 2019.

E-commerce was another winner. In the week of 22 March 2020, weekly downloads for shopping applications in Thailand increased by 60%, according to App Annie, as cited by S&P Global Market Intelligence, while Indonesia, Singapore and Viet Nam each recorded a 10% increase in weekly downloads. Lazada Group SA, one of Southeast Asia's largest online platforms, announced that its "See-Now-Buy-Now" livestreaming feature recorded an active audience of more than 27 million across Southeast Asia in April 2020, and that the gross value of merchandise generated increased by 45% month-on-month. E-grocery is a segment of e-commerce that could experience considerable growth in the post-crisis period. Lazada Group opened a virtual store in Malaysia to link farmers with consumers, who bought 1.5 tonnes of vegetables a day on average (Bloomberg, 2020a). Lazada has opened new grocery outlets in Indonesia, Malaysia and Viet Nam since the start of the pandemic, expanding from the Philippines, Singapore and Thailand.

Food delivery services are not new in Southeast Asia, but their reach broadened during the crisis, supported by mobile phone applications and the use of smartphones. With restaurants banned from serving food on their premises, one of the largest players in Southeast Asia, the ride-hailing service provider Grab enjoyed a surge in orders. Its Indonesian arm, Grab Indonesia, reported a 22% and 21.5% increase in GrabMart and GrabExpress orders, respectively, from February to March 2020. With corporate funding conditions showing signs of tightening, a number of companies in the food delivery segment secured financing from local venture-capital and angel investors. An example is Indonesia's ride-hailing and food delivery firm GoJek, which raised USD 1.2 billion in March 2020, one of the largest funding deals to emerge since the COVID-19 outbreak in January (Bloomberg, 2020b). Another example is CloudEats, a cloud kitchen start-up based in the Philippines. CloudEats announced in April that it had raised USD 1.4 million in a seed-financing round, enabling the company to finance its expansion across the Philippines and Southeast Asia (Tech in Asia, 2020).

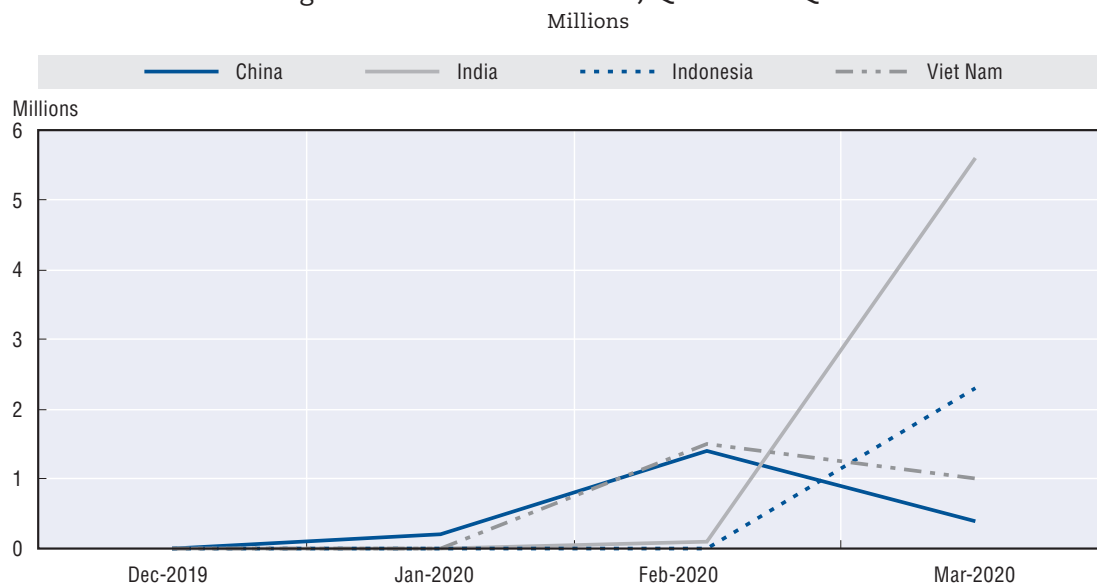
Traditional supermarket chains also saw a rise in sales as customers rushed to stock up on food, cleaning products and hand sanitiser in April. In countries where geography complicates online deliveries, such as the Philippines, brick-and-mortar supermarket chains remained consumers' preferred choice. Robinsons Retail Holdings, owner of one of the largest supermarket chains in the Philippines, reported a 45% increase in net income in Q1 2020.

Video conferencing expands dramatically to counteract economic disruption

A massive increase in video conferencing is one of the most notable results of the pandemic. This technology proved to be the ultimate solution for remotely connecting people during the lockdown. The surge in demand for online communication apps in Asia and across the world was met by Zoom, Webex, Cisco, Microsoft Teams and BlueJeans among other tech firms. Zoom in particular saw a huge growth in demand in the first quarter of 2020 and in Emerging Asia, China, India, Indonesia and Viet Nam saw a spike in Zoom downloads. India recorded the largest number, with nearly 6 million downloads compared to 0.1 million prior to the onset of COVID-19 (Figure 2.1). Daily users of Zoom

expanded in India from 10 million to more than 300 million between March and May. This accelerated uptake was driven by a young and increasingly tech-savvy workforce, as reflected in significant growth in e-commerce in the country. Growth in Zoom downloads was also strong in Indonesia, with 2.3 million installations in March. In China and Viet Nam, Zoom downloads and usage peaked in February before slowing in March.

Figure 2.1. Zoom downloads, Q4 2019 to Q1 2020



Source: Sensor Tower (2020), Store Intelligence Data Digest; Apptopia (2020), Performance Intelligence and Business of Apps.

StatLink  <https://doi.org/10.1787/888934161197>

Telework expanded as most Emerging Asian countries took action to slow the spread of the virus. Under a lockdown order issued in Lao People's Democratic Republic (hereafter "Lao PDR") on 29 March, for example, all government officials were required to work from home. In Indonesia, the government encouraged companies to adopt work-from-home arrangements, and some employees over the age of 50 at state-owned enterprises were asked to work from home beginning in mid-March. However, telework was complicated in some countries by inadequate Internet access and speed.

People seek pandemic information and medical help online

The coronavirus crisis also demonstrated the need to increase healthcare spending, and this will benefit corporations in the biotechnology and medical equipment sectors, as well as pharmaceutical groups. Traditional healthcare is being revolutionised by technology, with robots and other high-tech tools deployed to evaluate patients' conditions and monitor the spread of the virus. According to Tencent Holdings' March 2020 earnings release, more than 300 million users consulted Tencent Health to access real-time COVID-19 data and for online consultation and artificial intelligence-powered self-diagnosis services. In India, the global pharmaceutical company Cipla Limited launched a toll-free helpline to assist patients in procuring medication from pharmacies. It also launched webinars to keep the medical community informed about COVID-19 developments (Cipla, 2020). Cipla's stock price has increased by nearly 39% in July compared to January 2020. Other Southeast Asian firms operating in the healthcare sector have seen increased investor demand for their shares. For example, the share price of Malaysian LYC Healthcare Berhad has added 13.3% year-to-date as of 22 July 2020, highlighting the solid growth prospects for the sector.

Box 2.2. COVID-19 and the digital medical industry in China

The use of online medical apps increased sharply during the pandemic, with people relying on these applications for information about the coronavirus outbreak and methods for preventing the disease. This helped to expand awareness about COVID-19, especially regarding the extent of transmission and the progress of its spread. The surge was particularly notable in China, where the medical apps Ding Dang and Jin Ke Online were extensively used (Table 2.1).

Table 2.1. Use of online medical apps in China during the pandemic

Medical apps	2020 daily active users* (million)	Year-on-year growth (%)
Ding Xiang Yuan	0.3	222.2%
Assistance of Medicine	0.2	108.1%
Ding Dang	0.16	952.6%
Jian Ke Online	0.12	306.8%

Note: * Number of online users during spring festivals in 2020.

Source: QuestMobile TRUTHChina Mobile Internet Database, <https://www.questmobile.com.cn/en>.

With the continuous spread of COVID-19, more digital medical platforms have been built globally. Ali Health, We Doctor, Bai Du Health, and Jing Dong Health were popular during the outbreak. These platforms provide not only medical information, but also psychological comfort. Among them, WeDoctor has four versions, in Chinese, English, Italian and French.

Online learning flourishes during the lockdown

The closing of schools and educational institutions around the world sparked increased use of online learning tools to allow continuity of education while children and educators were confined to their homes. In China, the usage of online education platforms increased by 22% during the outbreak compared to the same period in the previous year, and people spent 30% more time using these digital platforms. The use of online digital platforms by the education industry jumped 17.5% y-o-y, a larger increase than for the online shopping and video industry.

In Lao PDR, Laos Asia Pacific Satellite Co. Ltd and the Ministry of Education designed an online education platform in March 2020. The Laos Education Channel officially started providing remote video learning services for college students in May. Cambodia also launched online classes via television and the Internet. In India, certain online education companies began providing their learning platforms to students free of charge. For example, the online education corporation Unacademy shared its technology, and viewing of its free live-streaming classes increased dramatically. Other Indian educational and scientific corporations also saw a considerable increase in users, with newly registered students growing by 60% for Byju's, doubling at Topper and increasing ten times at Vedantu after the COVID-19 outbreak. Indonesia's Ministry of Culture and Education, meanwhile, created a Learn At Home television programme for students of all levels, with online tutoring through Learn at Home ambassadors to allow students to consult teachers of each course online.

