Transcript: Media Teleconference on Ebola Economic Impact Report with World Bank Group President Jim Yong Kim

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World Bank Group President Jim Yong Kim, Francisco Ferreira, John Panzer
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Transcript

MR. DONELLY: Good morning, everyone. Thank you for joining the call. This audio briefing is an on-the-record briefing that looks at the economic analysis report of the Ebola crisis for the three main countries affected. Leading off the call will be Dr. Jim Yong Kim, the president of the World Bank Group. I also have here two of the economists of the team that put together the report – Francisco Ferreira and John Panzer. I'll turn this over to Dr. Kim and at the end of his statement we'll take questions. Thank you.

DR. KIM: Good morning everybody. Thank you everybody for joining today’s call. The World Bank Group has just completed an analysis of the economic impact of the spread of Ebola in Liberia, Sierra Leone and Guinea. Our findings indicate that if the virus continues to spread, the economic cost to these countries could grow eight-fold by 2015. This would deal a potentially catastrophic blow to their already fragile economies.

Now our top priority, of course, is to do all we can to save lives and prevent new infections; and in fact, our first $117 million in total, in mostly grant funding, is focused purely on the immediate humanitarian response.
But our economists have also been doing the important work of understanding the economic impact of Ebola. They looked at many factors including the SARS epidemic from 2002 to 2004. That outbreak caused 800 deaths and cost more than $40 billion in economic losses. We learned from studies that during SARS and the H1N1 outbreak in 2009 that fear and aversion behavior caused as much as 80 to 90 percent of these epidemics' total economic impact.

The fear of contagion has helped fuel an economic crisis in the Ebola crisis as well. There are two kinds of contagion. One is related to the virus itself, and the second is related to the spread of fear about the virus.

Already, the fear factor from the Ebola outbreak has reduced labor force participation, closed places of employment, disrupted transportation, and motivated some government and private decision makers to close seaports and airports.

In this report released today, our findings make clear that the sooner we implement an effective response and decrease the level of fear of Ebola's spread, the more we can limit the epidemic's economic impact.

For 2014, we estimate that the GDP losses to Liberia, Sierra Leone and Guinea from this crisis will be a combined $360 million, which is a huge proportion of these very small economies, a portion of the overall GDP of these small countries. We expect the impact on government budgets to be $292 million.

Next year, if we implement a rapid and effective response, the combined cost to economic output could be as low as $97 million. But if we do not check the spread of the virus--and that of course will require a massive effort starting right now--the combined cost to growth would rise to over $800 million.

These findings on the Ebola outbreak focus solely on the three most affected countries, but according to our preliminary estimates, the virus' spread to other African nations could cost billions of dollars and depending on the scenario, we think potentially many billions of dollars.

We know how to contain Ebola's spread. Rapid implementation of effective control measures to prevent the spread of infection and the implementation of effective clinical protocols will limit the loss of lives. It will also stem the tide of fear that, as we now know and as I said, can cause 80 to 90 percent of the economic impact.
We have seen in recent days the scaling up on the part of international donors, and it is very encouraging to hear especially President Obama's announcement yesterday. We really need to scale up our response, and what we have learned from this study is that time is of the essence. We have no time to lose. We have got to get a comprehensive response on the ground as quickly as possible to prevent a possibly eight-fold increase in the economic impact.

Thank you very much, and I will take your questions.

**QUESTION:** Hi, thanks for doing this, appreciate it. Can you tell me exactly how the money is going to be spent that the World Bank is putting forward. I believe it is a $105 million approved earlier and there’s some other cash. Can you also talk about the impact and do you have a percentage of GDP that you mentioned in terms of the 350 for the three countries.

**DR. KIM:** So of the $105 million, I have the figures right here, $52 million will be for Liberia, $28 million for Sierra Leone and $25 million for Guinea. And the way that this money goes is in grants directly to the government. So some of the money will go to, for example, UNICEF, that they’re delivering supplies through their procurement systems. Others will go to WHO for technical support. Others of this money will go to the World Food Programme, others to other NGOs. But it really is a decision making process that is in the hands of the government since the grant actually goes to the government. And in terms of percentage of GDP, I’ll ask our team here to respond.

