



TIPS COVID-19 Tracker: The economy and the pandemic

June 2020

Input to TIPS Development Dialogue

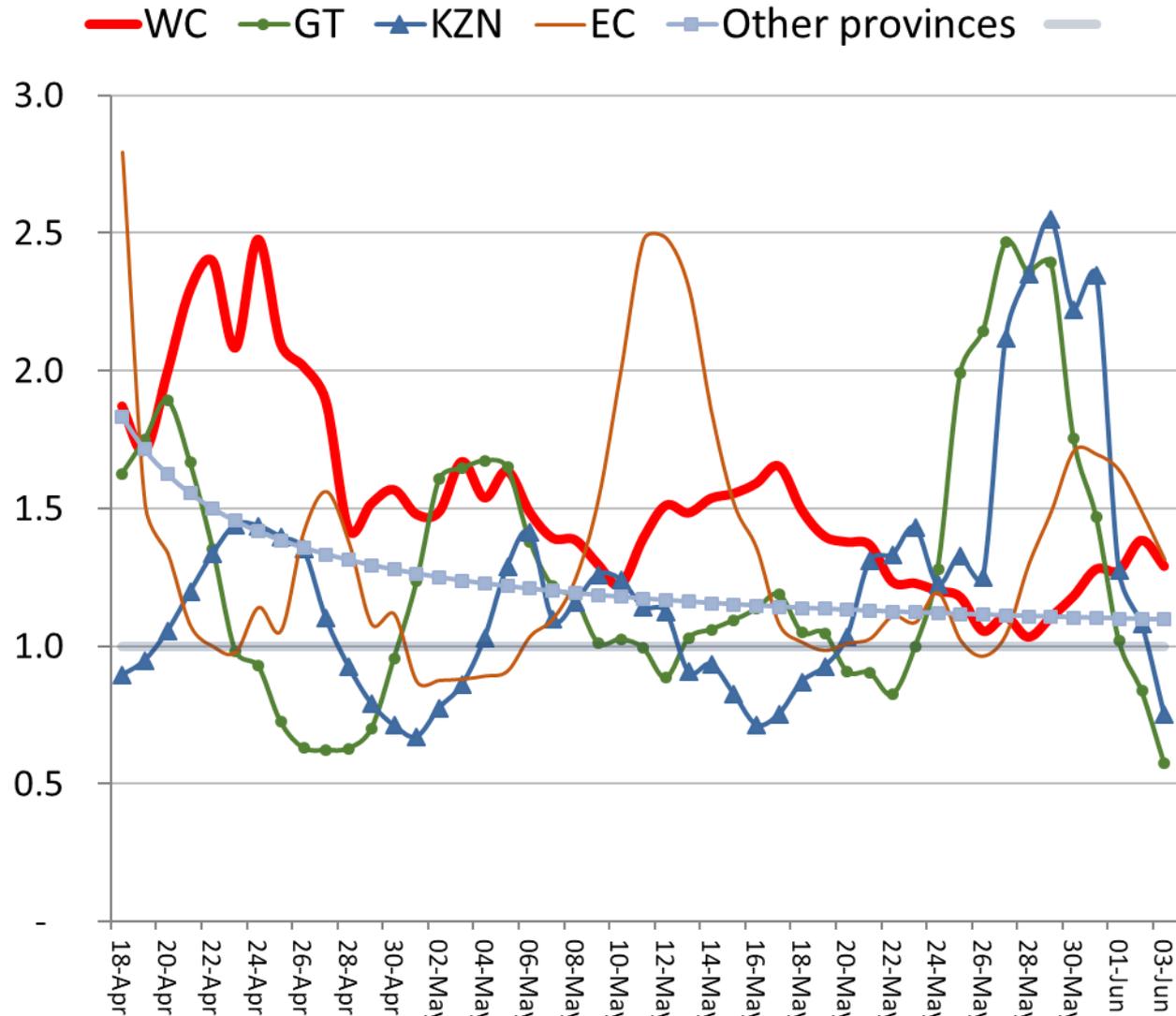
What is the tracker?

