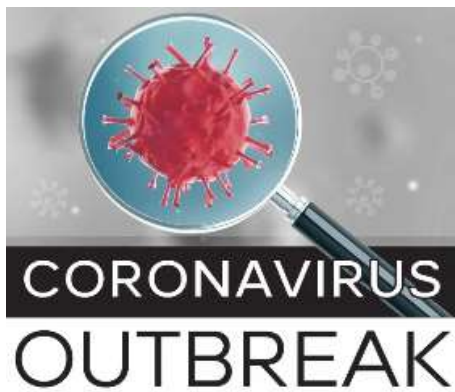




Status Report COVID-19

Exchange South Africa



[Abstract](#)

Report on the effects of COVID-19 in South Africa

Version 7.0

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The information in this volume is destined to provide a description of the COVID-19 status and its impact on social and economic life in the 5 Sub-Saharan African countries with cooperation programmes of Exchange vzw. The ambition is to give insights, based on information gathered by Exchange's business development managers based in these countries. Exchange vzw. can not be held responsible for errors, omissions or lack of accuracy and disclaims any liability in connection with the use of this information. Feedback is welcome at info@exchangevzw.be

1. Summary

In this report we will describe the current COVID-situation in South Africa including health statistics, current policy and measures, the EXIT strategy, the economic impact and the specific economic support programmes that have been launched.

Day 1 in South Africa was 5 March. On the 15th of March there was the announcement of National Disaster by the statement of President Ramaphosa on COVID-19 and the travel restrictions imposed. President Cyril Ramaphosa announced that the country will be in lockdown as from midnight 26 March 2020.

The 12th of June marked exactly 100 days since the first person confirmed to have Covid-19 arrived back in the country from a holiday trip to Italy on 3 March. In the 100 days since the man first felt ill and visited his doctor, the country's response has been marked by a scramble to prevent the virus from spreading too far and too fast, a nationwide lockdown and emergency steps to alleviate hunger and job losses as the lockdown had an immediate impact on the economy.

The measures helped the country halt the initial spread of the virus, especially in the first 30 days, where the travel ban had a marked effect.

On the 24th of May, after 58 days of lockdown, President Cyril Ramaphosa addressed the nation and announced a scaling down of the lockdown to Alert Level 3 from 1 June 2020 to gradually open up economic activity, schools and educational institutions.

After 100 days of Covid-19 cases were increasing at the highest rate since outbreak began. The situation in the Western Cape was of particular concern.

After 108 days of Covid-19 lockdown President Cyril Ramaphosa addressed the nation and announced stricter enforcement of Level 3 measures including a ban on alcohol sales in order to conserve hospital capacity.

The 9th of August, the number of recoveries stands at 411.147, which translates to a rate of 73%. The death rate is also relatively low compared to other countries. While South Africa is the continent's hardest-hit nation in terms of infections, the mortality rate – at around 1,8% – is one of the lowest among countries with high numbers of cases. On the other hand, the economic impact of the pandemic is expected to be



severe and lately corruption allegations relating to the procurement of Covid-19 supplies have eroded trust between the state and citizens.

President Cyril Ramaphosa has announced that the country will be moving to alert level 2 with bans on travel between provinces and the sale of alcohol and tobacco products being lifted. The easing from level 3 is effective from Monday 17th of August midnight, with trading in liquor and cigarettes set to resume on Tuesday 18th of August.