**JOHN PANZER:** So the percent of GDP under the most current scenario for this year is between two and a half to three percent of these three countries.

**QUESTION:** So that’s the current scenario. It sounded like you sketched out some worst case scenarios. I think Dr. Kim you mentioned eight fold impact through the next several years. What sort of percent of GDP are we talking about? Currently at two and a half to three percent would still mean growth for each of the countries but it sounds like you’re talking about severe recessions or depressions in the adverse scenario, am I wrong?

**FRANCISCO FERREIRA:** No that’s correct. So in the bad case scenario for 2015, the estimates are around nine percent of GDP in Sierra Leone, 12 percent in Liberia and in the
case of Guinea, it is smaller – 2.3 percent. It is actually much worse in Liberia and Sierra Leone, between nine to 12 percent.

MR. DONNELLY: That was Francisco Ferreira.

DR. KIM: Ian, this is Jim Kim again. The best case scenario and this is what I want to point out, the best case scenario is still not in sight. In other words, we do not have the people on the ground, the resources to get to the best case scenario which is to get it under control in the next few months. The notion of getting it under control in the next few months was really based on WHO projections. But the information that has come in as recently as yesterday, Bruce Aylward, the leader of this response at WHO has said that the number of cases has doubled in the last three weeks and that it could be many more cases to that. The most interesting part of this model is that it doesn’t really matter how many cases there are. What really matters is how quickly we scale up our response so we can actually address the entire number of cases, that’s really the issue. So the point from this study is that however many cases there are right now, if we get an effective response on the ground in the next few months, we can really blunt the vast majority, 80-90 percent of the economic impact.

The very specific implications are that we need modular protocols that we can place everywhere, in rural areas, so that everyone feels in the country that not only are we preventing new infections, we’re treating the people who are ill. The numbers that have been reported, 80 to 90 percent death rate, that’s just not what we’re seeing. Even right now, the overall death rate is around 53 percent. We think, that if we put very effective treatment protocols in place that we can get that number down much, much lower than this death.

My colleague and co-worker of many years Paul Farmer has pointed out that the Ebola virus has actually never encountered in epidemic form a modern healthcare system. Very fundamental, what we call in the hospital, universal protections, can prevent the spread of Ebola. And also what we found is that if you provide aggressive support of care, meaning IV hydration, monitoring of electrolytes, etcetera, just basic support care that we can do at any hospital in the United States, that very high percentages of people can survive.

QUESTION: Sorry to interrupt you Dr. Kim, can you just help me to understand, particularly with your background, where is the provision gap? You’re saying, if we don’t move fast enough, that if we don’t get these modular services on the ground, why isn’t that happening, what is the gap here? It is rather sensitive, but it is also rather important as you point out.
**DR. KIM:** The gap is based on the fact that these three countries, none of them had adequate health systems to deal with something like an Ebola virus outbreak. And that means that we did not have places all over these three countries that knew how to implement universal precautions. This is something that is relatively new in developed countries, and not every hospital in developed countries exercises universal precautions. And so it is not surprising that these three, poor fragile countries did not have these in place. And so I think the issue was that we did not fully understand early enough that we had to get this relatively complicated but doable intervention in every locality in these three countries. But now we have people on the ground who are developing the protocols so we can do just that.

Having done very complicated protocols in very poor countries myself, I know that we can put these protocols together and I know that we can have a comprehensive, effective response. We just need more people, more money, more attention, more commitment.

**OPERAHER:** Our next question came from the line of Stella Dawson from Thomson Reuters, your line is now open.

**QUESTION:** Hi. I'm sorry. I didn't realize I was on "Mute."

Hi, Dr. Kim. In August, the World Health Organization was talking about $600 million would be needed, and the World Bank had committed $200 million. We are now looking at something more on the scale of $1 billion. Will you be increasing the amount of funding that you are allocating for this--my first question. And secondly, could you talk a little bit about why we ended up with a primary health care system that was unable to deal with what, as you say, is a quite manageable disease?

**DR. KIM:** Thanks for that question.

I think the $1 billion number is something that we need right now. Will this go up? What this study shows is that it could go up, and it could go up dramatically, if we don't respond quickly.