- Cover main developments in the pandemic and in the economy as a result of the pandemic
- Published weekly on Monday afternoon as long as relevant
- Aim:
 - Track data on the pandemic so economists have a sense of key trends and prognosis – which changes frequently
 - Pull together available data and information about the implications for the South African economy and the evolution of economic policy

Key findings this week:

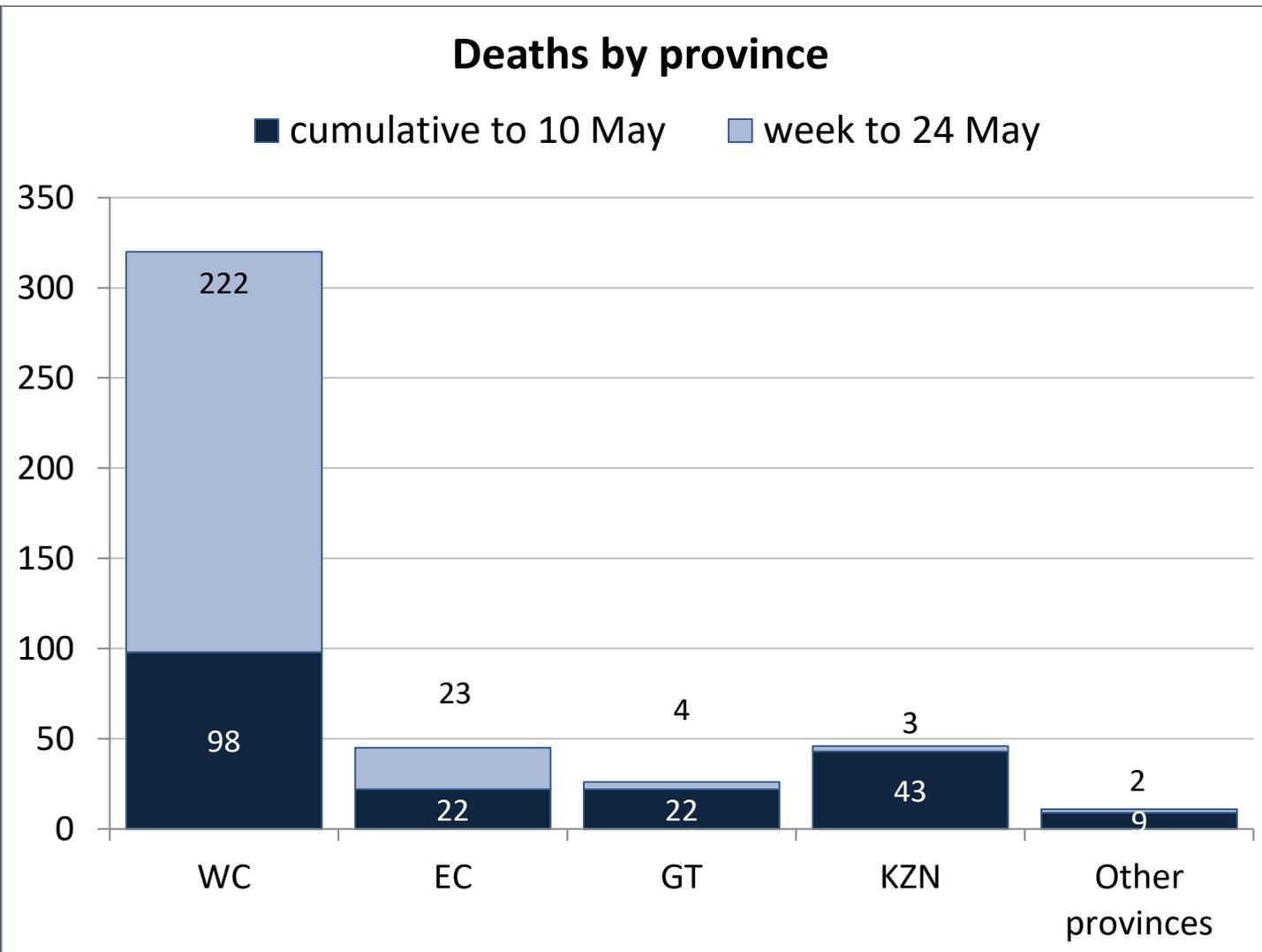
The pandemic

- The daily rate of growth in cases doubled in KwaZulu Natal and Gauteng last week, tracking the shift to Level 4
- But rate continued to slow in the Western Cape
- Lagged new cases on old ones (using seven-day rolling averages) suggests that spike noted last week was controlled early this week
- But can change quickly depending largely on behavioural changes for Level 3



Two pandemics in one country

- Western Cape seeing slowing rate of growth
- Incidence still far above the rest of the country
- This is not uncommon – *vide* Wuhan, Daegu and NYC
- Eastern Cape also relatively high, but growth rate has bounced around so hard to predict
- Other provinces so far relatively controlled



