

# Ten things about the coronavirus

By Antonio S Lopez

**One**, the world's Public Enemy No. 1, the greatest and deadliest in the last 100 years, is the coronavirus, otherwise known as the SARS-Cov-2. It causes the disease called COVID-19 – for coronavirus infectious disease 2019.

It has brought the world to its knees, caused the most severe recession in history, locked down three billion people in 213 countries, crashed the price of crude oil to below zero, so far sickened more than 2.629 million people and killed 183,454. Daily, up to 70,000 people around the world are infected with COVID-19. And up to 5,000 die daily.

**Two**, in the Philippines, the virus has triggered the lockdown of the whole island of Luzon, the Philippines' largest, most productive, and most populated island. With a population of more than 50 million, Luzon contributes 73 percent of the total output of goods and services, what you call GDP or Gross Domestic Product. GDP nationwide is P18 trillion. So 73 percent of that is P13.14 trillion. Divide that by 365 days, the coronavirus' impact on the economy is P36.71 billion – a day.

We are now on 39<sup>th</sup> day of the lockdown, aka Enhanced Community Quarantine or ECQ, so the Philippine economy has lost P1.43 trillion worth of production. More than 90 percent of industries are shut down, more than 25 million are jobless, and 55 million Filipinos now wallow in poverty.

In Metro Manila alone, more than five million workers cannot go to work. They include the best, brightest and most strategic of our workers: 596,000 in manufacturing; 557,745 in accommodation and food services, 550,000 in BPO; 308,655 in public administration and defense; 151,620 in information and communications; 124,545 in finance and insurance; 113,715 in human health and social work; 11,625 in selected supermarkets; and 5,415 in water supply and sewerage.

The Philippines is 40<sup>th</sup> in the world in number of COVID-19 cases with 6,710 as of April 23, 2020, with 446 deaths. The Philippines is No. 3 in ASEAN in cases behind Singapore, 10,141; and Indonesia, 7,135. In

number of COVID-19 deaths, the Philippines is No. 2 in ASEAN, with 446 deaths, behind Indonesia's 635 as of April 23.

**Three**, you and I, most of us, are going to survive the coronavirus. Sure some of us will get sick but we will recover -- mainly by staying at home.

At worst, based on the experience of other countries, assuming all 110 million Filipinos were infected, only some .0001 percent of the population will probably die. That's about 11,000 deaths.

Note, however, that New York state in America, has a population of less than 20 million and it has had so far 14,828 deaths. The Philippines is five and half times the population of New York state and so far, our deaths from COVID-19, are only 446.

**Four**, the coronavirus has hurt us where it matters to us, businessmen and professionals. In our pockets. They are now empty and riddled with holes. I am sure, majority of you have now negative bank balances. You have more debts than your income to pay for them. But don't be embarrassed about it. Everybody is in the same financial rut. Everybody has no money.

**Five**, money is available for you, in case you become penniless. Pending in Congress are bills which will bail out big companies, which will provide cheap loans to small businesses in return for keeping their workers in their payroll, and allocate loans to services and industries considered essential or strategic to the economy and national security.

Even without those bills, however, the banking system is awash with money. Your banks have plenty of money.

As of the first semester of 2019, the Philippine banking system had a total loan portfolio of P10,083 billion. That's 10 trillion pesos. That 10 trillion is only 58.5 percent of the banking system's total resources of P17.23 billion.

Deduct P10 trillion from P17.23 trillion and you find the banking system still has P7.23 trillion of other assets. Included in those other assets are P4.07 trillion other loans and P2.359 trillion cash due from other banks.

Remember that the economic loss so far from the coronavirus is P1.43 trillion. So the banking system by itself has plenty of firepower – so to speak,

to support those without cash, without working capital, without capex to restart their businesses.

**Six**, small businesses have so far gotten the short end of the bargain from the banks in terms of loans. Under Republic Act 6977, banks are required to allocate a certain amount of their loans to MSMEs – micro, small and medium enterprises.

As of end-June 2019, the banks have provided only P503.7 billion in total credit to MSMEs. That is below the P574.8 billion loans they gave to MSMEs as of end-2018.

Banks are supposed to provide 15 percent of their loans to agriculture. Their compliance is only 12.6 percent. The banks are supposed to provide 10 percent of their loans to agrarian reform credit. Their compliance is only 1.1 percent – 11 percent of 100 percent.

Based on total loanable funds of P5,292.5 billion, 15 percent is P793.87 billion – the amount of bank loans that should have gone to agricultural credit. The banks provided only P666.6 billion, leaving P127.27 billion unused loans for aggie credit.

The banks should have provided 10 percent of P5,292.5 billion or P529 billion for agrarian reform credit. They provided only P59.5 billion – leaving P469.5 billion unused for agrarian reform credit.

Add P127.27 billion to P469.5 billion, you get P596.77 billion. That is the idle money—P597 billion -- that you as businessmen should get from the banks in rescue loans to restart your businesses and keep the jobs of your workers. This is even without thinking of stimulus package loans under bills pending in Congress. The Bangko Sentral should redeploy that idle money as rescue loans to businesses, big and small.

Under the Bayanihan Heal as One Act, Republic Act 11469 of March 23, 2020, the President of the Philippines has the power to “ensure the availability of credit to productive sectors of the economy especially in the countryside, through measures such as, but not limited to, lowering the effective lending rates of interest and reserve requirement of lending institutions.”

