



TRADE & INDUSTRIAL POLICY STRATEGIES



Tracking trends and analysing the COVID-19 pandemic and responses

# THE ECONOMY AND THE PANDEMIC

## WEEK 1 to 7 JUNE

### KEY FINDINGS FOR THE WEEK

#### On the pandemic

- The country moved into Level 3 this week, bringing a heightened risk of contagion as around five million people returned to work and church services reopened. From the past week, however, the pandemic accelerated in Gauteng and the Eastern Cape, with the growth in infections rising to almost 6% a day. At that rate, the number of cases will double every two weeks, and the move to Level 3 could aggravate the situation further.
- The Cape Town health system has begun to show signs of strain, with high levels of infection among health workers leading to shortages and efforts to recruit from other provinces. Still, the rate of infection has slowed, apparently in large part due to improved tracing. If these efforts deteriorate, however, or Level 3 means the contagion takes off again, further lockdowns may become unavoidable.
- Despite the move to Level 3, there was still little sign of a government education campaign to empower people to manage the new risks they face at work, in public transport, in their families and in the newly reopened spaces for worship.

#### On the economy

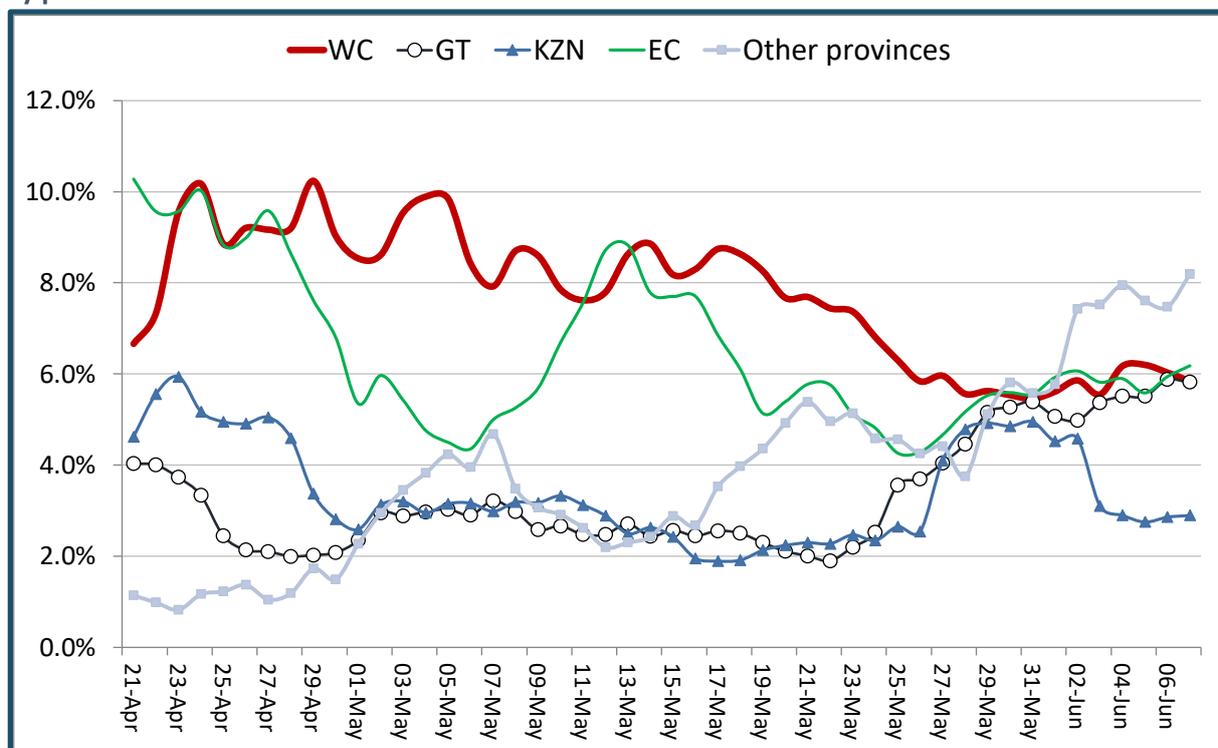
- Clusters continued to emerge in mining, retail, the public services and some manufacturing establishments. Outbreaks also appeared in a few residential institutions, which in other countries have had a disproportionate effect on mortality from COVID-19. But only the mining industry provided an overview of trends, making it difficult for the public to identify the main areas of risk.
- The trade data show that South African exports declined by 55% in rand terms in April, although imports fell only 7%. For comparison, total US imports dropped 20% in April, while for China they fell 6%. The largest decline in South Africa's exports emerged in the auto industry, followed by gold and base metals.
- The extent of fiscal pressure on municipalities because of the pandemic began to emerge in May. Because the metros depend primarily on their own revenue, rather than national grants, they faced the greatest difficulties, since their income plummeted while demands increased. The national government has committed R20 billion for assistance, but has not yet indicated allocations between municipalities. In any case the funds will likely only become available in early August, following the adjustment budget.

## TRENDS IN THE PANDEMIC

A spike in cases followed the move to Level 4 at the beginning of May. A stepped-up rate of growth in COVID-19 cases emerged in both Gauteng and the Eastern Cape from the third week of May, which persisted in the week to 7 June. A similar spike was brought under control in KwaZulu-Natal by the end of the month.

As Graph 1 shows, the average rate of growth in the week that ended on 7 June was 5,8% in Gauteng, 6,2% in the Eastern Cape, and 2,9% in KwaZulu Natal. In Gauteng and the Eastern Cape, the rate had essentially doubled over the previous two weeks. The average rate of recorded growth for new cases in the Western Cape was 5,8%, slightly higher than two weeks earlier but well below the extraordinarily rapid growth seen in the first half of May. It is unclear how the testing backlog and new metro testing protocol affect reported growth rate. The other provinces saw a spurt in growth over the week, almost entirely due to the large number of new cases in platinum and gold mining, but the incidence was still relatively low.

