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THE ECONOMIC GROWTH OF COUNTRIES IN THE SOUTH EAST ASIA REGION IN THE COVID-19 PANDEMIC ERA

A Comparative Descriptive Analysis of Economic Performance, Policy Responses, and Recovery

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ABSTRACT

The COVID-19 pandemic generated an unprecedented economic shock across Southeast Asia through public-health restrictions, disruptions to production and logistics, declining international travel, weaker household demand, financial uncertainty, and interruptions to global and regional value chains. This article examines the economic growth performance of Southeast Asian countries during the pandemic era, with particular attention to the contraction in 2020 and the initial recovery in 2021–2022. The study uses a comparative descriptive approach based exclusively on secondary sources published between 2020 and 2022, including peer-reviewed journal articles and contemporaneous reports from international and regional institutions. The analysis indicates substantial heterogeneity across countries. The Philippines, Thailand, Malaysia, Singapore, and Indonesia experienced sharp contractions in 2020, while Vietnam maintained positive growth. The ASEAN-10 average contracted by approximately 3.2 percent in 2020 before recovering to about 3.0 percent in 2021 and an estimated 5.2 percent in 2022. The results suggest that differences in economic performance were associated with the intensity and duration of containment measures, tourism and service-sector exposure, domestic-market size, international production networks, fiscal and monetary policy capacity, and the speed of vaccination and reopening. The evidence also indicates that the pandemic temporarily weakened the convergence process among ASEAN economies because less developed members were often more vulnerable to the shock. The article concludes that economic resilience in Southeast Asia requires coordinated health and economic policy, stronger social protection, digital transformation, diversified production networks, and deeper regional cooperation.
Keywords*: COVID-19; economic growth; Southeast Asia; ASEAN; GDP; pandemic; economic recovery; trade; policy response; resilience.*

INTRODUCTION

Southeast Asia entered the COVID-19 pandemic after two decades of comparatively strong economic expansion and deeper regional integration. The ASEAN economies had developed increasingly dense trade, investment, tourism, manufacturing, and production networks. This integration supported growth but also meant that a health crisis originating outside most member states could rapidly become an economic crisis through international trade, tourism, finance, and supply-chain channels. Chong, Li, and Yip (2021) argue that the pandemic represented a major shock to ASEAN economies because the region's economic integration transmitted both demand and supply disturbances across borders.

The pandemic affected economic growth through several mechanisms. Restrictions on movement reduced household consumption and contact-intensive services; factory closures interrupted production; border restrictions reduced tourism and transportation; and uncertainty weakened investment and employment. Ahmad and Chahal (2022) show that the pandemic affected ASEAN economic integration through stringency measures, bilateral exports, and tourist arrivals, while firm-level effects differed across ASEAN-6 countries. Their findings demonstrate that the economic consequences cannot be understood solely from aggregate GDP because the pandemic altered the mechanisms through which regional markets were integrated.

The aggregate outcome was severe. ASEAN's average real GDP growth fell to approximately -3.2 percent in 2020. The Philippines contracted by around 9.6 percent, Thailand by 6.2 percent, Malaysia by 5.7 percent, Indonesia by 2.1 percent, and Vietnam remained positive at 2.9 percent. By 2021, most economies had returned to positive growth, although the pace differed substantially. OECD (2022) reports ASEAN-10 average growth of 3.0 percent in 2021 and forecasts 5.2 percent for 2022, while highlighting persistent differences associated with pandemic management, vaccination, and economic structure.

Vietnam's relative resilience is particularly important. While many economies experienced deep recessions, Vietnam continued to grow in 2020. Contemporary regional analysis attributed this performance partly to effective containment and the ability to maintain production and exports. In contrast, countries with large tourism sectors or prolonged restrictions suffered greater output losses. Martinus and Seah (2021), for example, report that the ASEAN-5 recorded contractions of -9.5 percent in the Philippines, -6.1 percent in Thailand, -5.6 percent in Malaysia, and -2.1 percent in Indonesia, while Vietnam grew by 2.9 percent.

