COVID 19 SITUATION IN TIMOR-LESTE (IMPACT & PREVENTION)

UPMA
October 2020
STRUCTURE OF PRESENTATION

1. Introduction (Timor-Leste profile before COVID-19 Pandemic)
2. Short preview of COVID-19 situation in Timor – Leste
3. Economic Impact of COVID-19 to Timor-Leste
4. Government intervention on COVID-19 prevention;
5. Government intervention to stimulate economic situation post COVID-19.
TIMOR-LESTE PERFIL BEFORE COVID-19 PANDEMIC

- GDP Per capita 2018: $1,237.1
- GNI Per capita 2016: $1,773

Employment:
- Rate or participation of work force: 46.9% (2015 Census)
- Rate of unemployment 10.4%; Rate of Youth unemployment (15 to 24yrs) 32.9% (2016 Labor Force Survey)
- Subsistence Farmers represent 66% of the population (2019 Agricultural Census)
- Insecure or informal employment: 71.2%

- Hunger & food insecurity:
  - Timor-Leste faces high levels of Poverty based on Global Hunger Index, 2019: 34.5

- Malnutrition Rate: 46% & Infant mortality is 195/100,000 (DHS 2016)

- Poverty:
  - 41.8% Based on National Poverty line;
  - 30.7% Based on International poverty line;
  - Multidimensional Poverty: 45.8% (PNUD, 2016)
  - Vulnerability to Multidimensional Poverty: 26.1% (PNUD, 2016)
  - Projection to 2017: around 594 thousand people living condition under the Multidimensional Poverty

- Timor-Leste’s Human Development Index: 0.626 positioned 131
COVID-19 SITUATION TIMOR-LESTE

- Timor-Leste is one of 22 countries with 0 deaths from Covid-19
- As at 26th October 2020 there is only 1 active case in Timor-Leste
- There has been no community transmission reported in Timor-Leste (all cases have come from people arriving from overseas)
- Timor-Leste is still under a State of Emergency
- International border openings are restricted, and all arrivals must quarantine for 14 days

Source: https://covid19.gov.tl
IMPACT OF COVID-19 ON TIMOR-LESTE

- Affects the health and well being of Citizens
- Population is at Risk due to existing disease burden, high malnutrition rates
- Resources focused to train front line staff, invest in laboratory services, set up quarantine sites etc.

• Slowed economic activity (border closures)
• Affects the psychological well-being of population (stress, frustration etc.)
• Risk of increased Domestic Violence

- Reduced Demand & Supply
- Reduced Investment
- Increased costs to import & export goods
- Closure of businesses

• Loss of Jobs
• Informal sector suffered from lock down
• Food Insecurity Increased
• Increased risk of instability
IMAPCT OF COVID-19 ON GLOBAL ECONOMIC

WORLD ECONOMIC OUTLOOK APRIL 2020

GROWTH PROJECTIONS

The COVID-19 health crisis will have a severe impact on economic activity in 2020

GLOBAL ECONOMY

- 2019: 2.9
- 2020: -3.0
- 2021: 5.8

ADVANCED ECONOMIES

- 2019: 1.7
- 2020: -6.1
- 2021: 4.5

EMERGING MARKETS & DEVELOPING ECONOMIES

- 2019: 3.7
- 2020: -1.0
- 2021: 6.6

INTERNATIONAL MONETARY FUND

IMF.org #WEO
Growth is forecast to decline sharply in the region

Source: World Bank, World Bank staff calculations.

Note: *Myanmar growth rates refer to the pre- and post-pandemic period for fiscal year from October to September. Baseline refers to a scenario of severe growth slowdown followed by a strong recovery. Lower case refers to a scenario of a deeper contraction followed by a sluggish recovery.
While Covid-19 has had severe negative impacts on the life of Timorese People and our Economy:

- Loss of jobs;
- Changes to the way people live;
- Negative economic growth;
- Closure of our borders;
- Inadequate infrastructure to set up on line learning has impacted our children's education;
- Closure of businesses

Covid-19 has also further highlighted structural issues that Timor-Leste faces:

- High Dependency on Public Sector expenditure
- High Dependency on Imported Goods
- Productive Economy is small
- More Investment is required in Agriculture Sector
- More Investment is required in Health and Education
- Large % of our population relies on the informal economy
- Social Protection is required for our most vulnerable
Since the Global Covid-19 Pandemic reached our country in March, our Government was quick to respond:

Our Prime Minister mobilized resources, developed a Crisis Commission, Requested the President to declare a State of Emergency to:

- Control the movement of people on our borders;
- Enable lock down where required of citizens;
- Introduced mandatory mask wearing;
- Close our schools;
- Ensure information was readily available to all citizens to inform them of the situation and how best to protect ourselves

The Crisis Commission set up a Management Crisis Centre which was responsible for:

- Providing daily communication to all citizens across all forms of media to ensure consistent messaging;
- Developing and managing specific Covid-19 Government funds, ensuring the resources were in one place and went to where they were needed;
- Mobilizing, training and running the Monitoring and Surveillance teams;
- Developing systems and setting up the Quarantine Sites;
- Working with Ministry of Health, National Police, Border Control, Ministry of Foreign Affairs, Ministry of Interior, Ministry of Education
- Advising on State of Emergency
• Government implemented 19 emergency measures to support our People and reduce the negative impact on our Economy, including:
  • Monthly income payments to vulnerable and low-income families;
  • Provided wage subsidies to companies and businesses to ensure they retain staff;
  • Procured and imported an emergency supply of rice;
  • Developed low interest access to credit for businesses through our Central and Government Bank;
  • Provided electricity subsidies to all Timorese;
  • Provided internet and telephone subsidies to all Timorese;
  • Subsidized and mobilized local transportation for agriculture products

• The Prime Minister commissioned an Economic Recovery Plan covering the next three years (2020-2023)
Government intervention on Covid 19 prevention (Cont)

- Economic Recovery plan has been prepared and approved:
- It covers 2 phases of implementation
  - ERP Short term Intervention from (June – December 2020)
  - ERP medium term and Long term (from 2021-2023)
- It is focused on people and has two main objectives:
  - To sustain the economy, so as not to let the crisis worsen and to defend the people’s wellbeing; and to
  - To transform the foundations of Timor-Leste’s economy and society to make them more resilient to future shocks
Thank you