



REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

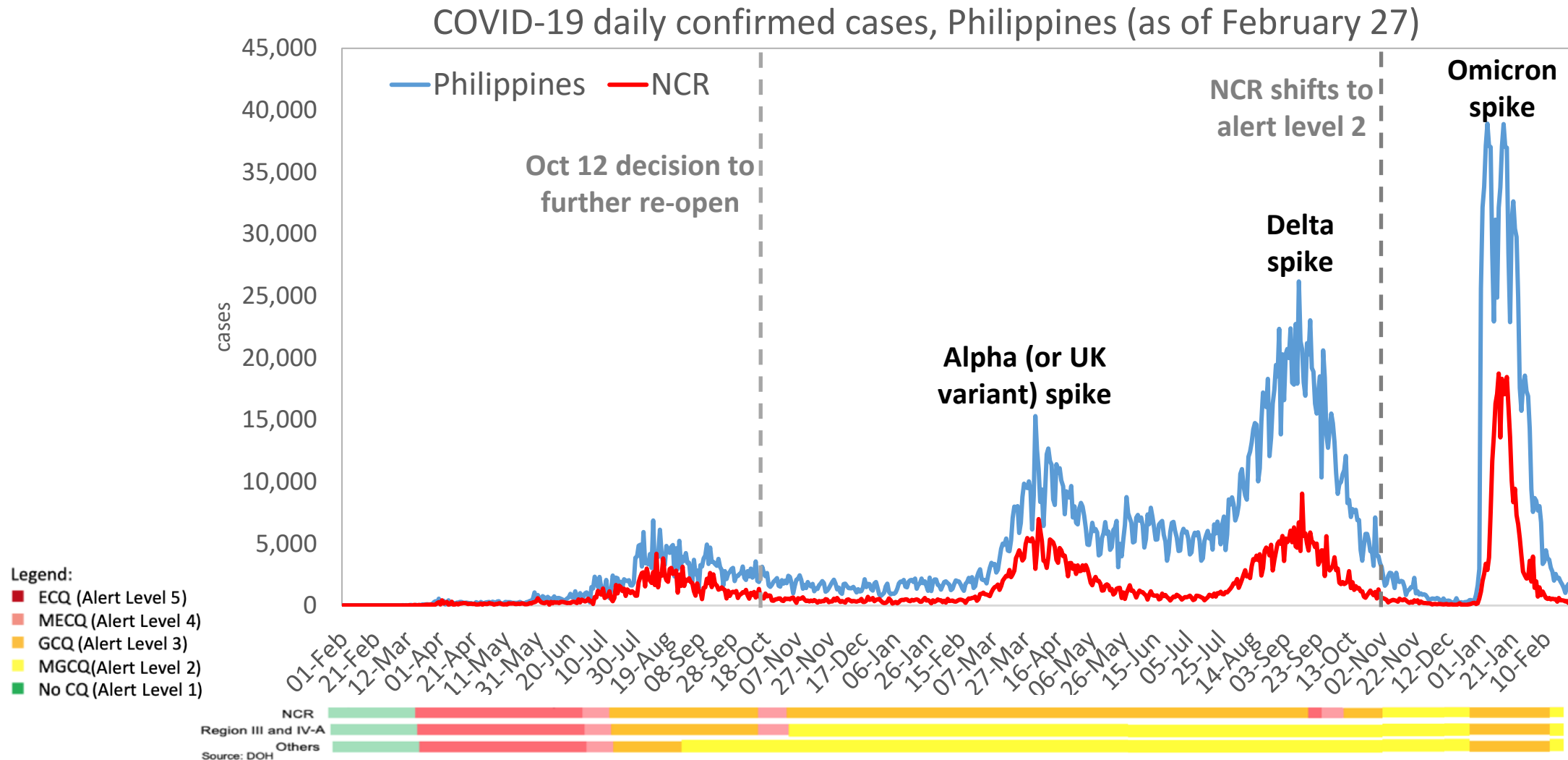
Benefits of alert level 1; accelerating and sustaining economic growth in 2022

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Recent developments

Even as we re-opened the economy in the past, Covid cases did not rise, except when new variants entered the country.



