World Bank/ADB funds eyed for COVID-19 response

By Julio G. Rada and Macon Ramos-Araneta

FINANCE Secretary Carlos Dominguez III said on Wednesday the government is looking at the possibility of tapping the financial assistance from multilateral lenders such as the Asian Development Bank and the World Bank to support countries' response to the novel coronavirus (COVID-19) outbreak.

"We are currently in discussions with the DOH [Department of Health] on a loan package with multilateral agencies...,” Dominguez said in a message to reporters.

He said the World Bank's announcement Wednesday of the financing package for countries to counter the COVID-19 impact was a welcome development.

Dominguez said if the Philippines taps the financing package, it would be used by the Department of Health "with emphasis of quick reactions to COVID-19 and similar events."

Dominguez said the government was closely monitoring the effects of the contagion on tourism and the supply chain of different industries and preparing the appropriate fiscal responses.

"I am certain that the Monetary Board is ready as well with measures to counter the ill effects of COVID-19," he said.

The World Bank said as COVID-19 reached more than 60 countries, it was making available an initial package of up to $12 billion in immediate support to

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assist countries coping with the health and economic impact of the global outbreak.

In a statement, the World Bank said this financing was designed to help member countries take effective action to respond to and, where possible, reduce the harmful effects posed by the COVID-19.

The Manila-based, Asian Development Bank earlier approved $2 million to help Asia-Pacific developing countries contain the COVID-19 outbreak and improve resilience against other communicable diseases.

On Tuesday, Bangko Sentral ng Pilipinas Governor Benjamin Diokno said in a forum in Makati:

"City that the country's economic outlook remained bright despite the threats posed by COVID-19, most especially to the tourism industry, which is one of the pillars of strength of the economy."

Last week, Diokno said BSP was not ruling out the possibility of having bigger cuts in interest rates this year to counter the impact of the disease and to boost economic growth.

Diokno before the end of 2019 has committed to a 50-basis-point cut in interest rate in 2020. The Monetary Board last Feb. 6, 2020 had already cut the policy rate by 25 basis points to 3.75 percent.

More cuts are expected in the succeeding meetings.

The government earlier projected a 6.5 to 7.5 percent growth in gross domestic product this year. Dominguez in a Senate hearing said the government was sticking to this target despite the threats of the coronavirus disease.

Health Secretary Francisco Duque III said Wednesday his department is seeking some P2 billion in funds to prevent the spread of COVID-19 as medical supplies are rapidly depleting globally.

President Rodrigo Duterte has approved a proposed supplemental budget but this still needs the approval of Congress, Duque said.

Duque on Wednesday said the Inter-Agency Task Force for the Management of Emerging Infectious Disease (IATF-EID) opted to relax the travel restrictions on South Korea as dependents of permanent residents of this country and Hong Kong, Macau are now exempted from the travel ban.