**Seven**, under the same Bayanihan Heal as One Act, the President can “direct all banks, quasi-banks, financing companies, lending companies, and other financial institutions, public and private, including the Government Service Insurance System, the Social Security System and Pag-IBIG, to implement a minimum of a 30-day grace period for the payment of all loans, including but not limited to salary, personal, housing, and motor vehicle loans, as well as credit card payments, falling due within the period of the Enhanced Community Quarantine without incurring interests, penalties, fees and other charges. Persons with multiple loans shall likewise be given the minimum 30-day grace period for every loan.”

I computed the interest to be paid by borrowers of the commercial banking system if this law were applied to the letter – that is no interests. The waived interest would have been P73 billion for one month of no interest payment.

However, in the DOF’s implementing rules and regulations, what was waived as interest was only the interest on the interest. So instead of us, borrowers, not paying anymore the entire P73 billion worth of interest waived, we are allowed not to pay only the interest on the P73-billion interest. Based on the average annual interest of 8 percent, the waived interest on interest would only be P480 million – million, not billion.

In effect, the banks saved P72.52 billion – P73 billion minus P480 million. You call that money windfall profits – P72.52 billion

I am suggesting that this P72.52 billion should instead be given out by the banks as additional loans to MSMEs.

**Eight**, there are four Ts – to cope with the coronavirus: **Testing**, **Tracing** contacts or those possibly infected by COVID-19 patients; **Treatment**, and **Trust**.

I am afraid the Department of Health cannot get a passing grade for all four Ts. Why?

To do honest to goodness testing, the Philippines must scale up testing to the level of 10,000 tests a day.

Wuhan, the epicenter of the original COVID-19 outbreak, has a population of 11 million, one-fifth of the population of Luzon. Yet, they

conducted 10,000 tests daily. The Philippines, after 38 days of lockdown, has conducted so far, 60,000 tests – the equivalent of six days.

Wuhan also deployed 1,800 contact tracing teams; each team had five members. These teams traced tens of thousands of people every day. They did nothing but trace the people who might have been in contact with the patient infected with COVID-19. These people included relatives, friends, colleagues, anyone who might have been within six feet of the infected.

The Chinese record is 99 to 100 percent of contacts were traced. Most of those contacted had to be tested. And one to five percent of the tested contacts were found positive for COVID-19.

Treatment refers to Manila having at least 100,000 new hospital beds. This is to treat the COVID-19 patients and to quarantine suspects whose COVID-19 is not yet confirmed. So far, only about 6,000 new hospital beds have been assembled.

We also need easily 300,000 additional medical personnel – doctors, nurses, assistants, and cleaning crews. We don't have them.

And then Trust – do you trust the DOH under Secretary Duque to bring us to the plateau, with curve bended or flattened so we can return to normalcy?

Basic to having the four Ts is having the science behind the coronavirus. Where are our scientists? What do they say about the pandemic and its course? How come more generals are employed than scientists, when the issue is science, not security?

**Nine.** According to the Joint WHO-China Report on the Wuhan Coronavirus Epidemic, the coronavirus was first discovered on Dec. 30, 2019 when samples were taken from a patient with pneumonia of unknown origin, at the Wuhan Jinyintan Hospital. The virus had 96 percent similarity with the SARS coronavirus strain from bats.

Symptoms of COVID-19 are non-specific and the disease presentation can range from no symptoms (asymptomatic) to severe pneumonia and death. As of Feb. 20, 2020 and based on 55924 laboratory confirmed cases, typical signs and symptoms include: fever (87.9%), dry cough (67.7%), fatigue (38.1%), sputum production (33.4%), shortness of breath (18.6%), sore throat (13.9%), headache (13.6%), myalgia or

arthralgia (14.8%), chills (11.4%), nausea or vomiting (5.0%), nasal congestion (4.8%), diarrhea (3.7%), and hemoptysis (0.9%), and conjunctival congestion (0.8%).

People with COVID-19 generally develop signs and symptoms, including mild respiratory symptoms and fever, on an average of 5-6 days after infection (mean incubation period 5-6 days, range 1-14 days).

Most people infected with COVID-19 virus have mild disease and recover. Approximately 80 percent of laboratory confirmed patients have had mild to moderate disease, which includes non-pneumonia and pneumonia cases,

Mortality increases with age. The crude fatality ratio or CFR is 21.9 percent for people over 80. If you have no other diseases (what they call comorbidity), the CFR is only 1.4 percent. Patients with cardiovascular diseases have CFR of 13.2 percent; diabetes 9.2 percent; hypertension 8.4 percent, chronic respiratory disease 8 percent; and cancer 7.6 percent.

Recovery for mild cases is two weeks; three to six weeks for patients with severe or critical disease. A critical patient could die within one week. In China, of those who died, the period from first appearance of symptoms to the time a patient dies could be two weeks to eight weeks.

**Ten**, the coronavirus has no brain. It is a speck of protein whose size is one over ten thousandth of a grain of sand. In other words, it is invisible. Also, the coronavirus is a dead matter.

It operates by denying you that one thing which made Nike best selling and famous. Air. You die of COVID-19 because the virus denies you oxygen. The oxygen level in your blood plummets and you cannot breathe. You are connected to a ventilator. Still, many die.

Says Science Magazine: "Autopsies show their alveoli became stuffed with fluid, white blood cells, mucus, and the detritus of destroyed lung cells."

Please note, the world has been conquered by a speck of matter that has no brain and is even dead, defeating the combined brain power of 7.8 billion people on earth.

How could that happen?