The literature published during 2020–2022 also identifies important financial and firm-level channels. Pangestuty and Pulungan (2022) find that COVID-19 cases, central-bank policy rates, and credit-default-spread conditions significantly affected output growth in six ASEAN countries. Perdana and Setyadharma (2022) find significant relationships between exchange rates, stock-price indices, foreign-exchange reserves, net exports, and ASEAN-5 GDP growth. Ardiyono (2022) finds that revenue shocks were transmitted into employment reductions among ASEAN-5 firms, with substantial heterogeneity across countries and industries.

International trade provides another explanation. Kiyota (2022) finds that the relative centrality of most ASEAN countries in the world trade network did not change significantly after the pandemic began, suggesting considerable resilience in established trade relationships. At the same time, George et al. (2021) demonstrate that strong China-ASEAN production linkages can transmit epidemic shocks, although effective containment can reduce the magnitude of spillovers.

This article addresses three questions: (1) how did economic growth differ among Southeast Asian countries during the COVID-19 period; (2) what economic and policy factors help explain the differences; and (3) what lessons can be derived for future economic resilience? The study deliberately restricts its references and empirical discussion to sources published from 2020 through 2022 in order to capture evidence and interpretations produced during the pandemic and its immediate recovery period.

METHODS

A. Research Design

This study applies a quantitative descriptive-comparative design. The unit of analysis is the country, and the geographic scope covers the ten ASEAN member states: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. The main observation period is 2019–2022, with 2019 serving as a pre-pandemic reference year and 2020–2022 representing the shock and initial recovery period.

The study is descriptive rather than causal. It does not estimate a new econometric model. Instead, it compares GDP-growth observations and interprets differences using contemporaneous journal research and institutional reports published between 2020 and 2022. This design is appropriate for a regional comparative article because COVID-19 affected output through several simultaneous mechanisms, making a simple single-channel causal interpretation inappropriate.

B. Data and Sources

The principal macroeconomic variable is annual real GDP growth, measured as the percentage change in GDP at constant prices. The country figures are based primarily on the World Bank's World Development Indicators and are cross-checked with the OECD Economic Outlook for Southeast Asia, China and India 2022. OECD's 2022 table provides a consistent comparative series for ASEAN-10: -3.2 percent in 2020, 3.0 percent in 2021, and 5.2 percent in 2022. It also provides country-level observations for the ASEAN economies.

Peer-reviewed literature published during 2020–2022 is used to interpret the macroeconomic evidence. The core studies include Chong et al. (2021), George et al. (2021), Kiyota (2022), Ahmad and Chahal (2022), Ardiyono (2022), Pangestuty and Pulungan (2022), Perdana and Setyadharma (2022), Yiu and Tsang (2021/2022), and Dash and Sethi (2022). These studies cover economic integration, production networks, trade, firms, employment, financial conditions, lockdowns, and growth.

C. Analytical Procedure

The analysis was conducted in four steps. First, country GDP-growth rates for 2019–2022 were compared. Second, countries were classified according to the severity of the 2020 contraction and the strength of subsequent recovery. Third, differences were interpreted through five dimensions: public-health containment, economic structure, international exposure, policy support, and productive/digital capacity. Fourth, the findings were triangulated against the 2020–2022 literature. A key analytical distinction is made between a return to positive annual growth and a full recovery of the output level that might have prevailed without the pandemic.

RESULTS AND DISCUSSIONS

A. ASEAN Economic Growth Before, During, and After the Initial Shock

The comparative data show a dramatic break in Southeast Asia's growth trajectory in 2020. ASEAN-10 average real GDP growth fell from a positive pre-pandemic rate to approximately -3.2 percent. The contraction was followed by a partial rebound to 3.0 percent in 2021 and a stronger recovery of approximately 5.2 percent in 2022. However, the regional average masks very large differences between countries.