So, one of the very important lessons from this study is that we have a choice. We have a choice right now; we have a choice today. And that choice is if we invest everything that is needed right now, the costs going forward will be much, much less, not only in human lives, which is of course the most important to us, but in overall economic impact.
Now, I went to the Board, and the Board was unanimous. We have 188 member countries, so it is not an everyday occurrence that we have such strong unanimity around a particular issue. The Board members told me that if we need more money that I should go back to them. Now, what I really hope is that developed countries and other financial institutions and even the private sector step forward and begin to provide the resources that we need, but if not, I am prepared to go back to the Board and ask for more.

**QUESTION:** And could you address the second part of the question--the World Bank has a lot of experience in helping countries build primary health care systems. Can you talk about what happened in these countries; why did we find that there was so little in place for a disease that is relatively manageable? Is it because we have been so focused on individual diseases such as HIV/AIDS, and a lot of funding has gone there rather than in basic health care infrastructure? Could you talk about that?

**DR. KIM:** Actually, we have looked at the impact of funding for HIV/AIDS, malaria, tuberculosis--the so-called focus diseases--and in fact, in many, many settings, focus on those diseases has actually improved primary care services. A recent study by Larry Summers in The Lancet has shown that investing in HIV treatment had a huge impact not only on the lives and well-being of people in Africa but even on economic growth.

So I don’t think it is a matter of having paid attention to one thing that has caused us to be in this situation. The fact of the matter is that there are many, many countries that do not have systems that are capable of doing the things that we are talking about, which is universal precautions in terms of preventing the spread of infection and also the kind of intensive care management--managing electrolytes, managing fluid--that is required in this particular disease.

I think what it illustrates is that we now need to really rethink our overall level of preparedness for pandemics of all kinds. If this were an airborne virus and it started here, I think it would be spreading much, much more quickly. So I think one of the discussions we have to have as we respond, and also certainly afterward, is what we need to do now to prepare for not only future Ebola outbreaks but outbreaks that may move much more quickly and affect many, many more people.

**QUESTION:** Will you be having those discussions in the coming weeks with the UN General Assembly and then the IMF-World Bank Meetings? In particular, there has been a
lot of criticism that there still is a lack of leadership, that the WHO has been underfunded and has not been able to step up to the role. Who is in charge here?

**DR. KIM:** Well, I think that right now, there is a very good consortium of people, and the good news is that the Secretary-General has stepped up, and that is entirely appropriate, because this is not just about health. It is about food security. It is about security overall. There are so many different issues that are tied up in this particular response. So I would have to say that right now, the fact that the Secretary-General has stepped up with his leadership and that, for example, the UN Secretary-General's Office and the White House are in daily communication about coordinating responses, I think that is a good thing. But I think what we have to look at is why did it take so long, and why did it take so long to really recognize what intervention was required, which is a very complicated intervention.

I think these are questions that we will have to ask ourselves in a very self-critical way going forward.

**QUESTION:** Thank you.

**OPERATOR:** Thank you. Our next question came from the line of Jason Beaubien of NPR. Your line is now open.

**QUESTION:** Yes, thanks for doing this call.

Could you get a little bit more into some of the details of what sectors are being affected the hardest by this; which areas of the economy are being hardest hit by this particular outbreak?

**MR. PANZER:** John Panzer.

The sector that is being affected the most in all these countries is the service sector, because services are linked to every other economic activity. But what is driving this reduction in the activity in sectors is coming from mining, as in some of the countries, particularly in Liberia, mining is being very affected. Agriculture--we see an across-the-board impact in agriculture of a reduction of about 20 percent in every one of these three countries. And also, the small but very linked manufacturing sector is being affected. We are seeing cement sales, for example, that are leading to construction, drop by 60
percent. We are seeing fuel sales in Liberia reduced by 35 percent only in the month of August, compared to the month of August the year before.

**MR. FERREIRA:** This is Francisco here.

Just to add one number to what John has just said, the information in the report that we get from the ground is that the wholesale and retail traders in Liberia have reported a 50 to 75 percent drop in turnover. That gives you a good measure of the effect on services right now in Liberia.