However, limited technological capacity can hinder the use of digital tools for education and other purposes, and the problem is likely to continue in emerging economies with limited information technology infrastructure and Internet availability. According to World Bank data for 2017, Internet usage in the CLM region (Cambodia, Lao PDR and

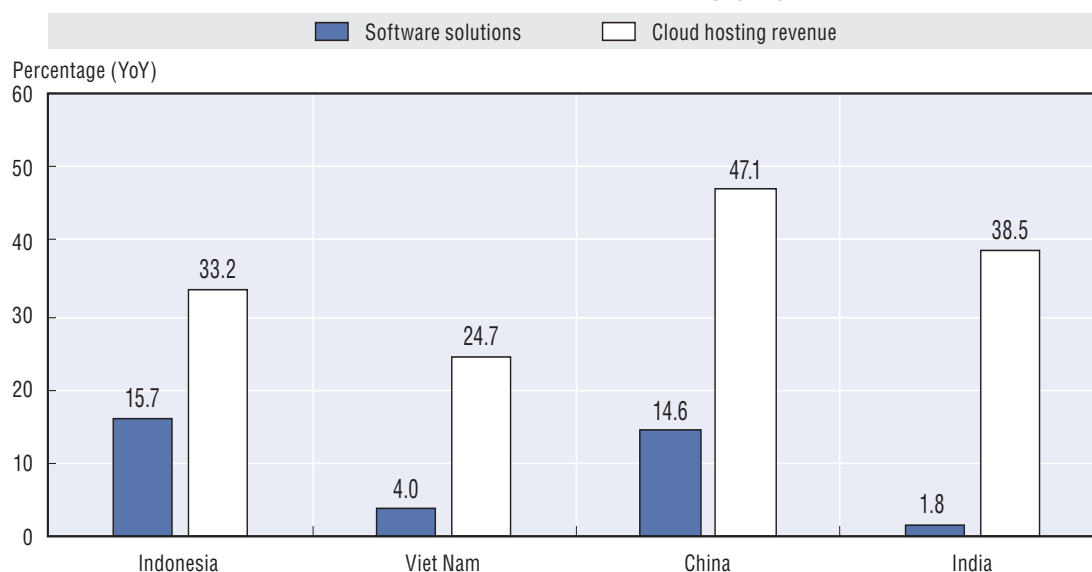
Myanmar) was among the lowest in the world. In Myanmar, the development of Internet infrastructure is hampered by frequent power cuts. The World Bank lists the power supply gap as a deterrent to Myanmar's economic growth and has encouraged the local authorities to double the size of investment in the power supply and to triple the pace of project development (World Bank, 2019a). Affordability of online services is another issue confronting ASEAN countries. In India, online education infrastructure remains weak, with large-scale remote education mainly supported by radio and TV. Eupheus Learning, a company based in New Delhi, launched live video teaching, but found it challenging to start the online teaching due to the difficulty of simulating offline teaching activities through the Internet. To meet increased demand for digital learning, improved Internet access and digital education platforms are urgently needed.

Cloud hosting and smart home technologies also experience growing demand

COVID-19 resulted in increased demand for cloud-based business tools and services – computing services, cloud database management and virtual servers – to sustain business functions while employees were working remotely. For example, the use of Google Docs and Dropbox increased markedly. Cloud-based services are used to adapt work and business functions to store, manage and process data that is usually accessible over the Internet. Emerging Asian economies recorded extraordinary growth in cloud hosting revenue from April 2019 to April 2020, with the largest year-on-year increases in China (47.1%) and India (38.5%). Software solutions and development applications have similarly seen an upturn in use. In particular, Indonesia and China posted positive year-on-year growth in software solutions revenue, at 15.7% and 14.6% respectively, while India and Viet Nam saw growth of less than 5% over the same span (Figure 2.2).

Figure 2.2. Rise in cloud hosting and software solutions revenue

April 2019 to April 2020, percentage y-o-y



Note: The cloud hosting market represents third-party cloud service providers who deliver computing resources such as servers and storage over the Internet to their customers. This excludes dedicated single-purpose solutions such as ERP and CRM. Company examples include Amazon Web Services, Microsoft Azure, Google Cloud, and IBM. The software solutions market includes Productivity Software, Enterprise Software, as well as System Infrastructure Software and Application Development Software. The majority of software solutions in these market segments are designed to be used in a professional environment, but may also be used privately. Company examples include Microsoft, Citrix, SAP, and Adobe.

Source: Statista.

StatLink  <https://doi.org/10.1787/888934161216>

Along similar lines, smart home technologies have grown in response to health insecurity and stay-at-home orders. Other than Singapore, which established home automation prior to COVID-19, all emerging countries posted significant growth in smart home users in April 2020 y-o-y, particularly in the Philippines (60.0%), Cambodia (58.5%), Lao PDR (59.8%) and Myanmar (61.3%) (Figure 2.3).


Figure 2.3. Increase in use of smart home technologies

April 2019 to April 2020, percentage y-o-y



Note: Smart home solutions include connected devices and related services that enable home automation for private end users (B2C). These devices are connected directly or indirectly via a so-called gateway to the Internet. They include digitally connected and controlled devices within a house that can be remote controlled sensors, actuators and cloud services that support automation in any way, control hubs to connect sensors and actuators with remote controls and to each other, B2C hardware and software sales, as well as subscription fees.

Source: Statista; Omdia (2020), Application Market Forecast Tool.

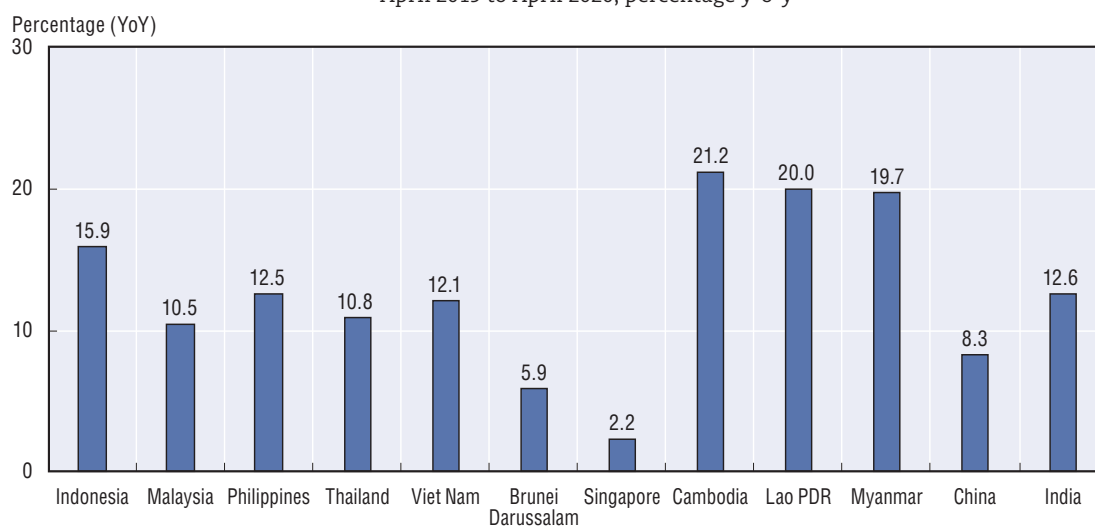
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Use of e-commerce and e-banking accelerate during pandemic

Online transactions via various payment methods (credit cards, PayPal, AliPay, etc.) have seen a recent surge in both revenue and users. Among Emerging Asian economies, Cambodia, Lao PDR and Myanmar posted annual growth of 20% in e-commerce users in April 2020 compared to the previous year (Figure 2.4). In terms of transaction revenue, higher growth in digital commerce sales and revenue were recorded in China (24.9%), Indonesia (24.4%) and India (23.2%) (Box 2.3). Acceleration in the uptake and use of digital payments also occurred in Malaysia, the Philippines, Thailand, Viet Nam, Singapore and Cambodia, well ahead of Brunei Darussalam, Lao PDR and Myanmar (Figure 2.5). Two big drivers of digital commerce are the emergence of smartphones and the fast growth of the Internet-connected population.

Figure 2.4. Rise in e-commerce users

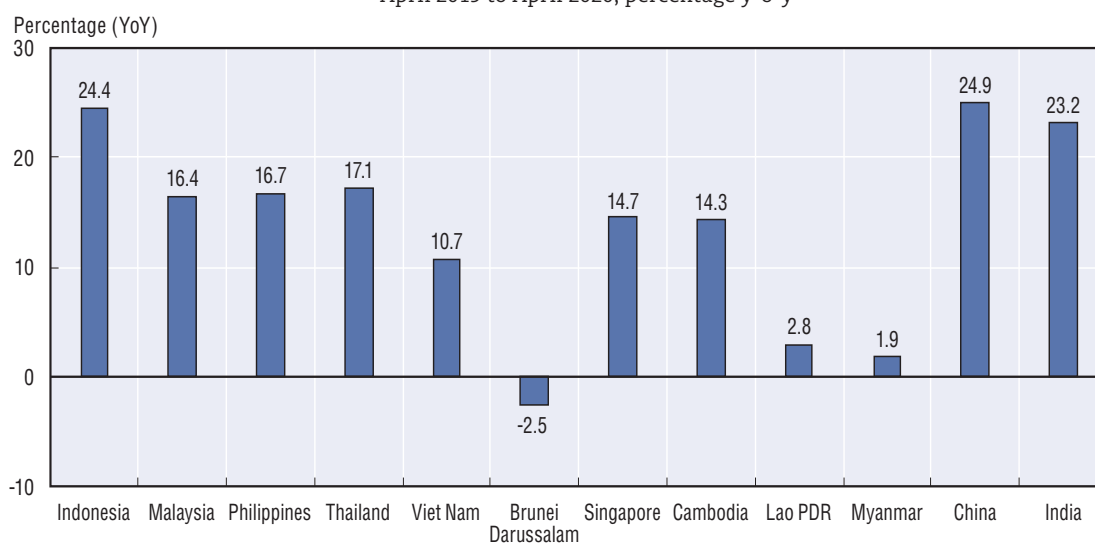
April 2019 to April 2020, percentage y-o-y



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Figure 2.5. Increase in digital commerce

April 2019 to April 2020, percentage y-o-y



Note: The digital commerce segment covers all consumer transactions made via the Internet that are directly related to online shopping for products and services. Online transactions can be made via various payment methods (credit cards, direct debit, invoice or online payment providers, such as PayPal and AliPay). Transactions that are exclusively between businesses (Business-to-Business) or private individuals (Peer-to-Peer) are not included in this segment; online payments not relating to the purchase of goods or services that trigger a bank transfer are also not included.

