TIPS TRACKER

TRADE & INDUSTRIAL POLICY STRATEGIES

Tracking trends and analysing the COVID-19 pandemic and responses

THE ECONOMY AND THE PANDEMIC

WEEK 18 to 24 MAY 2020

KEY FINDINGS FOR THE WEEK

On the pandemic

- The number of new cases stabilised outside of the Western Cape, where they continued to escalate, and the Eastern Cape, where they fluctuate significantly over time. The average daily growth in identified cases declined in the most affected provinces (Western Cape, Gauteng, KwaZulu Natal and the Eastern Cape), but increased sharply in Limpopo as three major mines reported outbreaks.
- The Western Cape effectively faced a qualitatively different pandemic from the rest of South Africa, with 200 cases per 100 000 people compared to 13 per 100 000 in the rest of the country. The reasons included how the province managed screening and quarantine; relatively dense informal settlements with largely shared facilities; and its role as a global tourism hub.
- The main epidemiological model projects a spike in winter but indicates that it can be avoided if South Africans work to prevent infections through changes in behaviour, including reorganising work and public transport, and stringent public health measures.

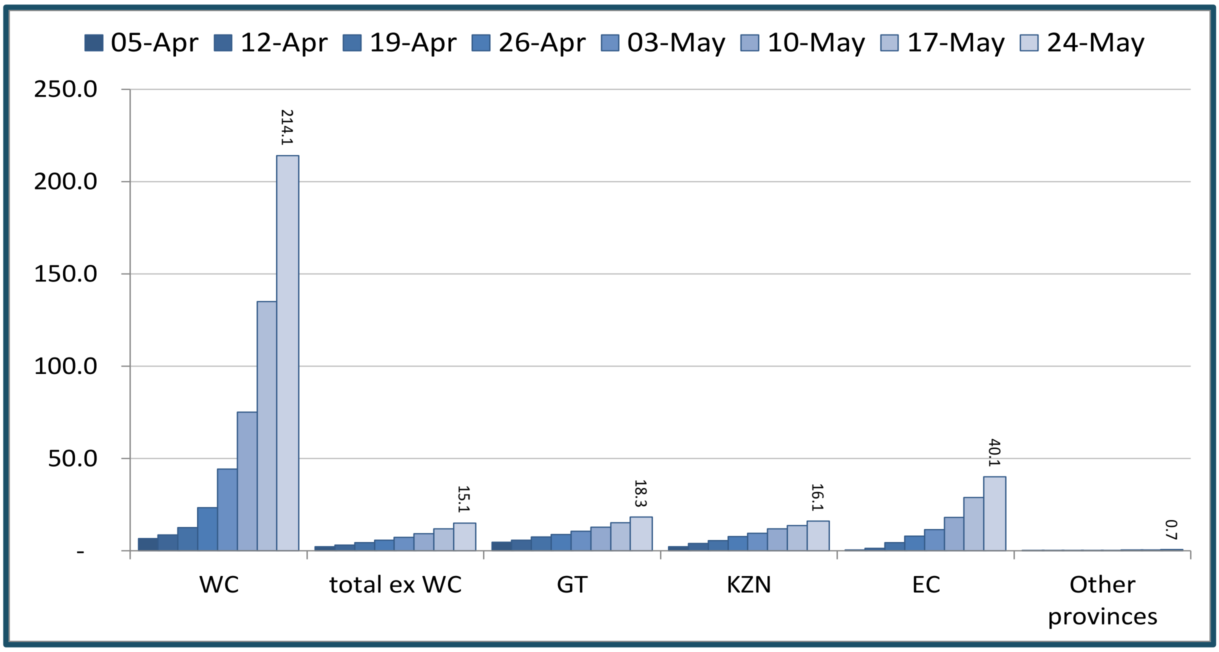
On the economy

- On Sunday, 24 May, President Cyril Ramaphosa announced that all businesses could open except for recreational and personal services, as long as they had plans to maintain physical distancing. He did not, however, indicate how rigorous physical distancing measures would be, including in the high-risk areas of public transport and retail.
- The economic boost from the move to Level 4 largely ran out of steam, with only limited increases in economic activity in the second week. On Wednesday, the SARB predicted a 7% fall in the GDP for the year, down from its April forecast of a 6,1% decline.
- At the company level, four large mines closed temporarily due to outbreaks after resuming work under Level 4; a number of SOCs fell deeper into crisis; and the R500-million fund for small business was fully allocated by Friday, providing funds to around 5% of the applicants.
- The UIF had provided R14 billion to benefit 2,5 million furloughed workers. By the end of the week only 10 people had received the COVID-19 special grant (worth R350 a month), with another 100 000 applications finalised. All told, 4,5 million had applied and 2,6 million had been verified.

TRENDS IN THE PANDEMIC

South Africa continued to experience two divergent epidemics: one in the Western Cape, where COVID-19 was relatively widespread with an incidence of 200 per 100 000 on Sunday 24 May, and one in the rest of the country, where the incidence was 13 per 100 000. For the week, the Western Cape accounted for three quarters of new cases, although it holds only a seventh of South Africa's population.

Graph 1. Number of cases per 100 000 residents by province, Sundays, 5 April to 24 May



Source: Calculated from data accessed at www.sacoronavirus.co.za on relevant dates.

The pattern of a particularly hard-hit city while the rest of the country was less affected paralleled the situation in March in South Korea, where Daegu, a city of 2,4 million, was put into lockdown when the rest of the country had almost no restrictions in place. Similarly, in New York City in the US, the incidence of known cases reached 2 400 per 100 000 on 24 May, while it was 400 per 100 000 in the rest of the country.