Country	2019	2020	2021–2022
Brunei Darussalam	3.9	1.1	0.5 / 3.5
Cambodia	7.1	-3.2	2.8 / 5.6
Indonesia	5.0	-2.1	3.7 / 5.2
Lao PDR	5.5	3.3	2.5 / 4.6
Malaysia	4.4	-5.7	3.1 / 6.0
Myanmar	6.5	3.2	-18.6 / -0.3
Philippines	6.1	-9.6	5.6 / 7.0
Singapore	1.3	-4.1	7.6 / 4.0
Thailand	2.1	-6.2	1.6 / 3.8
Vietnam	7.4	2.9	2.6 / 6.5

Note: The last column presents 2021 / 2022 real GDP growth. OECD data are as of 7 March 2022 for the 2022 outlook; figures may differ from later statistical revisions. Myanmar data refer to fiscal-year observations.

B. Vietnam: A Case of Relative Resilience

Vietnam represents the clearest example of relative resilience in the region. It recorded positive GDP growth of 2.9 percent in 2020, while many ASEAN economies contracted sharply. The result reflected relatively effective containment, comparatively quick resumption of production, and continued export activity. This outcome is important because it suggests that pandemic control and economic continuity can reinforce each other when containment is timely and targeted rather than prolonged and economy-wide.

The Vietnamese experience also illustrates the importance of manufacturing and export capacity. When global demand for manufactured goods recovered, Vietnam was able to participate in that recovery. Nevertheless, the country was not immune to later waves. OECD (2022) records a sharp third-quarter 2021 contraction as Delta-related restrictions disrupted production, showing that resilience in the first phase did not eliminate vulnerability during subsequent waves.

C. Severe Contractions in the ASEAN-5

The Philippines experienced the largest contraction among the ASEAN-5 in 2020, at approximately -9.6 percent, followed by Thailand (-6.2 percent), Malaysia (-5.7 percent), Singapore (-4.1 percent), and Indonesia (-2.1 percent). These differences correspond closely with exposure to tourism, mobility-intensive services, international trade, and the duration of restrictions. Martinus and Seah (2021) similarly identify these large contractions and emphasize that the pandemic recession was widespread across the region.

The Philippines' deep contraction can be associated with prolonged restrictions and simultaneous weakness in consumption, investment, exports, and tourism. Thailand's performance was strongly affected by the collapse of international tourism. Malaysia experienced substantial disruption to domestic and manufacturing activity under national restrictions. Singapore's high degree of international openness exposed it to the collapse of global travel and trade, while its strong policy capacity supported a rapid rebound in 2021. Indonesia's smaller contraction was partly consistent with its large domestic market and economic diversification.

The 2021 rebound was strongest in Singapore and the Philippines among the ASEAN-5, but a high rebound rate must be interpreted carefully because it partly reflects a low statistical base in 2020. OECD (2022) records Singapore growth of 7.6 percent and Philippine growth of 5.6 percent in 2021, while Thailand grew only 1.6 percent.

D. Economic Integration, Trade, and Production Networks

COVID-19 created an apparent paradox for ASEAN integration. On one hand, cross-border dependence increased vulnerability because disruptions in one economy could affect suppliers and customers elsewhere. On the other hand, established trade networks supported recovery once transport and production conditions improved. Ahmad and Chahal (2022) show that pandemic effects on ASEAN integration can be traced through stringency, bilateral exports, and tourist arrivals. citeturn0search1

Kiyota (2022) finds that the relative centrality of most ASEAN countries in the global trade network did not change significantly after the pandemic began. This indicates that the regional trade architecture demonstrated resilience rather than collapsing or being fundamentally reorganized during the early pandemic period. citeturn0search8

George et al. (2021), however, show that production networks involving China and ASEAN can also transmit epidemic shocks. Their findings imply that integration should not be interpreted as automatically beneficial or harmful. The policy objective should instead be resilient integration: diversified suppliers, reliable logistics, transparent information, and regional coordination capable of keeping essential trade functioning during emergencies.