Source: Statista.

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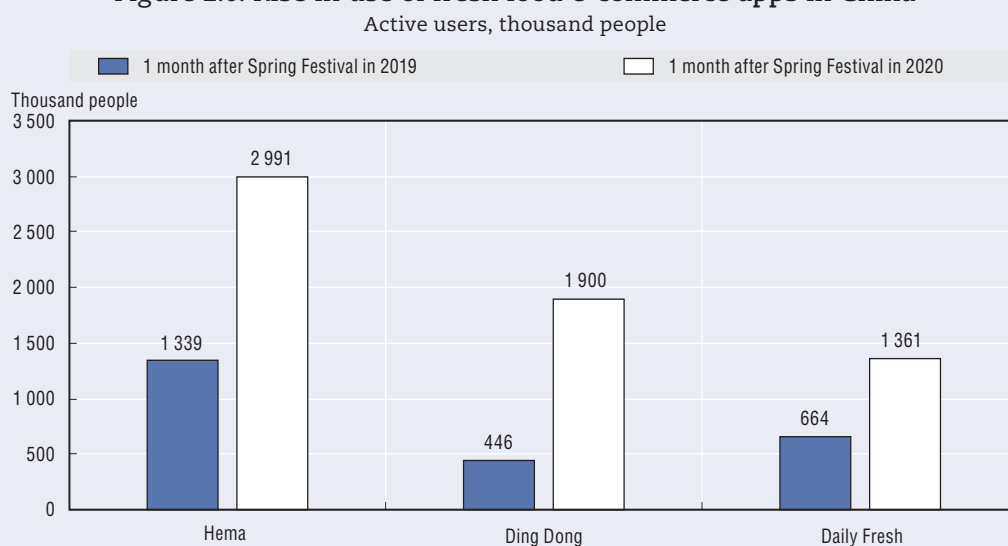
Box 2.3. E-commerce for fresh food expands in China

The use of e-commerce is traditionally high in China during the Spring Festival as people return to their home towns and celebrate with their families. This year, the pandemic coincided with the Spring Festival, and daily active users of overall mobile shopping

Box 2.3. E-commerce for fresh food expands in China (cont.)

decreased, from 426 million before the festival to 337 million during the festival period (24 January to 2 February). However, the daily time spent shopping for fresh food via e-commerce increased by 20% during the festival, and the average number of daily active users increased by nearly 30% and continued to grow afterwards, with leading fresh food businesses such as Hema, Ding Dong and Daily Fresh achieving rapid growth (Figure 2.6). Use of these apps during the month after the festival increased y-o-y by 123.4%, 325.9% and 105.1% respectively.

Figure 2.6. Rise in use of fresh food e-commerce apps in China



Note: Definition of time period: 1 month after Spring Festival holiday in 2019 refers to 11 February-11 March 2019; and 1 month after Spring Festival holiday in 2020 refers to 3 February-3 March 2020.

Source: QuestMobile TRUTH China Mobile Internet Database.

StatLink <https://doi.org/10.1787/888934161292>

The pandemic also brought about an increase in e-banking as banks encouraged customers to conduct transactions electronically to reduce the risk of transmitting the virus. For example, the volume of e-banking transactions in Viet Nam rose by 26%. In the Philippines, lockdown measures also resulted in a sharp increase in registrations for Internet banking service. A comparison of transaction statistics in March 2020 before and after the lockdown shows that the transaction value of digital banks soared by 633% and transactions rocketed by 416%.

Thailand supported the use of online payments during lockdown by allowing people to apply for 10 GB of free Internet service as of April 2020. In addition, banks strongly recommended that customers link their personal bank accounts and mobile phone numbers to PROMPTPAY's official online payment to reduce the use of cash. In Singapore, financial institutions took measures to encourage all customers to adopt e-payment solutions in financial transactions. So far, more than 2 million people have registered to use PayNow, a digital cross-bank transfer service, and more than 120 000 local companies have adopted PayNow Corporate and the Singapore Quick Response Code (SGQR) as e-payment solutions. In Malaysia, the Ministry of Communications and Multimedia and the Malaysian Digital Economy Corporation were providing about USD 138 million in

free Internet service, and the country planned to invest an additional USD 92 million to increase network coverage and capabilities.

Emerging Asia needs strategies for ensuring cyber security

With sharp growth in online activities, a cyber incident that blocks access to the Internet could disrupt business operations, online education and healthcare providers, as well as other public systems and networks. Such disruptions can be unintentional or planned. Several cyber attacks in connection with the COVID-19 pandemic were reported in April 2020. Taking advantage of increased app usage, hackers used malicious software to infect users in South and Southeast Asia with spyware capable of collecting sensitive information about the respective users (CSIS, 2020a). It is imperative for Emerging Asian economies to put in place strategies that allow firms, individuals and communities to continue operating normally in the event of cyber incidents and disruptions.

Further facilitating digitalisation is crucial in the region

Cloud computing, digital commerce, e-learning platforms, and medical and shopping apps presented opportunities for countries to make economic gains during the COVID-19 pandemic, and affordable smartphones and the rise of mobile Internet penetration led to momentum in e-commerce activities. However, efforts to mobilise digital innovations remain limited in some emerging countries, especially those with insufficient IT infrastructure and Internet availability. The points developed below indicate that further facilitating digitalisation and innovation in the region is crucial.

- *Countries in the region have not yet achieved the full potential of digitalisation.* There are various barriers to the growth of digital technology in the region. Internet connectivity is rather low, with approximately half of the ASEAN population still lacking Internet access. When available, Internet connectivity mostly takes place through mobile broadband rather than through higher-speed fixed broadband. With mobile download speeds below the global average, Viet Nam, Thailand, Myanmar, Malaysia, Lao PDR, Cambodia, Indonesia, the Philippines and India require additional efforts to improve download speeds. Viet Nam, India, Lao PDR, the Philippines, Cambodia, Indonesia and Myanmar also trail the global average for fixed broadband download speeds. Investment is needed to upgrade Internet infrastructure and to improve bandwidth. To help cover large capital expenditures, public-private partnerships could be envisaged. For example, the University Community Next Generation Innovation Project (Gig.U), a group of more than 30 leading US research universities, has expanded access to fibre-optic Internet connections at universities and adjacent communities.
- *Digital skills need strengthening in the region.* Areas for improvement range from basic computer literacy to more advanced skills such as data analytics or programming. Increased awareness of digital opportunities could help firms, and micro, small and medium enterprises (MSMEs) in particular, to enhance productivity and increase their presence on global marketplaces. The adoption of digital tools is uneven across economic sectors, with manufacturing, mining (World Economic Forum, 2017) and utilities (Booth et al., 2016) still in the early stages of digitalisation.

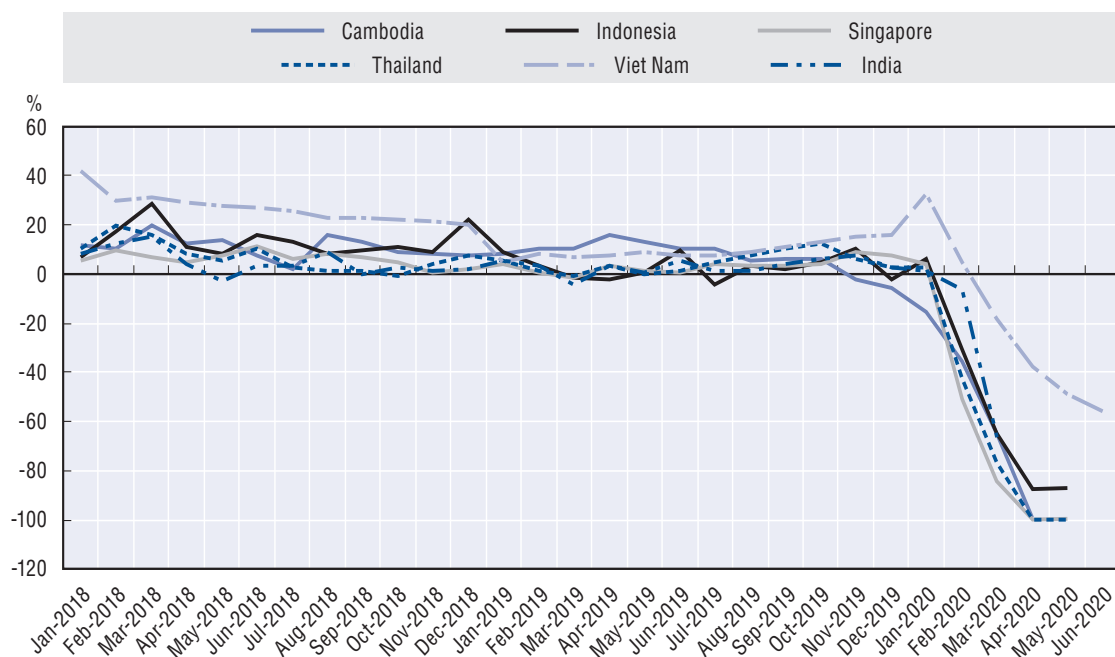
Targeted strategies could be envisaged to assist the corporate sector at large, and lagging sectors in particular, to increase their digital footprint. For example, Singapore's e-Commerce Booster Package aims to support local retail businesses to expand their domestic reach, assist retailers seeking to expand overseas and strengthen retailers' digital marketing capabilities for e-commerce (Enterprise Singapore, 2020).