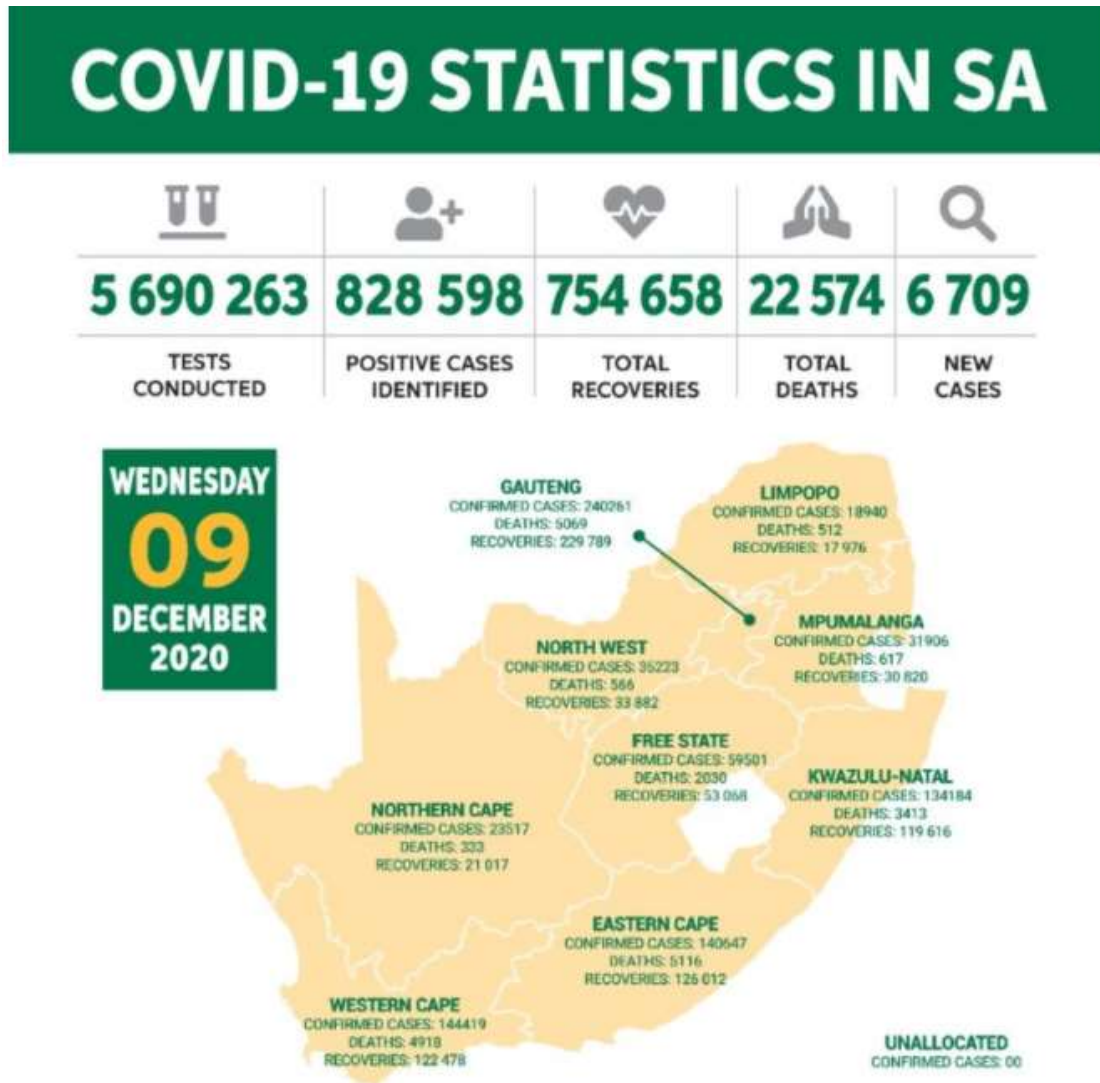
On 21 September 2020 the country moves to lockdown alert level 1. The public health response to the pandemic will focus on preparing for a possible resurgence in cases by increasing coronavirus testing while further reducing transmission.

As of December 2020, the number of Covid-19 cases are rapidly rising in several provinces, and especially in the Western Cape. **On Dec. 10th**, Health Minister Dr Zweli Mkhize has announced that South Africa has, according to its statistic models, **entered a second wave of COVID-19 infections**. Western Cape, Eastern Cape, KwaZulu-Natal and Gauteng – are the key drivers of this new wave. The majority of the new cases are from Western Cape, and that is 30% of positive cases today, followed by Eastern Cape (24%), KZN (23%) and Gauteng (17%).



2. General overview and statistics

The latest South African Covid-19 statistics : <https://sacoronavirus.co.za/2020/12/09/update-on-covid-19-09th-december-2020/>