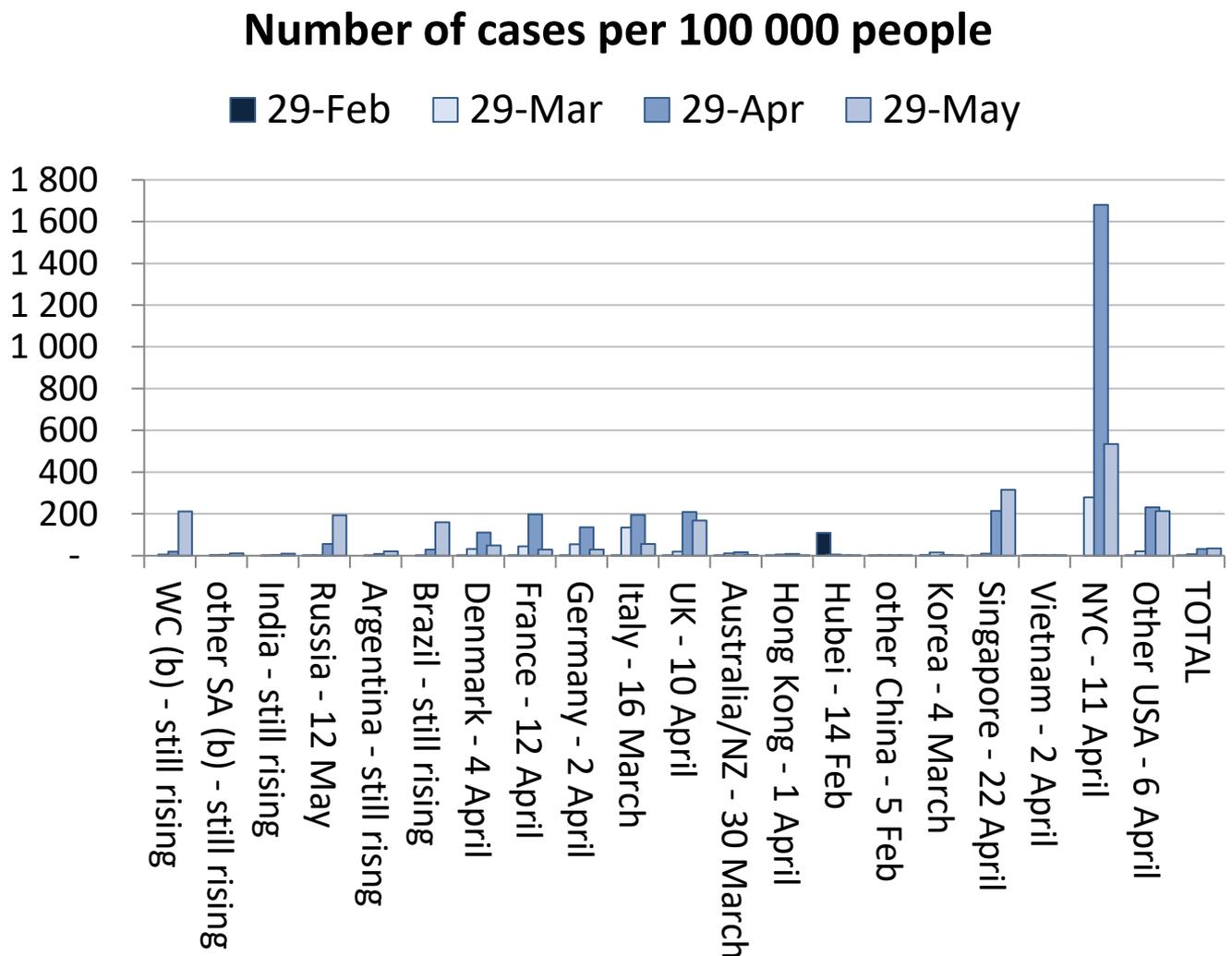
The shift to level 3

- Level 3 opens most of the economy plus churches and schools
- A fundamental shift in approach and responsibility:
 - Individuals and groups have to manage risk – need information and resourcing
 - Government to ensure stringent and swift management of outbreaks
- Concerns:
 - Government has not substantially scaled up communications/resourcing for individuals
 - Nonetheless seemed unwilling to stop even highly risky activities from re-opening in the near future.