Over the past week, reported new cases rose more rapidly in the Western Cape than in any other province except Limpopo (which had a far smaller incidence). Still, the rate of growth in the Western Cape had fallen from an average of 9% a day at the end of April to 6,8% in the week from 17 to 24 May.

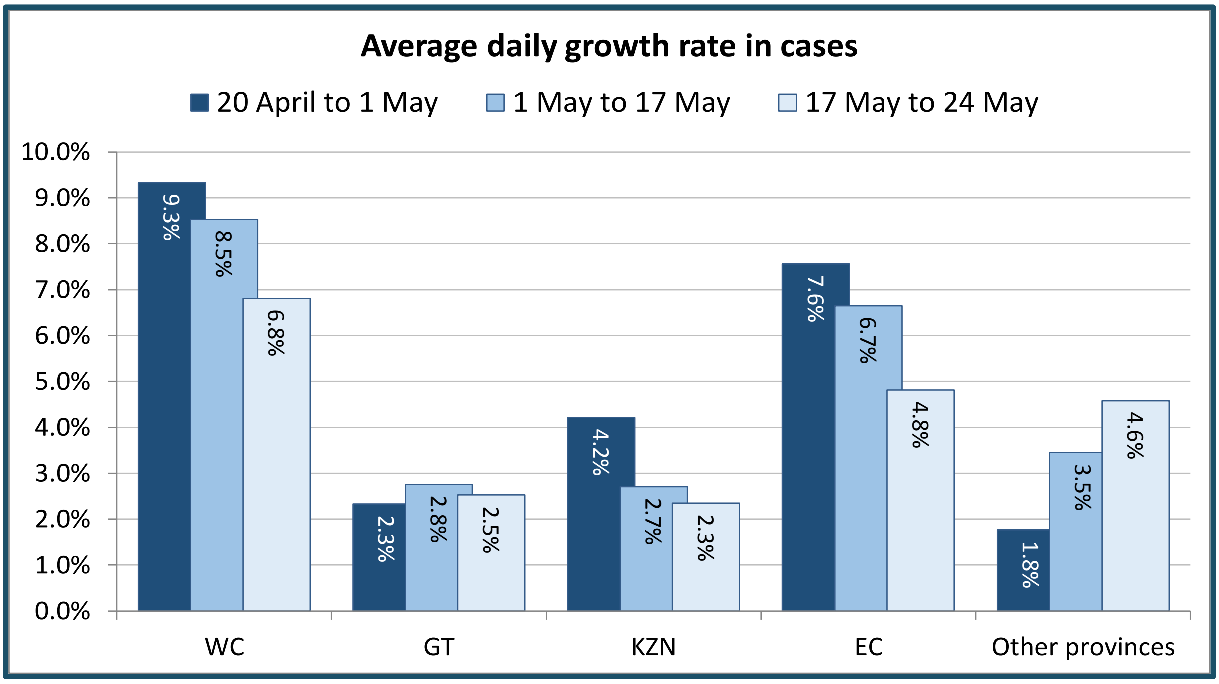
The rate of reported new infections also declined in the other provinces with relatively high infection rates – the Eastern Cape, Gauteng and KwaZulu Natal. In KwaZulu Natal and Gauteng, reported infections grew around 2,5% a day over the past week; in the Eastern Cape, they rose 4,8% a day.

In contrast, over the past week the rate of growth in reported cases increased sharply in Limpopo, apparently mostly because three mines discovered clusters (as discussed below), as well as in Mpumalanga and the Free State.

TIPS Tracker: The economy and the pandemic compiled by Neva Makgetla with inputs by Lutendo Maiwashe

Still, the number of cases in these provinces remained comparatively low. Taken together, Limpopo, Mpumalanga, the North West and the Northern Cape had fewer than three known cases per 100 000. The Free State had seven cases per 100 000 residents.

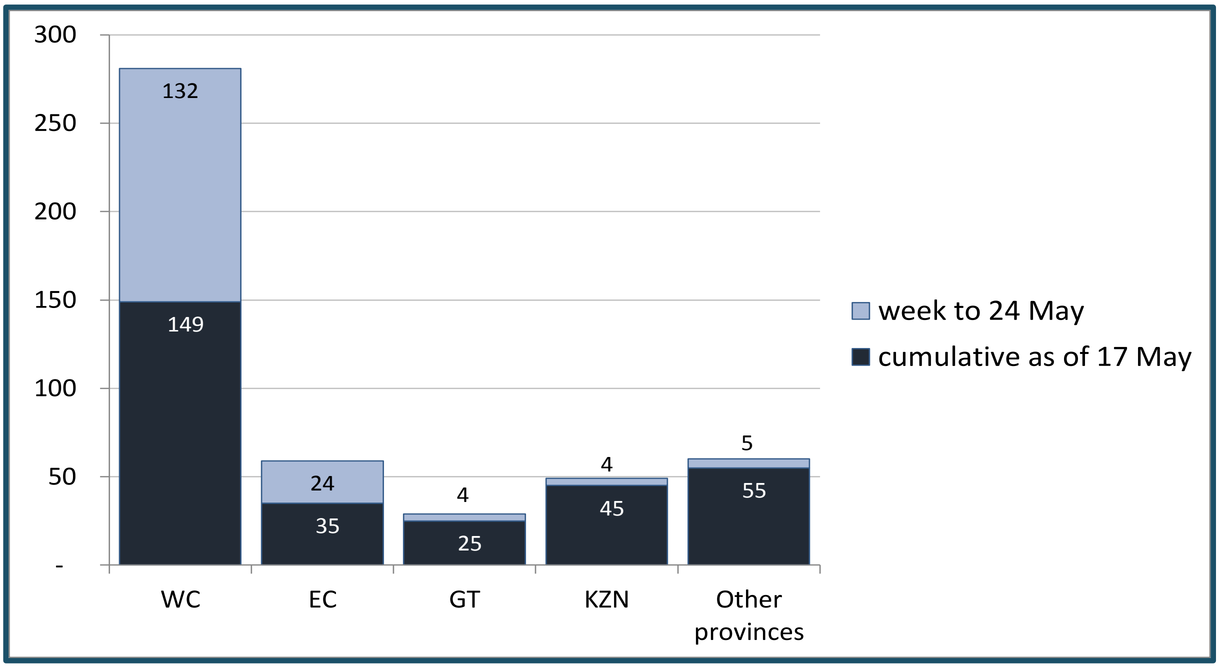
Graph 2. Weekly average of daily growth rate in reported cases, 20 April to 24 May



Source: Calculated from data accessed at www.sacoronavirus.co.za on relevant dates.