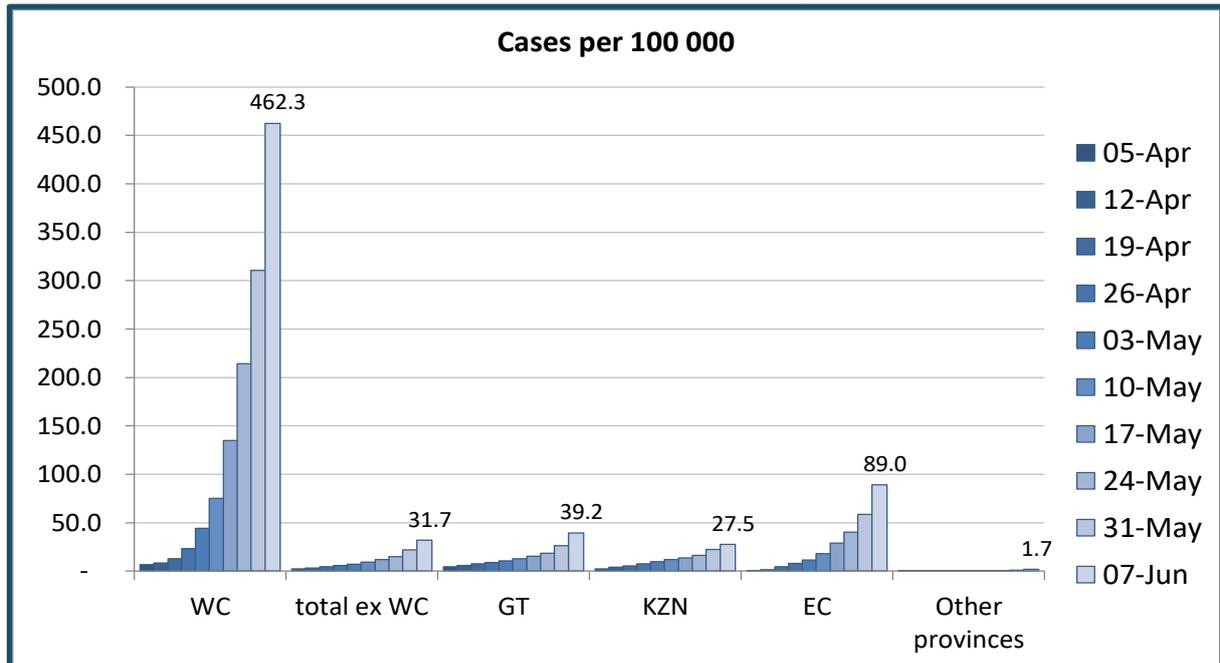
**Graph 1. Average daily (a) rate of growth for the week of 1 to 7 June compared to previous weeks, by province**



*Note:* (a) Calculated using seven-day rolling averages for first and last day of each week. *Source:* Calculated from data accessed at [www.sacoronavirus.co.za](http://www.sacoronavirus.co.za) on relevant dates.

Although the contagion was accelerating in Gauteng, it still had a much lower incidence than the Eastern Cape or, far worse, the Western Cape. As Graph 2 shows, in the Western Cape there were 462 cases per 100 000 residents on 7 June – equal to some of the hard-hit countries of Europe – compared to 89 in the Eastern Cape and 39 in Gauteng.

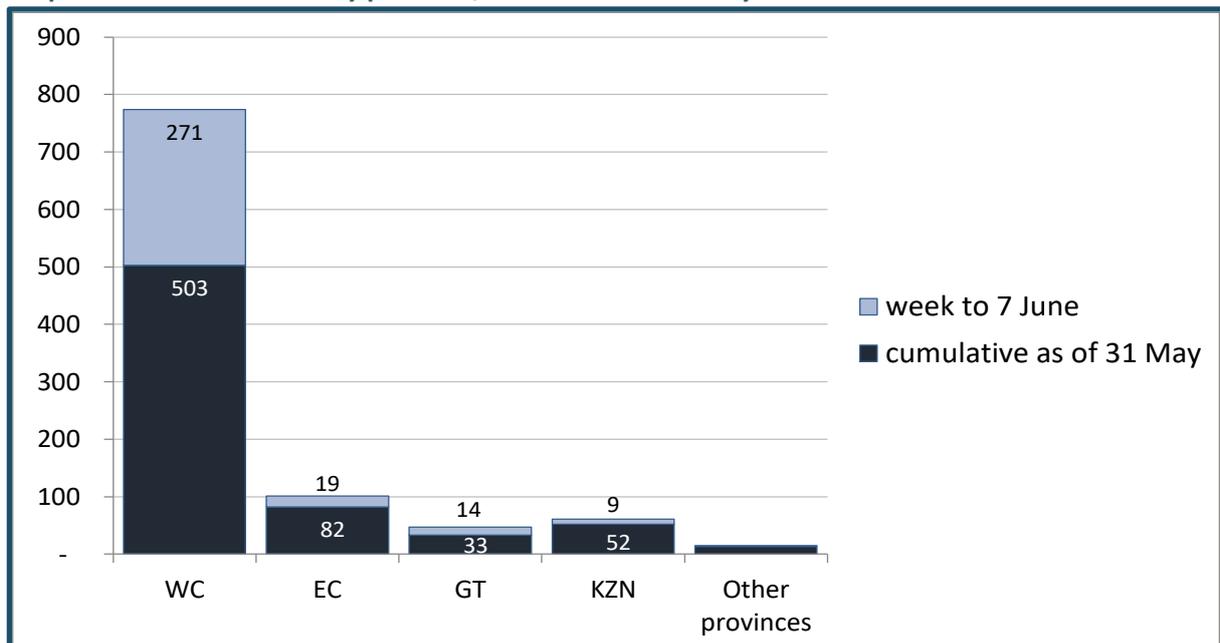
**Graph 2. Number of cases per 100 000 people by province, weekly, from 5 April to 7 June**



Source: Calculated from data accessed at [www.sacoronavirus.co.za](http://www.sacoronavirus.co.za) on relevant dates.

Deaths continued to be skewed toward the Western Cape, as the following graph indicates.

**Graph 3. COVID-19 deaths by province, cumulative to 31 May and in the week to 7 June**



Source: Calculated from data accessed at [www.sacoronavirus.co.za](http://www.sacoronavirus.co.za) on relevant dates.

If the pandemic becomes more widespread, more resources are needed to contain it through contact tracing and isolation of suspected cases. The effectiveness of contact tracing seems to have improved in the Western Cape after it receive greater national support from early May. According to the national Department of Health, as of 23 May, the Western Cape had reached virtually all the contacts identified, compared to around four out of five two weeks earlier. In contrast, the tracing system in the Eastern Cape clearly faced growing strain. As of 23 May, it had failed to get in touch with one in seven identified contacts. Moreover, media

reports indicate that some newly infected people were never interviewed about their contacts at all.

In Limpopo and the North West, one in 10 contacts was not reached, although the incidence of COVID-19 was far lower than in the Eastern or Western Cape. In Gauteng, KwaZulu Natal, the Northern Cape and the Free State, virtually all identified contacts were reached.

The high incidence of cases in the Western Cape has begun to strain the healthcare system. The public health sector has over a thousand cases, as discussed in more detail in the section on infections (see page 10), and absenteeism of primary healthcare workers has been reported at up to 25%. This week the provincial government argued that it requires more than 5 000 additional staff. The Western Cape government also predicted a shortfall of about 1 000 beds in the acute care space and 750 beds in critical care facilities. In response, the national government has promised to bring in capacity from the defence forces and possibly other provinces, as well as supporting the establishment of new hospital capacity. It also allocated three Ministers and two Deputy Ministers to assist the provincial government in driving the public health response.