- New studies suggest COVID-19 is disproportionately spread through a few super-spreading events
- Typically when large numbers in crowded spaces for a significant period of time
- The biggest risks under Level 3 arise from public transport, mines, churches, and spaces where significant groups of people meet at work, including during breaks

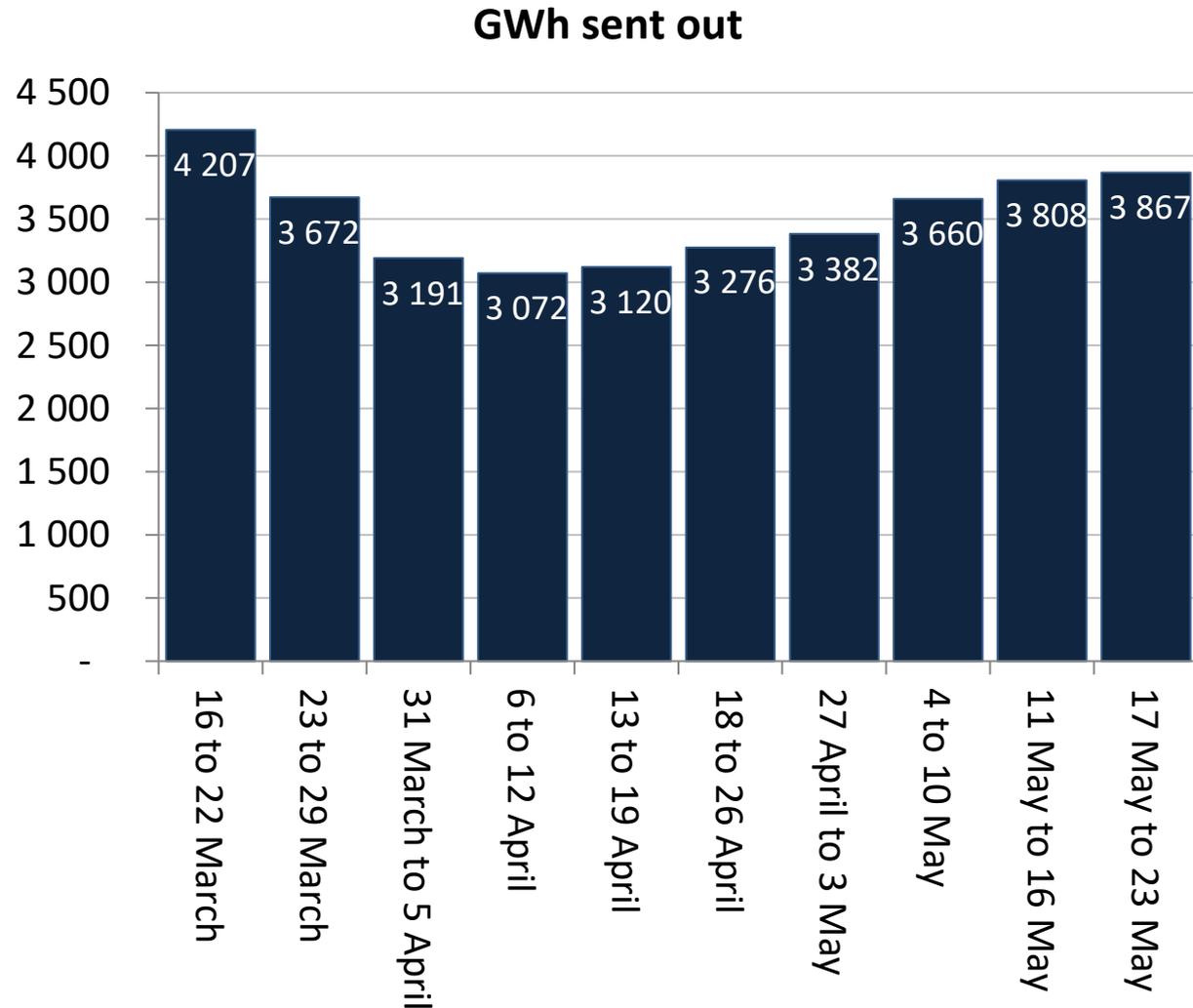
Changing rate of new cases by country (dates at bottom show country's peak)