**OPERATOR:** Thank you.

Once again, to ask a question, you may press "4" and then "1" on your touchtone phones, and please limit your questions up to two to give room to other questions.

Our next question came from the line of Lena Sun. Your line is now open.

**QUESTION:** Hi, Dr. Kim. Thank you for doing this call.

I wanted you to put on your other hat for a second. You keep talking about these clinical protocols. Can you give us an update on who is doing those clinical protocols and where things stand and, specifically, when they will be ready?

**DR. KIM:** By agreement between the World Health Organization, the UN System, the U.S. Government, the World Bank, and others involved, we asked Dr. Paul Farmer to work with Dr. Anthony Fauci of the National Institutes of Health, and a number of nongovernmental organizations, health organizations, based on the ground in both Liberia and Sierra Leone to develop protocols.

Now, some of you may know that the treatments of diseases like tuberculosis were transformed when we developed relatively simple protocols for their treatment. Before the so-called DOTS protocol for tuberculosis treatment, every doctor in the world treated tuberculosis a little differently, with extremely mixed results. Once we put a protocol in place, the treatment outcomes dramatically improved throughout the world. So we need to develop a very clear and structured set of protocols both for the prevention of new infection and the treatment of those who are ill.
Now, again, the good news is that we are not talking about transplants, we are not talking about surgeries, we are not talking about things that are extremely complicated. We are talking about relatively simple interventions but that require some expertise.

We also believe, though, that both the infection control measures and the clinical treatment protocols can be managed easily by community health workers and nurses, and it does not require an infectious disease physician to manage them. It is just that we have never put together a DOTS protocol, if you will, for Ebola. We expect that to happen in the next week or two.

**QUESTION:** And—sorry—just a follow-up question is that everybody is talking about time, and the earliest that the U.S. Government personnel will be able to get a lot of stuff there is really end of September until October. So, in your analysis, it sounds like that is going to be enough time if they really can scale up as quickly as they promise.

**DR. KIM:** Well, the best case scenario is that we get this under control in the next four to six months, and in order to be able to get this under control in the next four to six months, you are going to have to see a massive scale-up of both resources—resources, equipment, personnel. All those things are going to have to be scaled up massively in the next few months.

Now, again, the good news is that from everything we see, the UK, France, the U.S. are all ready to do it, and as I said earlier, Lena, we are ready to scale up, too, if that is necessary.

**QUESTION:** Thank you.

**OPERATOR:** Thank you. Our next question came from the line of Laurie Garrett of Council on Foreign Relations. Ma'am, your line is now open.

**QUESTION:** Thank you.

A couple of questions. Back to scale-up potential, first of all, this treatment protocol, you didn’t name MSF. They have been the primary responder. They have had no infections in their ranks. They clearly are doing something right. Why are we reinventing a protocol when MSF appears to have one, and having Paul Farmer come in and do it when MSF has been there since March, everybody treating them like dirt and not believing a single one of
their prognostications? This would seem to just enhance that same sense of isolating and demeaning the quality of their efforts.

And the second thing is you said there is a consortium in charge, which to me does not sound like a command-control structure. It sounds like committees. Especially when we see the tremendous difference in distribution of responders based on old, neocolonial ties, so that Sierra Leone has a hodge-podge of about 20 different countries and responders, the United States is heavily in Liberia, France is theoretically in Guinea--the real danger that all three countries will take different strategies and directions, there will be no coherent overarching policy. Ban Ki-moon is not managing the global response to Ebola. Who is?

**DR. KIM:** Well, you know, Laurie, your statement stands on its own. I will say I have had many conversations with people involved with the MSF response. MSF is involved in this one. In fact, part of the protocol is going to be--I hope, anyway; I don't know exactly what it is going to look like because I am not involved in the day-to-day of it--but MSF has developed extremely effective protocols for the prevention of infection.

They are involved in this process, and in not mentioning it, it was just an error. I mean, they are part of the group as far as I know, and certainly we have no intention of demeaning their response. Their response has absolutely, as you said, been heroic, and every day, we are learning from the experiences that they have had. And also, one of the great bright spots was at an MSF-run treatment unit where we saw death rates going down as low as 20 percent.

