



COVID-19 Global Trends and Analyses

Refugees,
Economic Impacts
of COVID-19

September 2020 | Update 2

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SUMMARY

COVID-19 GLOBAL TRENDS AND ANALYSES | 8 – 22 September 2020

- The **global** total number of reported cases has surpassed 31 million with 960,000 deaths recorded as of 20 September. A new daily high of 315,000 cases was reported on 18 September. At least 73 countries are now experiencing surges in infections.
- The situation in **Europe** is worsening, as many countries are seeing a resurgence in COVID-19 cases. The WHO regional director for Europe has warned that, “we have a very serious situation unfolding before us”. In the past two weeks, over half the countries of Europe had cases increase by more than 10% and seven countries have doubled their total number of cases. Both **France** and **Spain** have reported record numbers of daily new cases.
- **Israel** has reported record daily new cases, reaching 6,063 on 16 September. On 14 September, the Israeli government made the decision to reimpose a lockdown for the duration of 3 weeks, fearing mass gatherings during the upcoming national holidays.
- In the **United States**, the number of cases has surpassed 7 million and the death toll has surpassed 200,000. From a peak of about 60,000 cases per day in July, they are now recording about 40,000 per day. However, the 51,543 new cases reported on 18 September was the highest since mid-August.
- **India's** epidemic has continued to grow at an alarming rate. The country has recorded over 5 million cases less than a month after it hit 3 million.
- **Indonesia's** case numbers have shown no signs of slowing down and continue to grow reporting more than 4,000 new cases for the first time on 19 September.
- **South Korea's** second wave is stabilising as they have reported their lowest daily virus numbers in a month. Following these decreasing numbers, social distancing rules in the greater Seoul area are easing.
- **Papua New Guinea** appears to have weathered its first major wave and is now reporting single digit cases daily.
- **Myanmar** has reported 5,541 cases and is reporting record daily new cases with an all-time high of 671 on 20 September. The outbreaks are centred in Rakhine state and Yangon.
- Since the last update, the **Victorian** daily case numbers have continued to decline. On 15 September, there were zero recorded deaths. On 20 September, there were only 14 new cases of COVID-19, the lowest figure recorded in more than two months. The number of active cases was 843 on 20 September. To trigger the next stage of release from lockdown, metro **Melbourne** must continue to average fewer than 50 cases over a period of 14 days. This appears to be on track (averaging 36.2 on 20 September).

Refugees

- The COVID-19 pandemic has further exposed the vulnerabilities of refugees and internally displaced and stateless people. More than 70 million people worldwide have fled their homes due to conflict and unrest, with up to 10 million living in refugee camps and informal settlements.
- Nearly six months into the pandemic, advocates warn the coronavirus has started to find new footholds in some camps, or in dangerous proximity, threatening some of the world's most vulnerable populations.
- For the millions of people around the world displaced by economic collapse, violence and war, it is often impossible to follow practices such as social distancing, handwashing and isolating those who are sick and most at risk.

Economic Impacts

- The impact of COVID-19 on the world economy has eclipsed all previous global financial crises.
- Grim forecasts loom over LMICs and developing countries as they are unable to protect their economies as effectively as HIC countries.
- One trend that has emerged is that countries that have managed to protect the health of its citizens have generally been able to protect their economy.

GLOBAL EPIDEMIOLOGY AND TRENDS

- The **global** total number of reported cases has surpassed 31 million with 960,000 deaths recorded as of 20 September¹. A new daily high of 315,000 cases was reported on 18 September. At least 73 countries are reporting surges of new infections.
- The situation in **Europe** is worsening, as many countries are seeing a resurgence in COVID-19 cases. The WHO regional director for Europe has warned that, “we have a very serious situation unfolding before us”. In the past two weeks, over half the countries of Europe had cases increase by more than 10% and seven countries have doubled their total number of cases².
 - Infections in the **United Kingdom** had jumped by 60% in the week before 5 September, prompting a ban on social gatherings. Daily new cases around 3,000 have been reported since then, with more than 4,400 recorded on 19 September.
 - For the first time, **France** reported 13,500 new daily cases on 19 September. This second wave was largely driven by the loose restrictions and increased movement during their summer. Despite their growing numbers, France and the UK have ruled out a second national lockdown³.
 - After becoming the first western European country to surpass 500,000 cases, **Spain's** second wave has now surpassed the peak of the first wave. The previous peak of 10,858 cases was eclipsed by the 11,193 cases that were announced on 16 September. This current wave has largely been driven by young, asymptomatic people. One health official from Madrid's regional government warned citizens of “selective lockdowns” in districts where significant outbreaks have been observed⁴. The minister of the region has urged the area to flatten the curve before the arrival of cold weather.
 - **Ukraine's** first wave never dissipated, and what we are seeing is an extended wave that has been growing since the beginning of the year. They are consistently seeing new records for daily cases, most recently on 17 September with 3,584.

