

COVID-19 AND THE ECONOMY

Where on the path to recovery are we?

THE OVERTON WINDOW



ERESH OMAR JAMAL

THE year 2020 has been a disappointment due to the Covid-19 pandemic. And just one of its many downsides can be seen on the global economy which, according to the International Monetary Fund (IMF), is set to contract by 4.9 percent in 2020—with

the IMF saying in its June report that this “baseline projection rests on key assumptions about the fallout from the pandemic.”

The Indian economy is estimated to shrink by 10.3 percent, Sri Lanka's by 4.6 percent and Pakistan's by 0.4 percent. Meanwhile, the IMF expects Bangladesh will defy the odds and has estimated its GDP will increase by 3.8 percent—which is pretty incredible.

Despite the good news, per capita income in Bangladesh is expected to fall by 2.9 percent—according to the Bangladesh Institute of Development Studies, the pandemic has led to 13 percent of people losing work and a decrease in household income, pushing 16.4 million new people under the poverty line. Much of the damage has been done in the industrial and services sectors. In recent years, the industrial sector has emerged as a major driver of the economy, especially in creating jobs. Between 2010 and 2019, average growth in manufacturing was more than 10 percent and was 14.2 percent in 2019. This year, however, that sharply declined to 5.84 percent.

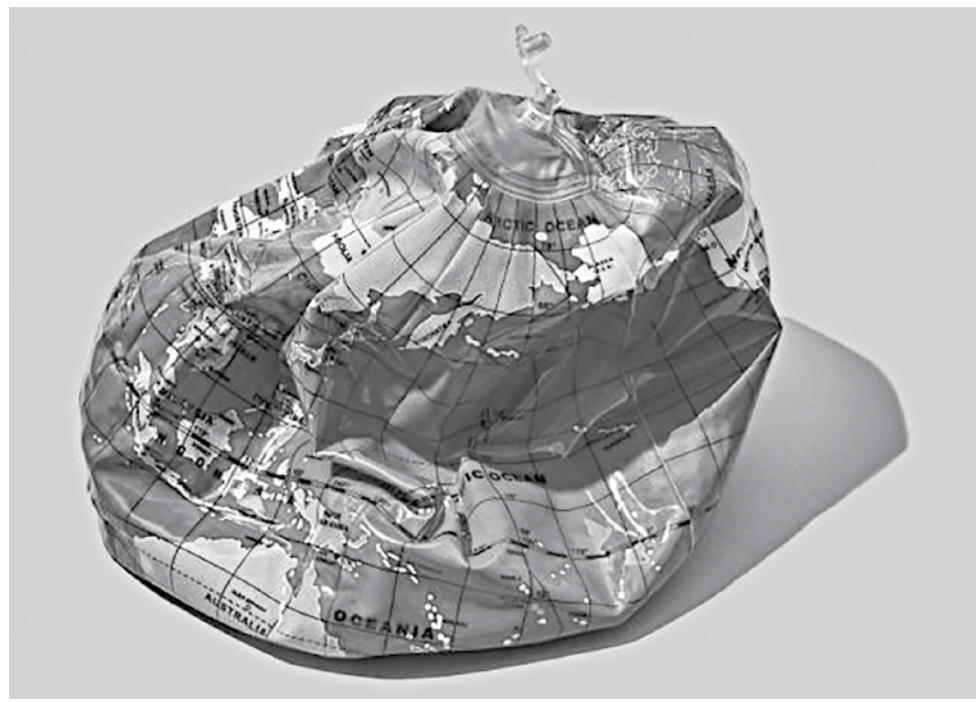
Moreover, foreign direct investment (FDI) to Bangladesh declined by 31.79 percent to USD 1.15 billion in the first half of the year

due to Covid-19. There is no dearth of other data showing how detrimental it has been for the economy. However, perhaps none of them fully capture the economic suffering, nor its resulting human suffering. Yet, one can still say that Bangladesh is doing better than much of the world at this moment of crisis—for example, global FDI flows fell 49 percent to USD 399 billion during January-June 2020. And as mentioned earlier, growth globally has been hampered much more severely than in Bangladesh.

With a month and a half left in the calendar year, it seems that the global economy is finally ready to bounce back, and that can only be good for Bangladesh. Additionally, the Bangladesh economy is also showing signs of recovery. Exports, for example, plummeted in March-April and stayed there in May. By July and August, however, it had returned to its corresponding period in 2019. And remittances, too, have done very well, working as a “countercyclical factor”, according to Dr Ahsan Mansur, executive director of the Policy Research Institute of Bangladesh.

The bad news is that the recovery is still in its early stage and is extremely vulnerable—especially to a potential second wave of Covid-19, which experts fear could derail Bangladesh's feeble economic recovery so far, reduce fiscal space and constrain public expenditure, as well as prove to be exceedingly harsh on the poor and low-income groups.

According to experts, the lockdown enforced by the government earlier in the year wiped out half of the GDP growth potential of the last fiscal year, which ended in June, as well as undid the gains made by Bangladesh in terms of poverty reduction in



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the last couple of decades. “The second wave would be more painful than the first one and it would rub salt into the wound,” if we are not careful, according to Zahid Hussain, a former lead economist of the World Bank's Dhaka office. Therefore, he believes it to “be a wise strategy for the government to avoid the second wave instead of looking at whether the economy can bear it or not.”

