

Philippines	
Policy responses	
Containment	<ul style="list-style-type: none"> • 8 Mar <ul style="list-style-type: none"> – state of public health emergency declared • 15 Mar <ul style="list-style-type: none"> – community quarantine in Metro Manila till 14 April <ol style="list-style-type: none"> 1) international travel restrictions 2) social distancing compliance 3) curfew by Metro Manila LGUs 4) police & military authorized to enforce the lockdown – subsequent lockdown measures announced by different provincial governments • 17 Mar <ul style="list-style-type: none"> – enhanced community quarantine (ECQ) in Luzon till 12 April: effectively a total lockdown <ol style="list-style-type: none"> 1) restrictions on populace's movement 2) closure of non-essential businesses 3) Travel restrictions on air, sea and land) • 7 Apr <ul style="list-style-type: none"> – ECQ extended to 30 April • 24 Apr <ul style="list-style-type: none"> – ECQ extended to 15 May, with differentiated policies for high-risk/low-risk areas • 1 May <ul style="list-style-type: none"> – official quarantine guidelines released (till 15 May) <ol style="list-style-type: none"> 1) ECQ for Luzon & major urban areas 2) General Community Quarantine (GCQ) for other parts of the country • 13 May <ul style="list-style-type: none"> – ECQ extended to 31 May for Metro Manila – gradual removal of restrictions in other parts of the country • 1 June <ul style="list-style-type: none"> – domestic flights resumed – partial reopening of Manila (less-restrictive general community quarantine) till 15 July 2020 – Cebu City was subsequently put back to “enhanced community quarantine” from June 16 to to July 15, given the rise in new COVID-19 infections • 14 July <ul style="list-style-type: none"> – police to conduct house-to-house searches for individuals with

	<p>Covid-19 and transfer them to isolation facilities</p> <ul style="list-style-type: none"> - anyone found not wearing a mask to be arrested (21 July) - lockdown/reopening in certain cities depending on local conditions <ul style="list-style-type: none"> • 15 Aug <ul style="list-style-type: none"> - extension of general community quarantine (GCQ) in multiple provinces on Luzon, Panay, and Cebu islands until August 31 • 13 Sep <ul style="list-style-type: none"> - nationwide state of calamity extended till 12 Sep 2021 • Sep-Oct <ul style="list-style-type: none"> - General community quarantine (GCQ) in Metro Manila and areas of the Visayas and Mindanao extended till 30 Nov • Dec 2020 – Mar 2021 <ul style="list-style-type: none"> - Mandatory face masks wearing & compulsory use of StaySafe App for effective contact tracing (Dec 2020) - General community quarantine in Metro Manila and six other areas for the entire month of Dec 2020 - Vaccination kick start (Mar 2021) - Expanded targeted lockdowns in Manila and reintroduced nighttime curfews for hotspots (9 Mar 2021)
Fiscal	<p>Up till 21 Apr</p> <ul style="list-style-type: none"> • fiscal from budget: 1.9% GDP, US\$ 6.8 bn, PHP348.4 bn (320.4+28) • questionable spending: 1.4% GDP, US\$ 5.1 bn, PHP259.6 bn (139.6+120) • by SOEs: 0.17% GDP, US\$ 0.63 bn, PHP32 bn (10+22) • by MDBs & other multilateral/bilateral sources 1.7% GDP, US\$ 6.3 bn, PHP318.5 bn (310+8.5) <p>Pillar 1 - 3.2% GDP (US\$ 11.6 bn, PHP590 bn)</p> <p>Emergency support for vulnerable groups and individuals</p> <ul style="list-style-type: none"> - PHP205 bn, cash support for 18m poor household (informal sector) - PHP51 bn, wage subsidy for SME employees affected by quarantine - PHP1.2+3 bn, MSMEs loan program for training & livelihood kits + free online upskilling courses for workers - PHP36 bn, LGU assistance to support vulnerable sectors - PHP16.5 bn, increase rice productivity & boost buffer stock - PHP2.5 bn, zero-interest loans for affected farmers and fishers - PHP2+1.5 bn, cash support for displaced & Overseas Filipino Workers - PHP1.2 bn, Social Security System (SSS)unemployment benefits