- *Digital payment tools are underused.* Contactless payment by card or mobile phone is a fast and relatively secure way to pay in local retail outlets. However, only 19% of bank account holders in Southeast Asia access their accounts through a mobile phone or the Internet (World Bank, 2019b). In order to encourage this payment method, digital payment tools should be made easier to use, the speed of online transfers improved and obstacles removed (e.g. barriers to small payments). Customers should be adequately informed, while merchants should be supported to acquire performant payment terminals. Customers' trust in the integrity of digital payment tools is essential. Fraud prevention mechanisms should be strengthened, in particular where authentication criteria for electronic payments and online transfers are still weak. Some initiatives in this regard are underway. For example, Brunei Darussalam unveiled a digital transformation strategy for 2019-25 with a focus on three areas: balancing regulation and innovation; adopting open digital payment; and increasing public awareness and education (Autoriti Monetari Brunei Darussalam, 2018).
- *Deliveries of merchandise can be expensive and unreliable.* This acts as a deterrent to the development of e-commerce, both domestically and internationally. The greatest barriers to logistics services in ASEAN have been identified as inefficient customs procedures and inspections, followed by obstacles in land transportation (de Souza et al., 2019). With e-commerce shipments facing unpredictable customs procedures in many countries, logistics bottlenecks within ASEAN are among the largest in the world (ASEAN, 2015). While these barriers contribute to protecting local enterprises from external competition, addressing them would support the development of e-commerce and provide consumers with a broader range of choices and more attractive prices.

Travel and tourism suffer a major blow in global health crisis

Travel and tourism were among the sectors worst impacted by COVID-19 in Emerging Asia. Travel restrictions were imposed in all countries in the region, though the scope, stringency and enforcement of these restrictions varied. Some ASEAN nations restricted travel from China in the early stages of the pandemic, and then quickly expanded the limits to travellers from other countries. Monthly visitor arrivals fell year-on-year beginning in March or earlier in ASEAN countries (Figure 2.7). The declines in visitor arrivals closely mirror countries' policy approaches in terms of regulating international flows, which have evolved from screening and/or temporary quarantine initially, to bans on all regions or even border closures as the health crisis unfolded (Figure 2.8).

Figure 2.7. Visitor arrivals in selected Emerging Asian countries, 2018-20
Year-on-year percentage change

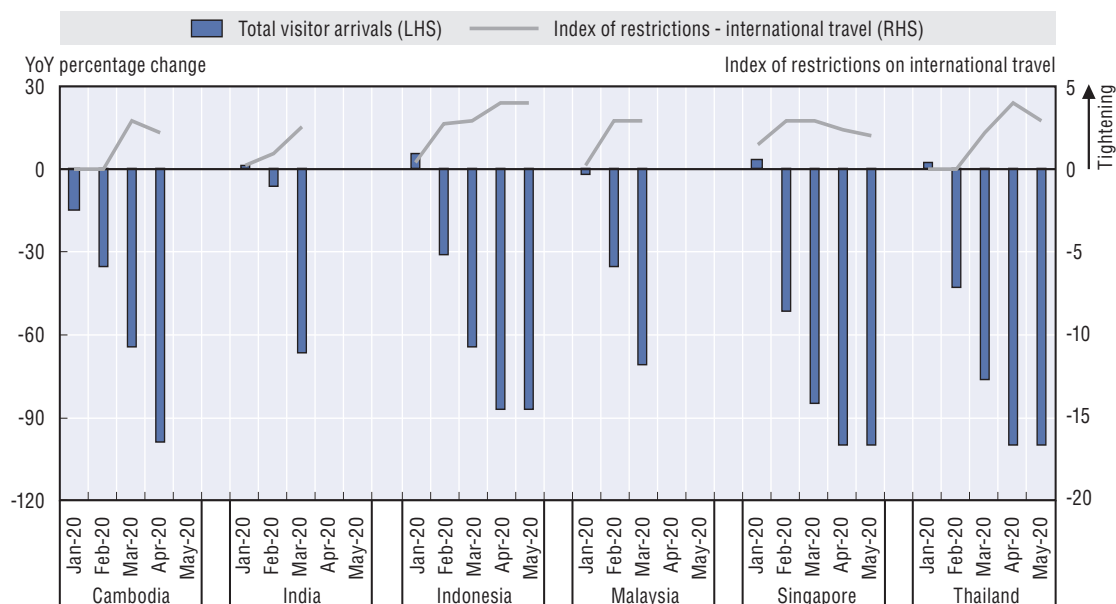


Note: The Thailand figures indicate international tourists only. The Viet Nam data is year-to-date.

Source: CEIC.

StatLink <https://doi.org/10.1787/888934161311>

Figure 2.8. Visitor arrivals plummeted as restrictions on international travel tightened



Note: The index of restrictions on international travel is defined on a scale between 0 and 4, as follows: 0 - no measures; 1 - screening; 2 - quarantine arrivals from high-risk regions; 3 - ban on arrivals from some regions; 4 - ban on all regions or total border closure. The index is reported on a daily basis; the monthly value represents the average of daily values for the respective month.

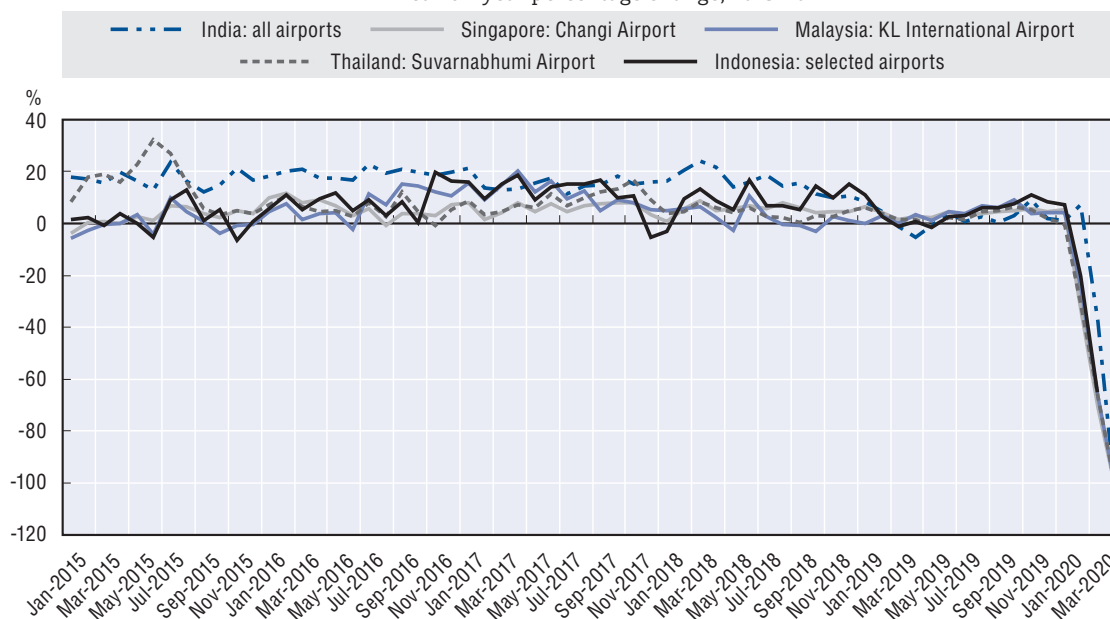
Source: OECD Development Centre based on data from CEIC and Oxford COVID-19 Government Response Tracker.

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Travel restrictions also impacted airports. In the first quarter of 2020, airports in Emerging Asia reported the steepest year-on-year decline in passenger traffic over the last five years (Figure 2.9). Several major airlines (Air India, Cambodia Angkor Air and Royal Brunei Airlines, among others) reduced or cancelled flights in response to government restrictions and sagging demand.

Figure 2.9. Airport passenger traffic

Year-on-year percentage change, 2015-20



Note: Indonesia's selected airports refer to Polonia, Soekarno-Hatta, Juanda, and Ngurah Rai airports.

Source: CEIC.

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Declining passenger numbers created employment pressures for airlines. Workers at carriers in Lao PDR; the Philippines; and Hong Kong, China were laid off or placed on unpaid leave in response to suspension and cancellation of flights (Box 2.4).

Box 2.4. Airlines struggle to cope with the pandemic

Throughout the first and second quarters of 2020, airlines around the world downsized their workforces in an attempt to cut costs amid the pandemic. Pilots, cabin crew and maintenance and administrative staff were affected, mainly by temporary layoffs.

In Emerging Asia, Singapore Airlines reported on 23 March that it would reduce its capacity by 96% to cut costs, affecting around 10 000 staff. In late February, Philippine Airlines announced layoffs of around 300 staff, while Cebu Pacific laid off more than 150 cabin crew in mid-March. Cathay Pacific reported in early February that it had asked around 27 000 workers to take unpaid leave. Lao Airlines made a similar move in March. Cuts were even more drastic elsewhere. For example, British Airways suspended around 30 000 staff in early April. Other airlines did not announce layoffs, but cut salaries instead. In the United Arab Emirates, Etihad Airways announced a temporary wage cut of 50% for its management and 25% for other staff in March.

Box 2.4. Airlines struggle to cope with the pandemic (cont.)

Other factors also affected the air transport sector. The grounding of aircraft due to travel restrictions left more aircraft in airports than normal, increasing their exposure to the risk of typhoons and other weather damage. The loss of belly-hold cargo capacity – space in the belly of passenger aircraft used to transport cargo unrelated to the travelling passengers and crew – led to concerns regarding supply-chain disruptions as belly cargo accounts for 40% to 50% of airfreight, according to the International Air Transport Association (IATA). Declines in demand from certain manufacturing sectors were partially offset by increased demand for the transport of medical equipment. Some passenger airlines have resorted to cargo-only flights to generate revenue during the period of travel restrictions, but this has not been sufficient to cover the shortage.

Source: IATA (2020a), airline companies' press releases and news articles, as of 28 June 2020.

Pandemic pummels travel for international meetings

A sub-sector of tourism that has been heavily impacted by COVID-19 is meetings, incentives, conferences and exhibitions (MICE), which represents corporate or professional meetings held abroad, often in prime tourist destinations, including in Emerging Asia. These gatherings, which may mix business and leisure, are usually planned months or years in advance.