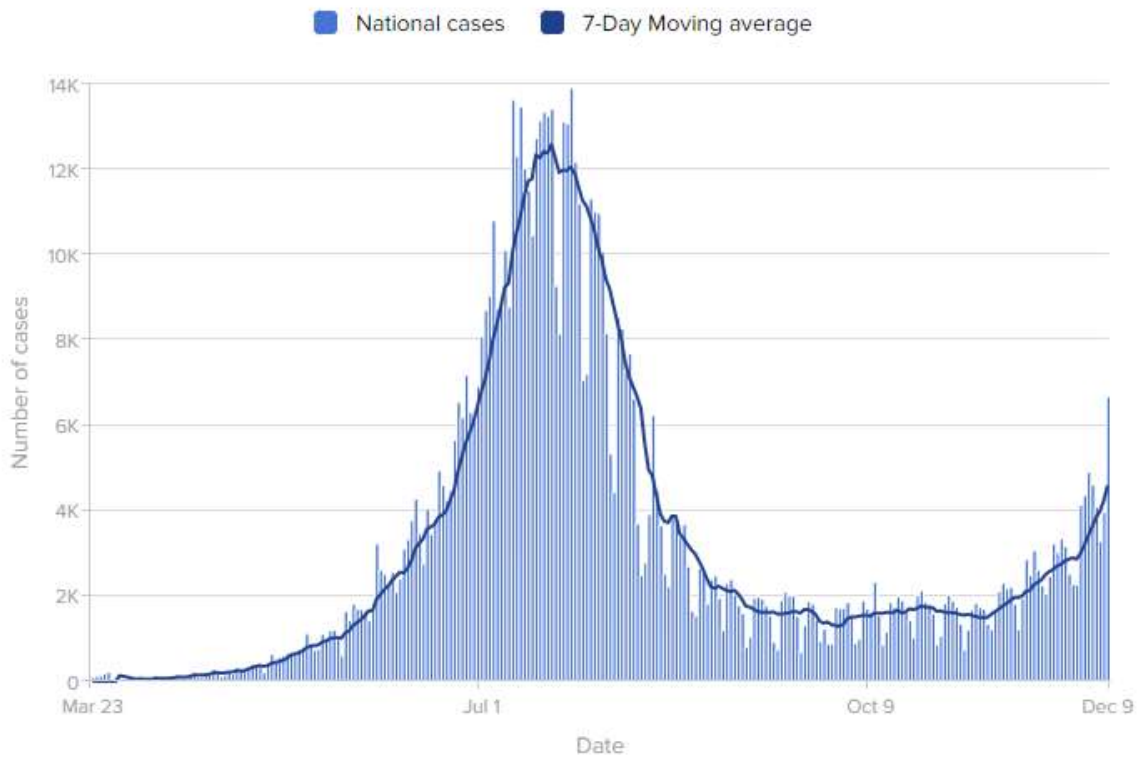
It is important as well to highlight that today we have breached 6000 in terms of new cases and the total new cases today identified is 6 709 thus giving us a total of 828 598 cumulative cases today.



Province	Total cases for 09 December 2020	Percentage total
Eastern Cape	140647	17,0
Free State	59501	7,2
Gauteng	240261	29,0
KwaZulu-Natal	134184	16,2
Limpopo	18940	2,3
Mpumalanga	31906	3,9
North West	35223	4,3
Northern Cape	23517	2,8
Western Cape	144419	17,4
Unknown	0	0,0
Total	828598	100,0

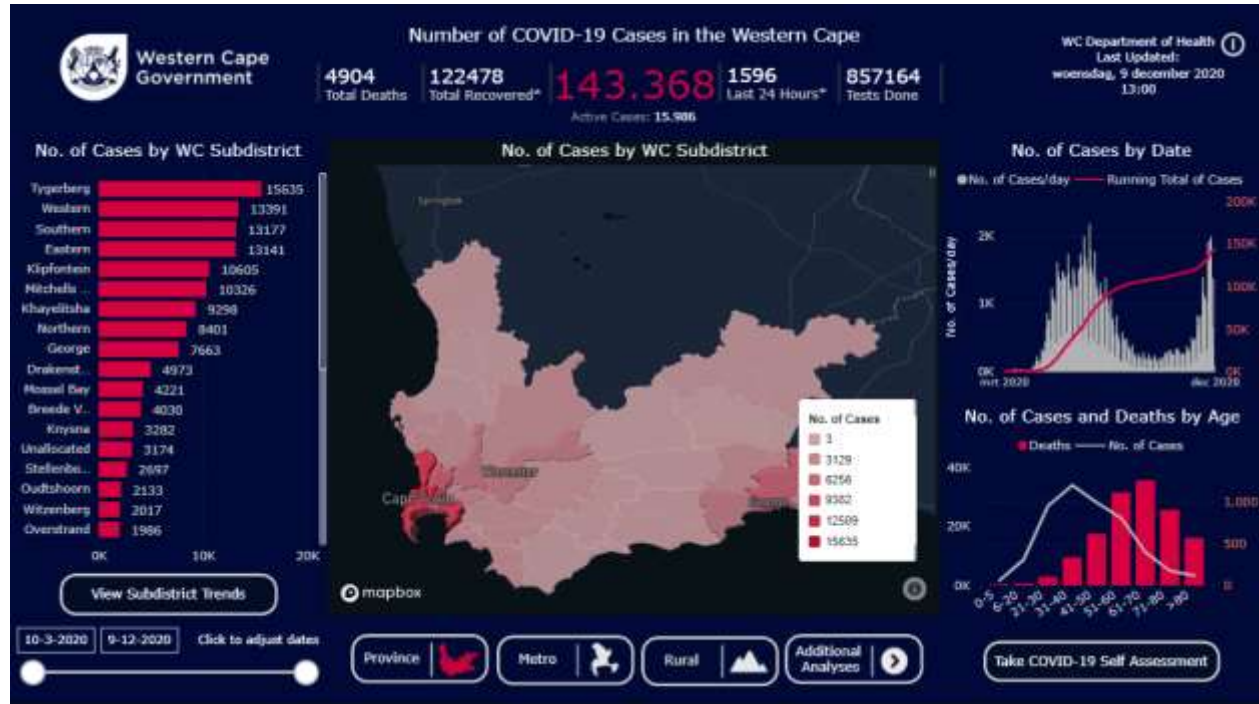
See <https://covid-19dashboard.news24.com/#national-cases>