	<ul style="list-style-type: none"> - PHP0.47 million in tax expenditures for payment & filing extension - PHP10 bn, Land Bank emergency loan to LCUs (SOE) - PHP 139.6 bn, tax cut through net operating loss carry-over for 5 years - credit guarantee for PHP120 bn loans to SMEs - 30-day grace period on residential & commercial rent, and loan payments, without interest, or additional penalties or fees - Unhampered movement of all cargoes & proactive measures against hoarding, panic buying, and profiteering <p>Pillar 2 - 0.3% GDP (US\$ 1.15 bn, PHP58.6 bn)</p> <p>Health care/medical response to COVID-19</p> <ul style="list-style-type: none"> - PHP22.2 bn, medical coverage of COVID-19 patients & compensation for health workers by PhilHealth (SOE) - PHP8.5 bn, medical supplies & testing kits (MDB loans/charity support) - PHP11 bn, personal protective equipment - PHP12 bn, procurement of other medical supplies - PHP1.1 bn, test kit procurement and production - PHP0.68 bn, risk allowance & compensation for healthcare workers - PHP0.5 bn, compensation for private facilities used for fighting COVID-19 - PHP2.7 bn, duty-exempt on importated medical equipment/goods - various tax exemptions on medical donations & supplies <p>Pillar 3 - 1.7% GDP (US\$ 6.2 bn, PHP310 bn)</p> <p>Finance emergency initiatives & keeping the economy afloat</p> <ul style="list-style-type: none"> - PHP310 bn, additional financing from various multilateral and bilateral sources <p>11 Sept - 0.8% GDP (~ US\$ 2.9 bn, PHP147bn)</p> <p>Republic Act No. 11494, “Bayanihan to Recover as One Act” (Bayanihan 2)</p> <ul style="list-style-type: none"> - additional fiscal support to vulnerable households, workers & hard-hit businesses, such as agriculture, transportation, and tourism <p>-As of end-December 2020, total disbursement under Bayanihan II amounted to 0.6 percent of GDP. The use of the unspent Bayanihan II funds has been extended to June 30, 2021</p>
Monetary/financial	<ul style="list-style-type: none"> • Policy rate cuts <ol style="list-style-type: none"> 1) 7 Feb, 25bps to 3.75% 2) 19 Mar, 50bps to 3.25% 3) 17 Apr, 50bps to 2.75% 4) 25 Jun, 50bps to 2.25% 5) Nov 2020, 25bps to 2.00% • BSP regulation reliefs (injecting P233 bn liquidity, 1.2% of GDP): <ol style="list-style-type: none"> 1) reserve requirement cut by 200 bps to 12% (3-Apr) 2) temporary relaxation of requirements on compliance reporting, penalties on required reserves, and single borrower limits 3) easier access to the BSP’s rediscounting facility 4) temporary relaxation of provisioning requirements

	<ul style="list-style-type: none"> 5) relaxation of prudential regulations regarding marking-to-market of debt securities 6) loans to MSMEs to be counted as part of banks' compliance with reserve requirements 7) zero risk weight on loan exposures guaranteed by the Philippine Guarantee Corporation • BSP purchase of PHP300 bn gov securities (1.5% of GDP) • BSP remitted PHP 20 billion as dividend to the government, although not required under the new BSP charter • 30-day grace period on residential & commercial rent, and loan payments, without interest, or additional penalties or fees
Foreign exchange	<ul style="list-style-type: none"> • 27 Mar relaxed documentary and reporting rules for FX operations
Trade measures ¹	<p>Restrictive:</p> <ul style="list-style-type: none"> • The province of Bukidnon will stop exporting rice to ensure food security during its lockdown period. This measure is only applied by Bukidnon. • Additional 10% import tariff on crude petroleum oil and refined petroleum products due to COVID-19. • The Philippines has issued a temporary ban on poultry meat imports from Brazil. <p>Liberalizing:</p> <ul style="list-style-type: none"> • Extension of validity of Bureau of Animal Industry Issuances (Verification of International Health Certificate (HC) /International Veterinary Health Certificate (IVHC/IVC)) • Parliament is pushing for the tax-free and duty-free importation of COVID-19 vaccines, saying such friction costs and administrative burdens could delay vaccine procurement and distribution (status: under investigation).
SME measures ² (last update 22 January 2021)	<p>Tax exemption and deferral of tax payment:</p> <ul style="list-style-type: none"> • A total of PHP 310 billion funds was obtained from various multilateral and bilateral sources, part of which was used to support MSMEs' deferrals of tax payments, deferrals of loan repayments, and documentary stamp tax exemption of credit extensions or restructuring of loan repayments. <p>Loan support:</p> <ul style="list-style-type: none"> • In March 2020, the government announced a PHP 27.1 billion fiscal measure. Part of the measure involves micro, small and medium enterprises (MSMEs), it will support microfinance loans and loan restructuring for MSMEs to promote the resilience of affected MSMEs, especially for the tourism and agricultural sectors. • As part of the PHP 595.6 billion-worth fiscal package launched by the government, PHP 120 billion were dedicated to credit guarantee for small businesses and to support to the agriculture sector.

