

COVID-19 in Africa: experience sharing and recommendations for the private sector

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Before the COVID-19 crisis, many businesses in Nigeria were struggling due to internal, environmental and structural factors.

Pre Covid 19 Pandemic – Background Info.

Inclement Operating Environment for Businesses

- Massive Infrastructural Deficits, especially Power supply and poor road networks
- Policies inconsistencies / somersault
- High cost of credit
- Regulatory Onslaughts
- Illegal levies / Taxes

Etc

The global crash in the price of crude oil (the main source of national revenue) worsened Nigeria's economic situation

The outbreak of COVID-19 further compounds existing problems.

As at this morning, Total Cases – 254, Recovered / Discharged – 44 and 6 Deaths

Nigeria was lucky not to be one of the countries where the scourge started early, thus we had the opportunities of learning from the experience of Asia, Europe and the US.

We were able to pick learning points from how they tackled the challenge and their mistakes as well.

The incidents were unarguably imports from abroad through our major international gateways of the Lagos and Abuja International Airports. This accounted for the glut of

Govt Economic Response of Cash Transfers

2.6 million Families captured on the social registers - a far cry from reality as the world bank research says half of the 180m population lives below poverty lines of less than a dollar per day

Other Actions Taken

Closure of the Airports

Shutdown of all borders

Closures of Schools

Economic Stimulus Bill

Lockdown in major States (Lagos, Ogun and FCT) affected by the virus and Follow up actions by other states with far reaching effects on business operations

- Cessation of productions
- Employees / workers forced vacations and loss of productivities for employers
- Continued mounting wage and utilities bills
- Statutory employment related bills - ECS, ITF, Contributory Pensions etc

Exceptions of Essential commodities producers like Pharmaceuticals, Household goods and Food / Beverages with the attendant challenges of

- Logistics challenges for workers getting to work in the midst of restrictions
- Support services businesses like packaging and courier services being restricted
- Erratic public power supply

- Getting the essential commodities / produced goods from the factories especially in Lagos to the different markets in the various states
- Accessibility of the populace to the much needed goods (market) and paucity of purchasing power (cash)
- Incoherent responses by some levels of Government to providing solutions

Etc

NECA as the representative body of Employers of Labour initiated a robust engagement with Government at all levels, holding virtual meetings and getting far reaching reliefs to businesses on these concerns

- **What social and economic measures have been taken by the government?**

N500B Intervention Fund - Stimulus Package (Fund) by Government but not far reaching as it is a loan for the Pharmaceuticals and essential house hold items rather than grants

Massive investment in the medical infrastructures to expand hospital facilities and isolation centres equipped with ventilators and other necessities

Inadequate Testings, a great concern – Only those manifesting symptoms are tested instead of all citizens

- **What has been the private sector's reaction?**

Our Position paper to the President , the National Executive Council and the Legislators on Palliatives for the Private Sector

Our Position Paper to the Presidential Task Force on Covid 19, on Stimulus Package for Exposed Employees of the Private Sector During the COVID 9 Lockdown

Massive financial contributions to in Billions of Naira and products / material and food to the vulnerable and the poor in support Government initiatives

In addition to the above, we have continued to send advisory memos to Government on what can be done to ensure the sustainability of business and Post Covid 19 survival of the economy

Concern about likely loss of jobs – Contract for service / outsourced jobs mostly affected now.

It remains to be seen for how long employers would be able to hold on before they start making decisions on permanent jobs. It may become inevitable, if the situation becomes prolonged.

- **Which sector has been hardest hit?**

All Sectors of the economy, but more of the Aviation, Tourism and Hospitality, Manufacturing / Food and Beverage

- How does informality and infrastructure hamper the response to COVID 19?

- **How does this crisis compare to previous crises?**

Unlike the Ebola crises, the Covid 19 is more challenging and difficult to manage in view of its peculiar feature. Even without physical contact with an infected person, it is so easy to get infected through several means including contact with surfaces and items touched or impacted by an infected person.

Ebola was short-lived and quickly nipped in the bud before its spread. The contrary is the case with Covid 19

Going forward:

Information Management

We have just started a survey amongst businesses / our members on how it has impacted on them and their views on what could be done from Govt sector by sector to help our advocacy

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Chair: Mthunzi Mdwaba

1. Egypt – Torky (Arab spring and any lessons learned to approach this crisis)
2. Kenya - Jacqueline Mugo (overview of Kenya's response)
3. Malawi - George Khaki (the cyclone, the flood, now COVID)
4. Zimbabwe– Israel Murefu(bad economic situation to begin with)
5. Nigeria – Timothy Olawale (unpredictable economic situation, large swathes of unemployed, but stopped the Ebola infections from taking hold. How did the private sector react then and what is the way forward now?)
6. Guinea – (elections instability, follow up to Ebola)