Deaths from COVID-19 climbed by 165 in the past week, reaching 429. Four out of five were in the Western Cape, paralleling the reports on infections. In contrast to countries with more serious contagions, the South African Medical Research Council did not find an increase in deaths compared to 2019, indicating that there were not significant numbers of undetected cases.

Graph 3. COVID-19 deaths by province, cumulative to 17 May and in the week to 24 May



Source: Calculated from data accessed at www.sacoronavirus.co.za on relevant dates.

The number of tests conducted daily averaged 18 100 in the week to 24 May, compared to 17 500 in the previous week and 8 000 a month earlier. South Africa conducted 21 tests per 100 000 people in the past week, for a cumulative total of 101 per 100 000 people. Using the cumulative figure, as of 24 May (according to Oxford's Worldometer data) South Africa ranked 29th out of the 81 countries with populations of over 10 million that reported on testing. Its relative position was essentially unchanged from the previous week.

In the course of the week, various factors were advanced to explain the relatively high incidence and rate of growth in COVID-19 in the Western Cape. They include the following:

- High levels of tourism from Europe and the US to the Western Cape meant the province may have had more undetected cases at the start of the South African epidemic, when almost all cases resulted from international travel.[1] Tourists are more likely to move around and to gather in restaurants and other recreational areas, and they may leave without seeking medical care even if they show symptoms. As of 30 March, the Western Cape had around a quarter of reported cases in South Africa, but the number was already growing more rapidly than in any other province.
- The hotspots in Cape Town were mainly in informal settlements, including Khayelitsha, Langa, Gugulethu and Nyanga. This situation likely resulted in part from the relatively high density and shared facilities in the city's informal areas, which make it harder to maintain physical distance and self-isolate. In 2018, just over a tenth of Cape Town households lived in informal settlements.[2] That was the third highest among all eight metros, after Buffalo City and Ekurhuleni and around the same as eThekwini. But 90% of residents in Cape Town's informal settlements said they shared toilets, compared to 77% in eThekwini and an average of 47% in the other metros combined. Residents of Cape Town outside of informal settlements were less likely to share toilets than their peers in the other metros.
- The available data suggest that the Western Cape was less successful in extending mass screening and in tracing contacts than the other provinces. That made it more difficult to prevent new infections by identifying infected people and quarantining them. In the absence of mass screening, its higher level of testing per resident than the rest of the country was not adequate to track the spread of the infection.
- Figures on screening and tracing are not published regularly, but at the start of the week the National Department of Health provided information through mid-May. Most new cases will have 10 to 30 close contacts that should be followed up. The National Department of Health reported that as of 14 May, the Western Cape had failed to reach 17% of the identified contacts of known cases, compared to 14% in the Eastern Cape, 2% in Gauteng, none in KwaZulu Natal, and 2% in the remaining provinces. Only 552 contacts, or 7% of the total, had completed 14 days of monitoring in the Western Cape. That was by far the lowest proportion of any province. In addition, the Western Cape had screened only 415 000 people, or 5,9% of its population. In contrast, Gauteng had screened 7,5%, KwaZulu Natal 9,6%, the Eastern Cape 15%, and the other provinces some 38%.

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[1] Statistics South Africa counts almost all foreign travellers as tourists, and by this measure more go to Gauteng. But the majority of the travellers considered tourists are from the region rather than overseas.

[2] Measured as share of the population living in self-standing informal houses, excluding backyard informal housing.

- The Western Cape had a higher level of testing per resident than the rest of the country, but it was much lower than other provinces relative to the number of known cases. As of 15 May, again according to the National Department of Health presentation, the Western Cape had conducted 14 tests for every 1 000 residents, compared to 10 in Gauteng, seven in KwaZulu Natal, six in the Eastern Cape and four in the rest of the country. But the Western Cape also had a larger incidence of COVID-19, which meant that it required higher testing rates to track the infection. It had conducted 12 tests for each known infected person, compared to 26 tests for each known case in the Eastern Cape, 51 in KwaZulu Natal, 66 in Gauteng, and some 214 in the rest of the country.
- On Friday 22 May, the Western Cape government announced that it would begin to monitor "hotspots" – that is, neighbourhoods with high levels of COVID-19 – rather than just "clusters", defined as institutions and businesses with outbreaks. The shift apparently reflected the recognition that focusing on institutional outbreaks could miss significant transmission routes for COVID-19. Internationally, the contagion has spread primarily within homes and residential facilities and through public transport.

Finally, during the week a presentation on the epidemiological model developed for the National Department of Health, the National Covid-19 Epi Model, was circulated, dated 19 May. The model originated as an effort to simulate changes in the need for beds in intensive care units (ICU), as well as the associated inputs, over the course of the pandemic. To that end, it projects the evolution in case numbers based on the available information on people who are susceptible because they do not have any immunity, the number who are infectious, and an estimate of how many people they will infect. It then estimates the share that will require intensive care. The resulting projections are designed to avoid an overload at hospitals. As a result, this kind of model inherently leans toward overstating rather than understating cases, since an underestimation of the caseload could lead to disastrous resource shortages in healthcare. As a rule, the scenarios are continually updated as new information emerges on the key variables.

