

# The Duterte administration's 4-pillar socioeconomic strategy against COVID-19

As of 21 April 2020, for regular updating



## PILLAR 1

**Emergency Support for Vulnerable Groups**



## PILLAR 2

**Resources to Fight COVID-19**



## PILLAR 3

**Fiscal and Monetary Actions**



## PILLAR 4

**An Economic Recovery Plan**



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## Emergency support for vulnerable groups and individuals (initial estimate of P590 billion)

- P205-billion emergency subsidy program for 18 million low-income families in the informal sector.
- P51-billion wage subsidy program for employees of small businesses.
- A credit guarantee program to support P120 billion in loans for small businesses.
- An expanded net operating loss carry-over (NOLCO) of five years worth P139.6 billion to help businesses cope with losses.
- P1.2-billion Department of Trade and Industry (DTI) loan program for micro, small, and medium enterprises (MSMEs) for training and livelihood kits.
- P2.5-billion Department of Agriculture - Agricultural Credit Policy Council (DA-ACPC) zero-interest loans for marginalized farmers and fishers.
- P36 billion in additional support for Local Government Units (LGUs) to support vulnerable sectors.
- P16.5 billion for Department of Agriculture (DA) and Department of Trade and Industry (DTI) rice programs to increase productivity and boost the buffer stock.
- P10-billion LANDBANK loan program for Local Government Units (LGUs) to increase emergency funding.
- P1.5-billion Department of Labor and Employment (DOLE) cash assistance program for Overseas Filipino Workers (OFWs).
- P2-billion Department of Labor and Employment (DOLE) cash assistance program for displaced workers.
- P1.2 billion in Social Security System (SSS) unemployment benefits.
- P3-billion Technical Education and Skills Development Authority (TESDA) free online upskilling courses for workers.
- P470 million in tax expenditures for the payment and filing extension.
- Documentary stamp tax (DST) exemption of credit extensions or restructuring of loan payments.
- Tax benefits, such as exemptions and full deductibility of COVID-19-related donations of relief goods.
- A 30-day grace period from public and private institutions on residential and commercial rent, and loan payments, without interest, or additional penalties or fees.
- Unhampered movement of all cargoes to, from, and within the entirety of Luzon and proactive measures by the Department of Trade and Industry (DTI) against hoarding, panic buying, and profiteering.

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### Expanded medical resources to fight COVID-19 and ensure the safety of frontliners

(health insurance coverage for all COVID-19 patients; special risk allowance, hazard pay, and personal protective equipment (PPE) for frontline health workers; increased testing capacity; etc.)

- P2.9-billion Philippine Amusement and Gaming Corporation (PAGCOR) and Philippine Charity Sweepstakes Office's (PCSO) assistance for the purchase of medical equipment and supplies.
- P150-million Asian Development Bank (ADB) grant to support health measures against COVID-19.
- P5.0-billion World Bank quick disbursing loan mechanism under the Fast Track COVID-19 Facility for purchase of medical supplies and testing kits.
- P22.2-billion for Philippine Health Insurance Corporation (PhilHealth) subsidy on medical expenses coverage for all COVID-19 patients and healthcare workers, in case of exposure to COVID-19, or any work-related injury or disease during the emergency.
- P420.6 million transferred by the Philippine Charity Sweepstakes Office (PCSO) to the Philippine Health Insurance Corporation (PhilHealth) for medical coverage of all COVID-19 patients.
- P11 billion for the procurement of personal protective equipment (PPE) by the Department of Health (DOH).
- P1.1 billion for test kit procurement and production.
- P12 billion for procurement of other medical supplies (e.g., Intensive Care Unit and isolation beds, and ventilators).
- P201 million for special risk allowance for healthcare workers.
- P449.7 million for compensation to additional healthcare workers.
- P33.7 million for compensation to healthcare workers in case of severe infection or death due to COVID-19.
- P2.7 billion forgone revenues to expedite clearance and exempt imports of personal protective equipment (PPE) and medical goods from taxes and duties.
- P511.8 million for compensation to private facilities used for the purpose of fighting COVID-19.
- Suspension of requirements to ensure export-oriented manufacturers of medical equipment and supplies can provide 80% of their daily production to government institutions and hospitals.
- Tax benefits, such as exemptions and full deductibility of donations of cash, medical supplies, critical healthcare equipment, and the use of property for the purpose of fighting COVID-19.

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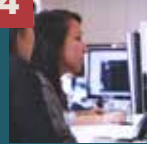
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**Fiscal and monetary actions to finance emergency initiatives and keep the economy afloat** (P610 billion, which includes standby financing for Pillar IV or the economic recovery plan, and P233 billion liquidity infusion into the economy)

- P310-billion additional financing from various multilateral and bilateral sources, such as the Asian Development Bank (ADB) and the World Bank.
- P300-billion *Bangko Sentral ng Pilipinas* (BSP, Central Bank) repurchase agreement to fund COVID-19 response measures.
- P200-billion estimated additional liquidity from *Bangko Sentral ng Pilipinas*' (BSP, Central Bank) as a result of the 200-basis-point reduction of the reserve requirement ratio that took effect this April 2020.
- P33-billion expansion in liquidity over the next 12 months after a cumulative reduction of 125 basis points in the policy rate by *Bangko Sentral ng Pilipinas* (BSP, Central Bank).
- Regulatory relief for supervised financial institutions of the *Bangko Sentral ng Pilipinas* (BSP, Central Bank) (e.g., non-imposition of penalties for six months).