There are 828 598 reported cases, 6 709 new cases in the past 24-hours. Cases increased an average of 4 589 per day for the past week.



COVID-19 UPDATE IN WESTERN CAPE: THE SITUATION NOW

See <https://coronavirus.westerncape.gov.za/covid-19-dashboard>



3. Current measures

Alert level 1 is in place from 00h01 since 21 September 2020.

Most normal activity can resume, with precautions and health guidelines followed at all times. Population prepared for an increase in alert levels if necessary.

President Ramaphosa has outlined the new regulations.

- The curfew will still apply from midnight to 4am.
- Alcohol sales may take place from Monday to Friday, 9am-5pm.
- Gyms and theatres are now allowed to accommodate up to 50% of their venue capacity as determined by the floor space, subject to social distancing and other protocols.
- Sporting restrictions remain in place.
- The IEC will be allowed to visit correctional facilities, old age homes, and similar institutions to do their work.

All details of this alert level can be found on :

<https://www.gov.za/documents/disaster-management-act-regulations-alert-level-1-during-coronavirus-covid-19-lockdown-18>

4. EXIT Strategy

On Sunday the 16th of August, President Cyril Ramaphosa announced **an easing of the lockdown to Level 2** as from Tuesday the 18th of August. The important changes include that domestic inter-provincial travel will be allowed and bars and restaurants will be operational and be allowed to serve alcohol with meals (prohibited hitherto). This will be a relief for the hospitality sector. However, international travel will still be restricted.

“Guided by the advice of our health experts and after consultation with provincial and local government, cabinet has decided to place the entire country on alert level 2, with effect from midnight on Monday, the 17th of August 2020,” said Ramaphosa.

Among the easing of restrictions which will come with level 2 is:

- All restrictions on interprovincial travel will be lifted.
- Accommodation, hospitality venues and tours will be permitted according to approved protocols to ensure social distancing.
- Restaurants, bars and taverns will be permitted to operate according to approved protocols as to times of operation and numbers of people.
- Restrictions on the sale of tobacco will be lifted.
- The suspension of the sale of alcohol will be lifted subject to certain restrictions.
- Alcohol will be permitted for on-site consumption in licensed establishments only up until 10pm.
- Liquor outlets will be allowed to sell alcohol for off-site consumption from Monday to Thursday during the hours of 9am to 5pm only.
- Restrictions on family and social visits will also be lifted, though everyone is urged to exercise extreme caution and undertake such visits only if necessary.

A curfew will also remain in place between the hours of 10pm and 4am.

While domestic flights have been permitted since level 3, international travel remains restricted.

On 3 September 2020 the Western Cape Premier, Alan Winde, announced that the Covid-19 numbers in the Western Cape continued to fall and he called for a further opening of the economy. At the same time local tourists are beginning to travel now that the travel restrictions have been lifted, although foreign tourists are still not allowed to enter the country.