Benefits of moving to alert level 1

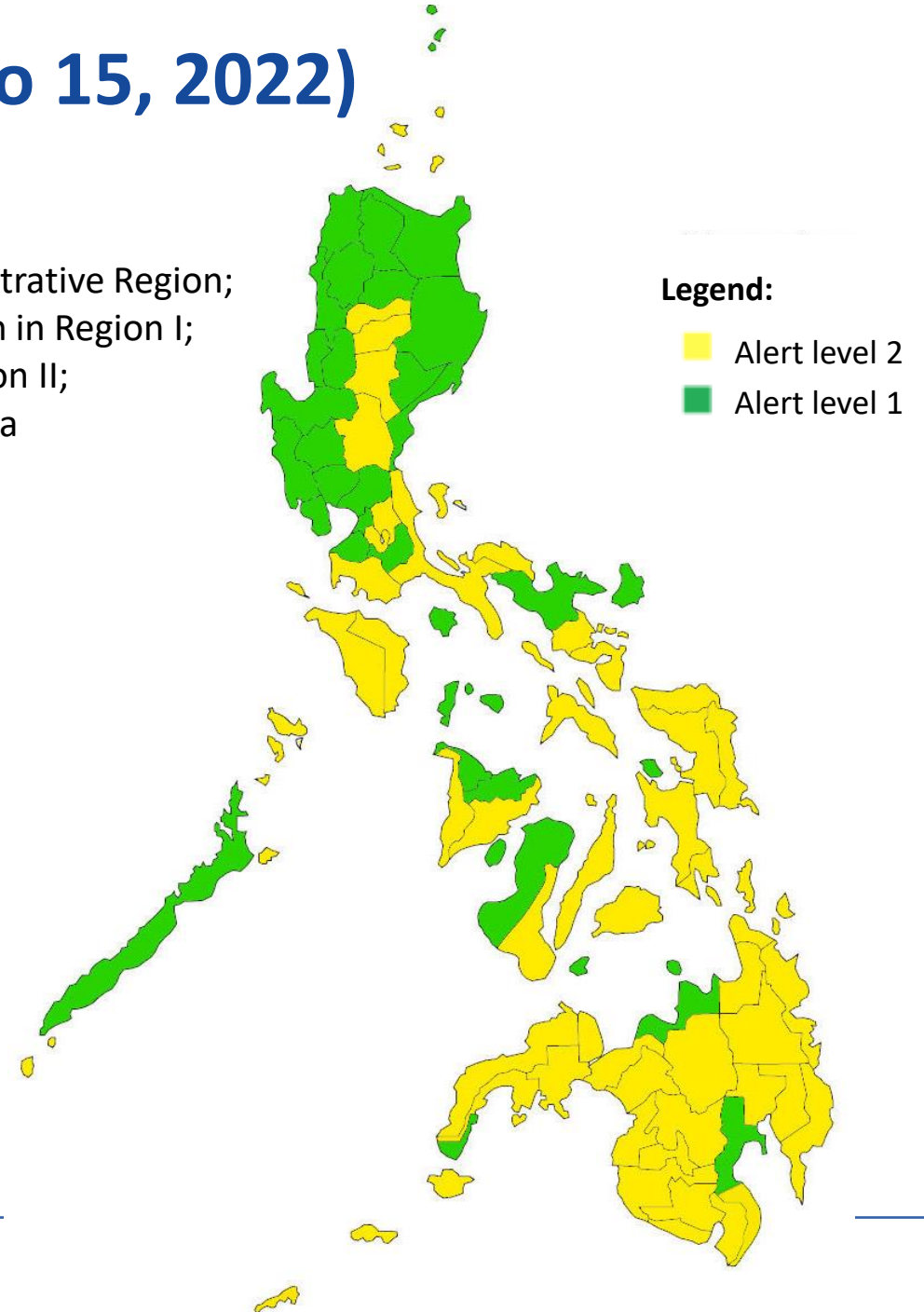
Alert level map (March 1 to 15, 2022)

