destea
department of economic, small business development, tourism and environmental affairs
FREE STATE PROVINCE

[Reflections of the COVID- 19 pandemic on the economy]

[An Economic Intelligence Report]

[June 2020]

[This issue of the Economic Intelligence Report reflects on the impact of the coronavirus on the global, advanced and emerging market and developing economies (EMDEs). The report specifically places emphasis on the impact of COVID-19 on the local economy, both nationally and provincially. Support measures to assist businesses in distress to sustain the local economy are also highlighted.]

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The issue of the *Economic Intelligence Report* focuses mainly on impact of the COVID-19 pandemic.

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1. INTRODUCTION AND BACKGROUND

The Coronavirus (COVID-19) pandemic is currently causing 'significant adverse impact' on the global economy with governments around the world implementing various fiscal measures to mitigate its effects and provide relief for businesses and households[1]. Within Africa, the impacts of COVID-19 are being felt in different ways and the measures taken by the respective governments have also differed on the areas of focus and comprehensiveness.

COVID-19 was reported to have emerged from Wuhan in China towards the end of December 2019, and has since spread across the world, affecting some 210 countries and territories up to May 2020.

COVID-19 has triggered a global crisis like no other—a global health crisis that, in addition to an enormous human toll, is leading to the deepest global recession since the Second World War. While the ultimate growth outcome is still uncertain, and an even worse scenario is possible if it takes longer to bring the health crisis under control, the pandemic will result in output contractions across the vast majority of emerging market and developing economies (EMDEs). Moreover, the pandemic is likely to exert lasting damage to fundamental determinants of long-term growth prospects, further eroding living standards for years to come[2].

Africa's projected GDP growth of 3.2% for 2020 is now expected to fall to -0.8%. This is due to the enforced partial or total lockdown of economies as a result of the pandemic. The outbreak has led to disruption in the various sectors, most notably the financial industry and the tourism and hospitality sectors[3].

South Africa has also been affected by this novel coronavirus. The only tool currently available[4] to mitigate the demographic effects of Covid-19 is some form of lockdown to reduce contagion by breaking existing social and economic forms of contact. Such

[1] Economic impact of the COVID-19 pandemic on East African Economies, May 2020
[2] Global Economic Prospects, A World Bank Group Flagship Report, June 2020
[3] https://www2.deloitte.com/tz/en/pages/finance/articles/impact-of-covid19-on-ea-economies.html
[4] Impact of COVID-19 on the South African economy, SA-TIED Working Paper 111, April 2020

measures impose a severe negative shock on the economy, with immediate loss of economic activity followed by medium-term and long-term economic effects. It is crucial to balance the positive health effects of a lockdown against the economic costs.

The Free State province as a key role-player in the global and local economies has also been negatively affected by the COVID-19 pandemic. Business activities in the province as a result closed or have been scaled down as per COVID-19 regulations. It is expected that the pandemic to have a devastating effect on the provincial economy, though the extent of the damage is still to be determine. Many firms in the province experiencing challenges as a result of the current circumstances and millions of workers were without an income across the province and the country.

This report delves into the impact of the pandemic on the global economy, advanced economies and emerging market and developing economies (EMDEs*)*. The report also reflects on the impact of COVID-19 on the provincial economy and the economy of South Africa. Furthermore, the report provides support measures to assist businesses in distress to sustain the local economy.