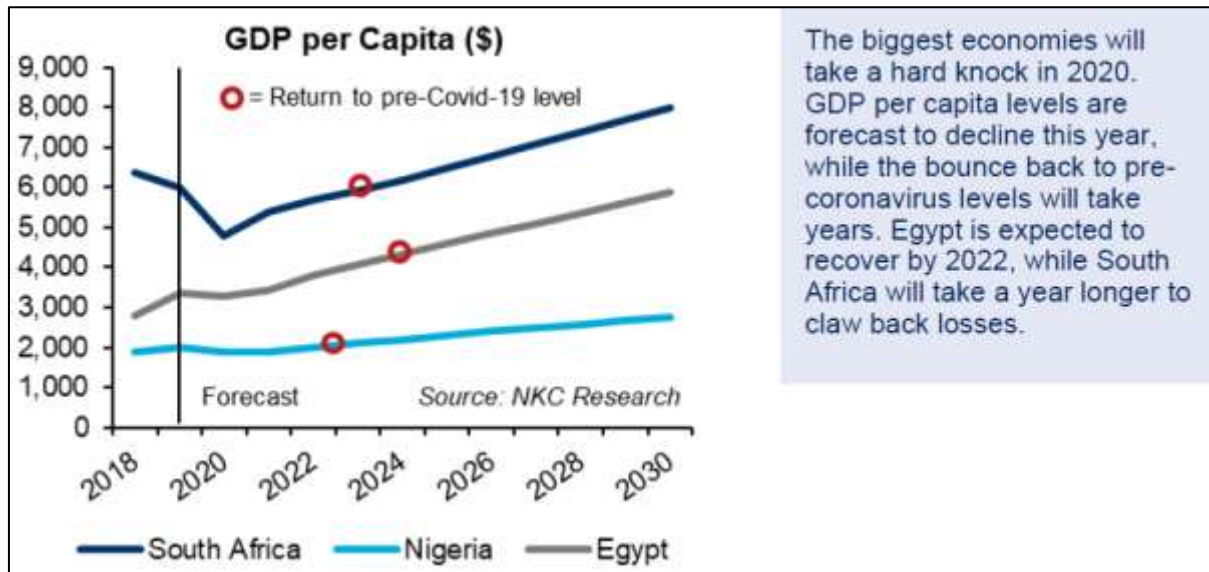
On 20 September 2020 the **country moves to lockdown alert level 1**. The public health response to the pandemic will focus on preparing for a possible resurgence in cases by increasing coronavirus testing while further reducing transmission.

Alongside increased testing, the country is improving contact tracing through the deployment of the **Covid Alert South Africa mobile phone app** and the Covid Connect WhatsApp platform. The Department of Health had also developed WhatsApp and SMS systems for people without smartphones to provide them with test results and alert them to any possible exposure to the virus.



While working to prevent further transmission of the virus, the country was also preparing for the time when a vaccine became available, with **South Africa already participating in three vaccine trials** – demonstrating the capability of its scientific community, Ramaphosa said.

South Africa is not expected to return to a pre-coronavirus GDP per capita level before 2023, largely due to the country’s poor track record in recent years.



5. Impact

5.1 Domestic and international travel

As of October 1st, travel is again allowed in and out of South Africa for business, leisure and other travel. The South African government has released a **revised list of high-risk countries for international travel**. The new list indicates a countries from where travelers are not allowed to enter South African borders. “People from high-risk countries who may visit SA fall in the following categories: business travelers, holders of critical skills visas, investors, and people on international missions in sports, arts, culture, and science.

As of November 11th, 2020, government has relaxed South Africa’s level 1 lockdown rules around international travel, allowing visitors from any country provided they follow health and safety guidelines. all borders will be open subject to Covid-19 negative certificate for all passengers. No more high-risk list of countries.

The foreign office also advises against all but essential travel to the whole of South Africa based on the current assessment of Covid-19 risks. Despite existing international restrictions, local tourism has praised the decision to ease restrictions, especially the removal of the ‘high-risk list’ which saw travellers from specific countries prohibited from entering South Africa for leisure travel.

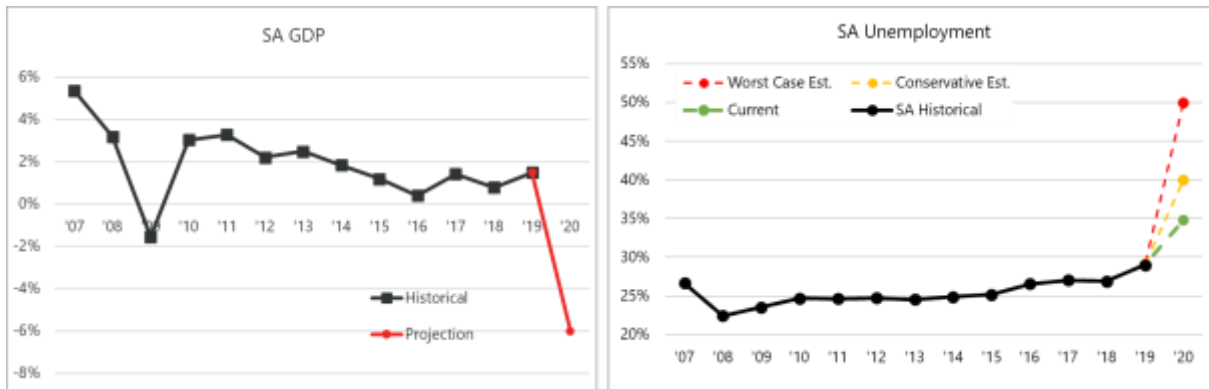
(source : <https://businesstech.co.za/news>)



5.2 Economic Impact

The economic impact of the pandemic is expected to be severe and lately corruption allegations relating to the procurement of Covid-19 supplies have eroded trust between the state and citizens.