1. Alert level 1:

- a. National Capital Region
- b. Abra, Apayao, Baguio City and Kalinga in the Cordillera Administrative Region;
- c. Dagupan City, Ilocos Norte, Ilocos Sur, La Union and Pangasinan in Region I;
- d. Batanes, Cagayan, City of Santiago, Isabela and Quirino in Region II;
- e. Angeles City, Aurora, Bataan, Bulacan, Olongapo City, Pampanga and Tarlac in Region III;
- f. Cavite and Laguna in Region IV-A;
- g. Marinduque, Puerto Princesa City and Romblon in Region IV-B;
- h. Naga City and Catanduanes in Region V;
- i. Aklan, Bacolod City, Capiz and Guimaras in Region VI;
- j. Siquijor in Region VII;
- k. Biliran in Region VIII;
- l. Zamboanga City in Region IX;
- m. Cagayan de Oro City and Camiguin in Region X; and
- n. Davao City in Region XI.

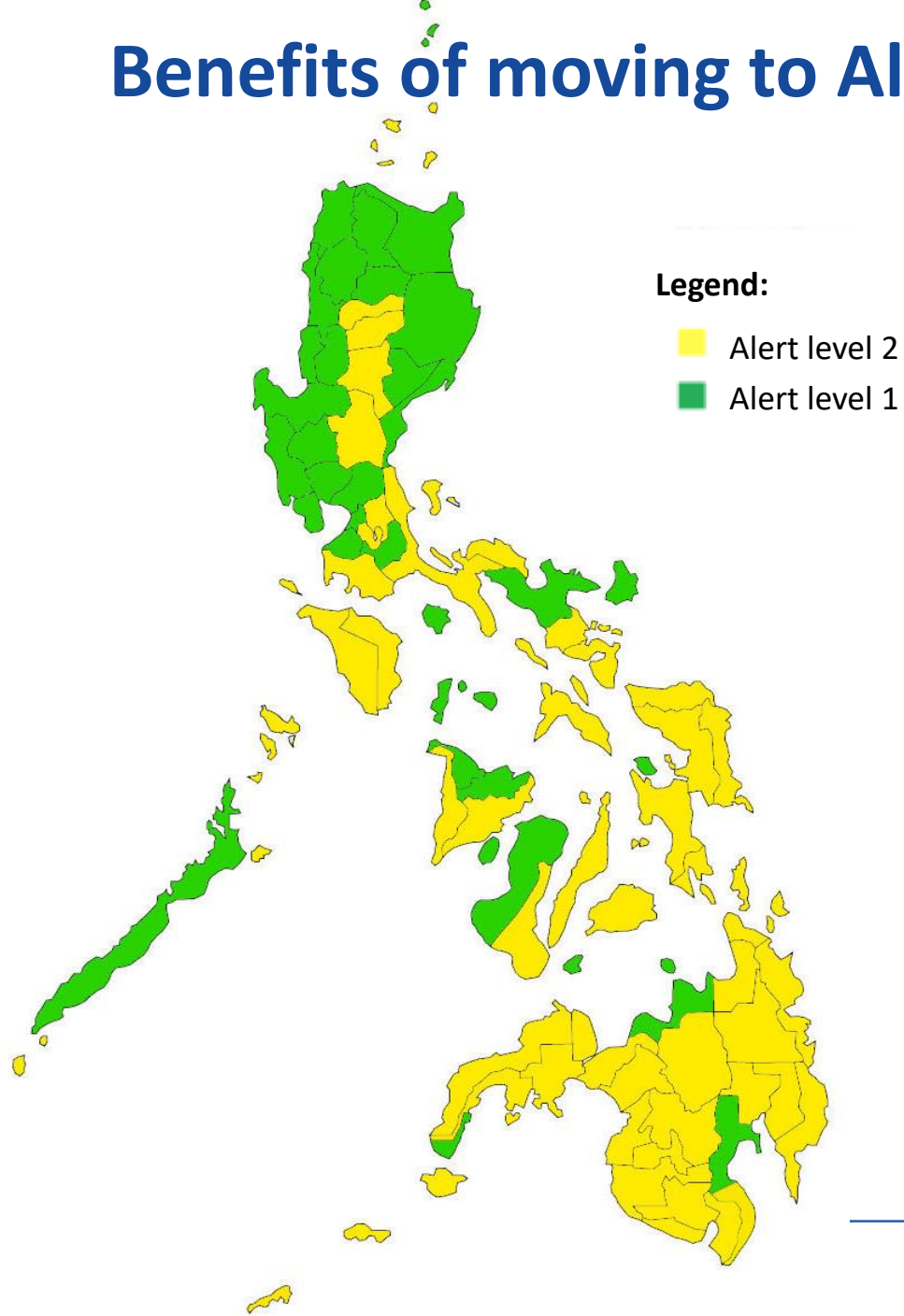
2. Alert level 2:

- a. All other provinces and/or cities.



Source: Department of Health

Benefits of moving to Alert level 1 starting March 1, 2022

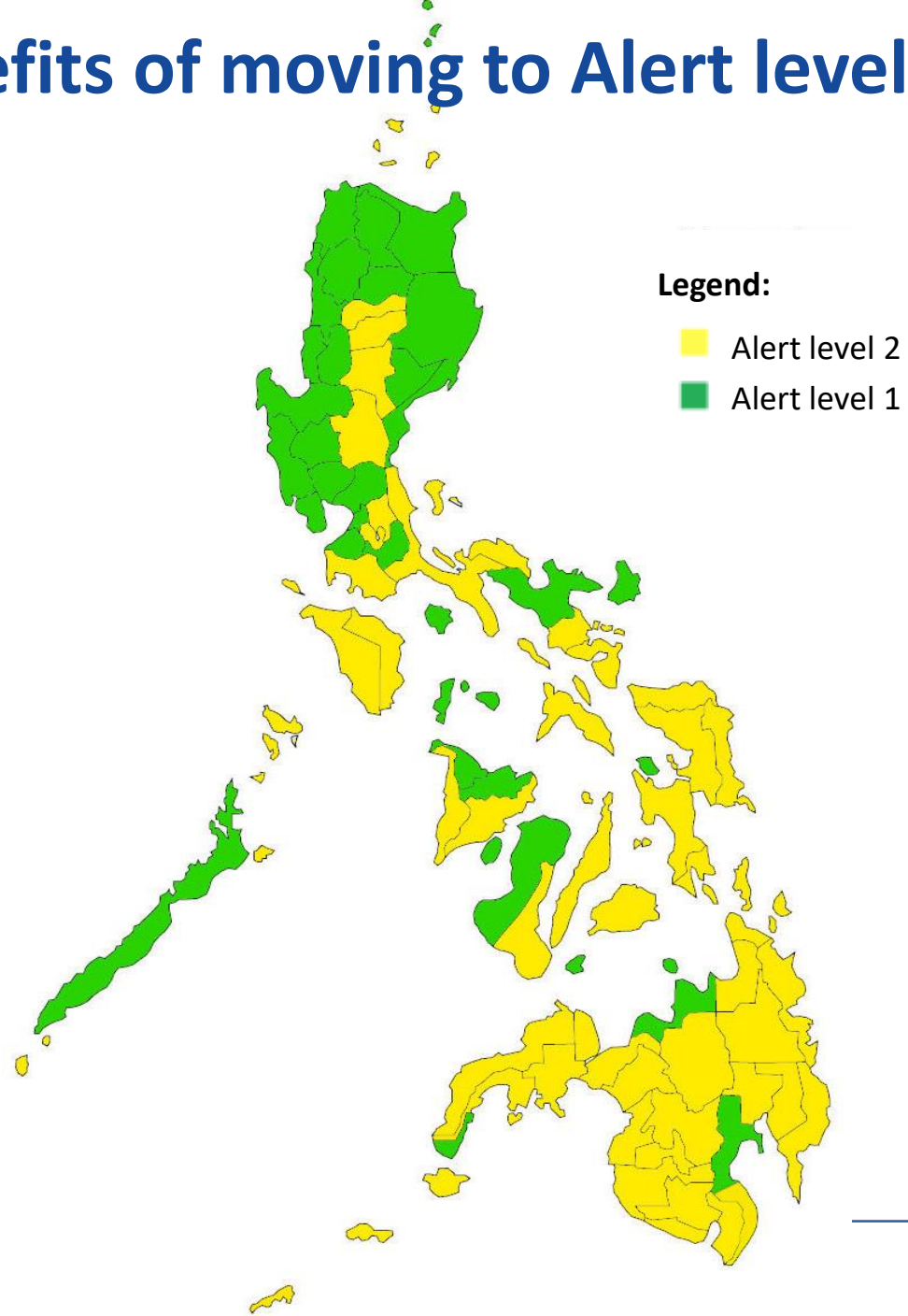


Alert level 1 will benefit 62 percent of the economy and 20.3 million workers (48 percent of workers).

Economic characteristics	Alert level 1	Alert level 2
Share of economy (%)	62	38
Share of workers (%)	48	52
Number of workers (in '000)	20,306	21,655

Source: NEDA staff estimates

Benefits of moving to Alert level 1 starting March 1, 2022 for these areas



- 9.4 billion pesos more per week of economic activity (in gross value-added terms)
- 3 billion more in salaries per week.
- 170,000 less unemployed over the next quarter



Source: NEDA staff estimates

Benefits of moving to Alert level 1 starting March 1, 2022 for all Phil.

Legend:

■ Alert level 1



- 16.5 billion pesos more per week of economic activity (in gross value-added terms)
- 5.2 billion more in salaries per week
- 297,000 less unemployed over the next quarter

Source: NEDA staff estimates

Shifting to alert level 1 will further improve the performance of key sectors like tourism.

1. The contribution of domestic tourism to the economy fell by 1.5 trillion pesos in 2020 (7.4 percent of GDP).
2. At least half of that or 750 billion pesos can be recovered with a shift to alert level 1.
3. We also expect transport, hotels, malls, and restaurants to further improve from the 40 to 85 percent actual capacity under alert level 2 (prior to the omicron spike) to around 70 to 100 percent under alert level 1.

Benefits of opening all schools for face to face learning

Opening all schools for face-to-face learning is now needed to boost the economy and improve learning and productivity.

As vaccination rate of children increases, opening all schools for face to face learning will provide a big boost to the economy and improve learning and productivity of children.

