THE IMPACT OF SARS ON THE CHINESE TAIPEI ECONOMY AND ACTION TAKEN IN RESPONSE

By Asia-Pacific Economic Cooperation

The outbreak of SARS created new uncertainty for Chinese Taipei. It caused great anxiety among citizens and visitors, and took a heavy toll on business. This paper examines the impact of SARS on Chinese Taipei’s economy, and describes the measures adopted to combat the epidemic and ameliorate its adverse effects.

Impact on the Chinese Taipei Economy

The impact of SARS is expected to reduce Chinese Taipei’s economic growth rate by an estimated 0.91% in 2003. The areas of the economy most affected are as follows:

* The travel industry: The tourism and travel industries were severely affected by a drastic decline in visitor arrivals. The number of international flights was reduced by 45% and 44% in May and June respectively, with the number of visitor arrivals and departures down by 82% in May and 67% in June compared with the previous year. The average hotel occupancy rate stood at just 22% for the whole of May but rose to 51% for the last ten days of June.

* Consumption: The growth rate of private consumption turned negative in the second quarter.

* Production: Industrial production as a whole shrank by 2.8% in May, though the output of IC and communication products continued to grow.

* Trade: Export and import growth slowed to 3.7% and 5.0%, respectively, in the second quarter, though imports of machinery increased by 6.1% in June.

Chinese Taipei’s Response to the SARS Epidemic

To combat the impact of SARS, assist those hardest hit by the epidemic, restore public confidence, and help return life to normalcy, Chinese Taipei implemented a broad range of measures on four main fronts.

* On the social front, Chinese Taipei launched a campaign to educate people on their individual social responsibilities, and encourage voluntary participation in community restoration work. It also implemented measures to provide special care for indigent, disadvantaged and vulnerable members of society.

* On the public health front, Chinese Taipei enforced stringent anti-epidemic measures, took steps to initiate reform in the public health and medical systems, put forward proposals for the improvement of hospital management, and launched a public information campaign to promote higher standards of personal and environmental hygiene and encourage the general public to take better care of their health.
* On the economic front, Chinese Taipei launched a NT$300 billion public works program, to be carried out over three years, aimed at providing economic stimulus and creating jobs. The government also introduced various financial assistance measures for businesses that bore the brunt of the impact of SARS.

* On the public relations front, the government drew up plans for a range of activities to promote Chinese Taipei’s image and help it shake off negative associations resulting from the SARS outbreak. The plans include extending invitations for visits by high-profile foreign celebrities and providing support for the holding of various international conferences and events in Chinese Taipei.

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Most of the countries in Asia are still developing. With the economy and social systems still under constructions, the nutrition problems in these countries are alarming. Many young children suffer from lack of nutrition, and result in underweight and stunting growth. The health conditions of adults in some areas also raise concerns as there is a significant number of them suffering anemia, iodine deficiency disorder and vitamin A deficiency.

The recent development of agricultural biotechnology seems to be the answer to solve the problem of food insecurity, poverty and poor nutrition in the region. Many Asian countries are now focusing much of their scientific research on improving crop yield to serve the urgent need of the people in hunger.

The rates of malnutrition of preschool-age children are particularly serious in the South East Asia. Over half of the young children before the age of five are underweight in Cambodia and Bangladesh. In Cambodia, nearly 60% of these children suffer from stunting as well. Women are also undernourished in this country, with almost 30% of them only have a BMI <18.5 kg/m² and over 70% of the pregnant women were classified as anemic in a non-nationally representative survey. Bangladesh share a similar situation as Cambodia, for its rates of malnutrition are among the highest in the world. In addition to a high rate of underweight in children and women, the people in Bangladesh have serious micronutrient deficiencies, especially for vitamin A and iron.

The nutritional status of mothers and children in Nepal, Pakistan and Vietnam are also very unsatisfactory. Both Pakistan and Vietnam have a children underweight rate of 40%, while half the children in Pakistan and Nepal are stunted. The problem of food insecurity is serious in the mountainous rural areas in Vietnam and Nepal, thus the prevalence of nutritional problems in particularly serious in these areas. The Pakistani and Nepalese could only consume fresh fruits and vegetables in certain seasons, the deficiencies in iron and vitamin A within the two countries are significant. Nevertheless, the governments are trying their best to improve the health of their people by controlling diseases arise from micronutrient deficiency through national supplementation program and expanding the basic heath services coverage in the rural areas.

Although biotechnology promises to increase the agricultural productivity and thus lessen the problem of under nutrition in people, the countries mentioned above lack capital to make any great improvement yet in their scientific research. Only Vietnam is making progress to further develop the technology imported from advanced countries.

India and China are among those in which the government is able to pay for plant biotechnology research. As a result of the different socio-economic level, food habits, health infrastructures and communication facilities throughout the country, both India and China show significant variations in the nutritional status of the population among different states or provinces. For India, The prevalence of underweight ranged from 13% in the more prosperous states like State Meghalaya to 77% in poorer regions like Gujarat. The pattern of distribution is almost the same for stunting. Although the under-five mortality rate is dropping for the past 20 years, infectious respiratory and intestinal diseases are still threatening the life of young children. The Indian government and the private sector allocate as a total of US$25 million to further improve the general health condition of the people.
by developing crops with desirable traits, such as GM rice, potatoes and mungbeans.

For China, the coastal areas and the capital Beijing show a much lower rate of children being underweight or stunted than the poorer inner provinces like Guishou, Qinghai or Jianxi. Due to the more sedentary lifestyle and western food habits, the people in the more prosperous areas like Beijing and Shanghai are having overweight problem. In fact, almost half of the adult population in Beijing is overweight. The significant unbalance in the consumption of food among its people encourages the Chinese government to give a high priority in developing agricultural biotechnology. China is reported to rank second to the US as having the highest funding in crop biotechnology, with an estimated amount of US$112 million in 1999. Out of the 141 GM crops developed, it is reported that 31 of them have already been approved for commercialization and almost half of them could be released in the environment. Hopefully, the nutritional status of its people could be much improved when food production is increased through the technology.

For the Philippines, a general declining trend is observed in the prevalence of underweight, stunting and wasting among the children. However, still over 30% of the preschool children, and almost 20% of the adolescents are of too little weight. Typical Filipino diet is inadequate for energy, the body thus utilizes protein as energy source, leading to the country’s serious problem of protein-energy malnutrition (PEM). The Philippine government is increasing its fund for biotechnology research and development on crops like maize, banana and papaya to further enhance their resistance to viruses and insects. One of the iron-fortified rice has already tested for effectiveness on 218 school children in a clinical trial. Significantly higher mean hemoglobin levels and reduction in the prevalence of anemia have been shown after 6 months. It is reported that guidelines on the commercialization of GM crops in the country will be released soon.

As we could see, only the more developed countries in Asia could be benefited from the agricultural technology. For the poorer ones like Cambodia, Nepal and Pakistan, there is still a long way for them to go before the food demand of their people could be met. It is certain that biotechnology is going to help these countries to solve the problem of poverty and food insecurity, it is the fund they lack that is holding them back. To increase food production for both consumption and outputs, improve nutritional status of the poor and create more employment opportunities, the government and the private sector in these countries should try harder to gather funds for development of crop biotechnology.

For those countries that already have high investments to do research and develop agricultural biotechnology, they should make sure smaller farmers could have a chance to get hold of the technology and the ability to manage any risks. The side effects that biotechnology may bring to human health and the environment is still uncertain, governments should issue complete regulatory framework on safety of commercialized GM crops.