South Africa entered 2020 with weak consumer demand, high and increasing government borrowing, one of the highest unemployment rates in the world, unstable network infrastructure and an enduring legacy of inequality and economic exclusion. GDP growth in 2019 was just 0,3%, a further contraction from the 0,8% registered in 2018, and the official unemployment rate was 29,1% in the third quarter of 2019. The pre-crisis growth outlook for 2020 was 0,9%.



Impact of COVID-19 on South African GDP and Unemployment (National Treasury, 2020; South African Reserve Bank, 2020)

5.3 Consequences for private entrepreneurs

The following is an extract from a News24 article about President Ramaphosa's newsletter:

President Cyril Ramaphosa has praised what he calls a "new breed of young entrepreneurs" for coming up with "home-grown solutions to the contemporary challenges we face" as the country continues to battle the economic shock of the Covid-19 pandemic.

South Africa was already in recession when the nationwide lockdown was instituted in late March, and South Africa's already-high official unemployment rate is expected to surge as a result of the pandemic's impact on businesses, while tax revenue is expected to plunge by around R300 billion. According to a new study, roughly three million people may have lost their jobs between February and April. The country's youth unemployment is particularly acute.

In his weekly newsletter, Ramaphosa said even in South Africa's "darkest hour," the country has had to focus on green shoots of renewal, namely young entrepreneurs, which he said were the "silver lining to the dark Covid-19 cloud".

"Our economic recovery cannot wait until the coronavirus pandemic is over. It needs to start now. One of the defining developments during the lockdown was how businesses in the townships and rural areas came into their own as people were not able to travel around much," he said.

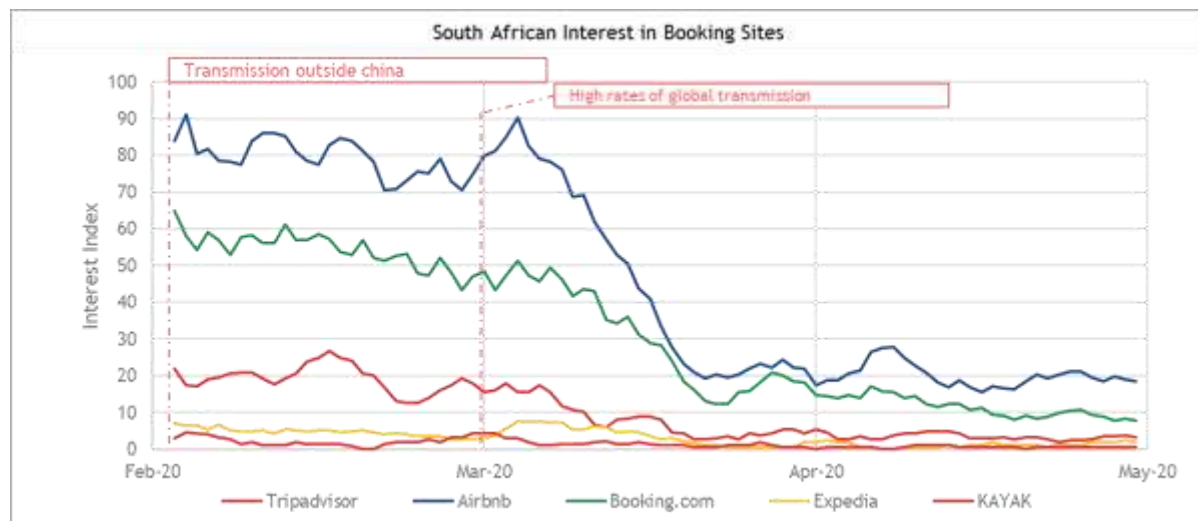
Ramaphosa named a number of young entrepreneurs who started business either just before or during the pandemic.

5.3.1 Tourism (including Hotel) sector

Total income for South Africa's tourist accommodation industry decreased by 81.2% in August

2020 compared with August 2019, Statistics SA announced on Monday. This is in nominal terms, therefore, at current prices. There was a 79.4% decrease in the number of stay unit nights sold and a 14.3% decrease in the average income per stay unit night sold.

Behaviour on booking sites in South Africa has largely reflected global trends; Airbnb experienced a 77% decline in traffic from a peak in March, with Booking.com seeing an 80% decline over the same period. The stage of the country’s pandemic, with infection rates still increasing and tourist activity restricted, means that booking interest is yet to show noticeable signs of recovery.