The National Epi Model does not necessitate research into how behaviour or policies affect the way infections are spread in South Africa. Instead, it simulates scenarios for the number of cases and ICU beds that vary according to assumptions (not evidence) about the impact of the lockdown and subsequent policies on contagion.

By extension, the model is not designed to identify the best policies, work organisation or social behaviours to limit the spread of COVID-19. If these kinds of interventions can limit the spread of the virus, then the forecast spike will be reduced substantially.

In practice, a number of countries, including among others South Korea, Singapore, Taiwan, Vietnam, New Zealand, Australia, Germany, Denmark and Greece, avoided the kind of spike predicted by most epidemiological models. Their success contrasts with countries like the US, the UK, Brazil and Mexico, where the contagion spread much more rapidly and reached far higher numbers per 100 000 residents.

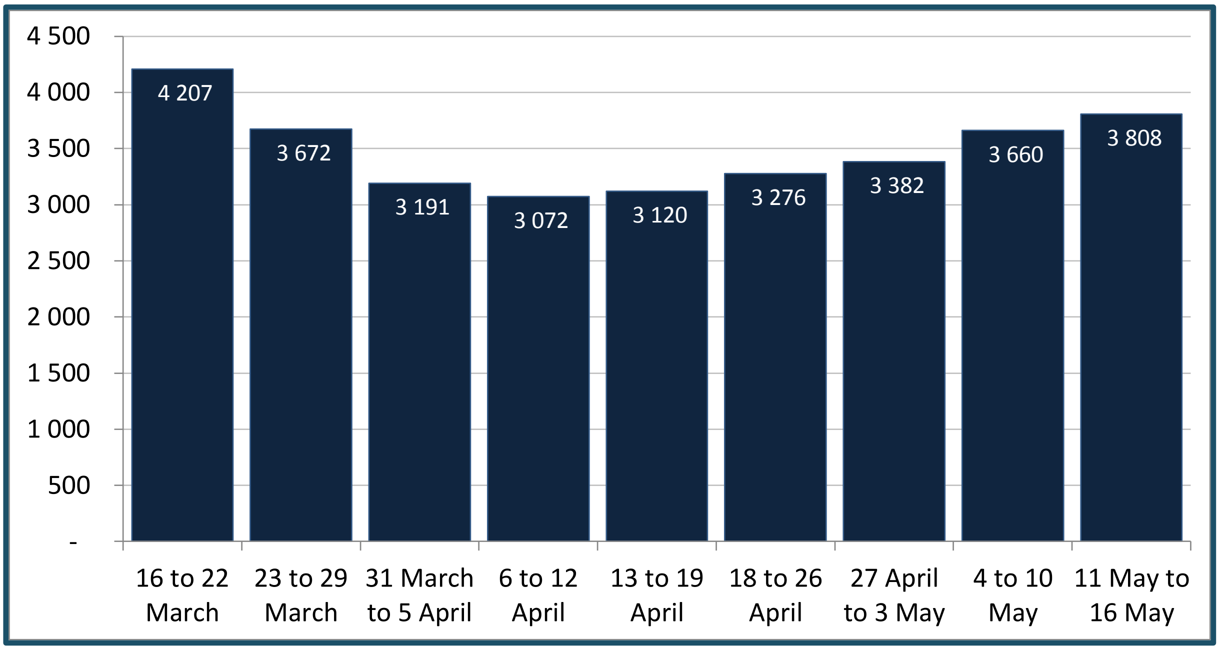
TRENDS IN THE ECONOMY

Macroeconomic developments

Figures on electricity use and travel – the main information available on a weekly basis – suggests that the boost to economic activity from the shift to Level 4 on 1 May had begun to peter out two weeks later.

As the following graph shows, electricity use climbed 8% in the first week of May. In the second week, however, it rose just 4%. Electricity use had grown at a similar rate in the two weeks before the relaxation of restrictions on economic activity. Still, in the second week of May, electricity use was only 10% below the pre-lockdown level, a 15% recovery from its lowest point. The increase largely resulted from the re-opening of the mining value chain, which uses around 40% of South African electricity.