2. Global eonomic impact of COVID-19

2.1 Impact on Global, EMDEs and advance economies

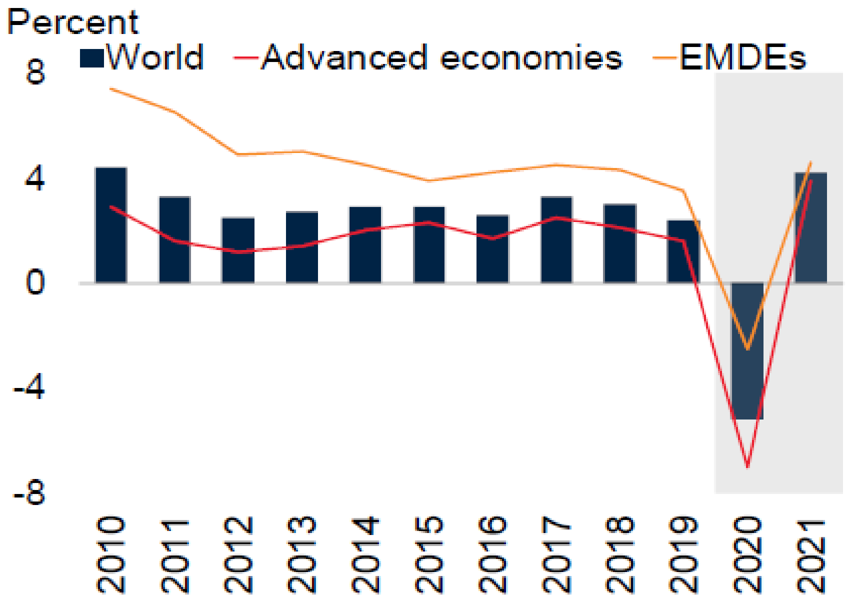
The COVID-19 pandemic has spread to every part of the world and infected millions of people in the advanced economies and emerging market and developing economies (EMDEs*)*. The health and human toll is already large and continues to grow, with hundreds of thousands of deaths and many more suffering from diminished prospects and disrupted livelihoods[5].

The pandemic represents the largest economic shock the world economy has witnessed in decades, causing a collapse in global activity as indicated in *Figures 1* below. Various mitigation measures—such as lockdowns, closure of schools and non-essential business, and travel restrictions—have been imposed by most countries to limit the spread of COVID-19 and ease the strain on health care systems. The pandemic and associated mitigation measures have sharply curbed consumption and

[5] Global Economic Prospects, A World Bank Group Flagship Report, June 2020

investment, as well as restricted labour supply and production. The cross-border spillovers have disrupted financial and commodity markets, global trade, supply chains, travel, and tourism.

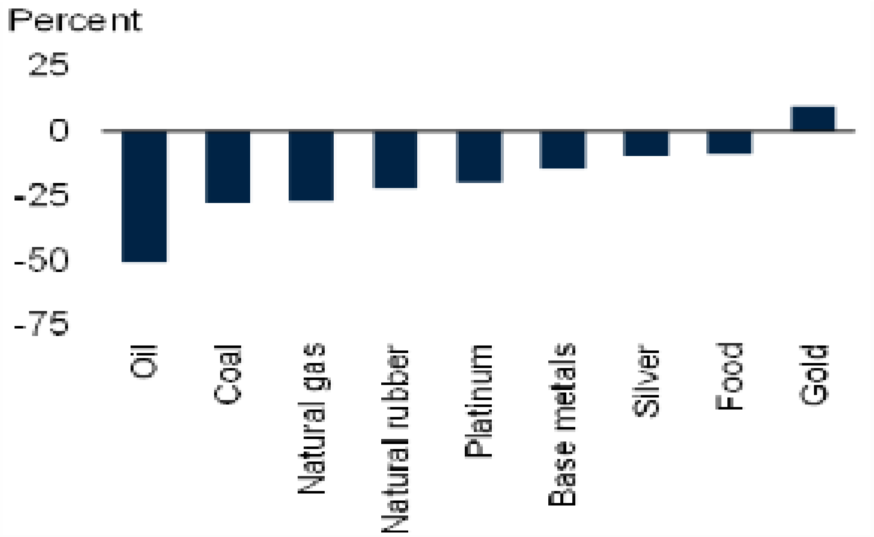
Figure 1: Global growth (World, Advanced Economies and EMDEs)
(Shaded areas indicate forecasts. Data for 2019 are estimates. Aggregate growth rates calculated using GDP weights at 2010 prices and market exchange rates)



Source: Global Economic Prospects, June 2020

Financial markets have been extremely volatile, reflecting exceptionally high uncertainty and a worsening outlook. Equity markets around the world plunged, and EMDEs experienced large capital outflows in March and April that bottomed out only recently. Commodity prices have declined sharply as a result of falling global demand, with oil particularly affected as depicted in *Figure 2* below.