- Paradigms in epidemiology: problem solving or await the peak?
- East Asia, Australia and NZ kept rate very low
- Europe has seen sharp decline in new cases, though less so in UK
- US likely to see new spike outside NE
- Still growing, often rapidly, in developing countries as a group, but especially Latin America and South Asia



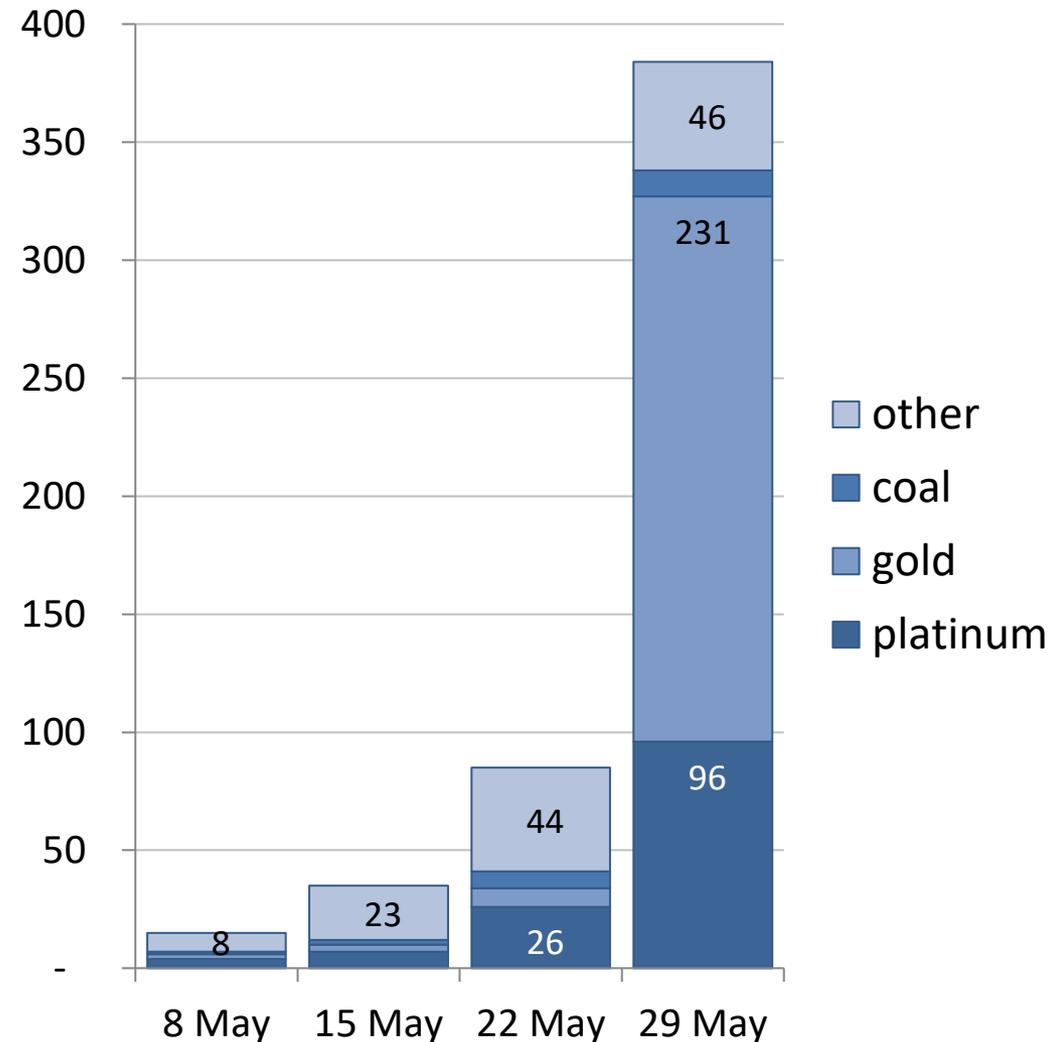
Economic developments

- Initial shift to Level 4 saw sharp improvement in economy but decreasing rate since then
- Electricity use in third week of May was still 8% below mid-March and grew just 1,5% over the previous week
- Similar pattern for household travel
 - Lowest in WC, likely due high incidence + no Prasa
 - Also relatively low for transit hubs and recreation/non-essential retail compared to work



Infections in the workplace

- Infections: Last week saw a surge in work-related hotspots
 - Notably in the gold and platinum mines – an international pattern, especially in deep underground mines (superspreader environment)
 - Also in healthcare and the police (especially in WC) as well as some retail chains and factories
- Concerns:
 - Most industries lack a structure to identify and mitigate cross-cutting risk factors
 - Employer/worker debates about when to quarantine, how to show if infected at work, as well as PPE and compliance to regulations



Economic developments

- Every week, review major company and industry developments
- This week, include:
 - Industries that remain mostly closed (recreation/tourism and personal services, catering and accommodation)
 - Auto and transport generally
 - Food, beverages and packaging
 - Mining
- Government policy
 - Significant differences have emerged in the effectiveness of the various funds established to support workers, businesses and households during the lockdown
 - Programmes that built on existing programmes have disbursed billions of funds
 - UIF COVID-19 TERS: Around R15 billion for 3 million workers
 - Skills levy holiday for 3 months from May: R4 billion
 - Increase in social grants reached 17 million
 - In contrast, very slow disbursements for schemes that need new systems to identify, assess and pay applicants
 - Small-scale agriculture: Approved 15 000 out of 50 000 applicants; paid R500 million out of R1,3 billion allocation
 - Tourism Relief Scheme: no payments; allocated R200 million
 - Arts and Culture: Paid 1320 out of 6000 applications; R150 million allocated nationally and R50 million from provinces
 - COVID-19 special grant for unemployed: 13 million applicants, 666 000 approved for payment and 38 000 actually paid – but on a rolling basis over the month
 - DSD had distributed 500 000 food parcels plus 800 000 in collaboration with NGOs



Re a leboha!