Graph 4. Electricity sent out in GWh, weekly, 16 March to 16 May

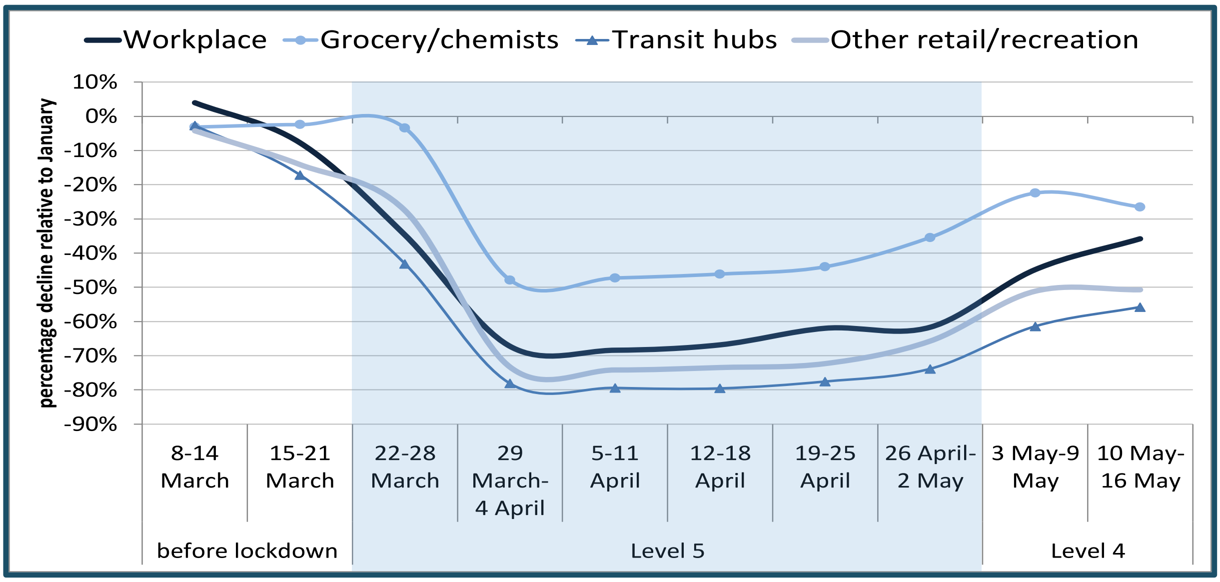


Source: Calculated from Eskom System Adequacy Reports for relevant weeks. Accessed at http://www.eskom.co.za/Whatweredoing/SupplyStatus/Pages/SupplyStatusT.aspx

A similar trend appeared for transport, based on information from Google's mobility tracker for the pandemic. The data suggest that people were willing to go to work but were less prepared to risk increased shipping and public travel. That aligns with international experience, which sees the pandemic suppress consumer demand even absent government measures.

At the national level, travel to work increased 20% in the second week of May, compared to 27% in the first week. Travel to transport hubs rose 9%, half as fast in the previous week. In contrast, travel to retail shops and recreational centres remained flat, after increasing around 25% in the first week at Level 4.

Graph 5. Percentage change in travel by type of destination, weekly average from 8 March to 24 May, compared to January 2020

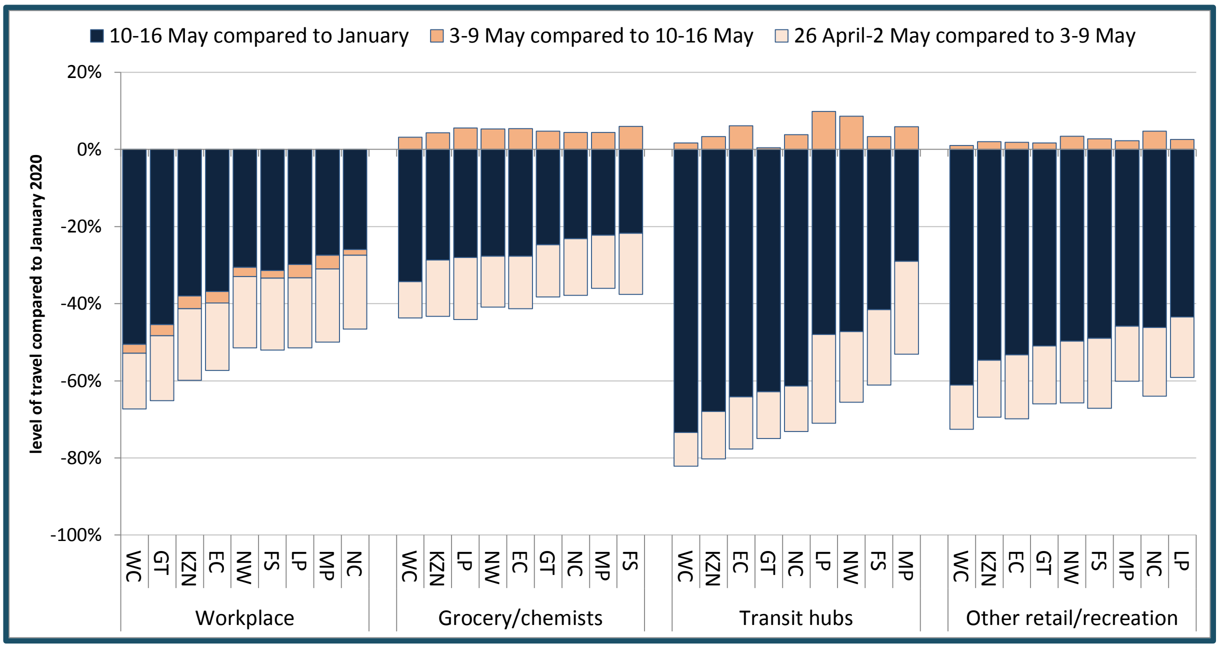


Source: Calculated from Google COVID-19 Community Mobility Reports. Accessed at https://www.google.com/covid19/mobility/ on 23 May 2020.

At the provincial level, the Western Cape continued to see the least travel for any reason compared to pre-pandemic levels in January. It also saw the smallest improvement after the shift to Level 4. Again, these findings suggest that consumers and workers will be less likely to take advantage of more relaxed restrictions if they lead to an escalation in COVID-19. That in turn would undermine the hoped-for recovery.

Graph 6. Percentage change in travel by type of destination, by province, weekly average from 26 April to 16 May

Note: The graph shows the actual difference from January for the week of 10 to 16 May. For the other two weeks, it shows the difference in the level of travel compared to the following week. If the level of travel declined, the difference is a positive number (above the axis). If the level of travel increased, the difference is a negative number.



Source: Calculated from Google COVID-19 Community Mobility Reports. Accessed at https://www.google.com/covid19/mobility/ on 23 May 2020.

In its monetary policy statement issued on 21 May, the South African Reserve Bank forecast that the GDP would shrink by 7% over 2020. A month earlier, it had anticipated a decline of 6,1%. The change appeared to reflect above all a gloomier outlook for South Africa's main trading partners, which the Reserve Bank expected to experience a 3,4% decline in GDP over the year.