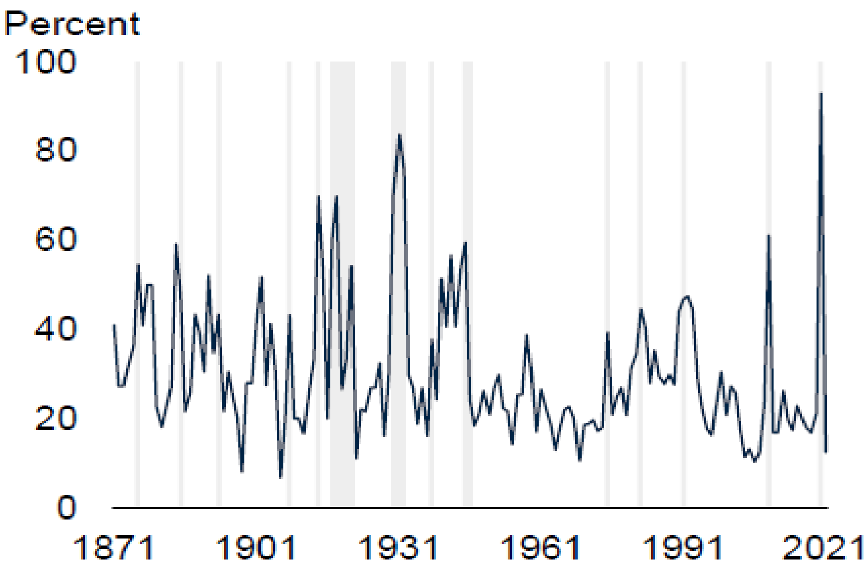
Figure 2: Commodity price changes since January 2020



Source: Global Economic Prospects, June 2020

In all, the pandemic is expected to plunge a majority of countries into recession this year, with per capita output contracting in the largest fraction of countries since 1870 *(Figure 3 below).*

Figure 3: Share of economies in recession, 1871 - 2021
(Figure shows the proportion of economies in recession, defined as an annual contraction in per capita GDP)



Source: Global Economic Prospects, June 2020

It is projected that advanced economies are to shrink by 7 percent in 2020 as a result of widespread social-distancing measures, a sharp tightening of financial conditions, and a collapse in external demand activities. Assuming that the outbreak remains under control and activity recovers later this year, China is projected to slow to 1 percent in 2020—by far the lowest growth it has registered in more than four decades.

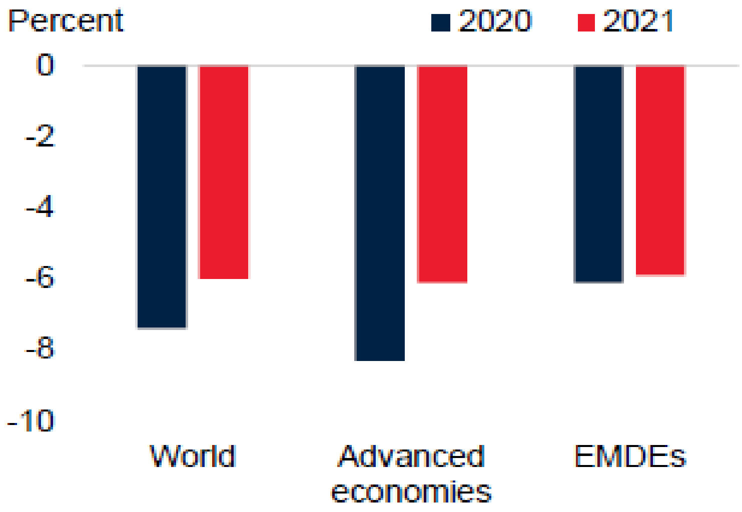
EMDE GDP is forecast to contract by 2.5 percent in 2020, due to the negative spillovers from weakness in major economies, alongside the disruptions associated with domestic outbreaks. This contraction is below the previous growth of 0.9 percent in 1982, and the lowest rate since 1960. EMDEs with large domestic COVID-19 outbreaks and limited health care capacity are expected to suffer disproportionately, due to that fact that they are deeply integrated in global value chains and that rely extensively on international trade, commodity exports and tourism.

Commodity-exporting EMDEs will negatively be affected by adverse spillovers from weaker growth in China, and by the collapse in global commodity demand, especially for oil. With more than 90 percent of EMDEs expected to experience contractions in per capita incomes during 2020, many millions are likely to fall back into poverty[6].

