

Inflation, Covid pushed nearly 70 million Asians into extreme poverty: ADB

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Locals in Seremban seen buying goods from Besar Seremban on April 21. - BERNAMA PIC

MANILA: Soaring food and fuel prices and the coronavirus pandemic pushed nearly 70 million more people in developing Asia into extreme poverty last year, the Asian Development Bank said in a report released Thursday.

The Manila-based lender defines extreme poverty as living on less than US\$2.15 a day based on inflation-adjusted 2017 prices.

"Asia and the Pacific is steadily recovering from the Covid-19 pandemic, but the increased cost-of-living crisis is undermining progress toward eliminating poverty," ADB chief economist Albert Park said in a statement.

The bank said an estimated 155.2 million people, or 3.9 percent of the region's population, were living in extreme poverty in 2022 – 67.8 million more than would have been without the pandemic and higher living costs.

Developing Asia refers to the multilateral lender's 46 emerging member economies, stretching from Kazakhstan in Central Asia to the Cook Islands in the Pacific.

Poor people have been hurt the most by higher inflation as they are less able to pay higher prices for necessities, leaving many unable to save money, pay for healthcare or invest in education, the report said.

The ADB estimated that the pandemic pushed 75-80 million more people into extreme poverty in 2020, compared to its pre-pandemic projections.

In July, the bank said that it expects inflation to ease to 3.6 percent this year – from 4.4 percent in 2022 – as food and fuel prices softened.

While developing Asian economies should continue to make progress against poverty, an estimated 1.26 billion people, or about 30 percent of the region's projected population by 2030, will still be considered "economically vulnerable", it said.

The term refers to a person living on US\$3.65 to US\$6.85 a day based on 2017 prices.--AFP