Now, in terms of the response, the team now is just coming together, but one of the very top logistics people in the UN System, Tony Banbury, has, along with David Navarro and Bruce Aylward, who is one of the--he has been in the field more than anyone as the leader of the polio response--are working, and I can tell you that the phone conversations are happening multiple, multiple times a day, and I think this is just too big for any single agency to take it on. So, as I sit back, having been at WHO toward the end of the SARS epidemic, this is not as singular as that response because of the multidimensional aspects of it and because it is in these extremely poor countries, I am actually very optimistic that the current system, with the U.S. very much involved and with folks like the Deputy-Secretary General, whose experience previous to his current job was in humanitarian response, being very involved, and then having a real logistics person like Tony Banbury on this side of the Atlantic and then having Bruce Aylward on the other side, it feels like a pretty good team to me.
Now, you know, none of that will mean anything if we don't scale up the response. So I think that to have a clinical response that is modular, that is adopted by the World Health Organization, that is talked about as such just as the DOTS protocol was is important--not at all to demean the impact of MSF; in fact, MSF's insights are going to be very much part of it--but I think you do need the World Health Organization to step up and give this thing a name and then proclaim that this is going to be our approach.

QUESTION: So, finally, WHO is at the party. Well, that's great. Thank you.

OPERATOR: Thank you. Our next question came from the line of Sarah Reardon of Nature Magazine. Your line is now open.

QUESTION: Hi. Thanks for taking my question.

I have two questions for you. One had to do with you were talking about the reason that this happened, of course, was the lack of good healthcare systems in these countries. How much of the money that the World Bank is putting toward the response, the $105 million that went out and whatever will go out in the future, is going to be directed toward the immediate response versus building up healthcare systems so that nothing like this happens again, including like surveillance systems throughout the region?

My second question would be did you take into account in your analysis here the impact of the knock-on health effects of the hospitals closing, people not being able to get in for malaria treatments, for whatever other health needs they might have, thus keeping them further away from the work force and contributing to the economic decline?

DR. KIM: Thanks for that question.

The first thing we did was--there was already $12 million on the ground in Liberia and Sierra Leone, so we redirected that to the immediate response. This $105 million that we approved yesterday will be focused on the immediate response.

Now, we can go higher, and we are going to go with another $100-plus million. At first, we were thinking that that would be for the more medium and long-term building up the health system kinds of investments, but we have to see where we are, and if there is not enough money coming online to build the immediate response, then, what we will have to do is divert it and focus on the immediate response.
Then, I think--well, let me put it this way. The Board yesterday was very clear with me, saying, look, we need to do what it takes to put in place an appropriate response. So I think we will have to go back and look again at our concessional loan window, called IDA, and think about how to redirect some of that funding to really focus on the medium and the long-term building back of the systems.

But it won't be just the health care sector that we have to look at. We are going to have to make inputs in agriculture; we are going to have to make inputs in many aspects of the economy. So we are really in the process of rethinking our overall envelope for these three countries and any affected countries.

But I think the other thing we have to step back and look at is we have been talking a lot about universal health coverage. The Japanese Government has been a great champion of this. And I think that conversation now changes in a pretty fundamental way to understand how universal health coverage is going to help us respond much more effectively in the future to these kinds of epidemics.

I will leave the other question to Francisco.

**MR. FERREIRA:** Yes. The short answer is yes. Particularly in the high Ebola scenario, we accounted for the direct effect of labor supply of those who are sick or dying, the healthcare costs, and also the effect on people who are not able to work because of other illnesses that are not being treated, as well as the much larger impact which is really arising from the fear and the aversional behavior that Dr. Kim referred to. So, all of those were incorporated into that scenario.

**MR. DONNELLY:** This is John Donnelly. We will take one more question, and then, after the call, we will send a transcript of this to all of you.

**OPERATOR:** Thank you. Once again, if you would like to ask a question, you may press "4" and then "1" on your touchtone phones. Our next question came from the line of Ian Talley. Your line is now open.