With advanced economies contracting, China experiencing record-low growth, and EMDE growth savaged by external and domestic headwinds, the global economy is expected to shrink by 5.2 percent this year in a baseline forecast. This would be the deepest global recession since World War II, and almost three times as steep as the 2009 global recession. However a moderate recovery is envisioned in 2021, with global growth reaching 4.2 percent and output not to return to its previously expected levels as depicted in *Figure 4* below.

[6] Global Economic Prospects, A World Bank Group Flagship Report, June 2020

Figure 4: Level of output relative to Jan 2020 projections
(Figure shows the percent difference between the level of output in the January and June 2020 editions of *Global Economic Prospects*)



Source: Global Economic Prospects, June 2020

It is however important to note that if COVID-19 outbreaks persist longer than expected, restrictions on movement and interactions may have to be maintained or reintroduced, prolonging the disruptions to domestic activity and further setting back confidence. Disruptions to activity would weaken businesses' ability to remain in operation and for businesses to service their debt, while the increase in risk aversion could raise interest rates for higher-risk borrowers. With debt levels already at historic highs, this could lead to cascading defaults and financial crises across many economies[7].

2.2 Impact of the pandemic on global industries

It is expected that the cumulative loss to global GDP over 2020 and 2021 from the pandemic crisis could be around USD 9 trillion (tn), greater than the economies of Japan and Germany, combined. It is also reported that more than 170 countries are set to experience a lower GDP per capita compared to their 2019 average values. Furthermore, global oil prices estimated to decline by 42% in comparison to the 2019 average price[8].

[7] Global Economic Prospects, A World Bank Group Flagship Report, June 2020
[8] Economic Impact of the COVID-19 Pandemic on East African Economies, Deloitte insights, May 2020

The document by Deloitte indicated that airline passenger revenues estimated to drop by USD 314bn in 2020 and that global airline ticket revenue to drop by 55% in 2020 compared to 2019. With regard to the automotive sector global vehicle sales is estimated to decline by 19% in 2020 from about 90m sales in 2019 to an estimated 73m sales in 2020. The passenger car segment is projected to decline by 11.0% (a USD 100bn loss in revenue).

Estimated job losses of 100m jobs are expected by the World Travel and Tourism Council and up to USD 2.7tn impact on GDP. Of the 100m jobs at risk, almost 25m are estimated to be in the G20 countries. Online retailers may positively be impacted, however physical stores might severely be impacted. The pandemic has increased the demand for cleaning products, dry and refrigerated & frozen food. Expectations are that the rising unemployment will undermine recovery in the retail industry.

The global financial system is more resilient and better placed to sustain financing the real economy as a result of the G20 regulatory reforms in the aftermath of the 2008 global financial crisis. Some of the initiatives undertaken includes, amongst others; the US Fed has cut Fed Funds rates and pumped in excess of USD 1.5tn into liquidity relief for banks to keep them viable, the People's Bank of China has also pumped more than USD 240bn of liquidity into the financial system, other central banks have infused liquidity in similar ways to cushion firms and households from liquidity constraints.

Central banks have also came to the rescue by non-dovish monetary policy measures to cushion their economies. It is expected from banks to offer extension of credit terms, credit holidays and moratoriums to their clients in a way that allows them to react humanely to the COVID-19 pandemic. The aim is to help the customers while at the same time allow them to be sustainable.

With regard to the energy sector COVID-19 pandemic has contributed to a dampened demand for oil, resulting in plummeting oil prices and declining production. Global oil demand is estimated to fall by 9.3 million barrels per day (mb/d) in 2020. The oil prices in the US have "hit an oil time low", with a barrel priced for about -30 USD as of 20th April 2020. It was for the first time oil prices have ever turned negative. This unprecedented depth of the crisis, necessitated oil producers in the OPEC+ group to agree to cut output by an initial 9.7 mb/d, effective 1 May in an effort to stabilise the oil market[9].

3. Impact of the COVID-19 on the South African economy

The SA government announced a 21-day nationwide lockdown effective March 27, and it was later extended to the end of April 2020. This was followed by a schedule of alert and response levels introduced May 1.

Given that COVID-19 is likely to reduce demand and disrupt normal business operations, the SA Reserve bank projects the economy to contract by 0.2 percent in 2020, then rise by 1.0 percent in 2021 and 1.6 percent in 2022[10]. The scope of COVID-19-induced economic disruption on the SA economy is wide. In particular, as China is South Africa's largest trading partner, SA is exposed to any disruption in China's import and export activities. COVID-19 has resulted in mass production shutdowns and supply chain disruptions due to port closures in China, causing global ripple effects across all economic sectors in a rare "twin supply-demand shock"[11].