¹ <https://www.worldometers.info/coronavirus/#countries>

² https://www.nytimes.com/2020/09/17/world/covid-19-coronavirus.html?campaign_id=154&type=style-key-updates&index=1&emc=edit_cb_20200917&instance_id=22292&nl=coronavirus-briefing®i_id=35464541&segment_id=38416&te=1&user_id=668420d1d50ece39e7e4cbbddc0196d0#link-6611f565

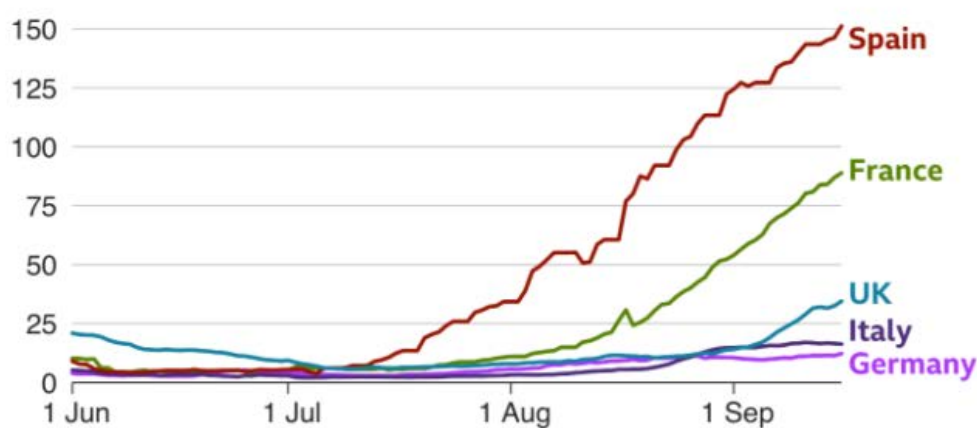
³ <https://www.abc.net.au/news/2020-09-17/fears-of-second-wave-in-uk-and-france-as-coronavirus-cases-soar/12672696>

⁴ <https://www.nytimes.com/2020/09/16/world/covid-coronavirus.html#link-8949cf2>

- **Germany** was held as an exemplar early in the pandemic. Since then, they have been handling spot fires of around 1,500 cases though these appear to be increasing in severity. The last time they recorded numbers around the recently announced 2,202 cases was in early March.
- The **Czech Republic** faced a relatively small first wave peaking at the end of March but reported 3,123 new cases on 17 September. In response to this wave, they have introduced mandatory face mask usage at indoor locations and on public transport from 1 September⁵.
- Other countries that had relatively small first waves but are now experiencing major second waves include **Greece, Austria, and Romania**.

Coronavirus cases increasing in European countries in recent weeks

Total cases per 100,000 people by week up to 16 September



Note: Countries do not always release figures every day, which may explain some of the sharp changes in the trendlines

Source: ECDC, data to 16 Sep

BBC

- **Middle Eastern** countries like **Iran** and **Israel** are rapidly spiralling out of control. Although Iran is reporting 2,500 a day, they have also had 24,000 fatalities. Both Iran and Israel were some of the first countries to appear to have second waves. While Israel's epidemic resurgence was primarily linked to the reopening of schools, Iran's was based on reduced compliance to physical distancing requirements. Israel has reported record daily new cases, most recently with 6,063 on 16 September. On 14 September, the Israeli government made the decision to reimpose a lockdown for the duration of 3 weeks, fearing mass gatherings during the upcoming national holidays⁶. **Lebanon** has reported daily new cases more than 1,000 for the first time in the pandemic.