Company developments

Infections

A growing debate emerged during the week about whether employees should be asked to self-isolate or go into quarantine when they showed symptoms or when they received their test results. Since it may take two weeks to get test results, delaying isolation until then will lead to more new infections. Nonetheless, from mining to the Johannesburg Metro Police, workers claimed they were told to finish their shifts if they had been exposed or had symptoms but did not have final test results. This approach contrasts with the guidelines issued in Australia, which has successfully limited the spread of COVID-19. They read, "If you are not at home when you find out you have COVID-19, you must go straight home. You cannot stop anywhere, not even to buy medicine or groceries. Where possible, use personal transport such as a private car."

Over the week, the mining industry demonstrated the difficulty of safely restarting production. On Sunday, Ashanti Gold announced it was temporarily closing its Mponeng gold mine in Gauteng – the deepest in the world, accounting for around 7% of South African gold output – because some 53 miners had tested positive. Over the past two weeks, a hotspot emerged around three mines near Burgersfort in Limpopo Province, with 19 cases at Marula Platinum, 30 at Dwarsrivier Chrome and one at Modikwa Platinum (which has 5 000 workers). Harmony Gold also found two infections among employees of a contractor at its Kalgold gold mine near Mafikeng in the North West.

The Minerals Council publishes a dashboard that updates cases in mining. In the week to Friday, the 385 reporting mines screened around 30 000 employees, for a cumulative total of 200 000 over the past three weeks; tested 2 158, for a cumulative total of 3 035; and found 62 new cases, up from a total of 23 as of 15 May. Two employees had died of COVID-19. Most of the new cases were found through screening by the employer.

If reliable, the data suggest that miners were being tested at a rate 10 times the national average – they made up 0,3% of the population but got 3% of all tests in the past week. The Minerals Council said symptomatic cases were quarantined while waiting for test results.

In response to the cases found in Limpopo, the National Union of Mineworkers (NUM) called for all the mines in the province to close down. It contended that they were not complying with safety requirements for both transport and production, and that the whole municipality should go back to Level 5 restrictions.

On 18 May, the Department of Mineral Resources and Energy gazetted a mandatory framework for Codes of Practice to deal with COVID-19 in mining. The framework was developed by a tripartite taskteam under the Mine Health and Safety Council. It required that every mining employer develop a Code of Practice in collaboration with the (bipartite) mine health and safety committee. Among others, the Code should include a risk assessment and mitigation measures, ensure daily screening; maintain physical distancing in the lifts going underground (which hold 100 to 150 people at capacity) as well as in the shafts; provide safe transport to work; and quarantine people coming from "epicentres" – which currently, in practice, mostly means the Eastern and Western Cape and the metros of KwaZulu Natal and Gauteng. Failure to implement the regulations can bring criminal sanctions, but it appeared that smaller mines would struggle to implement them in full.

Eskom had 21 cases, apparently all in the Western Cape, as of Thursday 21 May. A number were at Koeberg.

On Friday, 22 May, the Police Minister announced that six police officers had died of COVID-19, while over 600 had tested positive. Of the positive cases, 440 were in the Western Cape and almost 50 in the Eastern Cape. Over the weekend of 22 May, five police stations in the Western Cape – four in Cape Town and one in Stellenbosch – were closed for deep cleaning after an officer tested positive. In the Eastern Cape, eight stations altogether have closed for this reason, but most have re-opened.

Correctional Services had identified a total of 709 cases, comprising 236 officials and 473 inmates. Two employees and three inmates had died. Of the officials, 146 were in the Western Cape and 75 in the Eastern Cape. In contrast, of inmates, 413 were in the Eastern Cape and only 51 in the Western Cape. The Department had a dashboard reporting cases on its webpage.

There were no national figures on cases among healthcare workers. A total of 105 workers have tested positive at Tygerberg hospital, which faces an unusually high COVID-19 caseload. Two nurses had died.

Industry and company developments

During the week, the impact of COVID-19 on the state-owned enterprises (SOCs) became increasingly clear. Like private enterprise, they face a liquidity challenge as demand has dropped precipitously while their costs, especially salaries, largely continue. But the SOCs were generally in a weak position before the pandemic, with around half of the major entities making losses in recent years. Now, government generally has far more limited resources to assist them.

The challenge is particularly steep for the air travel sector, which includes South African Airways (SAA), South African Express (SAX) and the Airports Company of South Africa (ACSA). SAA is in business rescue, after failing to make a profit since 2011 and absorbing over R50 billion in state support since 1994. SAX is in provisional insolvency and has applied for UIF assistance to pay its workers, who face imminent retrenchment. Although the 2020/21 budget initially allocated R3,8 billion to restructure SAA and R164 million for SAX, the government plans to revise the budget to address the challenges from COVID-19, and there may well be a sharp reduction in those amounts. ACSA has historically been profitable, but expects a 40% fall in revenue as a result of the pandemic. It reported that local and international travel fell to near zero in April.

PRASA was also financially unstable before the epidemic. It has not paid contributions to its employee retirement funds since March – that is, from before the lockdown. It has been unable to operate during Levels 5 and 4, however, which has aggravated its problems. It will apparently reopen under Level 3, but most of its operations are in hard-hit Cape Town.

Denel also faced steep losses before the pandemic. It expected that it would not pay salaries from May to July 2020. It blamed the lockdown, which it said made it impossible to meet orders. It has had difficulty in meeting salaries periodically over the past few years, however.