**QUESTION:** Hi. Yes, two things. Can you just--I'm sorry, I didn't understand the $1 billion figure. Can you just elaborate on exactly what you are talking about there?
And secondly, can you talk about the broader impact, economic impact, outside of Liberia or the three West African nations, Liberia, Sierra Leone and Guinea? Surely, there is some fallout to the broader continent.

**DR. KIM:** Ian, that $1 billion was just what WHO announced yesterday. I actually don't have in front of me the way they broke that down, but the number has been going up gradually. It was 100, then, I think, 400, and now it is $1 billion. So my own view of it is that it is $1 billion for now, and it is $1 billion—

**QUESTION:** A billion on top of what has already been proposed--the World Bank has the $230 million package; the IMF has estimated last week that each country could boost its funding by $150 million each. There are other donors out there. Is that on top of what already exists?

**DR. KIM:** No. What they are saying is, look--the specific press conference that was held yesterday was, look, these numbers are changing; look, we have doubled the number in the last three weeks, but for now, it looks like we need $1 billion.

Now, if you look at the doubling factor, it has gone from 100 to 400 to $1 billion. The point that we want to make, though, is that what that number ultimately is depends on the speed and comprehensiveness of our response today. That number could continue to climb higher and higher, but if we get on top of it right now, that number will be much, much more than it is.

**QUESTION:** And you are saying that right now, while you are hearing the right things, the response is not fast enough, and it needs to be faster?

**DR. KIM:** It needs to be faster. We need a sort of globally-endorsed protocol for how we are going to do it. We need to divide up the work so that everyone knows what they are doing. Once there is a sort of clear response that is endorsed by the World Health Organization, once we decide who is going to work where, once we decide where the money is going to come from--and we can't sort of wait until we decide that. We have to go and do things as we are making those decisions. Then, it is only at that point, when we really have all of Liberia, Guinea and Sierra Leone covered, when we have those same protocols in place in all the surrounding countries, when we know that we have adequate
financing—that is the only time that I think we can really have any idea of what the actual cost is and what the impact is going to be economically.

**QUESTION:** Okay, thank you.

**DR. KIM:** Now let's let our economists talk a little bit about the impact on the surrounding countries.

**MR. PANZER:** My name is John Panzer. The immediate effect regionally is happening particularly in the tourism sector. The tourist season is about to start now, in November, and among these countries in West Africa, both Senegal and Gambia are countries that receive a lot of tourists, and we are monitoring very closely that situation. In Gambia, it is a tiny economy, but the impact could be very big; Senegal, less so.

The second mechanism by which this is being affected is informal trade among these countries. We are in the process of collecting data to find out about what is the specific impact of that. This is in the short run, but we have also made some assumptions on the long run, and I will let my colleague Francisco to talk about it.

**MR. FERREIRA:** Thank you, John. Francisco Ferreira here.

Just to add to that, what John was talking about is the first kind of contagion that Dr. Kim referred to earlier, which is the economic contagion. I think your question was also what about the possibility of epidemiological contagion to other countries in the region. So there is good news and bad news. The good news is that so far, the response from the countries that have been affected has been very good. So, in Senegal and Nigeria, where cases were reported, the growth afterward was very small. These countries and their health systems are doing a very good job so far, and I think that is an important thing to recognize and be grateful for.

Of course, under our worst case scenario, if the epidemic continues to grow, and the kinds of actions that Dr. Kim has been referring to are not taken now, there is a probability that infections are spread across other countries of the sub-region. And we are, as John just said, modeling for those probabilities, too. In fact, we are working on that as we speak, and we hope to have scenarios that we will announce in the next couple of weeks. Because these three countries are small economies—they are about five percent of GDP of West Africa—if there was an impact on the other, bigger economies in the region, like Nigeria,
Ghana and Senegal, we know already that that impact could be much, much larger. We are not prepared at this time—we are not ready with estimates of that impact, but that impact would certainly be in the order of billions of dollars. So that is part of the contingency that is being planned for.

**DR. KIM:** Great. Thank you, guys, so much for taking the time.

**MR. DONNELLY:** Yes, thank you, everyone, for joining the call, and again, we'll send out a transcript later today.