There is mounting evidence that COVID-19 has also reduced SA exports and adversely affected jobs numbers. In the initial lockdown regulations, exporting of wine was considered non-essential, which effectively placed a ban on the export of bulk and packaged wine. The unintended outcome of this ban is the unfortunate loss of income for 4,000 farmworkers across SA's wine farms, exacerbating the already high unemployment rate[12].

According to ratings agency, Fitch, the Coronavirus outbreak will have a downside risk for short term growth for sub-Saharan African growth, particularly in Ghana, Angola,

[9] Economic Impact of the COVID-19 Pandemic on East African Economies, Deloitte insights, May 2020

[10] https://www.maritime-executive.com/article/the-impact-of-covid-19-on-south-africa-s-maritime-economy, May 2020

[11] Source: South Africa: The Impact of COVID-19 on Key African Sectors, March 2020

[12] https://www.maritime-executive.com/article/the-impact-of-covid-19-on-south-africa-s-maritime-economy, May 2020

Congo, Equatorial Guinea, Zambia, South Africa, Gabon and Nigeria – all countries that export large amounts of commodities to China.

Given the globalized nature of the pandemic, a global response is required. To minimize the economic impact of COVID-19, the SA government employed various fiscal and monetary policy measures, including increased liquidity into the domestic market to stimulate credit demand and increased fiscal reprioritization towards social security measures.

One of such measures is the lock-down implemented by the South African government beginning on 27 March 2020. The Southern Africa –Towards Inclusive Economic Development (SA-TIED) distinguished four channels by which a lockdown and other efforts are expected to influence economic activity:

(i) the forced reduction in production as a result of a national lockdown and other restrictions on non-essential business operation,

(ii) the impact of the lockdown on household demands for goods and, especially, services (e.g., tourism as a result of travel and movement restrictions),

(iii) the effect of disrupted global production and supply chains on South African exports, and

(i) the effect of uncertainty on business investment.

These four channels of direct impact will have knock-on effects that spread through the entire economy. Reduced activity in one sector has consequences both for the suppliers of that sector, who face lower demand, and for the users of the output of the sector, who face supply disruptions. Thus, the shock spreads through the economy. The combined direct effects of these shocks are illustrated in *Table 1* below.

Table 1: Combined direct lockdown implications by sector

	Mild decline (0 to -10%)	**Moderate decline (-10% to -30%)**	**Large decline (-30% to -60%)**	**Severe decline (Larger than -60%)**
	Agriculture, forestry, fishing			
			Mining and quarrying	
Manufacturing		Food and non-alcoholic beverages		Alcoholic beverages and tobacco

			Textiles, clothing, leather and footwear	
			Paper, paper products	Wood, wood products
	Pharmaceuticals, hygiene and cleaning	Petroleum	Basic chemicals, fertilizer, paint, other	
		Plastic, glass		Tyres, rubber products
				Non-metallic minerals and products (cement, concrete, etc.)
				Iron, steel, metal products
				Machinery and equipment
	Electricity, gas, water			
				Construction
			Wholesale, retail trade	Accommodation, catering
	Communication		Transport and storage	
	Finance and insurance, computing services	Real estate, legal and accounting, other support services	Rentals, research, manufacturing services, other business services	
	Health services		Education services	Recreation, other community services

Source: SA-TIED Working Paper 111, April 2020

The expected severity of the lockdown by different industries[13] is illustrated in *Table 2* below. These direct shock estimates take into account provisions for certain economic activity to continue over the lockdown period, as well as expected reductions in foreign and capital expenditure and tourism demand.

Table 2: Expected severity of the lockdown by different industries

Industry	Potential impact of COVID-19
Agriculture, forestry, and fishing	The impact of a lockdown on agriculture is likely to be mildly negative over the lockdown period. Demand for agricultural exports may come under greater pressure due to low external demand.
Mining and quarrying	Large contractions in mining production are expected, as the sector confronts imposed closures of certain mines, as well as temporarily lower global demand.
Manufacturing	A majority of segments in the manufacturing sector will be subjected to the lockdown. Certain activities within manufacturing – such as food, and the production of packaging, hygiene and medical products – are broadly exempted. However, other segments are expected to be severely affected by the lockdown period.