⁵ <https://news.expats.cz/coronavirus-in-the-czech-republic/czech-republic-to-make-face-masks-mandatory-at-indoor-locations-and-on-public-transport-from-september-1/>

⁶ <https://www.theguardian.com/world/2020/sep/13/israeli-government-set-to-vote-on-second-covid-19-national-lockdown>

- In the **United States**, the number of cases has surpassed 7 million and the death toll has surpassed 200,000. From a peak of about 60,000 cases per day in July, they are now recording about 40,000 per day. However, the 51,543 new cases reported on 18 September was the highest since mid-August. Alarming, a survey involving 10,000 American adults found that 49% said they would not get vaccinated once a vaccine was made available⁷. This is a decrease of 21 percentage points from when the survey was done in May.
- **Canada's** chief public health officer has warned that the country may lose its ability to manage its pandemic following a spike in new cases. The country reported 1,606 new cases on 8 September, the highest daily number since early May.
- The numbers in **Brazil** continue to fluctuate at a high level, though the peaks are not as high as they were in late August. The proportion of cases in Brazil compared to the rest of the world has now dropped below 15% as India's case numbers worsen.
- **India's** epidemic has continued to grow at an alarming rate. The country has recorded over 5 million cases less than a month after it hit 3 million. This accelerating epidemic is of great concern, and the country is expected to become the worst-hit in the world within the next few weeks. They are on the verge of reporting over 100,000 daily cases and have relaxed restrictions outside of high-risk areas⁸. The fatalities are primarily concentrated in the large cities such as Mumbai, Delhi and Chennai.
- Over the past month, there was an average 10% fall in the number of weekly cases according to the **Africa** CDC⁹. **South Africa** is set to reopen for tourism in October, amidst their severe economic decline. Rules on social distancing and mask-wearing will remain in place. South Africa saw cases of 12,000 per day in July compared to now fewer than 2,000 now.

Asia Pacific-Region

- **Indonesia's** case numbers have shown no signs of slowing down and continue to grow, reporting more than 4,000 new cases for the first time on 19 September. The country has recorded the most deaths among healthcare workers (HCW) in Southeast Asia. In early September, 213 HCWs including 107 doctors and 74 nurses had died, raising concerns about the impact this will have on an already overwhelmed healthcare system.

One of the reasons HCWs are at high risk in Indonesia may be due to a shortage of PPE and the fact that COVID-19 and non-COVID-19 patients are treated in the same healthcare facilities¹⁰. Increased testing rates can help reduce the case numbers. Currently, Indonesia has one of the lowest testing rates in the world – 11 per 1,000 compared to 30 per 1,000 in the Philippines.

⁷ <https://www.pewresearch.org/science/2020/09/17/u-s-public-now-divided-over-whether-to-get-covid-19-vaccine/?utm>

⁸ <https://www.smh.com.au/world/asia/india-s-coronavirus-cases-surge-past-5-million-outbreak-still-soaring-20200917-p55wdi.html>

⁹ <https://www.bbc.com/news/world-africa-53181555>

¹⁰ <https://apnews.com/960175dc021340a9d6f9a3bec904c255>

- The **Philippines** has the second highest amount of HCW deaths in the region, with 33. They are reporting around 4,000 cases a day in September.
- **South Korea's** second wave is stabilising as they have reported their lowest daily virus numbers in a month. Following these decreasing numbers, social distancing rules in the greater Seoul area appear to be easing. There continues to remain clusters that emerge from mass gatherings in churches or rallies.
- In **China**, domestic flights have returned with 64,700 passengers transported aboard 500 domestic flights on 11 September¹¹.
- Following more than 100 days without community transmission, **Thailand** has recorded new infections (three to ten cases a day).
- **Papua New Guinea** has weathered their first major wave and is now reporting single digit cases daily.
- **Myanmar** has reported 5,541 cases and is reporting record daily new cases with an all-time high of 671 on 20 September. The outbreaks are centred in Rakhine state and Yangon.

New Zealand

- Since the reintroduction of restrictions in New Zealand, the number of daily new cases has not exceeded 20. During the past week the average number of new cases has been three. The restrictions across New Zealand outside of Auckland have been relaxed.
- The economic impact of COVID-19 has started to appear, as the country posted a record fall in GDP¹². In the June quarter the GDP fell by 12.2% (compared with 7% in Australia), the largest drop recorded since 1987. Household spending had dropped by over 12%.