MICE tourism continues to face significant barriers as countries around the world begin to emerge from the pandemic (Grier, 2020). Restrictions on international travel may remain in place even as countries remove domestic restrictions on travel and economic activity (Financial Times, 2020). In Thailand for example, more than 8 million MICE travellers generated approximately THB 54 billion (Thai baht) in revenue in the second quarter of 2019, according to the Thailand Convention and Exhibition Bureau. The bureau projected that 37.8 million MICE travellers would generate THB 232 billion in the October 2019-September 2020 fiscal year. Unfortunately, a ban on incoming international flights from 26 April to 30 June will hurt the projected numbers (CAAT, 2020).

MICE events are typically large indoor gatherings, presenting a high risk of viral transmission; the sector thus needs to adapt (ICCA, 2020). This may involve caps on event sizes, increased use of remote conferencing and changes to activities and dining. MICE bookings will need to introduce flexible cancellation options due to the risk of future outbreaks of COVID-19 in destination or home countries.

A number of hotels in Thailand are pursuing certification to show they are “COVID-Ready” in an attempt to attract both domestic and foreign tourists. Malaysia re-opened its entire tourism sector, including MICE, effective 1 July, with certain restrictions.

Governments take steps to support tourism workers and boost domestic travel

Several ASEAN countries implemented fiscal packages to support workers in travel and tourism during the period of restrictive measures. The packages primarily consist of payment exemptions or deferments (Brunei Darussalam, Indonesia, Lao PDR and Myanmar), debt restructuring (Cambodia) and cash aid to workers (IMF, 2020). Policies are crucially needed to protect vulnerable workers, many of whom are informal workers who lack access to insurance or relief schemes. Among ASEAN countries, informal employment accounts for anywhere from 20% (Brunei Darussalam) to nearly 100% of tourism employment (Cambodia) (ILO, 2020). Singapore is providing taxi and private car drivers with a package worth SGD 77 million (Singapore dollars), including SGD 45 million

from the government. This package was further supplemented by an additional SGD 95 million from the government and SGD 25 million from taxi operators in March. In addition, the Singapore National Environment Agency announced on 18 February that it would provide a one-month rental waiver for stallholders in designated markets (Kit, 2020). Worker compensation is also needed for the reduction in demand for services and guarantees of income in the event of illness.

With many national borders closed, countries including Indonesia, Malaysia and Thailand have sought to stimulate domestic tourism to keep tourism-related businesses operating and workers employed. The government of Indonesia subsidised airfares to certain domestic tourism locations by up to 30% in March, April and May (ILO, 2020; Jefriando and Suroyo, 2020). To compensate for the lost airline revenue, the country also lowered jet fuel prices and airport charges at relevant airports. Thailand intended to offer vouchers of THB 1 000 towards out-of-province tourism packages for up to 5 million travellers, but cancelled the plan when it increased the stringency of its lockdown (ILO, 2020). The Malaysian government assisted airlines, resorts and hotels by providing discount vouchers valid from March, while offering MYR 1 000 (Malaysian ringgit) in income-tax relief for expenses accrued at a destination registered with the Ministry of Tourism (Medina, 2020; ILO, 2020).

With public health conditions evolving rapidly, co-ordination among tourism officials, health officials and local authorities at domestic tourist destinations could be helpful towards developing and implementing a response to potential future outbreaks. Tourist attractions that draw dense crowds may become epicentres of infection, and containment measures must be swift. Contact tracing, including logging of visitors, will play a vital role, and safety measures such as physical distancing and masks need to be in place. Ensuring that staff in tourist attractions are not sources of COVID-19 is also necessary. Appropriate responses include strict work schedules (test-clear-work-time off) along with frequent testing. Depending on conditions, authorities in the region might be able to emulate measures taken by some European countries, including partial border reopenings, with travellers arriving from places with a low incidence of new COVID-19 cases allowed to enter in an initial phase.

Uncertain tourism demand necessitates new approaches

Even though restrictions are lifted, it is uncertain how demand for travel to ASEAN countries will be affected. Governments that have tied a return to normalcy to the availability of a vaccine may find their citizens waiting for months or even years to travel. Further, people may be less interested in traveling due to requirements such as health certificates, temperature checks or the wearing of masks on aircraft, as well as general public concern about contracting COVID-19. Given these issues, the International Air Transport Association (IATA) has urged the avoidance of quarantine measures during “re-opening” in order to stimulate tourism demand (IATA, 2020b). Potential tourists have also been affected by the economic effects of the lockdown. Income interruptions due to furloughs or job losses may reduce disposable income for some time.

Countries scramble to update health policies to address the pandemic

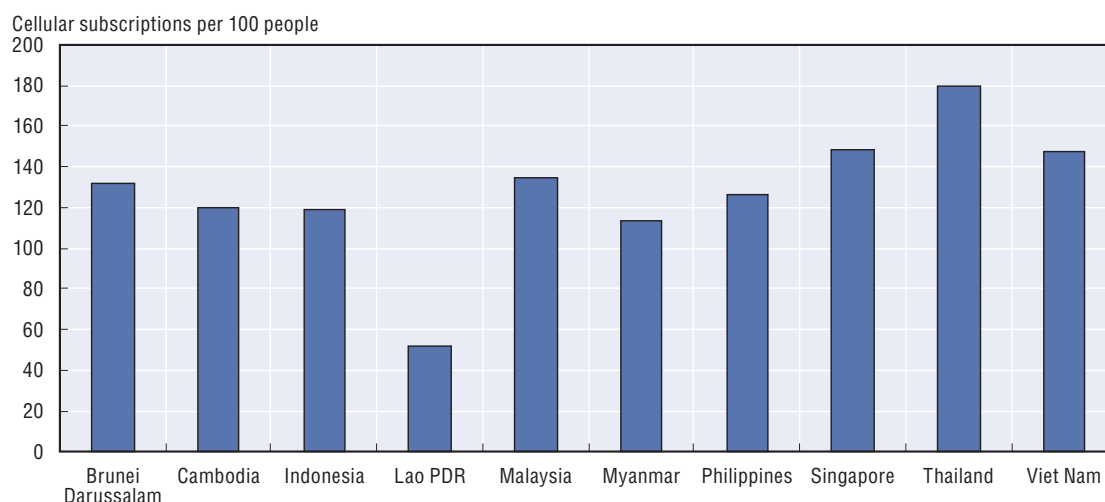
The COVID-19 pandemic has shown the need for countries worldwide to update their health policies. Areas of focus include the development of tracing methods, the use of education to promote better hygiene and the need for more medical personnel and healthcare facilities. International co-operation is proving crucial in the effort to develop a vaccine, and countries in Emerging Asia are assisting each other to control the spread of the virus through donations of supplies.

New contact tracing apps help monitor spread of disease

Meticulous contact tracing using epidemiological surveys and control measures is vital for containment. In an epidemiological survey, patients' previous whereabouts are ascertained via interview and electronic means (as necessary and if available). Based on this information, people exposed to an infected person may be required to self-quarantine and monitor symptoms. In Korea, information about where an infected person has been is posted online or transmitted via SMS, allowing people to take precautionary measures. The mobile application aspect of this model has potential in most ASEAN countries, since most Southeast Asian countries have mobile penetration rates above the world average (Figure 2.10). In countries with insufficient healthcare resources, it is vital to assess how to distribute the available resources in order to promote the best possible public outcomes.

Figure 2.10. Mobile phone subscriptions per 100 population, 2018

Cellular subscriptions per 100 people



Source: CEIC.

StatLink  <https://doi.org/10.1787/888934161368>

Singapore released a free application called *TraceTogether* for community-based contact tracing, using Bluetooth on mobile devices. Participation is voluntary, and government data show 1.1 million downloads as of 28 April. India, Indonesia and the Philippines have released similar applications. Hong Kong, China's *StayHomeSafe* application requires people in mandatory quarantine to wear wristbands with a QR code and install the app on their mobile phones. People who leave their quarantine area are subject to spot checks, arrest or prosecution. Multiple agencies within the government of Viet Nam collaborated with a state-owned enterprise to develop the NCOVI application, which allows people to report their health condition on a voluntary basis and the authorities to transmit information about the disease easily, including current statistics. The app is also used by the Ministry of Health to manage information regarding the movement of infected people or isolated cases and to detect people who may have been exposed to the virus. The Malaysian government recently launched an application similar to Viet Nam's, but it only allows for the reporting of symptoms and transmission of advice by authorities at this stage. Thailand also developed a contact-tracing application that will send data to the Department of Disease Control for analysis.

Data security is a concern for both contact tracing and general health information. Contact tracing apps rely on movement tracking, raising concerns over who has access to that information and other potential uses of it. Anonymising the data becomes difficult in

sparsely populated areas or for people who have strict routines. Proximity-based analysis may also overestimate exposure risk. For example, standing and talking unmasked with an infected person is a greater exposure risk than simply being in a market (indoor or outdoor) at the same time as an infected person, yet contact tracing apps treat these situations identically.

Populations need information on personal hygiene

Promotion of personal hygiene is another critical aspect of controlling the spread of COVID-19. As the virus is primarily transmitted through droplets or transfer from surfaces, social distancing, handwashing and coughing etiquette help to break the chain of transmission. Social distancing may be enforced privately through voluntary co-operation or by businesses adjusting their operating procedures to prevent crowding, or via government order. Handwashing is also essential for suppressing transmission, but this remains challenging in areas where proper handwashing is not a common practice and where dwellings do not have clean running water. Providing information and education is therefore crucial, and soap or alcohol-based hand cleanser should be provided for those who do not have access. In India, the Office of the Principal Scientific Adviser to the Government (OPSA) produced a free e-book addressing some of these issues (Box 2.5).

Box 2.5. India delivers advice via an e-book

OPSA's *Guidelines for Hygiene and Sanitation in Densely Populated Area, During the COVID-19 Pandemic* is an e-book outlining behaviour and policy recommendations that was distributed for free. This mobile app alerts users to nearby cases of COVID-19 and helps them report symptoms. All individuals over age three in India are required to wear a mask. The app recommends wearing reusable cotton masks, and the Ministry of Health and Family Welfare provides instructions on how to make, wear and care for them.