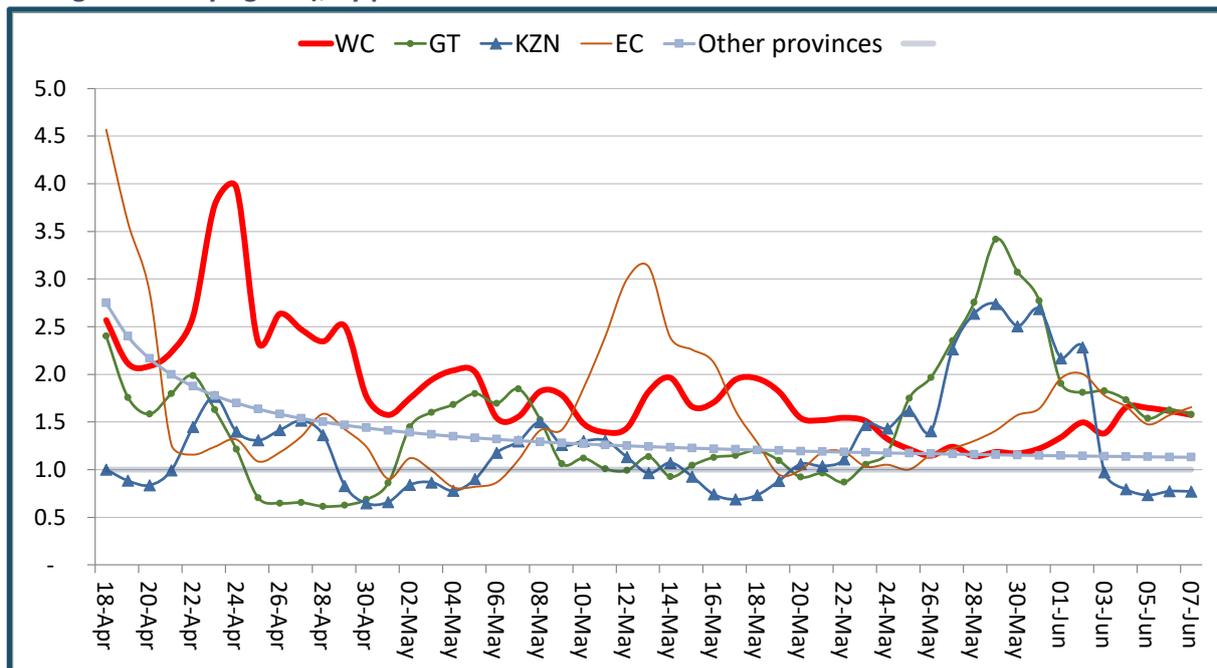
Level 3 requires that individuals and groups such as employers and workers take decisions about how to manage risks, rather than being bound by lockdown rules. To avoid a major acceleration in the contagion, people have to understand how to prevent infection in different situations as they open up. In practice, however, government did not substantially scale up communication on these issues. For instance, the national website, [www.saconvirus.co.za](http://www.saconvirus.co.za), provided information on daily trends in the contagion and some basic background information. But it did not give detailed information on how to prevent infection with COVID-19 in practical ways, for instance when taking a taxi, going shopping, or deciding whether to ask employees to return to work.

The persistent lack of unambiguous guidance over when people should isolate added to the problem. Government guidelines dated 5 May said that people who had been in contact with an infected person for long enough to catch COVID-19 (usually for at least 15 minutes) should go into quarantine without waiting for test results even if asymptomatic. Yet employers, even in the public sector, still often wait for test findings before asking employees to isolate themselves. Moreover, even where people live in informal settlements, their employers may not assist them to go to government-run quarantine centres. These practices contribute to continued transmission of COVID-19.

The move to Level 3 also highlighted the difference between the approach to the pandemic adopted by the government's academic advisors and the World Health Organization (WHO). According to President Cyril Ramaphosa, the Ministerial Advisory Committee wanted to go even further in loosening up restrictions than provided in Level 3. In contrast, the WHO argues that countries should remain in lockdown until the number of new cases is declining.

The expanding contagion is shown by the ratio of new cases to the number of new cases seven days earlier. If the ratio is over one, then each reported case has resulted in more than one new case. By extension, the number of new cases is escalating. As the following graph shows, this ratio was under one only in KwaZulu Natal, which means that in all other provinces the infection was expanding. In the Western Cape, Gauteng and the Eastern Cape, it was around 1,5.

**Graph 4. Number of new cases compared to cases reported five days earlier (using rolling seven-day averages for daily figures), by province**



Source: Calculated from data accessed at [www.sacoronavirus.co.za](http://www.sacoronavirus.co.za) on relevant dates.

The advisors’ approach appears to derive from the view that the number of cases cannot effectively be limited until there is a vaccine or enough people are infected to ensure broad immunity. By extension, while it is possible to “flatten the curve” – slowing down the rate of contagion – the total number of people infected will ultimately remain more or less the same. In contrast, global public-health practitioners increasingly argue that cases can be limited by controlling outbreaks, even without achieving a high degree of immunity through either catching COVID-19 or through a vaccine.

The debate about the potential for limiting cases has far-reaching implications for the national strategy to address COVID-19. If widespread infections are essentially unavoidable, then tracing and isolation and promoting behavioural change become less important than increasing hospital capacity. This appeared to be central to the approach of the Western Cape Province. In contrast, if it is possible to reduce the rate of contagion for a significant period, then measures to prevent infection take centre stage. The national government clearly saw this kind of public-health intervention as central to its initial strategy on the pandemic, although it also stressed the need to scale up resources for hospitals.