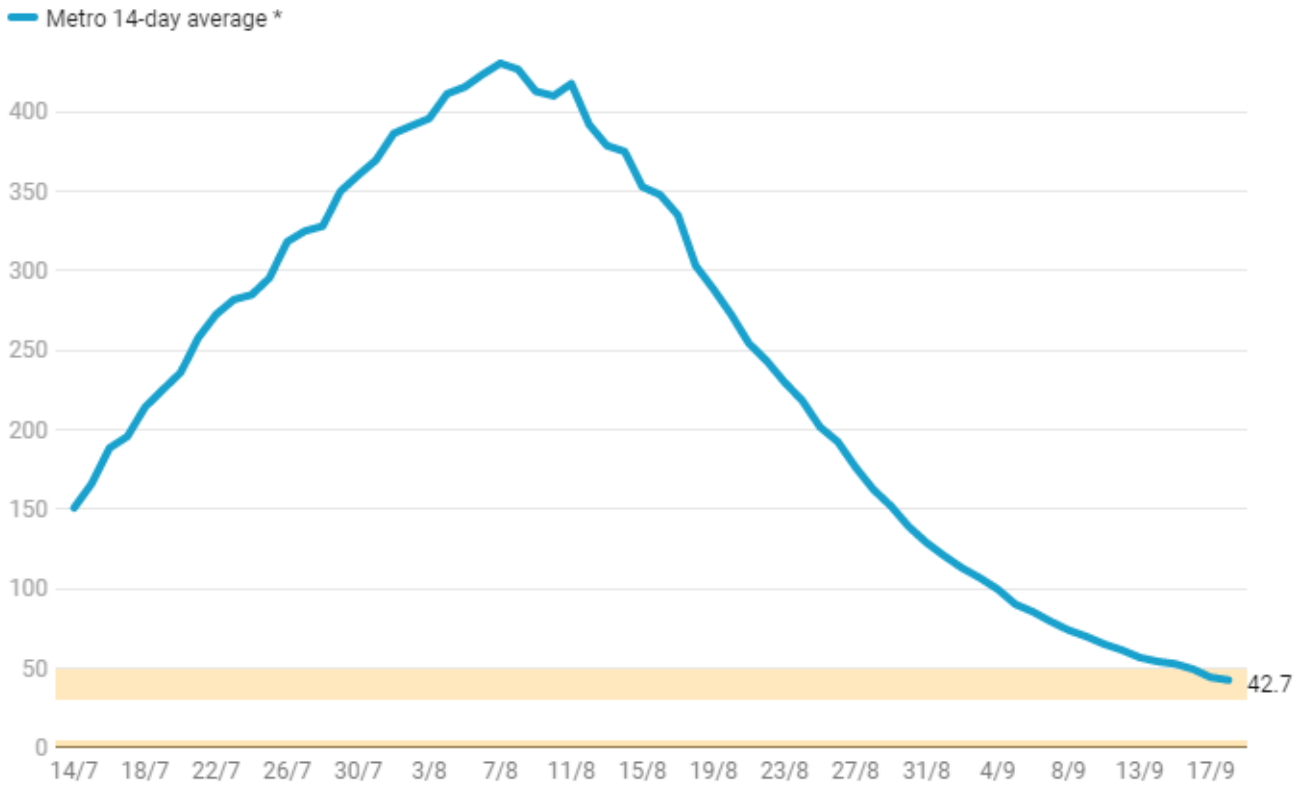
Australia

- **Sydney** continues to report fewer than 10 new cases daily, most linked to known clusters including two hospitals.
- Since the last update, the **Victorian** daily case numbers have continued to decline. On 15 September, there were zero recorded deaths. On 21 September, there were only 11 new cases of COVID-19, the lowest figure recorded in more than two months. The number of active cases decreased below 1,000 on 15 September and was 843 on 20 September. Among healthcare workers, the outbreaks also appear to be dissipating. To trigger the next stage of release from lockdown, metro **Melbourne** must continue to average fewer than 50 cases over a period of 14 days. This appears to be on track (averaging 36.2 on 20 September).

¹¹ <https://www.abc.net.au/news/2020-09-13/coronavirus-update-covid-19-wuhan-flights-who-record-daily-cases/12659780>

¹² <https://www.theguardian.com/world/live/2020/sep/17/coronavirus-live-news-who-warns-latin-america-opening-up-too-early?page=with:block-5f629a048f08728f004551ef#block-5f629a048f08728f004551ef>

- The restrictions in **regional Victoria** have been eased faster than metro Melbourne, following the reduction of the 14-day average of daily cases to below 5. As of 17 September, the current 14-day average is 2.9. Residents in regional Victoria are now able to leave their homes for any reason and may have small gatherings in public. When there are no new cases for 28 days, and there are zero active cases, the restrictions will be eased to the greatest extent.



GLOBAL PERSPECTIVE | IMPACT OF COVID-19 ON REFUGEES

The COVID-19 pandemic has further exposed the vulnerabilities of refugees and internally displaced and stateless people. More than 70 million people worldwide have fled their homes due to conflict and unrest, with up to 10 million living in refugee camps and informal settlements¹³. According to the Office of the UN High Commissioner for Refugees (UNHCR), the global lockdown measures and worsening socio-economic conditions are having “serious implications” for forcibly displaced individuals.