Eskom is too big to fail, but it ran up huge losses in 2019 and has received R80 billion in government support since 2018. It now faces further challenges as its sales are still 10% below normal levels. Under the electricity pricing regulations, it can apply for higher tariffs to compensate for lower than forecast demand. That would, however, impose a heavy burden on other producers. During the week, Nersa approved compensation for a R13-billion decline in demand over the past few years. That will see an increase of around 6,5% in tariffs in addition to the normal hike – which in turn will make recovery from the COVID-19 depression that much harder.

Already, some companies and municipalities cannot afford to pay their electricity bills. Eskom announced on Sunday that it had imposed rationing on some towns in response, including Bethal, Kriel, Evander and Embalenhle in Mpumalanga. As a consequence, residents experienced blackouts for hours a day, adding to the hardships of the lockdown and winter and making it harder to open businesses even if they are allowed under Level 3.

On the plus side, Eskom has used the period of low demand to undertake planned maintenance, which should reduce the risk of loadshedding when the economy opens up. It has also overhauled the faulty boilers at its new Medupi plant, significantly expanding its generation capacity. It has also saved on diesel for its peaking plants, as well as declaring force majeure on purchases from wind farms.

In the private sector, estimates suggest that the construction industry – which has been slowing for the past five years – could operate only at 10% to 15% of capacity under Level 4. It was restricted to civil engineering and construction for infrastructure, critical maintenance and repairs in this phase. Eskom continued with works throughout the lockdown, but Transnet halted ports projects. The industry was expected to return to full operations only in October, but anticipated lower private demand due to the broader economic downturn and lower household incomes. That said, most observers did not anticipate its full reopening under Level 3, which may improve its prospects.

Mall investors like Growthpoint and L2D reflected the challenges facing retail. Growthpoint estimated that in its portfolio, around a fifth was in essential retail – that is, food and chemists – and continued trading during the lockdown, with another seventh partially open. The remaining shops, restaurants and entertainment venues were entirely closed. L2D said that under Level 4 around two thirds of its leasable area had opened, although the figure was lower in food courts since restaurants remained closed. In April, it collected less than 40% of the rents due in April, but the figure rose to 43% by May 18. Still, even for essential goods, people often turned to smaller nearby shops during the lockdown rather than visiting the malls. In terms of office space, banks and other businesses have indicated that they might continue to promote remote work, which could in the long run reduce rents from commercial space. Under Level 3, employers are encouraged to continue to allow people to work from home where possible.

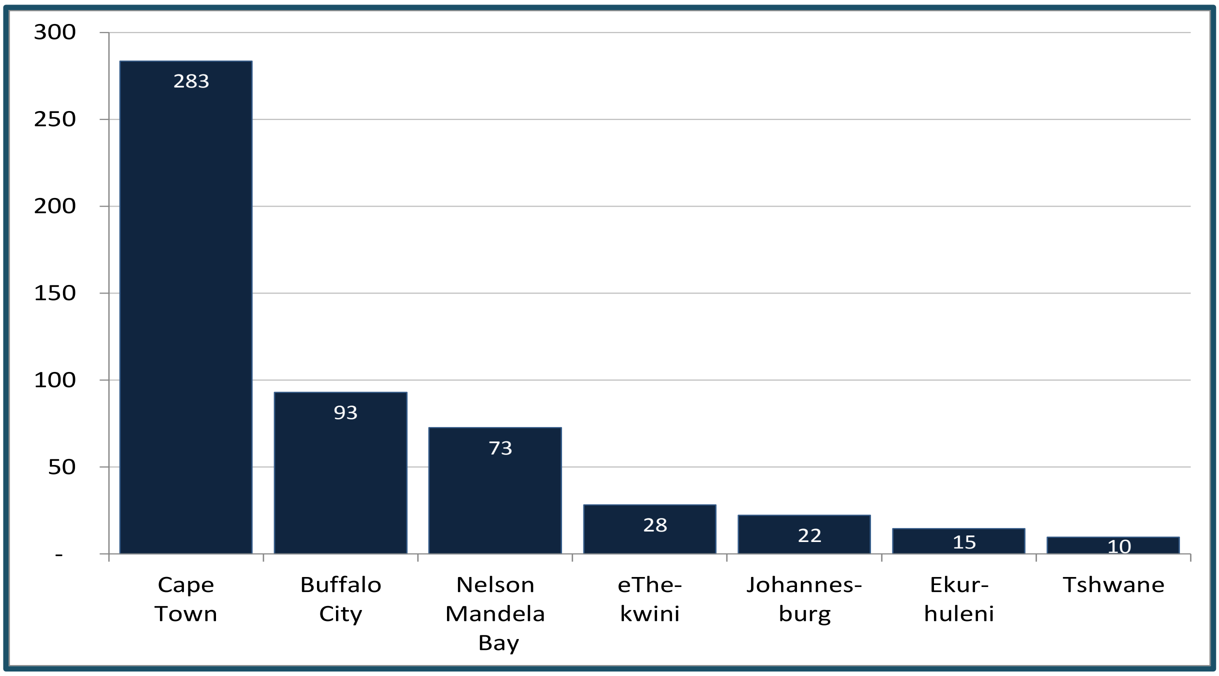
The ban on alcohol affected the glassmaker Consol as well as beverages producers. Consol warned it might have to close down its furnaces, which require international expertise and six to eight months to reopen. This prospect has presumably been averted by the legalisation of alcohol sales under Level 3.

GOVERNMENT POLICIES

The evolving lockdown

On Sunday, 24 May, President Ramaphosa announced that the entire country would move to Level 3 on 1 June. "Hotspots" with more than five infected people per 100 000 would not face additional economic restrictions but would get more support for public-health measures. The listed hotspots include all of the metros except Mangaung, and account for the bulk of economic activity and employment. Their infection rates vary from around 280 in Cape Town to 10 in Tshwane.