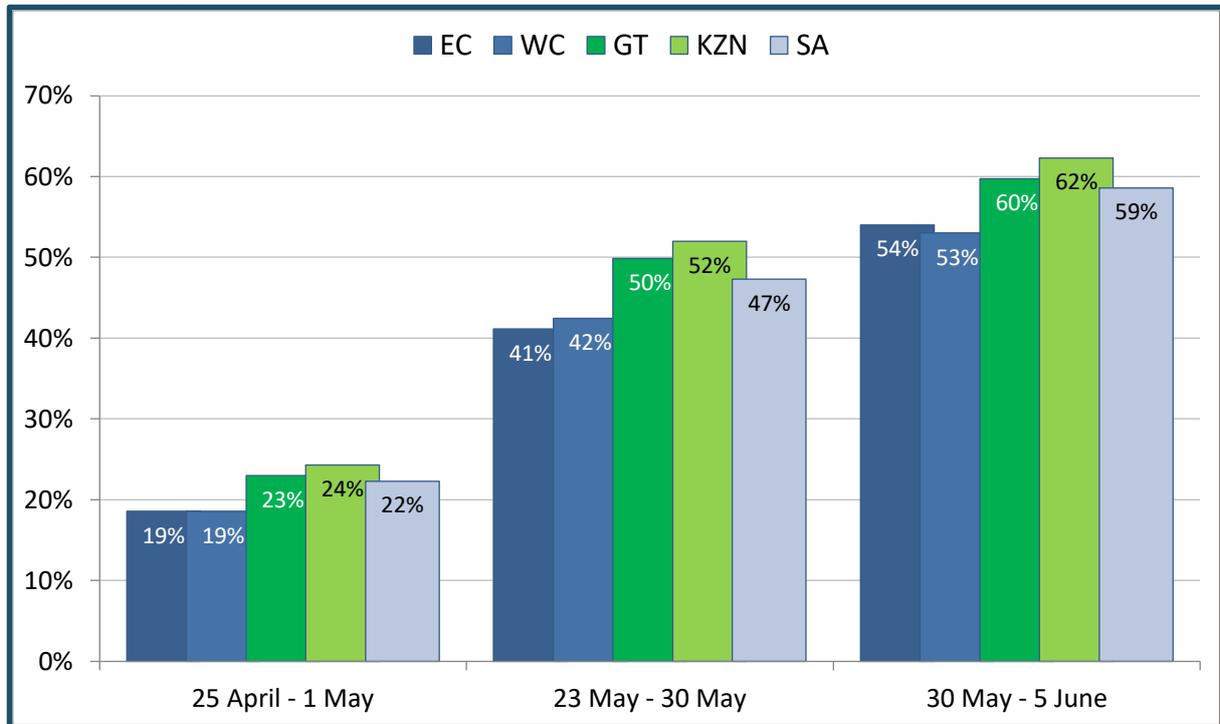
## TRENDS IN THE ECONOMY

### Macroeconomic developments

With the move to Level 3 on 1 June, almost all economic activities were allowed to resume working on site, except for recreational and personal services. There is, however, only limited data available this week to track the effects in real time. It is likely that the initial rebound will be limited by constrained demand as a result of lower employment and incomes in South Africa as well as in our major trading partners.

A substantial improvement in business turnover emerges from a tracker published by Yoco, which provides remote payment technology. The findings indicate a 12% rise in turnover in the week to 7 June. It shows somewhat smaller gains in the Western and Eastern Cape, where the incidence of COVID-19 is high. This trend parallels the international experience that consumer concerns about safety can diminish the impact of moves to relax the lockdown.

**Graph 5. Small business turnover relative to the first two weeks of January, average for week to 1 May, 30 May and 5 June**

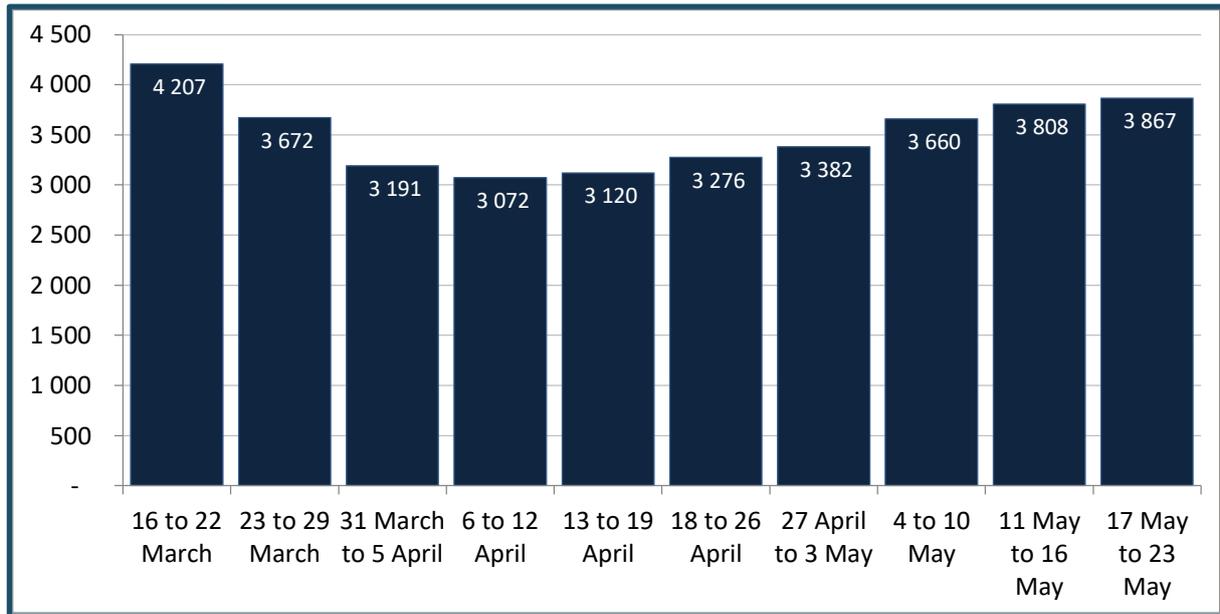


Source: Calculated from Yoco Small Business Recovery Monitor. Downloaded at [www.yoco.co.za](http://www.yoco.co.za) on 7 June 2020.

Data for electricity sent out is only available to the end of May, which means it does not yet reflect the move to Level 3. Electricity use climbed 1,8% in the last week of May, around the same as in the preceding week. As a result, electricity reached 6,4% below pre-lockdown levels. Since the initial 8% jump in electricity use in Level 4 reflected the return to operations of the highly energy-intensive refineries, a similar increase is unlikely with the move to Level 3.

Even if electricity use rises to pre-lockdown levels, Eskom anticipates only very limited load shedding through to the end of the year, in part because it was able to use the slack time during the lockdown to overhaul its plants, including Medupi, to bolster their reliability and capacity.