Nearly six months into the pandemic, advocates warn, the coronavirus has started to find new footholds in some camps, or in dangerous proximity, threatening some of the world’s most vulnerable populations. For the millions of people around the world displaced by economic collapse, violence and war, it is often impossible to follow practices such as social distancing, handwashing and isolating those who are sick and most at risk.

In July, the UNHCR called attention to the increased risks posed to refugees who attempted movement, specifically highlighting “trafficking and exploitation” as one of the main threats of the worsening socio-economic conditions¹⁴.

According to a briefing note commissioned by the **Refugee Council of Australia**, 22,000 asylum seekers and temporary visa holders will lose their jobs because of COVID-19. An inability for asylum seekers and temporary visa holders to pay rent “could increase the rate of overcrowded dwellings from this group from 22% to 75%”, thereby increasing COVID-19 transmission risk¹⁵.

Five specific challenges that were noted by MSF in Bangladesh can be translated to all refugee camps¹⁶:

- 1. Highly vulnerable populations**

Restricted access to healthcare in countries of origin may mean that refugees present with symptoms of other communicable diseases. The risk of severe COVID-19 may be high in those who are immunosuppressed, or present with other comorbidities.

- 2. Maintaining essential services**

Inclement weather and looming potential outbreaks of other diseases, such as cholera or dengue, can hamper the responses to COVID-19 in these camps. Travel restrictions can also make it difficult for refugees to seek healthcare.

¹³ <https://www.aljazeera.com/news/2020/09/covid-19-cases-confirmed-jordan-camp-syrian-refugees-200908121425186.html>

¹⁴ <https://www.unhcr.org/en-au/news/press/2020/7/5f22e2844/unhcr-warns-increased-covid-19-related-trafficking-risks-refugees-displaced.html>

¹⁵ <https://www.refugeecouncil.org.au/covid-19-impact-briefing-1/>

¹⁶ <https://msf.org.au/article/project-news/covid-19-refugee-camps-five-challenges-bangladesh>

3. Erosion of trust

MSF have noted a stark decline in consultations, requiring an increased level of education and community involvement to reduce fear and give people a sense of control.

4. Protecting frontline workers

The capacity to maintain PPE makes it difficult to lower the risk of infection to frontline healthcare workers. Fear among the camp communities may also pose a danger to frontline healthcare workers.

5. Management of COVID-19 patients

Isolating and managing COVID-19 patients can prove difficult in these densely populated settings, necessitating the construction of isolation and treatment centres.

Refugees that are held in camps face conditions that are extremely concerning in the context of a pandemic. Those who live in these camp-like settings are especially vulnerable due to overcrowded living arrangements, lack of basic amenities and poor access to adequate health information. The challenges that infection prevention in these settings poses are formidable.

Should COVID-19 spread in this community, it is likely that numbers would be underreported due to lack of health information and therefore lack of knowledge of symptoms, lack of tests and fear of stigma that may lead to increasing restrictions and crackdown on refugees.

Syrian Refugees | Impact of COVID-19 on Refugees

Some people who have escaped conflict in Syria have migrated to **Lebanon**, which hosts an estimated 1.5 million Syrian refugees that are located in makeshift camps. Currently, Lebanon is facing a severe economic crisis and civil unrest alongside the present pandemic. Prices of food and medicine have increased due to the country's heavy reliance on imports. Despite the best efforts of the UNHCR, significant funding is still required to prevent transmission in these camps. One paper has noted that there are anecdotal reports of fears that foreign aid might decrease or withdraw from the camps due to the pandemic, potentially harming the mental wellbeing of the inhabitants¹⁷.

On 9 September, the first cases of COVID-19 were confirmed in a camp in **Jordan** for Syrian refugees. The two patients were transferred to an isolation centre, and those in the immediate area of these two cases have been transferred to an 'Isolation zone' within the camp.

Meanwhile, north-eastern **Syria's** al-Hol refugee camp confirmed its first local coronavirus infection on 27 August, several weeks after three medical workers there tested positive. The northeast region had officially recorded 394 coronavirus cases as of 24 August. But tests are limited, and about half have come back positive — suggesting a much wider spread.

In Syria's war-ravaged northwest — the country's last mainly rebel-held zone, where many residents have been displaced multiple times after years of fighting — testing and data are similarly scarce. Six weeks ago, the region's first coronavirus patient, a doctor, was confirmed. Since then, infections have proliferated, half among medical staff, said Sherine Ibrahim, Deputy Director of the Care charity in Syria.