The e-book also recommends the installation of community handwashing stations with highly chlorinated water. These stations, which can be shared by three or four households, can be constructed for approximately INR 100 (Indian rupee, USD 1.30). A foot pedal controls the flow of water, preventing recontamination of clean hands, while the chlorinated water eliminates the need for soap. The e-book also provides construction guides for more robust handwashing facilities for public toilets. It addresses sanitary toilet habits and the need to disinfect surfaces frequently, and includes instructions for homemade cleaning solutions.

Emerging Asia grapples with shortages of medical equipment and staff

Shortages of medical supplies and healthcare workers, which exist in most Emerging Asian countries, become particularly noticeable during an epidemic. The shortages include physical capital, such as medicine, equipment, care facilities and personal protective equipment (PPE) for healthcare workers and the general population, and human capital, including doctors, nurses, medical technologists and medical educators.

Since the COVID-19 pandemic began, some countries have amended or expanded their government budgets to purchase more supplies and equipment (Table 2.2). India dedicated funds to improving health infrastructure, including the development of COVID-19 testing facilities and the purchase of items such as PPE, tests, beds and ventilators. Lao PDR received outside contributions for health supplies and donations to

help cope with COVID-19. The Philippines has enacted measures aimed at bolstering the healthcare sector, including large purchases of PPE, supplies, tests and equipment as well as financial assistance, medical coverage and insurance for patients and medical workers. The government has also suspended taxes, duties and customs fees on medical supplies and PPE, and will compensate private facilities involved in COVID-19 efforts. Viet Nam provided USD 51 million to cover healthcare expenditures from a central contingency budget maintained for unplanned spending (ADB, 2020).

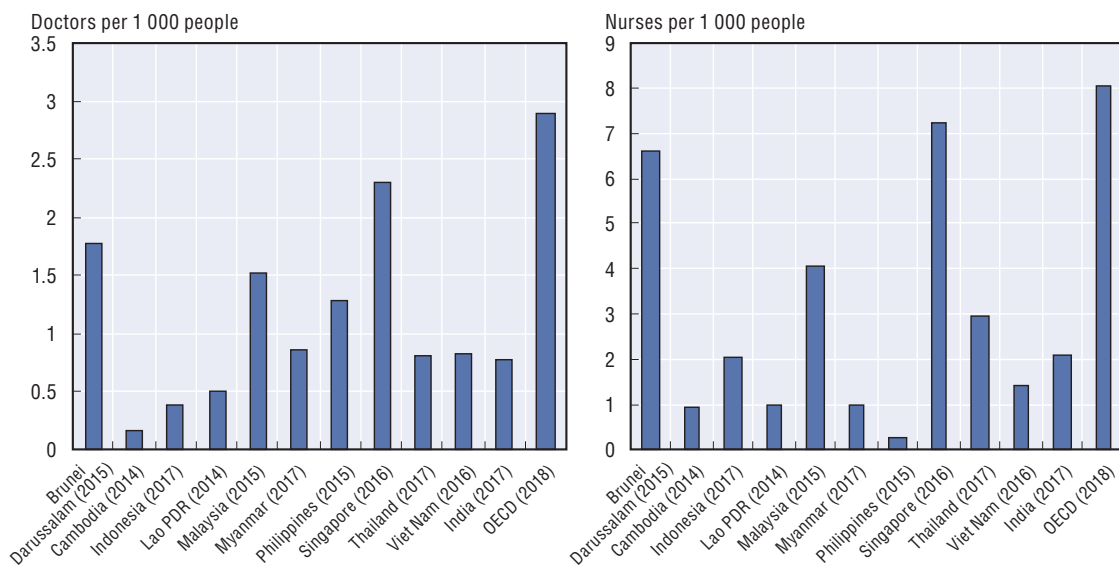
Table 2.2. Examples of additional medical expenditures due to COVID-19

Country	Purpose			
	Facilities, supplies and testing kits	Insurance coverage	Tax exemptions	Other
Cambodia	Supplement healthcare system			
India	Testing facilities, PPE, equipment			
Lao PDR	Supplies (PPE, hand sanitiser and others, LAK 24 billion for rapid procurement of medical and protective equipment)			LAK 30 billion for infection prevention and control
Philippines	PHP 2.9 billion for supplies and equipment, PHP 1.8 billion for 1 billion PPE sets, PHP 53.2 million to the Department of Science and Technology for test kits	PHP 22 billion for medical coverage with death benefits for COVID-19 patients and associated medical workers, PHP 420 million for general COVID-19 medical coverage	Tax, duty and expedited clearance-fee exemptions on healthcare equipment, medical supplies and PPE, and tax exemption for COVID-19 donations	PHP 512 million in compensation for private facilities used for COVID-19 matters
Viet Nam	Transfer from central contingency budget for health spending		Import tax exemptions for medical equipment and PPE used to fight COVID-19	

Source: OECD Development Centre, based on multiple sources.

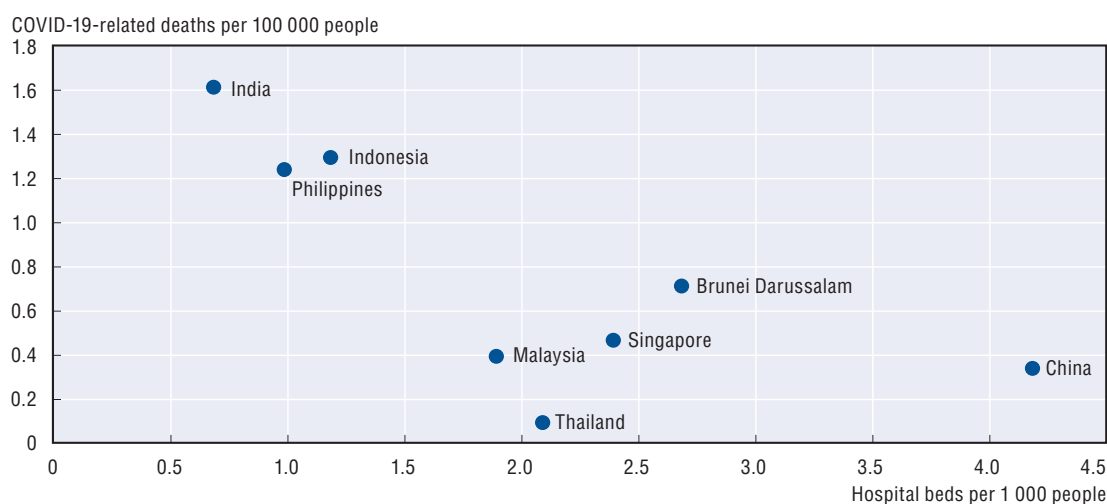
Every ASEAN country has fewer hospital resources per capita than the OECD average. In some countries, people with confirmed or suspected cases of COVID-19 are transferred to designated hospitals to prevent spread of the disease within hospital environments (Brunei Darussalam, Cambodia). Makeshift hospitals may be new permanent or temporary buildings (including tents) or created from the repurposing of existing infrastructure, such as dormitories, transport stations or sports arenas. Not only do these expand hospital capacity, but the work needed to build the facilities also offers employment opportunities. Such makeshift facilities may be used for COVID-19 patients or for patients with less critical needs, allowing main hospital infrastructure to be increasingly dedicated to COVID-19 care. ASEAN countries also face shortages of medical workers, including doctors and nurses, especially those with the advanced training necessary to provide specialised care. The number of doctors and nurses per unit population is below the OECD average in each country (Figure 2.11). Physical infrastructures also matter in the fight against COVID-19. The countries with fewer beds per capita also exhibit the most elevated COVID-19-related mortality rates in the Emerging Asia region (Figure 2.12).

Figure 2.11. Doctors and nurses per 1 000 population



Source: World Bank Development Indicators and OECD.
 StatLink <https://doi.org/10.1787/888934161387>

Figure 2.12. Hospital beds and COVID-19-related mortality in selected Emerging Asian economies



Note: Cumulative number of COVID-19-related deaths as of 10 July 2020.

Source: OECD Development Centre based on data from Johns Hopkins University and the World Bank World Development Indicators.

StatLink <https://doi.org/10.1787/888934161406>

ASEAN countries need to improve their medical situations. In the short term, existing resources could be mobilised. For instance, retired physicians and nurses could be recruited to ease the personnel shortage, as it was done in the United Kingdom (NHS, 2020). In the United States and Europe, medical and nursing students are altering or pausing their studies to contribute to the COVID-19 fight, allowing a temporary expansion of the medical workforce during a period where demand for medical staff is high. This is valuable during a medical emergency involving a contagious disease, as doctors and

nurses may fall ill themselves, rendering them unable to perform their jobs. Such policies may be worth exploring for Emerging Asian countries.

Long-term efforts to improve the medical workforce should focus on education. Proper incentives are needed for students to complete the long educational process required to become a nurse or physician, particularly specialist education beyond family medicine or basic nursing. Improving the quality of education at medical schools in the region is essential, and students who train abroad must benefit from returning home. Starting and scaled wages should reflect training quality, and healthcare funds should be allocated appropriately to developing infrastructure and training staff to operate it. ASEAN countries spend far less on healthcare than the OECD average, in terms of both dollars per capita and percentage of annual GDP at purchasing-power parity, with USD 912 per capita and 4% of GDP in ASEAN, compared to USD 3 857 per capita and 8.8% of GDP in the OECD in 2017 (OECD, 2020; World Bank, 2020).

International co-operation takes off in search of a vaccine

Given the highly contagious nature of COVID-19, long-term hope for controlling the virus rests in a vaccine. Along with the current global effort to create a vaccine, mass-production facilities must be prepared rapidly to ensure a smooth transition from approval to availability. Public health authorities should maintain a register of vulnerable persons so they may receive the vaccine urgently. These include front-line healthcare workers, the elderly and people with pre-existing medical conditions.