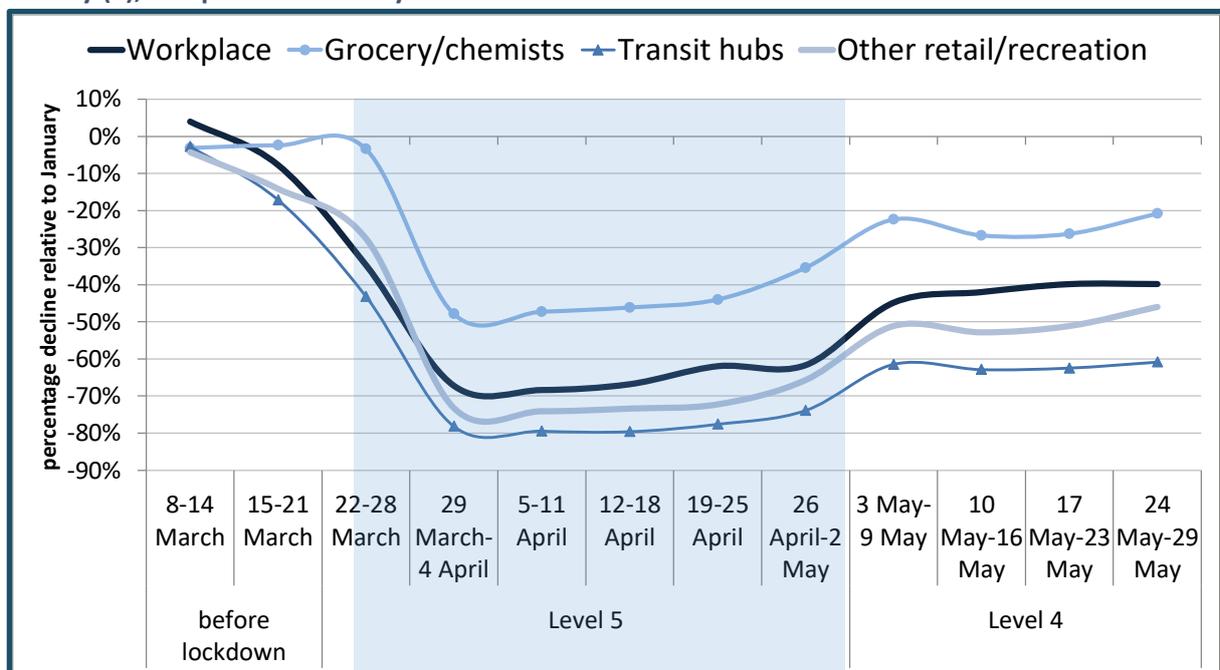
**Graph 6. Electricity sent out in GWh, weekly, 24 March to 31 May**



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

Data on travel to work and for other economic activities are also only available through the last week of May. Travel to work flattened out over this period, although retail and recreation showed a small uptick. Use of public transport remained comparatively limited, again suggesting how concerns about contagion could affect the recovery.

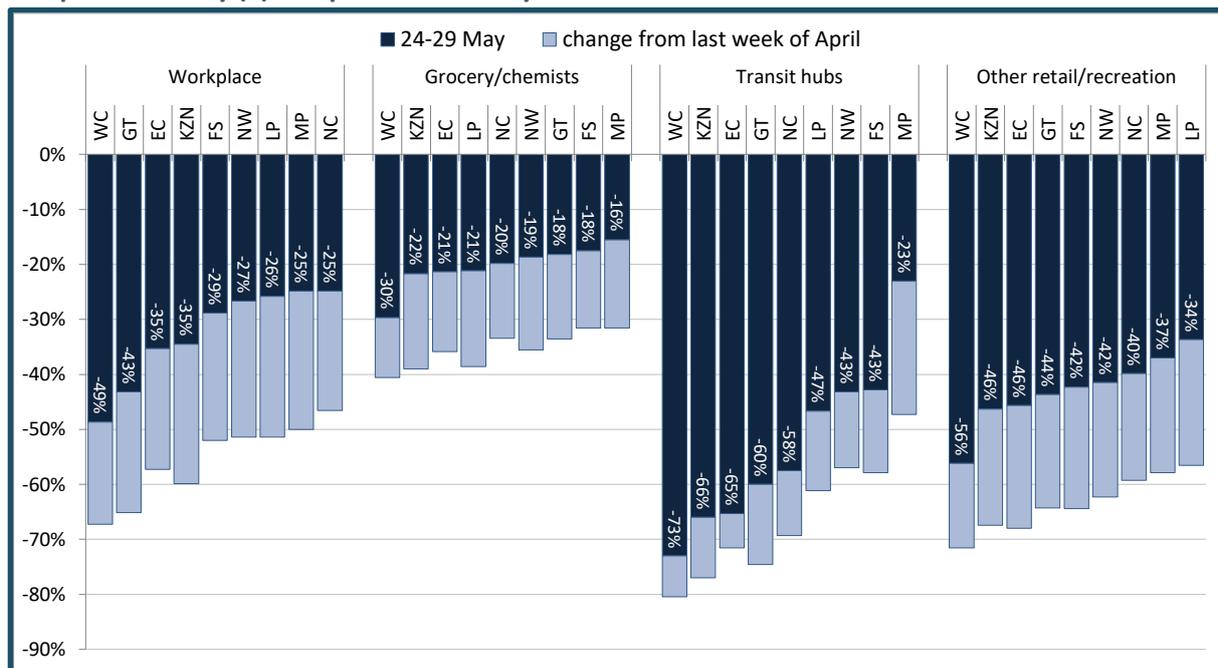
**Graph 7. Percentage change in travel by type of destination, weekly average from 8 March to 29 May (a), compared to January 2020**



Note: (a) data were only available through 29 May, so the period is only six days and therefore not entirely comparable to the other weeks. 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 data on travel underscores the relatively limited increase in travel to transit hubs and for non-essential retail and recreation. In contrast, outside of the Western Cape and Gauteng, travel to work recovered by almost 50% over the month, although it remained far below the levels seen in January. The comparatively low levels of travel to work in the Western Cape and Gauteng likely reflect their dominance of professional activities that can be performed from home, as well as the continued closure of PRASA, the Passenger Rail Agency of South Africa, which mostly serves Cape Town and to a lesser extent the Gauteng metros.

**Graph 8. Percentage change in travel by type of destination, by province, weekly average from 26 April to 29 May (a) compared to January 2020**