"We were all quite surprised that we didn't see this exploding earlier on," said Misty Buswell, a Middle East Regional Director for the International Rescue Committee (IRC). "But I think now we are really starting to get to a tipping point."

¹⁷ <https://www.sciencedirect.com/science/article/pii/S1477893920302155>

Cox's Bazar | Impact of COVID-19 on Refugees

The ever-present danger of an outbreak in a refugee camp is heightened in the world's largest refugee camp, Cox's Bazaar. Located in southeast **Bangladesh**, this camp has raised significant concerns about the potential of a large-scale outbreak. In one square kilometre of land, up to 90,000 people can be found in densely packed living conditions.

Over 900,000 Rohingya refugees have sought refuge in this camp, with the majority fleeing Myanmar due to the ongoing violence. Efforts by the Bangladesh government and by humanitarian organisations to prevent the spread of COVID-19 have created certain indirect impacts. For example, the formal education of children within the camp has been cut short just two months after its introduction. Additionally, child-friendly spaces have been shut down in favour of potential medical repurposing¹⁸.

As highlighted in a previous update, a modelling study was conducted to estimate the extent of a COVID-19 outbreak in the Kutupalong-Balukhali Expansion site, which has a population of 600,000¹⁹. It was found that a large-scale outbreak was very likely if a single infectious person enters the camp, with 70-98% of people infected during the first year depending on the transmission scenario. Limited access to water and adequate sanitation also increases the risk of COVID-19 transmission.

On 15 May, one refugee became the first to test positive for COVID-19 in the camp²⁰. Since then, international aid has been offered and the UNHCR has established 144-bed isolation and treatment centres to assist. Currently, Bangladesh is in the midst of monsoon season, and dengue season is fast approaching. Experts have expressed concern about COVID-19 spreading throughout the country and refugee camps in Bangladesh due to the very low testing rate of 0.8 tests per 1,000 people per day²¹.

Gaza | Impact of COVID-19 on Refugees

A 25-fold increase in coronavirus cases — from 81 to 2,100 — in less than four weeks in the Gaza Strip has led to fears the territory's health system could collapse if there's also an increase in the number of seriously ill patients²².

Conditions in the densely populated coastal strip, where two million people are crammed into 365 sq km and the health service is overstretched and underfunded, suit the spread of disease, including the coronavirus. Of the population, 1.4 million are refugees under the care of the UN Relief and Works Agency (UNRWA). Fourteen people have died since the number of cases began climbing at the end of August. Two of those worked at UNRWA, both men in their 50s who were previously in good health.

¹⁸ <https://www.savethechildren.org.uk/news/media-centre/press-releases/first-coronavirus-coxs-bazar>

¹⁹ <https://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1003144>

²⁰ <https://www.theguardian.com/world/2020/may/14/first-coronavirus-case-rohingya-refugee-camps-bangladesh>

²¹ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(20\)31819-5/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)31819-5/fulltext)

²² <https://www.theaustralian.com.au/world/coronavirus-spike-puts-gaza-health-system-under-gun/news-story/874c534befb0439457e00acaf150c2f9>

“Gaza is not equipped to cope with a large outbreak. There are only 97 intensive care beds in the whole Gaza Strip,” said Ghada Al-Jabda, Chief Medical Officer in the Gaza office of UNRWA.

After announcing the local transmission of COVID-19, Hamas imposed a second lockdown in late August. Dr Al-Jabda introduced telemedicine to replace visits to UNRWA clinics, and had her staff deliver medicines to patients who were not allowed to leave their homes, even to go to the chemist.

Greece | Impact of COVID-19 on Asylum Seekers

Greek police on the island of Lesbos launched an operation on 17 September to rehouse thousands of asylum-seekers who have been sleeping rough since fires destroyed the Moria reception centre last week. By 18 September, some 5,000 people had moved into a new emergency facility which has capacity for up to 8,000 people. Before entering the facility, all new residents are undergoing rapid COVID-19 testing. By Friday morning 18 September, some 150 people were isolating in a quarantine area after testing positive for the virus²³.

Kenya | Impact of COVID-19 on Refugees

In camps, the strategy from the start has been to assume that outbreaks are inevitable and prepare accordingly, said Mohamed El Montassir Hussein, the IRC’s Kenya Country Director.