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**An economic recovery plan to create jobs and sustain growth.**

- Interagency task force designing a bounce-back plan for post quarantine scenario.
- Conducted nationwide survey (with +44,000 respondents) to assess damage to industries, especially micro, small, and medium enterprises (MSMEs). Results used in crafting a bounce-back program with differentiated interventions for various groups (Micro, small, and medium enterprises (MSMEs) vs. large businesses; manufacturing; hospitality; etc.).
- Continued investment in social and infrastructure programs to help revive and sustain economic growth.

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Pillar	Item	In PHP millions	In USD millions	% of GDP
<b>1</b> Emergency support to vulnerable groups and individuals	Emergency subsidy program for 18 million low-income families	205,000.0	4,033.1	1.1
	Wage subsidy program for employees of small businesses to incentivize retention of workers	51,000.0	1,003.4	0.3
	Credit guarantee for affected small businesses to access bank financing during the crisis situation	120,000.0	2,360.9	0.6
	Net operating loss carry-over (NOLCO) of five years to help businesses cope with losses	139,596.1	2,746.4	0.7
	DTI loan program for MSMEs for training and livelihood kits	1,203.0	23.7	0.0
	DA-ACPC loan assistance for marginalized farmers and fishers	2,500.0	49.2	0.0
	Additional LGU assistance to support vulnerable sectors	36,000.0	708.3	0.2
	DA and DTI rice programs to increase productivity and boost buffer stock	16,500.0	324.6	0.1
	LANDBANK loan program for LGUs to increase their emergency funding	10,000.0	196.7	0.1
	DOLE cash assistance program to support OFWs	1,500.0	29.5	0.0
	DOLE cash assistance program to support displaced workers	2,000.0	39.3	0.0
	SSS assistance to cover unemployment benefits	1,200.0	23.6	0.0
	TESDA free online courses to upskill workers	3,000.0	59.0	0.0
	Tax expenditure for tax payment extension	470.0	9.2	0.0
<b>Subtotal</b>		<b>589,969.1</b>	<b>11,606.9</b>	<b>3.2</b>
<b>2</b> Expanded medical resources to fight COVID-19 and ensure safety of frontliners	PAGCOR and PCSO assistance for purchase of medical equipment and supplies	2,900.0	57.1	0.0
	ADB grant to support health measures against COVID-19	150.0	3.0	0.0
	World Bank quick disbursing loan mechanism under the Fast Track COVID-19 Facility for purchase of medical supplies and testing kits	5,000.0	98.4	0.0
	PhilHealth medical expenses coverage for COVID-19 patients and assistance to health workers*	22,185.6	436.5	0.1
	PCSO funding for COVID-19 medical coverage	420.6	8.3	0.0
	Procurement of PPEs by the DOH and other government agencies*	10,933.7	215.1	0.1
	Test kit procurement and production*	1,102.8	21.7	0.0
	Other medical supplies (e.g., Intensive Care Unit and isolation beds, and ventilators)*	11,962.5	235.3	0.1
	Special risk allowance for healthcare workers*	200.9	4.0	0.0
	Compensation to additional healthcare workers*	449.7	8.8	0.0
	Compensation to all healthcare workers in case of severe infection or death from COVID-19*	33.7	0.7	0.0
	Revenue forgone to expedite clearance and exempt importations of PPE and medical goods from taxes and duties*	2,701.5	53.1	0.0
	Compensation for private facilities used for the purpose of fighting COVID-19*	511.8	10.1	0.0
<b>Subtotal</b>		<b>58,552.7</b>	<b>1,152.0</b>	<b>0.3</b>
<b>3</b> Fiscal and monetary actions to finance emergency initiatives and keep the economy afloat	Additional financing from ADB, WB, and various multilateral and bilateral sources	310,000.0	6,098.9	1.7
	BSP purchase of government bonds to fund COVID-19 response measures	300,000.0	5,902.1	1.6
	BSP estimated additional liquidity as a result of the 200 bps-reduction of the reserve requirement ratio	200,000.0	3,934.8	1.1
	BSP estimated expansion in liquidity after a 125-bps cumulative reduction in the policy rate	33,000.00	649.2	0.2
<b>Subtotal</b>		<b>843,000.0</b>	<b>16,585.0</b>	<b>4.5</b>
<b>Grand total</b>		<b>1,491,521.8</b>	<b>29,343.9</b>	<b>8.0</b>

\*preliminary DOF staff estimates

Note: Totals may not add up due to round off