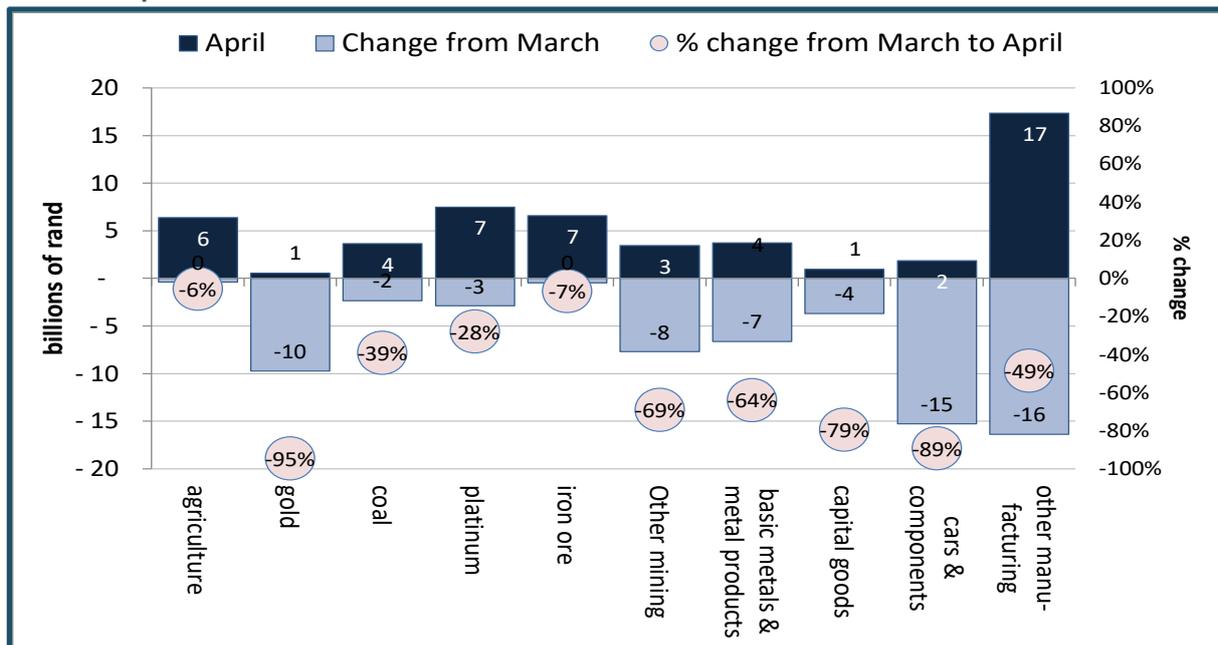


Source: Calculated from Google COVID-19 Community Mobility Reports. Accessed on 23 May at <https://www.google.com/covid19/mobility/>.

Data for international trade in April – the latest available – point to the extraordinary effects of the pandemic on the economy.

In rand terms, South African exports declined some 55% from March to February, from R118 billion to R53 billion. In contrast, imports only dropped by 7%. As Graph 9 shows, the auto industry saw the largest decline in rand terms, followed by gold. The fall in iron ore, coal and platinum was comparatively small, but manganese and chrome – included under other mining – saw their sales fall by two thirds. Steel and basic platinum and steel products also experienced a particularly sharp fall in sales.

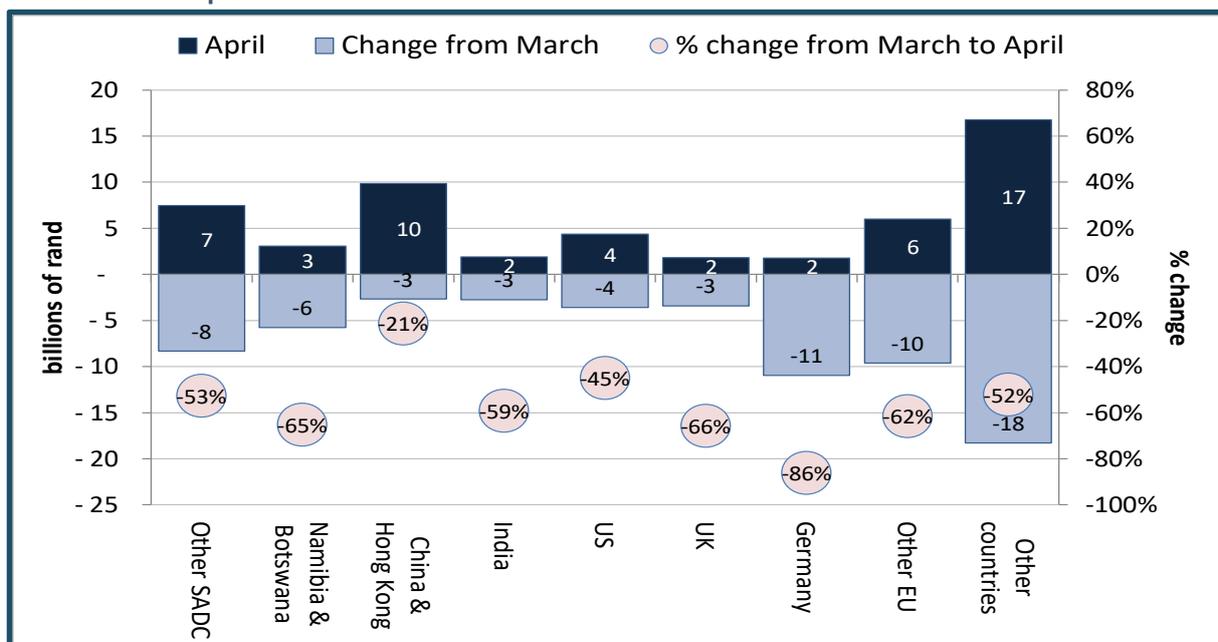
**Graph 9. Exports by industry in April and change from March in billions of rand, and % change from March to April**



Source: Calculated from Quantec EasyData. International trade. Downloaded from www.quantec.co.za in June 2020.

By destination, the biggest decline was in exports to Germany, reflecting the shutdown in the auto industry. In contrast, exports to China fell just over 20%, reflecting its recovery from the pandemic, which occurred there in mostly in January and February. These exports are dominated by iron ore. Exports to the Southern African Development Community (SADC), which account for around two fifths of manufactures outside of auto, declined sharply.

**Graph 10. Exports by destination in April and change from March in billions of rand, and % change from March to April**



Source: Calculated from Quantec EasyData. International trade series. Downloaded from www.quantec.co.za in June 2020.

## Company developments

### Infections

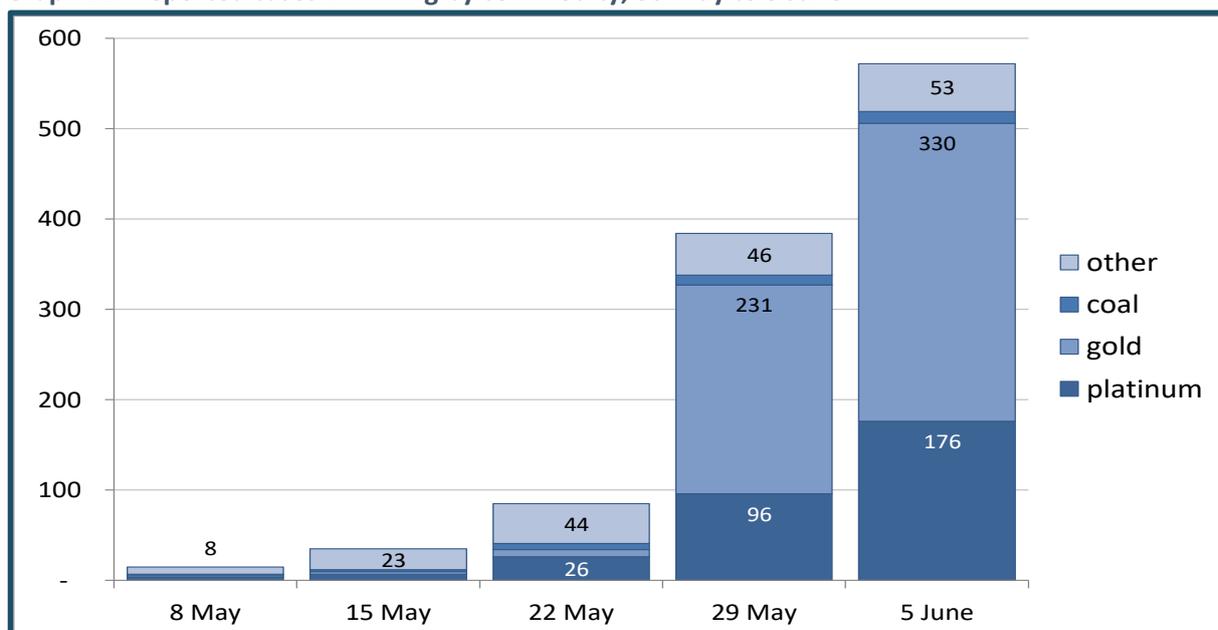
Hotspots continued to emerge in enterprises and public-service institutions. The lack of information on their locations, however, meant it remained difficult to identify emerging risks. Managers and workers both noted that employers often reorganised the work process to prevent infections, but did not take similar care around tea and lunch breaks or toilets. According to the Western Cape government, retail workers are the most affected group of workers outside of healthcare.