[13] Impact of COVID-19 on the South African economy, SA-TIED Working Paper 111, April 2020, Arndt *et al*. (2020)

	Activity in the textiles, clothing, leather, and footwear segments is expected to fall considerably. Fuel demand is expected to fall, due to a temporary lack of own-vehicle and passenger transport, and a lower level of freight transport expected during the lockdown. Remaining segments in the manufacturing sector – metals, machinery, vehicle production, and furniture – are all expected to show sharp declines in production.
Electricity, gas and water	Demand for electricity is expected to fall due to lower industrial demand, even as household use rises during the lockdown period.
Construction	Construction activity is expected to stall, affected by movement restrictions and constraints on supply and demand.
Trade, catering, and accommodation	Movement restrictions on individuals and explicit restrictions on restaurants will severely impact accommodation and catering activities.
Transport, storage, and communication	Passenger transport is restricted to the transportation of workers that provide essential goods and services, and transportation of sick people for medical attention. Freight transport, warehousing, and logistics services are expected to be limited to the transport of essential medical, hygiene and food items.
Financial, insurance, real estate, and business services	Activity in physical branches and back office is expected to be limited to skeleton staff, although the increase in online transactions will provide minor offsetting effects. In many segments of the real estate and business services sectors, operations are expected to slow, although less severely than expected declines in industrial sectors.
Community, social, and personal services	Restrictions on movement and social distancing will adversely affect social activities.
Inbound and domestic tourism	Inbound and domestic tourism have been negatively affected since late January 2020, when various organizations had started to place precautionary measures for staff and postpone or cancel events scheduled in the near term. Tourism consists of a group of different economic activities, all of which will be severely impacted by lockdown.
Exports	As many countries use similar containment measures to respond to the spread of Covid-19, factory shutdowns and reductions in global commodity demand are expected to have adverse effects on exports. Export demand is expected to fall by 40-75 per cent, except for agricultural exports which are expected to match pre-crisis expectations, at least in the near term.
Investment	Sharp contractions in the level of fixed investment are expected, as a highly uncertain outlook on economic activity leads firms to reconsider or postpone decisions on capital projects. Investment expenditure by commodity is expected to drop by 65-80 per cent. In many instances, the shutdown of heavy industries and the construction sector pre-empts the reduction in investment demand.

In conclusion, the Minister of Trade, Industry and Competition, Mr Ebrahim Patel, in his address to the Parliamentary Committee recently stated that the pandemic has caused a massive and rapid shock on the economy, starting globally and transmitted rapidly to South Africa and the rest of the continent, with a dual impact on the demand and supply-side of the economy. He also stated that the impact on GDP will be very significant – with a projected recession with severe contraction of the economy in 2020, accompanied by big job losses and firm closures with high levels of social hardship. The minister projected declines in gross domestic product of approximately 6% based on estimates from the IMF, SARB and IDC[14].

4. Effect of the lock down on the Free State's economy

4.1 Impact of the coronavirus on the businesses

The lock down had a devastating impact on businesses across the country and also in the Free State. Due to the measures taken by the government to prevent the coronavirus from spreading too fast, many businesses had to close its doors temporarily. However, if the coronavirus would leave them without any form of revenue for up to three months, eight out of ten businesses in South Africa (predicted in April 2020) will go bankrupt. Just 6.7 percent said to survive for longer than three months without any turnover[15].

Business activities in the province as a result also closed or have been scaled down as per COVID-19 regulations. The clothing and textile sector for example provides employment to a significant number of people in Botshabelo and QwaQwa and it has been severely affected; there are signs that some of these factories may find it difficult to re-start their operations post the lock down period[16].

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[14] https://www.cnbcafrica.com/africa-press-office/2020/05/12/coronavirus-south-africa-covid-19-impact-on-the-economy/ (May 2020)
[15] https://www.statista.com/statistics/1108127/coronavirus-cases-in-south-africa-by-region/ July 2020
[16] https://www.gov.za/speeches/mec-makalo-mohale-visits-small-businesses-during-covid-19-coronavirus-lockdown-14-apr-2020, April 2020

The Department of Economic, Small Business Development, Tourism and Economic Affairs (DESTEA) implemented several measures to contain the spread of COVID-19, such as on travel restrictions on foreigners from countries that might have a significant impact on the planned activities for the 2020/21 game season.