And he isn't the only one. Dr Fahmida Khatun, Executive Director of the Centre for

Policy Dialogue, said that a significant second wave would further delay any economic recovery and another round of low business activity and the resultant low income from businesses would reduce tax collection of the National Board of Revenue. This, “in turn, will reduce the fiscal space of the government and may constrain the government's expenditure.”

For that reason, it is crucial for the government to take every precautionary

measure to avoid a second wave. This includes awareness campaigns so that people continue to follow all the necessary health and safety rules. The government must also equip hospitals with every facility needed to provide good healthcare to people. Only recently, this newspaper reported how the authorities are yet to equip all hospitals with central oxygen systems—despite planning to install them months ago. This type of attitude will not do. The government needs to be proactive in trying to prevent the disease, instead of focusing on its symptoms.

From the economic side of things, the government has already taken steps to counter the backward slide. It has started 19 stimulus packages worth about USD 12 billion—accounting for 3.7 percent of GDP—that are designed to help export-oriented industries, shipment credit, the agricultural sector and low-income groups, including farmers and micro and small enterprises. However, except for the RMG sector, none of the other sectors have been able to reap their benefits satisfactorily. The government needs “to find out why the stimulus packages for the MSMEs failed to deliver the expected results,” according to Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre, and take appropriate measures to ensure that every penny of public money is well spent—especially given the lack of manoeuvrability that the government has in terms of fiscal space.

The bad news is that the path to recovery is a long and grinding one. The good news is that the worst is perhaps behind us—if we are disciplined and diligent in our work.

Eresh Omar Jamal is a member of the editorial team at The Daily Star. His Twitter handle is: @EreshOmarJamal

Can medicine change the present scenario of Covid-19 in Bangladesh?

Since the beginning of the pandemic in Bangladesh, Prof Dr Mohammed Tarek Alam, Head of Medicine at Bangladesh Medical College, started to explore the treatment of coronavirus with a team of 19 doctors and researchers. Along with Dr Rubaiul Murshed, Professor of Healthcare Management and Chairperson of Shomman Foundation, he has been researching the use of Ivermectin for Covid-19 patients as the co-primary investigator on a study being conducted by IEDCR and as a member of the advisory board of a study by ICDDR,B. In an interview with The Daily Star, the two medical professionals spoke about what they are calling “the people's medicine” for treating Covid-19 and the general situation of coronavirus in Bangladesh.

Why Ivermectin?

We first learnt about the multifaceted properties of Ivermectin, along with its unique capability of decreasing the virulence of Covid-19, in a paper published in early April by Monash University, Australia (Caly et al). Ivermectin had already been used before in Thailand, Australia and some other countries to treat SARS, Zika and dengue. On April 15, Dr Alam informed a colleague (who was Covid positive) about the newly established findings of the FDA approved drug, who then agreed to take the medicine in combination with Doxycycline (as directed).

The use of this medication yielded positive results, after which it was expanded to other Covid-19 positive doctors and interns with their consent. Within five to seven days we saw the benefits in over 50 patients, and the results were published in a research paper in the Bangladesh College of Physicians and Surgeons (BCPS) journal in July 2020. This treatment was also replicated at the Police Hospital and saw over a 90 percent success rate.

Dr Alam and his team were then granted permission to conduct a clinical trial on Covid-19 patients in Bangladesh Medical College and Uttara Adhunik Medical College, after acquiring permission from the Bangladesh Medical Research Council (BMRC) and Drug Administration, and this research is now also being done at IEDCR and ICDDR,B. There is a lot of interest around the use of this drug and the corresponding results all over the world—Dr Alam was even contacted by Dr Satoshi Omura, the Nobel prize winner and discoverer of Ivermectin, as well as researchers from Tanzania, South Africa, Australia, India, Mexico and the World Health Organization's South-East Asia Regional Office. We are hoping that once the results of these trials come through, we can start regularising this medicine as part of our national guidelines on Covid-19 treatment.

Why do you call it the “people's medicine”?

We call it that because the combination therapy of Ivermectin and Doxycycline costs around Tk 50-75. Shomman Foundation has already started distributing the drugs free of cost to the underprivileged. During the monsoon floods in Sylhet, under the supervision of the Sylhet regional health director, the drug combination was administered to many affected people there.

This combination is also very safe—Ivermectin has minimum side effects, although its safety in pregnant and lactating women has not been established yet, and it is contraindicated in patients with chronic liver disease. Doxycycline is an antibiotic, but it possesses anti-inflammatory properties that can combat the coronavirus—its effect as an immune modulator is the main use here, and it is also not the sort of antibiotic that has been observed to create any cross-resistance.

Can this medicine act as a preventive?

We cannot say this with any certainty, but there is a possibility. It has been used as a preventive in onchocerciasis (river blindness) in sub-Saharan Africa. Its half life is about 16 hours in the blood, but studies in bovine lungs show that the medicine stays in the lungs for about 7-10 days, and even a residual amount could prevent certain infections, so there is a chance



Prof Dr Mohammed Tarek Alam

of it working as a prophylactic (preventive medicine).