During the week, reports emerged of cases in residential facilities: a psychiatric hospital and a frail-care centre in the Eastern Cape, and an old-age home in the Western Cape. In Europe and the US, between a quarter and two fifths of deaths from COVID-19 occur in this kind of residential situation. Once the disease is brought into a facility, often by a caregiver, it can spread easily among both the staff and vulnerable patients and elderly residents. The number of people living in old-age care in South Africa is, however, not published.

The Eastern Cape psychiatric hospital, with 600 residents, found that 29 patients and 10 staff were positive as of 1 June, and suffered seven deaths. At the frail-care centre, 19 people were infected, and one died. At the old-age home in Muizenberg, which has 200 residents over the age of 70, seven caregivers and four patients tested positive. The management of the old-age home told the caregivers to self-isolate at home rather than helping them go to a quarantine centre, even though they lived in nearby Khayelitsha and did not have a room to themselves. This approach risked spreading the infection to their families. Ultimately several of the caregivers went to a quarantine centre without their employer's help.

Mining identified almost 200 more cases in the past week, bringing the total to 572. New cases again emerged almost exclusively in underground mining, which effectively means principally in platinum and gold. New clusters developed in the North West platinum belt.

**Graph 11. Reported cases in mining by commodity, 30 May to 5 June**



Source: Minerals Council. COVID-19 Dashboard. Downloaded on relevant dates from <https://www.mineralscouncil.org.za/minerals-council-position-on-covid-19>.

Employers in mining continue to suggest that the cases could have come from workers' homes. The typical pattern with workplace clusters, however, is that it is introduced from outside to the workplace but then spreads there. The mines anticipate a spike in cases, and the larger companies have established quarantine sites and made arrangements with hospitals. It is not clear, however, what changes they plan to make in the workplace to secure an ultimate decline in the number of new cases.

The Minister of Health said that, as of 28 May, 2 084 healthcare workers had contracted COVID-19, with 80% in the Western Cape. Tygerberg Hospital alone accounts for around 15%. Overall, the Western Cape had 83 cases among doctors, 727 among nurses, and 481 among other healthcare workers. As of 3 June, 191 health workers from the public and private sector in the Eastern Cape had tested positive. Of these, two thirds were from Nelson Mandela Bay and Buffalo City.

Eskom had two cases in the Eastern Cape. The National Union of Mineworkers, which organises at Eskom, claimed that the two cases emerged because, although the employees could have worked from home, Eskom required them to come to the office.

In Midrand, the L'Oréal factory had 16 cases in May, but claimed all of them were brought in from outside – again, often a point of contention when clusters emerge in businesses. Management told the direct contacts of the initial cases to self-isolate, but workers argued that they all shared the lunchroom, changing rooms and toilets. In the event, the plant shut down over the third week of May for deep cleaning, and all the workers were tested.

## Industry and company developments

### *The media and cultural work*

South African media has been severely affected as the pandemic saw a sharp fall in advertising, estimated at over 40%, as well as a decline in print circulation. According to a report commissioned by the South African National Editors Forum (SANEF), *COVID-19 impact on journalism*, the industry has already lost between 300 and 400 jobs. The hardest hit have been magazine publishers and local newspapers, as well as freelance journalists. Even the largest organisations, however, have seen salary sacrifices of up to 45%.

Reliable media play a key role both in communicating public health measures and in sustaining South African democracy. The implications of the crisis in the media, then, go far beyond the organisations themselves.

Cultural work has been even harder hit, since both performances and shows generally require large groups of people. A survey by the South African Cultural Observatory suggested that almost nine out of 10 face-to-face workers had lost over half of their business. Two thirds were living off savings or help from family and friends. Most did not know if they qualified for any government support or how to apply.

### *Banking*

Three major banks – Absa, Standard and FirstRand – have all said they expect their revenues to decline by around 20%. The main reason is an increase in problem loans. Standard anticipates that its credit losses will double, and possibly exceed the levels seen in 2008/9. As of the end of May, three quarters of its workers were still working from home.

### *Taxis and delivery services*

Taxis continue to find it difficult to operate with only 70% capacity. Their tariffs, set before the lockdown, assume more passengers per trip to cover both operating costs and, in many cases, monthly finance for the vehicle. Passengers often complain that the rule is simply not enforced, although travelling for long periods in a crowded, enclosed space is a recipe for a super-spreader event even if everyone wears masks and uses hand sanitiser.

In Johannesburg, some local taxi associations plan to raise fares to compensate for riding a third empty. They said they would increase the fare from Alexandra to Sandton from R11 to R30 in the first week of June, when the move to Level 3 will boost demand. The national Department of Transport had mooted a subsidy, but no concrete proposals have emerged. Absent government support, it seems likely that other taxis associations will follow suit, or else simply flout the regulations on physical distancing.

Some small delivery services have started operating in township areas, at least in the metros. They include bicycle deliveries in Cape Town and mobile car washing in Soweto in addition to the more usual provision of groceries and restaurant meals. Uber and other delivery services still do not serve most townships or smaller towns in general, which makes space for start-ups.

### *Utilities*

The water boards have followed Eskom in calling for tariffs well in excess of inflation, despite the difficulties both households and producers face. They have put forward proposals that range from 6,6% for Rand Water to between 8% and 10% for other water boards, while inflation in March was 4,1%.

Like Eskom, the water boards all say the increase in tariffs reflects higher costs. They have not, however, provided information on why they cannot improve on efficiency rather than passing the costs on to users.

### *Air travel*

Three local airlines – Comair, South African Airways and South African Express – continued to struggle over the past week. Only business travel between eThekweni, Johannesburg and Cape Town is allowed in the initial weeks of Level 3. All three of these companies are in business rescue.

Comair expects to return to operations in November, but will cut its fleet from 27 to 16 planes in light of the anticipated decline in demand. It will also sell off non-core assets to help pay its debts.