Basic education schools	Face to face pilot schools	Total schools	Share of schools doing/ ready face to face (%)
Open F2F	1,726	60,473	2.9
Ready for F2F	6,213	60,473	10.3
Total	7,939	60,473	13.1

Note: Latest available data from DepEd is as of 22 February 2022.

Sources:

1. Data for F2F pilot schools: DepEd Talk to the People presentation dated 28 February 2022.
2. Data for total schools: <https://www.deped.gov.ph/2021/11/18/deped-posts-4-increase-in-enrollment-for-basic-education-in-sy-2021-2022/>

Benefits of resuming face-to-face learning

1. Increase economic activity by around 12 billion pesos per week as services around schools resume, like transport, dorms, food stalls, school materials, etc.
2. Avert around 11 trillion pesos in productivity losses for every year of face-to-face school closure. For two years of face-to-face closure, we are losing around 22 trillion pesos already.
3. Improve learning outcomes by around 50 percent.
4. Free up the time of one-fourth of parents who skip work or reduce work time to accompany their children in home learning.
 - Note: Alert level 1 is not fully implementable if parents need to stay home to help their children study.

Proposed 10-point policy to accelerate and sustain economic recovery in 2022 and beyond

Recommendation in the final months of the Duterte administration: 10-point agenda to restore jobs and bring more people out of poverty.

Economic Development Cluster's proposed 10-point policy agenda

1. Metrics: focus on severe cases and death
2. Vaccination
3. Healthcare capacity
4. Economy and mobility
5. Schooling: open face-to-face fully
6. Domestic travel
7. International travel
8. Digital transformation
9. Pandemic flexibility bill
10. Medium-term preparation for pandemic resilience





Thank you.

Photo credits: DBM's people's proposed budget



National Economic and Development Authority