Since cases first emerged in Kenya in March, the country’s two main refugee camps, Kakuma and Dadaab, have been largely sealed off. Healthcare staff, already dealing with seasonal malaria and cholera outbreaks, have worked to educate residents about the coronavirus, prepare isolation areas and bolster stockpiles of protective gear.

Official numbers remain low at 76 cases in Kakuma and 44 in Dadaab as of 27 August, Hussein said. But testing remains minimal, and about 90 percent of infections have been asymptomatic²⁴.

Kenya has still not reached its peak case numbers, said Hussein, who expects cases in the camps to keep rising as well. Mercy Laker, a Deputy Country Director for Care in South Sudan, said camps there for displaced people are facing a similar situation.

“There is consensus that there is community transmission going on, but we don’t know the extent to which people are getting infected,” she said. “So it’s definitely a time bomb.”

²³ <https://www.unhcr.org/refugeebrief/latest-issues/>

²⁴ <https://www.washingtonpost.com/world/2020/09/01/refugee-camps-have-avoided-worst-pandemic-that-could-be-about-change/>

GLOBAL PERSPECTIVE | IMPACT ON GLOBAL ECONOMY

When looking at epidemiological curves that illustrate the level of cases in each country, there are clear differences in severity. The curve is shaped by the strength of a nation's healthcare, contact tracing systems and general culture surrounding infection prevention. However, while some countries have been able to avoid devastating epidemics, none around the globe have been able to avoid the most wide-ranging catastrophe – the impact of the pandemic on the economy.

The COVID-19 pandemic has rivalled and eclipsed previous global financial crises and has demonstrated the largest economic shock we have seen in decades, resulting in a global recession. The International Monetary Fund (IMF) has estimated that the global economy will shrink by 3% this year, the worst we have seen since the Great Depression less than a century ago²⁵. Fiscal and monetary policy support by governments that aim to provide emergency stimulus and social protection has been able to prevent the absolute worst outcome, but this protection is a luxury that not every country can afford.

LMICs and developing countries are unable to protect their economies as effectively and are therefore extremely vulnerable to the economic impacts. When looking at the stimulus funding averages in G20 countries, their average funding is about 22% of the GDP compared to sub-Saharan African countries that have **stimulus funding averages of just 3%**²⁶.

The latest UN framework for the socio-economic response that was released in June featured some grim forecasts for vulnerable communities around the world. It estimated that 40-60 million people may be pushed into “extreme poverty”, which refers to an income below the international poverty line of US\$1.90 a day. Already, the Institute for Health Metrics and Evaluation (IHME) estimates that poverty has gone up by 7% in the past few months, which has ended a 20-year streak of progress. The impacts of poverty are not equal between genders however, with women more likely to become impoverished due to the gender composition of informal employment in developing countries. Roughly 1.6 billion informal workers have lost 60% of their income with little to no savings and no access to social protection. There have also been dramatic reductions in remittances, cutting off a valuable lifeline to vulnerable households.

When looking at the human global development index, a metric that is the combined measure of the world's education, health and living standards, we can see that COVID-19 has presented an unprecedented decline since the metric's introduction in 1990.

²⁵ <https://www.bbc.com/news/business-51706225>

²⁶ <https://www.gatesfoundation.org/goalkeepers/report/2020-report/#GlobalPerspective>

HUMAN DEVELOPMENT FACES AN UNPRECEDENTED HIT SINCE THE CONCEPT WAS INTRODUCED IN 1990



Source: United Nations Development Programme, May 2020.