SAA has floated a plan to transform itself into a new, smaller and more efficient national airline. The plan would require a further R4,6 billion to capitalise the new company; pay retrenchment packages for around half of its workers; and meet some of its debts. The deep crisis in aviation means that private lenders will probably not be interested. For its part, the government is stretched trying to cushion low-income workers and households from the economic downturn as well as supporting businesses across the economy.

South African Express is expected to go into liquidation with only a basic retrenchment package for workers. It appears that government has no plans to provide the company or its workers with assistance in this process.

### **Agriculture**

Agriculture expects a 6% increase in production this year. Although food production has not experienced a lockdown, the sector faces several challenges. The fall in household incomes has affected demand. Moreover, as in other countries, the abrupt closure of the restaurant sector disrupted supply chains, since both the kinds of products and packaging used in catering differ from supplies to supermarkets and other shops.

In South Africa, as abroad, the meat producers were particularly affected because they sell disproportionately to restaurants. Finally, global trade was disrupted by the lockdown, affecting overseas exports of fresh fruit and vegetables in particular.

### **The pandemic and municipal budgets**

The pandemic increases demands on municipal spending while cutting sharply into their own revenue, which comes principally from a mark-up on the sale of electricity and other services to businesses and households, as well as from rates. Smaller towns and secondary cities fund a third of their budgets through national grants and the municipal share, and most have low levels of COVID-19. In contrast, almost all the metros are considered hotspots, with high rates of contagion. Moreover, they fund 85% of their total spending from their own revenues and, for capital expenditure, from borrowing. As a result, they face by far the greatest challenges, although they come into the crisis with much larger revenues per resident as well as better infrastructure and higher staffing levels.

In the past week, presentations by Ekurhuleni and Tshwane to the portfolio committee on cooperative governance illustrated the problems confronting the metros.

Tshwane anticipated that it would bring in R22 billion for the financial year ending in June, some R4 billion below the budgeted amount. Its revenues for April and May were almost R1 billion lower than anticipated in March, at R1,4 billion compared to the budgeted R2,3 billion. It hoped to incentivise households and businesses to pay at least some of what they owed by providing interest-free payment deferrals as well as rebates on advance payments of property rates.

While Tshwane's income plummeted, it faced rising costs from the response to the pandemic, mostly for relief to households. Support for homeless people and food parcels were expected to cost at least R850 million. Of that, R290 million was for food parcels for 500 000 households.

Ekurhuleni expected that its collections would fall by around 25% compared to its budget. In March, its collections were already down by 15%. In April they were 33% below budget, with a similar level projected for May. Ekurhuleni hoped for a modest improvement, to around 30% below the initial budget, with the move to Level 3 in June. Like Tshwane, it had introduced measures to incentivise payments.

Ekurhuleni had distributed 26 000 food parcels as of early June, but hoped to distribute around 50 000 a month. It set up a food bank for private donations that had collected R8,2 million. It was working with community radio on communications, and with religious groups, volunteers and private businesses to distribute food parcels. Like Tshwane, it had set up shelters for the homeless, but was not sure what would happen to them as the disaster winds down.

The metros generally planned to build temporary accommodation to reduce density in selected hostels and informal settlements. It is not, however, clear how far they have progressed. Ekurhuleni is still procuring temporary structures for this purpose, which suggests that they will not be available very soon.

Cape Town outlined its adjustment budget on 20 May. It expected its operating revenue to fall by R1,1 billion while its capital budget increased almost R900 million and its operating budget by R900 million. As a result, its deficit would climb from R624 million to R2,6 billion. In other words, it would have to raise R2,5 billion in loans, departing from its plan for a balanced budget. The revenue shortfall resulted principally from lower payments for electricity, almost entirely from business, which would cost the city R800 million. Rates were expected to decline by almost R450 million. Impaired debts, however, mostly affected rates, at R625 million, as well as R465 million for water and sanitation.

Cape Town had run a surplus of R5 billion from 2018, which it rolled forward over the next two years. As a result, it had been able to charge lower rates and tariffs than other metros. That said, when the pandemic hit it had worse services in informal settlements, with much higher levels of shared water and toilets and lower levels of RDP housing than most of its peers. That in turn contributed to the relatively rapid spread in COVID-19 and the resulting extra costs for the city.

As part of the broader stimulus package, the national government has set aside R20 billion for municipalities to provide emergency water supply, sanitise public transport facilities and support vulnerable communities. The funds will be provided under the adjustment budget expected at the end of this month, which means they should become available early in August. To date, however, the funds have not been allocated between municipalities, and criteria for obtaining and using them have not been published.

Around R300 million in disaster funds have already been allocated. They were apportioned in line with the municipal share in the national revenues. That means that the funds were not concentrated on the metros, although they face disproportionately large burdens from COVID-19 on both the revenue and spending sides of their budgets.

By mid-May, the National Treasury had reprioritised conditional grants to fund basic services and sanitising public transport. In effect, it reallocated existing funds but did not compensate for the fall in municipal revenues. The main items included were R2,4 billion from the urban settlements grant and R1,5 billion from the municipal infrastructure grant, mostly for the metros to improve water and sanitation for informal settlements and for waste management as well as to restore functionality of water infrastructure. Rand Water also received just over R300 million to provide water tanks. A further R970 million was provided from public transport grants for sanitation. In addition, the President said that the national government would provide R3 billion to the Western Cape Province to address the costs of the pandemic.

The national government faces its own revenue crisis. A Financial and Fiscal Commission (FFC) report to Parliament during the week said that the South African Revenue Service (SARS) has projected a shortfall of between 15% and 20% on revenues. That means taxes are likely to fall short by R285 billion. For April, under-recovery came to around R9 billion, down almost 9% from last year.

Company tax, which contributes a seventh of national revenue, was 55% lower for the month. As in the 2008/9 crisis, value-added tax (VAT) – which accounts for over a quarter of total revenue – was far more stable, falling just 4% in April. SARS did not provide an estimate for the impact on personal income tax, which makes up two fifths of all revenue, although pay-as-you-earn (PAYE) alone was only 5% below projections.

### TIPS TRACKERS

**TIPS Tracker: The economy and the pandemic** highlights important trends in the COVID-19 pandemic in South Africa, and how they affect the economy.

**TIPS FDI Tracker** monitors inward foreign direct investment projects. It reports on new FDI projects, analyses these, and adds them to an ongoing list of investment projects.

**TIPS Export Tracker** provides updates on export trends, and identifies sectors and products that are performing well and those that are lagging.

**TIPS Import Tracker** provides an overview of import patterns and looks at the causes of surges in manufacturing imports, and their likely impact on industry.

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**[info@tips.org.za](mailto:info@tips.org.za) | [+27 12 433 9340](tel:+27124339340) | [www.tips.org.za](http://www.tips.org.za)**