International co-operation is currently taking place in research and development of vaccines. In the United States, the National Institutes of Health (NIH) formed a consortium of public-private partnerships to conduct development and trials. This co-operative effort involves five government agencies (four in the United States including the NIH and one in Europe representing the European Union), one non-profit organisation and 16 pharmaceutical and biotechnology companies. Research is also being conducted in the United Kingdom, including at Oxford University, working with the UK National Institute for Health Research (NIHR) and the Centre for Epidemic Preparedness Innovations (CEPI). The European Union announced in March that EUR 47.5 million had been set aside for this work (Table 2.3).

Table 2.3. COVID-19 research contributions and phases, by selected countries and organisations

Country/Organisation	Contribution and phase of research/trials
Canada	CAD 40 million to CEPI
CEPI	AstraZeneca (USD 383 million); Clover Biopharmaceuticals Australia (USD 3.5 million); Institut Pasteur, Themis, University of Pittsburgh (USD 4.9 million); Novavax (Phase I/II trials, USD 388 million); Stevanato Group (vaccine vials); University of Hong Kong; University of Oxford; University of Queensland
China	Sinopharm (SOE)
European Investment Bank	BioNTech
European Union	Leading “Access to COVID-19 Tools (ACT) Accelerator” programme, Canada CAD 120 million (ACT Accelerator), Luxembourg EUR 800 000 (COVID-19 Therapeutics Accelerator), Serbia EUR 100 000 (CEPI)
India	Bharat Biotech and Zydus Cadila (Phase I/II trials)
Institut Pasteur	National Institute of Hygiene and Epidemiology of Vietnam and Institut Pasteur du Laos studying origin and transmission, to detect previously unnoticed infections. Institut Pasteur of Cambodia assessing viral transmission risk in Mekong Region wet markets.
Indonesia	Eijkman Institute for Molecular Biology

Table 2.3. COVID-19 research contributions and phases, by selected countries and organisations (cont.)

Country/Organisation	Contribution and phase of research/trials
Luxembourg	COVID-19 Therapeutics Accelerator
Malaysia	Malaysia and Turkey will collaborate in vaccine research
Norway	NOK 36 million to CEPI
Philippines	Reward for vaccine discovery
Singapore	BioNTech
Thailand	National Vaccine Institute (primate trials successful, plan to start human trials in Oct/Nov)
United States	Multiple vaccine candidates in Phase I or II trials, through PPP arrangements
United Kingdom	GBP 2.2 million to a vaccine research team, and GBP 0.4 million to a team researching vaccine production scaling, both at Oxford University and collaborating with NIHR. Phase III trials for vaccine in progress

Source: OECD Development Centre's compilation based on various government and organisation websites.

As part of global co-operation on COVID-19, the United Nations and other international agencies have called for urgent financial support to purchase and distribute supplies and equipment. The creation of a Global Humanitarian Response fund worth more than USD 2 billion was requested in March, and in April the World Health Organization (WHO) indicated that about one quarter of that amount (USD 550 million) had been raised. The UN Central Emergency Response Fund also released USD 95 million. In response to COVID-19, ASEAN nations have both received and provided assistance (Box 2.6).

Box 2.6. International pandemic support for and from ASEAN countries

As part of international co-operation on the pandemic, the United States has provided approximately USD 18.3 million in assistance to ASEAN member states for the construction and operation of laboratories, risk communication, infection prevention and control (including contact tracing), training of staff and in-kind donations of PPE and respirators. The United States has also provided human capital assistance through training or on-site expertise for a number of ASEAN member states and for ASEAN as a whole. France and ASEAN are co-operating through the French development agency's COVID-19 Health in Common Project, which provided EUR 2 million to laboratories in Cambodia, Lao PDR, Myanmar, the Philippines and Viet Nam for the purchase of diagnostic tests, PPE and other medical and laboratory equipment. ASEAN and Australia arranged to strengthen co-operation after a virtual meeting on 26 June, while Canada donated medical masks worth CAD 4 million (Canadian dollars) to the ASEAN Secretariat and select member states (ASEAN, 2020a; ASEAN, 2020b).

Co-operation among ASEAN member states and expanded groupings (ASEAN Plus Three and ASEAN Plus Six) has been a defining feature of the region's response to COVID-19. China donated masks and other medical supplies to almost all ASEAN countries. Singapore has been a critical supplier, sending test kits, PCR machines, ventilators and PPE to Brunei Darussalam, Indonesia, Malaysia, Myanmar, the Philippines and Viet Nam. As certain ASEAN countries succeed in containing COVID-19, they can assist countries that are still struggling. Viet Nam, which as of 2 July had recorded very few COVID-19 cases and not a single death, authorised the production of ventilators to be transferred to the Russian Federation and Ukraine, two countries that are still in the thick of the COVID-19 struggle. Viet Nam has also sent supplies, mainly masks, to countries in ASEAN Plus Three and Europe as well as to the United States and Cuba.

Source: Compilation based on press releases, news articles and CSIS (2020b), <https://www.csis.org/programs/southeast-asia-program/southeast-asia-covid-19-tracker-0#international> (as of 6 July).

Emerging Asia strengthens collaboration to fight the pandemic

Emerging Asian countries quickly recognised the need to strengthen collaboration and co-operation to combat the pandemic. Since the first COVID-19 cases were reported in January, ASEAN leaders and their counterparts in China, Japan and Korea have stepped up efforts to provide a collective response. By late March the virus had reached all ASEAN countries (Table 2.4).

Table 2.4. First confirmed cases in ASEAN countries

Country	First case confirmed
Thailand	13 January 2020
Viet Nam	23 January 2020
Singapore	23 January 2020
Malaysia	25 January 2020
Cambodia	27 January 2020
Philippines	30 January 2020
Indonesia	2 March 2020
Brunei Darussalam	10 March 2020
Myanmar	23 March 2020
Lao PDR	24 March 2020

Source: ASEAN Secretariat (2020c).

Region-wide initiatives are being implemented to support national measures, in particular in the framework of ASEAN and ASEAN Plus Three (Table 2.5). The initiatives, particularly those related to the health sector, involve facilitating and maximising the use of existing forms of co-operation and mechanisms (Box 2.7).

Table 2.5. Examples of region-wide pandemic initiatives in ASEAN and ASEAN Plus Three

Initiative	Programmes
Establish an ASEAN COVID-19 Response Fund	Supporting the provision of medical supplies and equipment and preventive efforts in all member states
Strengthen co-operation in public health	Exchanges of information and sharing of experience and best practices in research and development of vaccines and anti-viral medicines, in clinical treatment and in enhancing the capacity of public health systems and response to pandemics
Run an information platform among ASEAN Member State officials working at crisis centres and/or disease prevention and control	The ASEAN Emergency Operations Centre Network for public health emergencies runs a platform to share timely information, including on new confirmed cases and national measures, through channels including social media platforms, WhatsApp, websites, etc.
Assess risks through the ASEAN BioDiaspora programme	Real-time web-based risk assessment tools linking multiple datasets, including air travel data, demography data, human population density, animal populations, industrialisation and utility distribution, vector locations and other relevant information
Strengthen scientific co-operation in epidemiological research	Strengthening scientific co-operation in epidemiological research including through the ASEAN+3 Field Epidemiology Training Network, co-ordination on rapid research, development, manufacturing and distribution of diagnostics, anti-viral medicines and vaccines, adhering to the objectives of efficiency, safety, equity, accessibility and affordability and actively sharing and leveraging digital technologies and innovation to promote a science-based response to combat COVID-19
Enhance co-operation in trade and investment	Reaffirming commitments to keep markets open for trade and investment, enhancing co-operation on food security among ASEAN+3 countries, such as the utilisation of the ASEAN Plus Three Emergency Rice Reserve, and strengthening the resilience and sustainability of regional supply chains, especially for essential goods such as food, commodities, medicine and medical supplies

Source: OECD Development Centre's compilation based on various official statements and press releases.

Box 2.7. Health co-operation mechanisms in the framework of ASEAN and ASEAN Plus Three

1. ASEAN Emergency Operations Centre Network for public health emergencies
2. ASEAN BioDiaspora Virtual Centre for big data analytics and visualisation
3. Regional Public Health Laboratories Network through the Global Health Security Agenda platform
4. ASEAN Risk Assessment and Risk Communication Centre
5. ASEAN Plus Three Field Epidemiology Training Network
6. ASEAN Coordinating Council Working Group on public health
7. ASEAN and ASEAN Plus Three Senior Officials Meeting for Health Development
8. ASEAN and ASEAN Plus Three Health Ministers platforms
9. Public health laboratories network under the ASEAN Health Cluster 2 on Responding to All Hazards and Emerging Threats

Source: ASEAN (2020c); Djalante, R. et al. (2020), *The ASEAN's Responses to COVID-19: A Policy Sciences Analysis*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3595012.

ASEAN has also organised ministerial meetings in response to the pandemic. On 19 February, ASEAN defence ministers met in Viet Nam and issued a joint statement on co-operation against COVID-19. The ministers reaffirmed their commitment to promoting defence collaboration, including: enhancing co-operation among ASEAN defence establishments to organise activities to share information and best practices; leveraging the Network of ASEAN Chemical, Biological and Radiological Defence Experts to enhance professional linkages and promote scientific co-operation to manage infectious disease outbreaks; encouraging new initiatives and ways of co-operating; and contributing to ASEAN's efforts to counter fake news regarding the COVID-19 outbreak.

ASEAN countries step up co-operation on economic resilience and public health

The ASEAN economic ministers also held a retreat in Viet Nam, on 10 March, and issued a joint statement on strengthening economic resilience in the region in response to the COVID-19 outbreak (ASEAN, 2020d). The ministers agreed to take collective action to mitigate the economic impact of the pandemic, such as: keeping ASEAN markets open for trade and investment; strengthening regional information sharing and collaboration in responding to economic challenges; working closely with industries to encourage confidence in Southeast Asia as a trade and investment hub and tourism destination; leveraging technologies and digital trade to allow businesses, especially MSMEs, to stay afloat amid the outbreak; strengthening long-term supply-chain resilience and sustainability, in particular by implementing the Master Plan on ASEAN Connectivity 2025; enhancing economic co-operation with external and development partners to include initiatives aimed at strengthening regional supply chains; building on existing trade facilitating platforms, such as the ASEAN Single Window, to promote and support supply-chain connectivity; refraining from actions that could create unnecessary inflationary pressures or adversely impact food security; ensuring the availability of basic goods and commodities; and continuing to address non-tariff barriers, particularly those that impede the smooth flow of goods and services in supply chains.