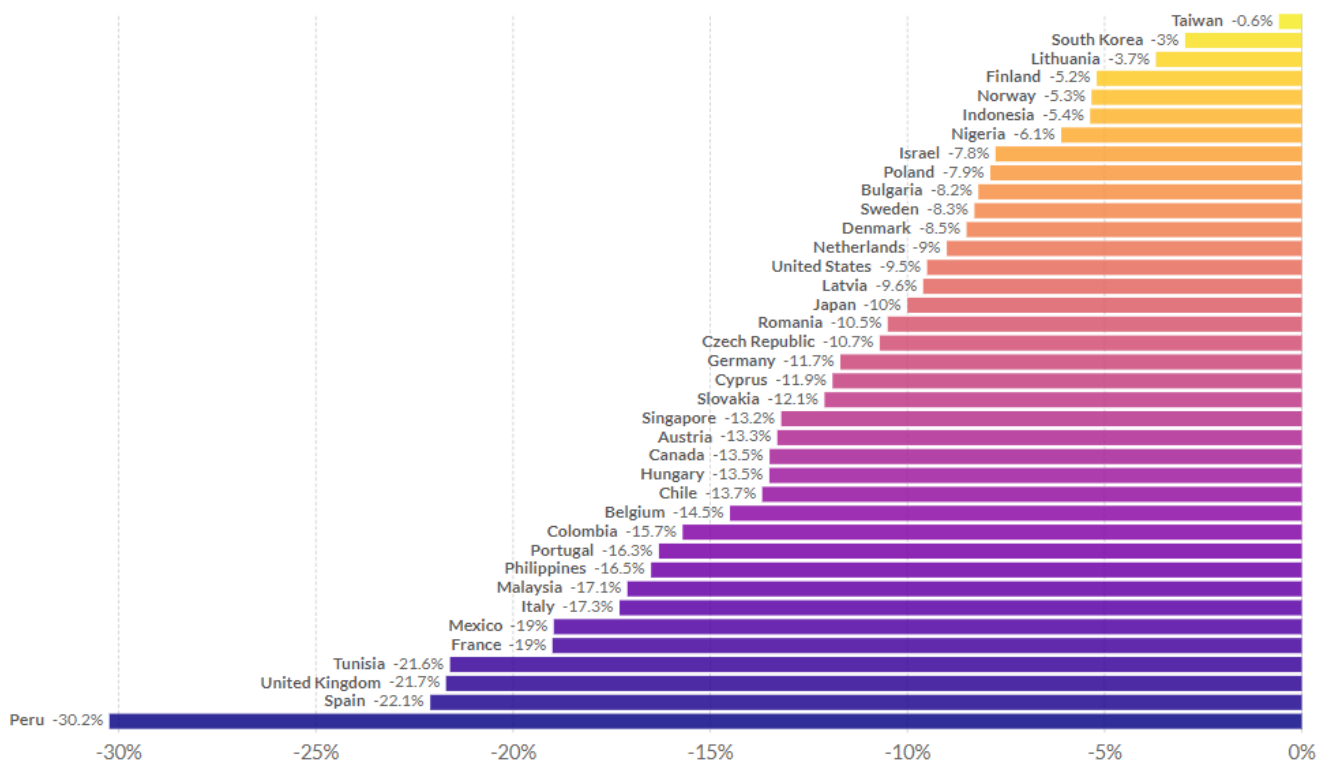
* The 2019 value is a provisional estimate.

The “Health-Economy Trade-off” | Impact on Global Economy

An interesting trend that has emerged is that countries that have managed to protect the health of its citizens have generally been able to protect their economy. This contrasts with the belief that health and the economy are two ends of a see saw²⁷.

²⁷ <https://ourworldindata.org/covid-health-economy>

Economic decline in the second quarter of 2020²⁸



Exemplars with regards to their public health response such as **Taiwan** and **South Korea** have seen GDP declines of -0.6% and -3%, when compared to the same quarter in 2019, respectively. The fallacy of a health-economy tradeoff is also apparent when looking at countries with the highest COVID-19 fatality rates. Countries such as Peru, Spain and the UK have had high death rates, and suffered the most severe economic downturns.

An article in the economist looked at factors that contributed to economic recovery and found that they were dependent on: **(1)** The composition of industries within a country **(2)** the confidence among a population in their government's ability to manage the pandemic and **(3)** the size of the stimulus offered to the population²⁹. European countries that are mainly reliant on retail and hospitality, such as Greece and Italy have had a much bleaker economic forecast than countries with more prominent manufacturing sectors like Germany.

The Long Road to Recovery | Impact on Global Economy

The OECD's Interim Economic Outlook projects the global GDP growing by 5% in 2021, despite the fall by 4.5% in 2020³⁰. However, the World Bank has predicted lingering repercussions of the deep global recession. They estimate that deep recessions caused by COVID-19 will leave long term effects due to lower investment, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply

²⁸ <https://ourworldindata.org/covid-health-economy>

²⁹ <https://www.economist.com/finance-and-economics/2020/09/16/is-the-world-economy-recovering>

³⁰ <https://www.oecd.org/coronavirus/en/>

linkages³¹. Longer recessions in LMICs with limited healthcare capacity may be unavoidable with current efforts to contain the pandemic.

Estimates as to how the economy will recover beyond 2020 are based on an optimistic outlook that normal economic activity can resume in the second half of 2021 with the introduction of a safe effective vaccine. Many questions still surround not only the efficacy of a vaccine, but which groups should receive it first and whether there will be adequate coverage in communities to ensure significant protection.

³¹ <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>



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