Local interest in booking sites (Google Trends, 2020)

In August 2020, all accommodation types recorded large negative year-on-year growth in income from accommodation. The main contributors to the 82.4% year-on-year decrease in income from accommodation were: hotels (-86.2%) and "other" accommodation (-74.9%) Income from accommodation decreased by 88.9% in the three months ended August 2020 compared with the three months ended August 2019. The main contributors to this decrease were: hotels (-90.2%), and "other" accommodation (-85.9%). Seasonally adjusted income from accommodation increased by 99.0% month-on-month in August 2020 and increased by 47.2% month-on month in July Tshifhiwa Tshivhengwa, CEO of the Tourism Business Council of SA (TECSA), points out that the month-on-month increases must be seen against the just about zero activity base during harder coronavirus lockdown levels.

For him the latest data is indicative that people have started travelling again. He however only expects a clearer picture will only emerge once data for September becomes available.

5.3.2 Manufacturing Sector

The manufacturing sector has a global supply chain and China is one of the main suppliers of components for large industries. Business are also pulling back on orders for goods due to the impact of the spreading

coronavirus. Global supply chain disruptions, the weak rand and disruptions on the production-side due to the government-imposed lockdown will negatively affect this sector..

5.3.3 Agro-Industry Sector

Financially distressed small-scale farmers who have an annual turnover of between R20.000 and R1 million could apply for R1.2 billion in government funding.

5.3.4 Circular Economy, Sustainable and Renewable Economy

Waste management programmes will remain very relevant in the post-pandemic era.

5.3.5 Services Sector

During this challenging time, telcos have performed reliably and consistently under tremendous strain to support remote working, video streaming, and business continuity, although their network performance may have slowed in some cases. The COVID-19 outbreak is thus highlighting the importance of connectedness. Telecom services appear to be the common thread keeping people united as individuals and helping businesses weather the crisis.

6. Government support to local economy

Small, Micro and Medium- Sized Enterprises ("SMMEs") Support Intervention

The Department of Small Business Development has introduced a "SME Support Intervention" which involves a Debt Relief Fund and a Business Growth/Resilience Facility to mitigate the impact of the expected economic slowdown on SMMEs in South Africa.

The Department has also made over R500.000.000 available to the Debt Relief Fund, and the SMME Finance Scheme will comprise of soft-loan funding for a period of 6 months from 1 April 2020.

The Business Growth/Resilience Facility will provide working capital, stock, bridging finance, order finance and equipment finance to small businesses which supply in-demand medical supplies.

Furthermore, the Department of Tourism has made an additional R200,000,000 available to assist SMMEs in the hospitality and tourism sector.

In order to qualify for the SME Support Intervention relief, there is a certain criteria which includes, inter alia, that:

- the business must have been registered with CIPC by at least 28 February 2020;
- the business must be 100% owned by South African Citizens;
- employees must be 70% South Africans;
- priority will be given to businesses owned by Women, Youth and People with Disabilities; and
- the business must be registered and compliant with SARS and the UIF.

7. Conclusions and Recommendations

The South African Government has implemented several relief measures which, at this stage, focus on providing support to SMMEs as well as in providing tax relief, unemployment support, support for black entrepreneurs who manufacture and supply a range of medical products and various loan funding to help support vulnerable South African businesses as a result of the COVID-19 pandemic.

Further relief has been provided by the Partner Banks together with independent private parties and organizations to help assist the country overcome the detrimental effects of COVID-19.

8. Useful links for additional information and further reading

More COVID-19 information is available at several internet websites:

The official portal <https://sacoronavirus.co.za/> contains a wealth of information on Covid-19, including links to other sources and daily updates including real-time statistics.

The Western Cape Government has its own webpage with daily updates and a breakdown of statistics for all municipalities in the province: www.coronavirus.westerncape.gov.za