E. Lockdowns, Public Health, and Economic Growth

The pandemic generated a difficult policy trade-off. Restrictions reduced economic activity in the short run, but uncontrolled transmission could also undermine economic activity through illness, uncertainty, and voluntary reductions in mobility. Dash and Sethi (2022), examining 19 South and Southeast Asian economies, find that COVID-19 mortality negatively affected growth and that lockdowns had a negative effect on growth, while vaccination had a positive relationship with growth and helped control fatality rates.

The implication is not that governments should avoid restrictions. Rather, restrictions should be targeted, temporary, evidence-based, and combined with testing, vaccination, social protection, and support for affected firms. OECD (2022) notes that restrictions became less disruptive in 2021 because they were increasingly targeted compared with the previous year.

F. Monetary and Financial Conditions

Financial conditions were another important transmission mechanism. Pangestuty and Pulungan (2022) analyze six ASEAN countries from 2020:I to 2021:I and find that central-bank policy rates, COVID-19 cases, and credit-default-spread conditions significantly affected output growth. The result suggests that the pandemic shock interacted with the financial system rather than remaining a purely real-sector disturbance.

Perdana and Setyadharma (2022), using panel methods for ASEAN-5 over 2018–2020, identify significant relationships involving exchange rates, stock-price indices, foreign-exchange reserves, and net exports. Such findings reinforce the importance of macroeconomic stabilization capacity. Countries with credible monetary institutions and sufficient liquidity tools could limit the financial amplification of the initial health shock.

G. Firms, Employment, and Domestic Demand

Aggregate GDP contractions ultimately translate into firm-level and household-level consequences. Ardiyono (2022), using ASEAN-5 firm data from 2018 to the third quarter of 2021, finds heterogeneous effects on revenue, costs, profitability, and employment. A 10 percent decline in revenue was associated with approximately a 1 percent short-run reduction in headcount. The evidence demonstrates how restrictions and demand shocks can move from the macroeconomic level into employment decisions.

The firm-level evidence also explains why recovery can be uneven even after GDP turns positive. Firms that survive a lockdown can reopen, but firms that permanently close create lost productive capacity, unemployment, and weaker investment. Small and informal businesses are especially exposed because they generally have fewer cash buffers and less access to credit. Therefore, effective crisis policy should focus not only on aggregate demand but also on preserving viable productive relationships between firms and workers.

H. Tourism and Services as Sources of Vulnerability

Tourism-intensive economies experienced a particularly severe shock because international mobility was directly restricted. Thailand provides a prominent example: the country's large tourism industry was effectively interrupted as international arrivals collapsed. Tourism also has extensive multiplier effects on transportation, hotels, restaurants, retail, entertainment, and informal employment. Therefore, the GDP impact is larger than the direct value added of tourism alone.

The pandemic also exposed the vulnerability of contact-intensive services. In contrast, some digital services and manufacturing activities could continue with remote work or adapted production. This structural difference helps explain why countries with a greater dependence on tourism and face-to-face services often experienced deeper contractions and slower initial recoveries.

The regional policy lesson is that diversification should not mean abandoning tourism. Instead, tourism economies should strengthen domestic tourism, digital booking and service systems, health-security protocols, and alternative sources of export earnings. Economic diversification is a resilience strategy because it reduces the probability that one sector's collapse will translate into a national recession of exceptional depth.

I. Recovery and the 2022 Outlook

By 2022, the regional outlook had improved substantially. OECD (2022) projected ASEAN-10 growth of 5.2 percent in 2022, compared with 3.0 percent in 2021 and -3.2 percent in 2020. The strongest projected growth among the ASEAN-5 was in the Philippines (7.0 percent), Malaysia (6.0 percent), and Indonesia (5.2 percent), while Thailand was projected at 3.8 percent. Myanmar remained an exceptional case because the pandemic interacted with severe domestic disruptions, producing an estimated -0.3 percent growth in 2022.