Several SMMEs have also been negatively impacted by the pandemic and measures instituted to curb its spread such as in sectors like; food, tourism and hospitality, manufacturing, logistics, and retail. The informal sector (street vendors, motor mechanics) has also been severely affected as most of operators in this sector rely solely on their business to put bread on the table. Furthermore, businesses that contribute to the township economy such chesanyamas, car washes, construction, carpentry, have also been negatively affected. This will inevitably lead to an increase in unemployment and increased levels in poverty in the province.

Consumers were also protected against some unscrupulous businesses who took advantage of vulnerable consumers through overpricing of essentials goods during this COVID-19 pandemic. Some of the towns visited were Bultfontein, Ventersburg, Reddersburg, Smithfield, Memel, Bothaville and Bloemfontein. Several businesses were found non-compliant for not being in possession of valid, municipal permits, overpricing of food, health and safety issues including home affairs laws governing asylum seekers. Most businesses were also not registered in terms of the Business Act 71 of 1991[17].

4.2 Support measures for Free State businesses

The FS provincial government has also put in place several measures to sustain the local economy. One of such measures is the medium-term intervention initiative announced by Destea, with the aim of stimulating the local economy, following the ‘knock’ by the Covid-19 pandemic.

[17] https://www.gov.za/speeches/mec-makalo-mohale-visits-small-businesses-during-covid-19-coronavirus-lockdown-14-apr-2020, April 2020

A sharp decline in the local economy is expected by the end of this year according to Premier Sisi Ntombela[18], "The impact on the economy will have far reaching consequences. There is a 3.7% expected decline in the economy in 2020".

A long-term plan is in the pipeline for a more unified approach as per a recent briefing by the MEC Makalo Mohale of Destea. He outlined that five priority sectors form part of the recovery plan, including infrastructure, agriculture, manufacturing, tourism and e-commerce. Two different approaches would also be used to boost both informal and formal sectors. For businesses in the formal sector, the department offers the Covid-19 Risk Sharing Incentive Scheme among others to mitigate the impact of the pandemic on local small businesses. The scheme will provide support of up to 40% of co-funding requirements to operational South African owned enterprises. Spaza shops, hawkers, waste pickers, amongst others have been identified for relief funding.

Other support programmes designed by Destea includes: Enterprise Support Incentive Scheme, Manufacturing Support Incentive Scheme, Bridging Finance, Spaza Shops & General Dealers Support Programme and Hawkers Support Programme. The aim is to stimulate economic recovery in the province in both formal and informal businesses.

5. RECOMMENDATIONS AND CONCLUSIONS

The lockdown measures that South Africa has put into place to contain the virus have profound economic implications for both the national and provincial economies. Both the pandemic's impact on health and mortality, and the lockdown are severe economic shocks. Business and other closures have economy wide effects during the lockdown and will continue to have direct and indirect effects post-lockdown. Estimates of the post-lockdown path of the economy should enable the government to design policies that aid recovery. This task is important because South Africa entered this crisis and the lockdown with an already weak economy, with real GDP growth estimated at 0.3 and 0.9 per cent for 2019 and 2020 respectively[19].

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[18] https://www.bloemfonteincourant.co.za/fs-business-recovery-plan-applauded/, June 2020

[19] Impact of COVID-19 on the South African economy, SA-TIED Working Paper 111, April 2020, Arndt *et al*. (2020)

The COVID-19 pandemic had a devastating impact globally, as well as on the South African economy since the declaration of the national disaster. Governments around the world are implementing various fiscal measures to mitigate the adverse effect and provide relief for businesses and households. Policies to resuscitate, sustain and grow the economy should be country-specific because different countries will need different responses to dealing with the global economic challenge.

Minister Patel during a media briefing in March 2020 pointed out that the pandemic will put a strain on the South African economy, including small business owners and ordinary citizens. All South Africans and corporates have to work together to ensure that all people and the economy come through this challenge with their lives, their jobs, their businesses, their livelihoods and their property intact.

