

Flu Pandemic Could Cut Global GDP Between 0.7-3 Percent, World Bank Says

ISTANBUL—Even a mild pandemic of the H1N1 swine flu virus could reduce world gross domestic product by 0.7 percent and a more severe outbreak could cut it by 3 percent, making it all the more imperative that countries bolster their readiness plans, a top World Bank official said Oct. 4.

Poor countries especially need to strengthen their health systems, said Joy Phumaphi, the bank vice president of the Human Development Network. Not only do they have limited financial and pharmaceutical resources, but they also tend to have vulnerable populations—young people, pregnant women and more people with underlying medical conditions.

Dr. Julie Hall, a senior technical expert with the World Health Organization, said the H1N1 virus has affected more than 100 countries within three months, while the 1918 influenza pandemic took 18 months to go around the planet. While initially and over the summer months the highest impact was in the rich countries, “what we are seeing now is that the virus is beginning to penetrate into some of the poorest communities of the world,” Hall said at a seminar here, where the annual meeting of the bank and the International Monetary Fund is taking place. A WHO map prepared as of Sept. 20 shows the flu activity is declining in the Southern Hemisphere and increasing in the north. “The countries in the Northern Hemisphere are beginning to experience what they think is the second wave,” Hall said.

Because this pandemic influenza is a “young person's disease”—as opposed to the winter flu, which affects mostly the elderly and very young children—Hall said that “we are concerned particularly in countries that have young populations what the impact of this virus is going to be like.”

She said a WHO and World Bank survey of the least developed countries finds they are seeking essential pharmaceuticals—the vaccine as well as antivirals and antibiotics—and help with their health systems, to improve the health care response and communications, and ensure essential services can continue.

The WHO on Sept. 24 said manufacturers should be able to produce 3 billion doses of the vaccine over the course of the year. Earlier, the United States—in concert with Australia, Brazil, France, Italy, New Zealand, Norway,

Switzerland and the United Kingdom—announced they would be donating vaccines for use in developing countries, with the distribution expected to begin in November. Manufacturers have donated 150 million doses of the vaccine and 12.6 million courses of antivirals for treatment have been donated.

“The vaccines are starting to become available now ... But we still, even when we add together what we know is going to be made available, are aware that there will only enough for a small percentage of the population of developing countries,” said David Nabarro, U.N. senior flu coordinator. And, while several million courses of antiviral medicines have been donated, the total estimated need is around 78 million, he said. “So far we can only really count on having 13 million, so there is quite a big gap in Tamiflu and that's something we're working on intensively right now.”

One particularly disturbing scenario involves a combination of the bird flu virus, which is still circulating in several countries, and the H1N1 virus. A coming together of these two, with the genetic material “reasserting” between the two viruses, could “create something that would have very unpleasant consequences for humanity,” Nabarro said. While it's impossible to predict the likelihood of this happening, it would be important to respond very quickly, he told reporters.

According to the latest WHO update on H1N1, there have been 300,000 laboratory-confirmed cases, with 3,917 deaths, in 191 countries and territories.

Capacity Building

Phumaphi said the pandemic takes both the infected and the healthy out of the workplace, as they fear leaving their homes, takes children from schools and young people from farming and other activities that support their families, and so is especially disruptive for poor countries—who have huge numbers of young populations, high fertility rates, and health systems already under strain.

“We estimate at the bank that even a mild epidemic will reduce world GDP by 0.7 percent and we already have evidence that a more severe epidemic could reduce GDP by up to 3 percent,” she said.

Because of the avian flu, the bank was already involved in building capacity in developing countries, Phumaphi said. The Global Program for Avian Influenza Control and Human Pandemic Preparedness Response, which was set up in January 2006, has been expanded from \$500 million to \$1 billion and extended through the end of 2010, she said. There are 59 bank-supported operations in 57 countries under that effort. In addition, 20 new countries have asked for help with the H1N1 virus, Phumaphi said.

A bank spokesman told BNA the support for H1N1 is coming chiefly in the form of re-channeled loans, for countries such as Mexico and Argentina, because those funds can be freed-up very quickly.

Mexico was praised for its response to what was then, in the spring, an unknown situation, and being "very open with the information," which has helped other countries, Hall said. Its "very aggressive response" helped other countries to then moderate their future responses, she said.

Mexican President Felipe Calderon in late April declared an emergency, which led to the shutting of all schools in Mexico City and cancellation of public events.

Guidelines for School Closures

Hall noted that WHO now has guidelines for school closures, and their potential use under different circumstances. Still, she added, "we do need to recognize that the virus could indeed change, the impact could be different, and some of those social distancing measures may well be needed in other countries in the future."

Social distancing steps can be very costly for communities, not just economically but psychologically, Hall said. The problem is that because influenza is "fairly unpredictable, we still need governments to be able to think through those—and decide which measures may or may not be appropriate in the future," she added.

For her part, Phumaphi said that in every country every company that employs workers in the prime of their lives, "has a responsibility to keep them in the workplace" because that is what defines livelihood and economic growth. What they should be doing now is drafting preparedness plans, she urged.

Phumaphi said efforts by the U.N. coordinator and the WHO to cut the price of the drugs has meant that they are costing countries much less than they cost Mexico when it was hit.

“The one thing that we cannot push down will be the impact on economic growth ... the only way we can push it down is by being better prepared so we can get over the pandemic as quickly as we can,” she said ... “If we aren't scared by a 3 percent decline in economic growth, I don't know what will scare us.”

“But even 0.7 percent, which is sort of minimum, is also scary, particularly for now, when we are trying to recover from the global recession—and even a 0.1 percent increase in economic growth is a boom for a lot of countries right now,” Phumaphi added. “We cannot afford to lose any more than we absolutely have to because of this recession.”