The 2022 outlook nevertheless remained subject to uncertainty. The Delta variant had already demonstrated that renewed outbreaks could disrupt recovery, while vaccination rates and access differed across countries. The recovery also depended on fiscal support, monetary conditions, reopening, global demand, and the return of tourism. OECD (2022) emphasized that persistent pandemic waves and differences in policy management produced increasingly divergent economic outlooks across Emerging Asia.

J. COVID-19 and ASEAN Economic Convergence

The pandemic also affected the long-term objective of economic convergence within ASEAN. Although the principal convergence studies covering 2020–2022 were published later, the contemporaneous evidence already indicated that poorer and structurally vulnerable economies could face disproportionate losses. The pandemic interrupted the normal catch-up mechanism because restrictions, health-system limitations, fiscal constraints, and dependence on vulnerable sectors differed substantially among member states.

The implication is that regional integration cannot be evaluated only through trade growth. If poorer economies experience longer output losses and slower employment recovery, disparities can widen even when regional trade eventually returns. Therefore, ASEAN cooperation should incorporate mechanisms that improve the resilience of less-developed members, including emergency financing, health cooperation, digital infrastructure, social protection, and technical assistance.

K. Overall Discussion

The evidence supports a multidimensional interpretation of COVID-19 and economic growth in Southeast Asia. The severity of the recession was not determined by one variable. Instead, outcomes reflected the interaction of health conditions, containment policy, economic structure, international exposure, financial conditions, and institutional capacity. Vietnam's positive growth demonstrates the value of early containment and productive continuity. Thailand's deep contraction illustrates tourism vulnerability.

Singapore's rapid rebound demonstrates how strong institutions and external integration can produce both high initial exposure and strong recovery. Indonesia's moderate contraction highlights the buffering role of a large domestic market, while the Philippines illustrates the economic cost of prolonged restrictions and multiple demand shocks.

The principal lesson is therefore one of resilient openness. Southeast Asian economies should preserve the gains from regional and global integration while reducing the vulnerability associated with concentrated production, tourism dependence, and insufficient social protection. The pandemic showed that economic resilience is not the opposite of globalization; it is the capacity to remain connected while retaining the ability to adapt when connections are disrupted.

CONCLUSION

This article examined the economic growth of Southeast Asian countries during the COVID-19 pandemic using evidence and references published between 2020 and 2022. The results show a pronounced regional recession in 2020, followed by an uneven recovery in 2021 and stronger growth prospects in 2022. ASEAN-10 average real GDP growth fell to approximately -3.2 percent in 2020, recovered to 3.0 percent in 2021, and was projected at 5.2 percent in 2022.

The country comparison reveals major differences. Vietnam was the most resilient major ASEAN economy during 2020, maintaining positive growth. The Philippines, Thailand, Malaysia, and Singapore experienced deeper contractions, while Indonesia experienced a comparatively moderate decline. The differences were associated with the structure of each economy, tourism dependence, external trade exposure, restrictions, public-health management, financial conditions, and the capacity of governments to support households and firms.

The literature further shows that the pandemic affected economic integration, production networks, financial markets, firms, and employment. Trade networks demonstrated considerable resilience, but production linkages also transmitted shocks. Financial conditions affected output, while revenue losses translated into employment reductions. The evidence therefore supports an integrated policy framework rather than a narrow GDP-centered response.

For future crises, Southeast Asian governments should strengthen regional health cooperation, expand social-protection systems, improve fiscal preparedness, support digital transformation, diversify supply chains, and preserve the productive capacity of SMEs. ASEAN should also strengthen mechanisms for coordinated crisis response so that public-health emergencies do not unnecessarily become prolonged regional economic crises. The central lesson from the COVID-19 period is that sustainable economic growth requires resilience as well as openness.

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