The Covid-19 pandemic is likely to have a negative economic impact on small industrial businesses, including metal and plastic manufacturers, food processing companies, role-players in clothing and textile, as well as small tourism operations. Many companies in the industrial sector have seen cash flows significantly eroded due to the lockdown restrictions, hence the need for support measures to assist businesses in distress during this pandemic.

Various support measures, including funding have been put in place by both the public and private sectors to assist businesses in distress. A question however can be raised: To what extend does Free State businesses access those support to sustain them during the pandemic? The president of the Mangaung Chamber of Commerce and Industry, Nancy De Sousa, raised her concern in this regard that the Free State province only received R5.3 million (for 18 enterprises) from the COVID-19 funds that was approved and allocated up to 24 April 2020. This allocation represents the lowest amongst the nine provinces. Neighbouring provinces such as Northern Cape, North West, Eastern Cape received R7.1 million (25 enterprises), R11.8 million (35 enterprises) and R24.3 million (60 enterprises) respectively. The remaining provinces received: Gauteng (R84.6 m for 214 enterprises), KwaZulu-Natal (R50.4 m for 124 enterprises), Western Cape (R35.4 m for 99 enterprises), Limpopo (R16.8 m for 49 enterprises) and Mpumalanga (R16.4 m for 45 enterprises).

The IDC has established a R300-million Covid-19 Small Industrial Finance Distress Fund to assist qualifying IDC clients, as well as new clients, that have been negatively affected by the Covid-19 pandemic. The fund offers concessionary finance to cover their short-term operating costs. Other support to businesses are captured in Annexure A.

It is evident that support measures have been developed and created to assist SMMEs, industrialists, role-players in the tourism industry, the farming community and all others forms of entrepreneurs, both in the formal and informal sectors. It is now essential for all economic practitioners and role-players (both in the public and private sectors) to examine, to own and to take-up these type of mechanisms available to assist businesses in distress for radically transforming and rebuilding the economy.

Annexure A - Support to businesses

Name	Description	Access
Debt Relief Finance Scheme	For small and medium businesses which are negatively affected, directly or indirectly, due to the Coronavirus pandemic. This facility is a soft-loan facility aimed at assisting existing SMMEs in order to keep them afloat during the Covid-19 pandemic for a period of 6 months from April 2020.	www.dsbd.gov.za www.sefa.org.za www.seda.org.za www.mybindu.org.za www.smmesa.gov.za
Restructuring of SEFA-funded loans	The Debt Restructuring Facility is geared towards SEFA-funded SMMEs which are negatively affected by the pandemic. A payment moratorium/holiday will be given to the qualifying SMMEs for a period of a maximum of 6 months, in an effort to reduce the instalment burden of loan obligations on the affected SMMEs.	www.dsbd.gov.za www.sefa.org.za www.seda.org.za www.mybindu.org.za www.smmesa.gov.za
Business Growth/Resilience Facility	SMMEs who locally manufacture or supply hygiene, medical products, and food items which are in demand in order to curb and manage the spread of the Covid-19 virus. This facility offers working capital, stock, bridging finance, order finance and equipment finance. The funding amount will be based on the funding needs of the actual business.	www.dsbd.gov.za www.sefa.org.za www.seda.org.za www.mybindu.org.za www.smmesa.gov.za
Spaza Support Scheme	This scheme aims to strengthen Spaza shops as locals' convenient access to basic goods, as well as facilitate bulk buying opportunities, and realise the potential for Spaza shops to serve as a market for locally manufactured goods.	spazasupport@dsbd.gov.za
Agricultural Disaster Support Fund	COVID-19 Agricultural Disaster support Fund for smallholder and communal farmers	www.dalrrd.gov.za or applications@dalrrd.gov.za
Tourism Relief Fund	The Tourism Relief Fund provides one-off capped grant assistance to SMMEs in the tourism value chain to ensure their sustainability during, and post, the implementation of government measures to curb the spread of COVID-19 in South Africa. Capped at R50 000 per entity, grant funding can be uitilised to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items.	www.tourism.gov.za callcentre@tourism.gov.za covidrelief@tourism.gov.za
Tax measures to combat the COVID-19 pandemic	Tax compliance businesses	Csd@treasury.gov.za
Loan guarantee scheme	Eligible businesses	Participating banks include: ABSA, First National Bank, Investec, Mercantile Bank, Nedbank and Standard Bank

Source: https://www.gov.za/Coronavirus/support-business