¹ <https://www.macmap.org/covid19>

² <https://www.manilatimes.net/2020/04/13/news/top-stories/govt-allots-over-plt-for-strategy-against-virus/713228/>

	<ul style="list-style-type: none"> To encourage extension of loans to small enterprises, the BSP allowed loans to MSMEs to be counted as part of banks' compliance with reserve requirements, temporarily reduced their credit risk weights to 50 per cent, and assigned zero risk weight to loan exposures guaranteed by the Philippine Guarantee Corporation. <p>Deferral of loan repayment:</p> <ul style="list-style-type: none"> Institutions covered by the Bayanihan to Heal As One Act – including, but not limited to banks, quasi-banks, non-stock savings and loan associations, credit card issuers, pawnshops and other credit granting financial institutions under the supervision of the BSP, Sec, and Cooperative Development Authority, public or private, including GSIS, SSS and Pag-ibig Fund – shall implement a 30-day grace period for all loans with principal and/or interest falling due within the Enhanced Community Lockdown (ECQ) period without incurring interest on interest, penalties, fees and other charges. This period shall automatically be extended if the ECQ period is likewise extended by the President. Covered institutions shall not charge or apply interest on interest, fees and charges during the 30-day grace period to future payments/amortizations of the borrowers.³ <p>Employment support:</p> <ul style="list-style-type: none"> On 4 March 2020, the Labor Advisory No. 09-20 provided the different work arrangement the employer may adopt for its employees while the country is observing the Enhanced Community Lockdown (ECQ), e.g. WFH, Work Rotation, availment of force leave utilizing existing leave credits, if any.⁴ In March 2020, guidelines on the adjustment measures program for the affected workers due to COVID-19 were provided under Department Order No. 209. The latter granted PHP 5 000 to workers (i) who will not be able to receive their regular wage due to the implementation of the ECQ and the implementation of flexible work arrangement, (ii) whose leave credits will not suffice to cover the ECQ period and (iii) those in the informal sector. Labor Advisory No. 12-20 (19 March 2020) provided guidelines and procedure on how the grant shall be filed in DOLE by providing the Establishment Report to be submitted online for processing and release of the grant.⁵ PHP 35 billion of the aid plan launched in April was used as a wage subsidy to assist small businesses closed due to expanded community isolation. <p>Other financial support:⁶</p> <ul style="list-style-type: none"> In April 2020, the government announced an aid plan totaling PHP 1.17 trillion, of which PHP 1 billion was used as loan assistance for
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³ <https://www.cnn.ph/business/2020/5/19/30-day-grace-period-loans-modified-ECQ.html>

⁴ <https://home.kpmg/xx/en/home/insights/2020/04/philippines-government-and-institution-measures-in-response-to-covid.html>

⁵ Ibid.

⁶ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#P>

	<p>MSMEs. Part of the funds was used to investigate the damage to industries from the epidemic, especially MSMEs.</p> <ul style="list-style-type: none"> • To encourage extension of loans to enterprises, the Bangko Sentral ng Pilipinas (BSP) allowed loans to MSMEs to be counted as part of banks' compliance with reserve requirements, temporarily reduced their credit risk weights to 50 per cent, and assigned zero risk weight to loan exposures guaranteed by the Philippine Guarantee Corporation. • Under the Labor Advisory No. 13-A Series of 2020 issued on April 1, the employers shall have the option to defer the payment of holiday pay to be earned for the month of April 2020 until after the Enhanced Community Lockdown (ECQ) and the normal operations of the establishment is in place.⁷ • A 30-day grace period has been granted and extended to commercial rents falling due upon MSMEs within the period of ECQ without incurring interests, penalties, fess and other charges subject to the guidelines to be issued by the Department of Trade and Industry.⁸
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⁸ Ibid.

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