

The COVID-19 and vaccination situation in ASEAN member countries

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ASEAN members had managed to keep their number of COVID-19 cases and deaths at a low level compared with developed countries, such as the US and those in Europe. However, the number of deaths per capita in ASEAN has overtaken the US and members now face a rapid spread of infection (Chart 1, upper). With manufacturing PMI – which had been robust until now – falling below the expansion-contraction mark of 50 points in June, there are not only concerns about private consumption, but also about downward pressure on exports, which have been driving the economic recovery (Chart 1, lower).

The reason for this is probably the slow rollout of COVID-19 vaccines among ASEAN members. Highly contagious variants are spreading throughout the region and are difficult to control with just the existing restrictions on movement. Even still, the percentage of the ASEAN5 population that have received at least one dose of the vaccine remains low at an average of 15%. Although countries are hurrying to secure vaccinations, there are some that have not been able to obtain enough vaccines for their populations (Chart 2). Moreover, the origin of vaccines in ASEAN shows vaccines made in the US and UK, which are effective even against variants, account for only around half of the number of vaccine contracts in ASEAN – a clear difference with developed countries. This is because priority was given to developed countries and the supply of US- and UK-made vaccines were diverted there owing to the growing severity of the spread of COVID-19 in those countries. As a result, newly emerging economies, such as those in ASEAN, were not able to secure a sufficient amount of vaccines. Meanwhile, China, which is closely tied to ASEAN members economically, was quick to successfully control the spread of infection and has the capacity to export its vaccines and so has supplied ASEAN with a large amount of vaccines. As a result, around half of Indonesia's vaccine supply was made in China, and there are more than a few countries where a significant percentage of their vaccine supplies are manufactured by China. On the other hand, there are countries like Vietnam, which has only received a few vaccines from China, despite bordering the country, and many of the vaccines it has rolled out were made in Russia. It appears that the national security situation surrounding each country impacts where they source their vaccines.

Looking ahead, it is thought that an important factor in forecasting the economic recovery of ASEAN members will be their progress in rolling out vaccines. On this matter, it appears that the Biden administration quickly sent officials to ASEAN to shore up foreign relations, after being slow to do so compared with Europe and Japan, and it is also increasing its supply of

vaccines to ASEAN. It will be important to keep an eye on the impact this will have on ASEAN's handling of this situation and on the economies of its members.

Chart 1: COVID-19 Situation in ASEAN and Manufacturing PMI

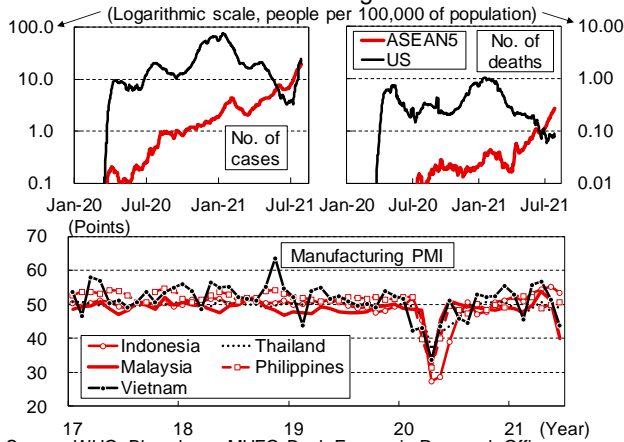
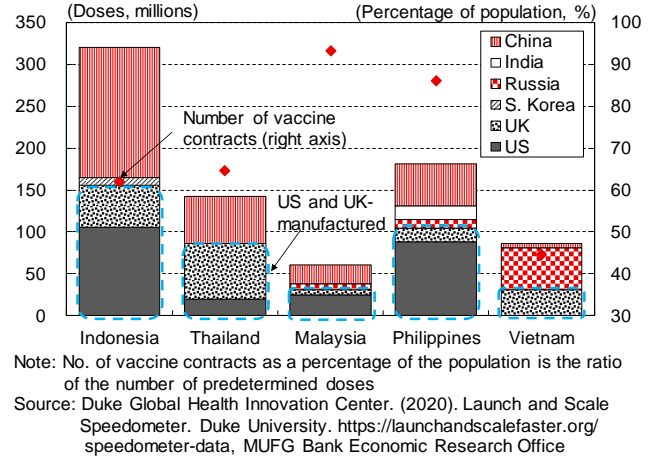


Chart 2: Number of Vaccine Contracts in ASEAN Members



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