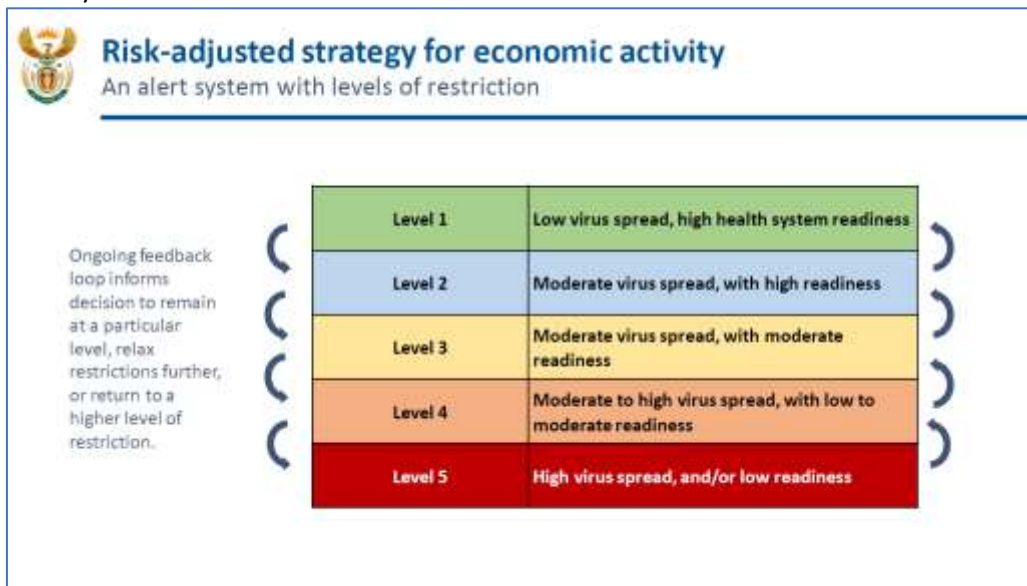
<https://www.nicd.ac.za/>

<https://www.timeslive.co.za/>

<https://www.news24.com/news24/southafrica/coronavirus>

9. Appendix

Alert system in South Africa:





Risk-adjusted strategy for economic activity

Alert system: Level 5

	Sectors permitted	Transport restrictions	Movement restrictions
Level 5: High virus spread, and/or low health system readiness	Only essential services	Bus services, taxi services, e-hailing and private motor vehicles may operate at restricted times, with limitations on vehicle capacity and stringent hygiene requirements	No inter-provincial movement of people, except for transportation of goods and exceptional circumstances (e.g. funerals)



Risk-adjusted strategy for economic activity

Alert system: Level 4

	Sectors permitted	Transport restrictions	Movement restrictions
Level 4: Moderate to high virus spread, with moderate readiness	<p><i>All essential services, plus:</i></p> <p>Food retail stores already permitted to be open permitted may sell full line of products within existing stock</p> <p>All agriculture (horticulture, export agriculture including wool and wine, floriculture and horticulture, and related processing)</p> <p>Forestry, pulp and paper</p> <p>Mining (<i>open cast mines at 100% capacity, all other mines at 50%</i>)</p> <p>All financial and professional services</p> <p>Global business services for export markets</p> <p>Postal and telecommunications services</p> <p>Fibre optic and IT services</p> <p>Formal waste recycling (glass, plastic, paper and metal)</p>	Bus services, taxi services, e-hailing and private motor vehicles may operate at all times of the day, with limitations on vehicle capacity and stringent hygiene requirements	No inter-provincial movement of people, except for transportation of goods and exceptional circumstances (e.g. funerals)



Risk-adjusted strategy for economic activity
Alert system: Level 3

	Sectors permitted	Transport restrictions	Movement restrictions
Level 3: Moderate virus spread, with moderate readiness	Licensing and permitting services, deeds offices and other government services designated by the Minister of Public Service and Administration Take-away restaurants and online food delivery Liquor retail within restricted hours Clothing retail Hardware stores Stationery, personal electronics and office equipment production and retail Books and educational products E-commerce and delivery services Clothing and textiles manufacturing (at 50% capacity) Automotive manufacturing Chemicals Bottling Cement and steel Machinery and equipment Global Business Services SANRAL construction and maintenance Transnet at 100%	Bus services, taxi services, e-hailing and private motor vehicles may operate at all times of the day, with limitations on vehicle capacity and stringent hygiene requirements Limited passenger rail restored, with stringent hygiene conditions in place Limited domestic air travel, with a restriction on the number of flights per day and authorisation based on the reason for travel	No inter-provincial movement of people, except for transportation of goods and exceptional circumstances (e.g. funerals)

Risk-adjusted strategy for economic activity
Alert system: Level 2

	Sectors permitted	Transport restrictions	Movement restrictions
Level 2: Moderate virus spread, with high readiness	Construction All other retail All other manufacturing Mining (all mines at 100% capacity) All government services Installation, repairs and maintenance Domestic work and cleaning services Informal waste-pickers	Domestic air travel restored Car rental services restored	Movement between provinces at Level 1 and 2 restrictions



Risk-adjusted strategy for economic activity

Alert system: Level 1

	Sectors permitted	Transport restrictions	Movement restrictions
Level 1: Low virus spread, high health system readiness	All sectors	All modes of transport, with stringent hygiene conditions in place	Interprovincial movement allowed, with restrictions on international travel