Graph 7. Estimated cases per 100 000 as of Friday, 22 May 2020, in metros designated as hotspots



Source: Population figures from Quantec EasyData; reported cases from provincial reports.

Under Level 3 the relatively high-risk cultural, recreational and personal services such as restaurants, sports venues and beauty salons would not be allowed to open. Other businesses may reopen fully, although they need to have a plan to ensure physical distancing, provide protective equipment, and enable screening and tracing for employees. Larger employers are asked to provide testing and quarantine facilities as well. All kinds of retail may open, but must maintain physical distancing between employees as well as customers. Domestic air travel will gradually be opened up, although only for business. In contrast, foreign travel will still be strictly limited. It appears that, as under Level 4, domestic work will still be barred except for childcare.

These measures would permit the return to work of virtually all employees outside of domestic work, recreational and personal services. That comes to between five and six million more employees than under Level 4, depending on how working from home is managed. It would increase permitted employment to between 80% and 90% of December 2019 levels. Still, around three million workers would continue to be barred from work, including a million domestic workers and a million recreational and personal service employees. In practice, many businesses may not recall all of their workers because of reduced domestic and international demand as well as the burdens of physical distancing especially in retail and professional services.

As more workers return to work, crowded commuter transport becomes a core health risk. President Ramaphosa stressed that commuters will be required to wear masks and maintain a safe physical distance, and that taxis would need to be sanitised regularly. He also asked that employers stagger shifts to alleviate pressure at rush hour. He did not, however, indicate whether Level 3 would maintain other measures from Level 4 such as maintaining empty seats between passengers and physical distancing in queues. In any case, enforcement of these rules has been inconsistent, and would become more difficult if more people have to get to work at the same time.

Government consulted with the NEDLAC constituencies on how to open up economic activity under Level 3. The Department of Trade, Industry and Competition (the dtic) engaged, among others, with representatives of the auto, food, clothing, chemicals, paper, steel and metal fabrication industries, as well as with different sectors like trailers and construction. These consultations identified key risk areas, including public transport, as well as other measures required to restore production.

Lobbying for faster reopening of economic activities with more limited health requirements, directly and through the media, has also been undertaken by advocates for tobacco, alcohol, accommodation, restaurants and personal services businesses. Experience with environmental, consumer protection and trade regulation shows that lobbying tends to be most intense when measures impose significant costs on a relatively small number of industries while the benefits of the measures are diffused broadly among households, workers and employers.

Economic and social support policies

On 21 May, the Reserve Bank reduced the repo rate by half a percent to 3,75%, around 40% lower than at the start of the year. As a result, the prime rate fell to 7,25%. Inflation was 4,1% in March, and seemed likely to decline over the year as income declined, despite the depreciation of the rand and the higher food prices noted in April. The real interest rate was therefore likely to remain above 3%, which was still fairly high by international standards.

The UIF's COVID-19 TERS programme aimed to help businesses pay their employees during the lockdown. As of 24 May, it listed 180 000 employers and had paid out R14 billion for 2,5 million workers, or over a quarter of all formal employees. R12 billion had been paid in May, with around half going to Gauteng followed by KwaZulu-Natal and the Western Cape. In addition, the UIF had set aside R2,5 billion for 570 000 workers whose employers still had to finalise their paperwork.

Despite the vast payouts, smaller businesses continued to complain about difficulties in accessing the funds. For instance, the Master Builders Association of the Western Cape found that, as of May 20, only 13% of its members had been paid in full, 18% had been paid in part, and two thirds had not been paid at all.

Government also established a fund to support small business, the Business Growth and Resilience Fund, with R500 million to assist with paying salaries, utilities and facilities or equipment rentals. On 23 May it closed applications because the funds were exhausted. It had received 36 000 applications, of which 14 500 were finalised and only 1 500 – around 5% of all applicants – actually got funds. It estimated that the remaining finalised applications would require R4,4 billion, of which R3,6 billion would pay salaries. In addition, the

Department of Tourism's Tourism Relief Fund was expected to disburse R200 million in once-off R50 000 grants per entity, but it had not announced any payments as of 24 May.

The Ministry of Transport confirmed during the week that it would provide financial support for taxi owners, but did not give any details. The taxi industry suffered substantial losses both from the decline in transport during the lockdown and the need to run at only two thirds capacity so as to enable physical distancing. Estimates suggested that the revenues for individual owners had fallen from around R10 000 a month to just R4 000 a month. Depending on physical distancing requirements under Level 3, they could see a significant bounce back as many more people travelled to work.

The National Empowerment Fund, which falls under the Industrial Development Corporation (IDC), established a COVID-19 Black Business Fund for clients which were in distress due to the lockdown. By the third week of May, it had received over 300 applications for more than R1 billion, and paid R80 million to 12 projects. It also granted a three-month repayment holiday to half of its clients, postponing R30 million in payments.

The IDC itself financed 12 applications worth R476 million under its Essential Supplies Intervention programme, which aimed to promote local production and imports of healthcare inputs. As a result, South Africa's capacity for manufacturing N95 masks has increased to one million a month; surgical masks, to 16 million a month; and disinfectants to two million litres a month. In addition, the IDC provided credit for imports of 2,3 million N95 masks, 31 million surgical masks, 57 million surgical gloves, over 100 000 medical gowns and coveralls, and 192 000 test swabs.

The South African Social Security Agency (SASSA) was supposed to roll out the new COVID-19 grant from 15 May, but had only paid 10 applicants (as a test) by end of week. The grant provides R350 to unemployed people who do not receive any other grants. In contrast to other grants, the payments would be made throughout the month rather than being limited to a few days. As of the end of the week, 4,5 million people had applied and 2,6 million had been verified, in the sense that checks had been conducted on their personal details and income. SASSA had loaded 100 000 recipients for digital payment.

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