Over 6,000 people have died from Covid-19 in Bangladesh and our infection and death rates have been constant for a while. Are you saying Ivermectin can change that?

There are different stages of coronavirus infection. It should be clarified that we are specifically focusing on the use of Ivermectin in the early stages of infection when the symptoms are starting to manifest, or when people are asymptomatic. When the infection has progressed and is in the second, more severe stage, hospitalisation is needed. At that point, only Ivermectin will obviously not work, and other interventions are needed—steroids to stop the cytokine storm, high flow oxygen, ICU care and even ventilators. All of this is extremely expensive and many hospitals charge exorbitant prices that are not in most people's reach.

Coming to the hospital late could definitely be a factor in the continuing number of deaths from coronavirus in our country. For example, I (Dr Alam) had a patient (69 years) whose whole family got infected—the children were asymptomatic and the younger members recovered eventually, but when he came to me after 11 days of being infected, an X-ray showed that by that point, both his lungs had become greatly infected. So for people in the high-risk group, treatment must begin immediately.

However, we must remember that this is a really new disease and we are still learning the ways in which it affects us. There is a third stage of more long-term impacts (or what we call long Covid syndrome) that could manifest three to six months after hospitalisation—we have seen coronavirus have residual effects on the lungs, liver, kidney, heart, brain, peripheral nerves and mental health. So it would be simplistic to say that you just give the medicine and everything becomes okay.

It is true that although Covid-19 has had a huge impact on Bangladesh, perhaps it has not been as bad as we originally anticipated. What do you suppose the reason is behind this?

When the pandemic first began, we had



Dr Rubaiul Murshed

a proper lockdown, and that definitely contributed to stemming the spread immediately. However, certain factors, such as the mass return of expatriates and movements between different areas of the country, meant we could not finally control it. However, we were also less prepared in the beginning—there was hardly any PPE or even masks, and you will remember that many Bangladeshi doctors lost their lives on the frontlines. We have more of these safety precautions in place now, and we have also learnt how to manage Covid-19 better.

There are also certain other hypotheses—it's possible that already having the flu vaccine could make you less susceptible, lots of exposure to sunlight (vitamin D) could make you more immune. Some have suggested that people who live in places like slums or are constantly outdoors may have weaker immunity due to poor nutrition, but could also be more exposed to germs and as a result, have antibodies that make them more resistant to certain viruses.

It might sound like we are beating our own drums, but we believe the widespread use of Ivermectin has contributed as well, since a lot of places are already using this combination. However, we have observed that many pharmacies are just handing out Ivermectin without specifying the correct dosage and administration, and we must clarify that we do not support this.

Will there be a second wave? How hopeful are you about a vaccine coming out soon?

We don't think there is any confusion about that—we are already seeing countries around the world deal with a second wave of the virus and we too, must be prepared. There is absolutely no alternative to physical distancing, regular hand washing and the wearing of masks. Too many people have become relaxed about these safety rules and there will definitely be consequences. We have to remember that getting a vaccine out is a long and complicated process and we are unlikely to have access before the next one or two years.

What should we do in the meantime? We have also seen our economy suffer in the first lockdown but if things get worse, we could

require a second one. This is why we are really keen to do further research on the preventative potential of Ivermectin. We are not the only ones—even John Hopkins began a clinical trial in June. Can this medication keep the country going and the economy open? We should have a registry or a website where we can track who is using this combination, on how many patients, and what sort of impacts they are seeing, so we can collect and collate the data for research.

While we wait for the vaccine, we

cannot become complacent. We urge everyone to maintain distance, wear masks, wash hands, be careful of air conditioned rooms without proper ventilation, avoid using crammed, closed spaces like elevators, and expose your body to the sun during midday for 30 minutes everyday or take an adequate dose of Vitamin D to boost the immune system (please seek medical advice prior to consumption to avoid toxic effects). We have to get used to this “new normal” and maintain safety standards at all times.

QUOTABLE Quote



JANE ADDAMS (1860-1935) American social reformer.

Action indeed is the sole medium of expression for ethics.

Government of the People's Republic of Bangladesh

Ministry of Science and Technology
Bangladesh Secretariat, Dhaka-1000
www.most.gov.bd

Ref: 39.00.0000.004.07.014.20-579

Date: 10.11.2020

e-Tender Notice

e-Tender is invited in the National e-GP Portal (www.eprocure.gov.bd) for the procurement of Computer Accessories. The Tender ID number is 511358 and method of tender is OTM. Only e-Tender will be accepted in the National e-GP Portal and no offline/hard copy will be accepted.

To submit e-Tender, registration is required in the National e-GP System Portal (www.eprocure.gov.bd). The fee for downloading the e-Tender document from the National e-GP System Portal has to be deposited online through any registered bank. Tender documents publication date is 15.11.2020 and closing date is 08.12.2020.

10.11.2020

Md. Abdus Salam
Assistant Secretary
Ministry of Science and Technology
Phone: 9511053

GD-1808