In the health sphere, the ASEAN Coordinating Council Working Group on Public Health Emergencies held its first meeting at the end of March, sharing updates on the situation and measures taken in each country. The panel committed to co-operate and provide a collective response to COVID-19. ASEAN and ASEAN Plus Three health ministers also held video conferences on 7 April and adopted joint statements to enhance co-operation in response to the pandemic (ASEAN, 2020e). The ministers agreed to enhance the timely exchange and sharing of data and information on COVID-19, including prevention, detection, control and response measures, epidemiologic surveillance updates, risk assessment results, epidemiological and clinical studies on the virus and the disease, and technical guidelines, through existing ASEAN health sector co-operation mechanisms. They also agreed to strengthen co-operation in risk communication, to work together to prevent misinformation and fake news, and to maximise the use of digital technology for efficient exchange of information. Other areas of agreement included: co-ordination of public health responses such as contact tracing; enhancing co-operation in capacity-building on public health emergency preparedness and response; and continued collaboration in learning from regional and national experiences. The ministers agreed: to ensure that all infected persons can access healthcare services, including migrants and vulnerable groups; to collaborate with regional and global partners such as the WHO, academia and the private sector to promote research and development on the disease; and to provide timely assistance to affected national health systems in the region and revitalise health systems in their transition to recovery.

On 14 April, ASEAN and ASEAN Plus Three member countries deepened their co-operation through a special summit via video conference on collective responses to COVID-19. In addition to the subjects discussed at the previous meeting, the leaders agreed to reallocate existing ASEAN Plus One and ASEAN Plus Three funds and establish a COVID-19 ASEAN Response Fund to fight the pandemic. The fund aims to support provision of medical supplies and equipment and preventive efforts in all member states.

More recently, the 36th Annual ASEAN Summit was held virtually on 26 June, presenting an opportunity for leaders of ASEAN Member States to reaffirm and flesh out their commitments to regional co-operation, especially in the context of COVID-19. Strengthening ASEAN health security was noted as a top priority and it was acknowledged that public health emergency responses must be collective and collaborative efforts, co-ordinated not only within ASEAN, but also between ASEAN and its partners. Such efforts could take the form of collaborative scientific research, assistance in the development and procurement of vaccines and medicines, strengthening of medical and non-medical supply chains, as well as navigating a safe and robust economic recovery. The Summit announced the establishment of the COVID-19 Response Fund. The establishment of the ASEAN Regional Reserve of Medical Supplies and Standard Operating Procedures for future public health emergencies was encouraged. The importance of improving synergy among regional frameworks, such as ASEAN Plus One, ASEAN Plus Three, East Asia Summit, ASEAN Regional Forum and ASEAN Defence Ministers' Meeting Plus, was also stressed. In addition to the Summit, a series of video conferences are also being conducted with various countries and dialogue partners to exchange information, and share expertise, lessons learned and best practices, as well as updates on COVID-19.

Region-wide initiatives tackle risk assessment and information sharing

Collective initiatives are also implemented in the area of risk assessment, readiness and response planning through the ASEAN BioDiaspora programme. A real-time, web-based risk assessment tool, it links multiple datasets including air travel data, the demography data of ASEAN Member States, human population density, animal populations, industrialisation and utility distribution, vector locations and other relevant

datasets. It consists of two different tools. The “explorer tool” provides big data and advanced analytics to track and assess infectious disease threats in any place in the world. It shows where the disease occurs, the factors driving the spread of disease, how connected the outbreak locations are with the rest of the world and what could happen if a case is imported into a given country. The “insights tool” provides information about global infectious disease threats. It demonstrates which disease events are relevant to national and regional locations, the risk of disease exportation or importation and possible spread to a specific location. The ASEAN BioDiaspora Regional Virtual Centre produces risk assessment reports pertaining to COVID-19, with highlights and a situational overview of the virus, a timeline of international dissemination, a public health outlook and the risk of importation through air travel. It also provides information on cases and fatalities related to COVID-19 and travel advisories among ASEAN Member States in response to the virus.

ASEAN member states also exchange information on laboratory readiness, technical and material support, and laboratory surveillance through the Regional Public Health Laboratories Network. Another body, the ASEAN Risk Assessment and Risk Communication Centre, disseminates preventive and control measures, including those that address false news, hoaxes and misinformation on social media related to COVID-19. The countries are also strengthening scientific co-operation in epidemiological research, including through the ASEAN+3 Field Epidemiology Training Network, and co-ordination towards rapid research, development, manufacturing and distribution of diagnostics, anti-viral medicines and vaccines, and are actively sharing and leveraging digital technologies and innovation.

Regional leaders agree to bolster trade, investment and the labour market

The region’s leaders also reaffirmed commitments to enhance co-operation in trade and investment, in particular by keeping markets open. This initiative also focuses on ensuring food security, for example by utilising the ASEAN Plus Three Emergency Rice Reserve, and on strengthening regional supply chains, especially for essential goods such as food, commodities, medicines and medical supplies.

Labour and employment were in the spotlight on 14 May when ASEAN labour ministers held a virtual meeting to discuss responses to the impact of COVID-19. They agreed: to facilitate access of infected workers to healthcare services; to strengthen the effectiveness of labour-market policies at national and regional levels and of occupational safety and health standards and social protection systems; and to provide assistance to ASEAN migrant workers affected by the pandemic in each other’s countries. The ministers agreed to share best practices on measures to help workers and employers during the outbreak and to enhance public communications for timely updates on labour and employment policies and to counter misinformation.

APEC shares in collective response to COVID-19

The Asia-Pacific Economic Co-operation (APEC) forum is also being used for collective initiatives on the pandemic. On 5 May, the ministers responsible for trade in APEC economies issued a statement pledging to work together towards mitigating the health and economic impact of COVID-19. They committed to facilitate the flow of goods and services across borders, including medicines, medical supplies and equipment, agricultural and food products, and other supplies; to minimise disruptions to global supply chains; and to work closely in identifying and resolving any unnecessary barriers to trade. The ministers aim to ensure that trading links stay open and will explore ways to facilitate necessary movement of people across borders without undermining efforts

to avoid the spread of the virus. In response to the economic challenges brought on by the pandemic, the countries are also developing a co-ordinated approach to collecting and sharing information on policies and measures, including short- and long-term economic stimulus packages. This endeavour strives to ensure that the experience of one economy can translate into best practices for the region as a whole. Considering the importance of the digital economy amid the pandemic, the countries also stated their commitment to strengthen APEC's digital agenda, including e-commerce and related services.

Broader collaboration is needed to counter the pandemic's socio-economic impact

Regional responses as the pandemic began in January and February 2020 were considered to be relatively slow and to lack unity (Djalante et al., 2020). Since then, ASEAN has intensified its efforts to forge a coherent response to COVID-19, as described above. Nevertheless, many of the initiatives focus on exchanging information and sharing experiences and best practices among member countries. While this is crucial, other initiatives, such as financial co-operation, need to be strengthened.

As for ASEAN collective responses focused on the health sector, they are unquestionably necessary. Yet the pandemic is having a socio-economic impact on other sectors, including tourism, hospitality, financial markets, the banking sector, manufacturing, etc. There is thus a need to broaden the coverage of region-wide initiatives. Going forward, countries will need to ensure that responses not only to the current emergency, but also to future outbreaks, are timely and effectively co-ordinated. These responses should be longer-term and forward looking to increase the region's resilience and better prepare for potential future pandemics.

Conclusion

The COVID-19 pandemic has affected Emerging Asian countries in many ways beyond the immediate health crisis. Negative impacts and pressures on firms, the labour market and households are already apparent, although they vary by sector. In addition to policies to prevent the spread of the virus, such as border closures, lockdowns and restrictions on social interaction, all countries in the region have taken measures to ease the economic shock, including stimulus packages, but further efforts are needed. Continuous policy support is necessary to overcome the issues confronting the sectors most affected by the pandemic.

- The role of digitalisation and the opportunities it brings have become more obvious during the pandemic. Digital tools proved essential during lockdowns to ensure the continuity of essential services. However, efforts to mobilise digital innovations remain limited in some emerging economies. While most countries in Emerging Asia have succeeded in leveraging the opportunities created by digitalisation, a few are less well equipped than their regional peers. It is thus important to facilitate innovation and the use of digital tools. Countries with limited ICT infrastructure and Internet availability should step up efforts to close this gap and make the benefits of digitalisation available to a broader range of stakeholders. Ensuring cyber resilience is also of the utmost importance given the increased reliance on digital tools.
- Various emergency measures have been implemented by governments in the region to prop up the tourism sector, which has been particularly devastated by the pandemic. A strategy for the short to medium term could include direct support to the most affected agents, combined with enhanced safety measures and protocols to revive domestic tourism and envisage the return of international travellers. Co-ordination among tourism officials, health officials and local authorities at tourist destinations is essential for developing and implementing a plan to respond

to cases of COVID-19. A more holistic approach involving upskilling or job training for affected workers will be needed in the medium and longer term.

- In addition to immediate healthcare responses to curtail the spread of the virus, including containment measures and information sharing, efforts to cope with the long-term challenges of the pandemic are needed. Key elements of these efforts are international co-operation for research and development, and strengthening healthcare systems to prepare for future outbreaks.
- It is crucial to strengthen the region-wide initiatives taken within various frameworks as part of immediate responses to the pandemic. Broadening the coverage of these efforts and ensuring longer-term measures for better preparedness will be particularly important.

Overall, although various measures are in place to cope with the pandemic, their impact is yet to be seen. In view of the rapid evolution of the pandemic and its impacts, continuous monitoring will be needed to provide more targeted and effective support measures.

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