



tralac Newsletter • Issue 18 • April 2020

Welcome to our newsletter focusing on COVID-19

COVID-19 continues its indiscriminate sweep across the world. It is clear that it brings a massive economic crisis and indeed a global development crisis in its wake.

The spread of the virus has yet to hit African countries with full force, but its devastating effect is already being felt. Households and small and vulnerable enterprises across all sectors will all be affected.

We know the fragile healthcare sectors in all countries will buckle under this crisis. Hospitals and healthcare facilities do not have enough personal protective equipment, ventilators or hospital beds. But the impact will be much broader. As growth slows across the global economy, demand for all Africa's commodity exports will decline. Lockdowns, which are already being implemented by a number of countries, will impact production levels and productivity.

Emergency relief and support measures by international agencies – including the World Bank and International Monetary Fund – are being implemented, but much more is desperately needed. We have also seen very welcome philanthropic responses to assist African countries, from international as well as African sources. It is definitely a time for concerted, collective

action across government, private sector and civil society organisations.

Importantly, COVID-19 is a reminder of how important multilateralism is. This crisis, in the same way as the climate and migration crises, transcends national borders. National and regional responses are important and necessary, but they are not sufficient. It is crucial that we use this crisis to rethink multilateral trade governance. We are seeing the very negative effects of protectionism as the crisis deepens. If we all resort to protective measures, the negative global effect will be enormous.

In South Africa, we have now been in lockdown since 26 March. Government has amended some measures that were adopted to limit the transmission of the virus. It soon became evident that they were causing serious economic harm. Measures related to road transport and distribution of only 'essential products' are among those. Transport, freight forwarding and courier enterprises – small and large – as well as supply chains more generally, have been very negatively impacted. Clogging warehouses, border posts and other nodes in South Africa's supply chains affect not only the local economy but also neighbouring countries, especially in southern Africa. South Africa's transport and distribution enterprises play an important role in getting agricultural and

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other products to consumers in these countries. Any restrictive measures adopted, especially by a regional powerhouse such as South Africa, can be expected to bring hardship to the region. A pragmatic balance of measures that stem transmission of the virus and permit economic activity to continue is required.

COVID-19 is offering many policy lessons – across macroeconomic and microeconomic policy areas. This may well require amending and fine-tuning policies, as we learn from the crisis.

It is also a reminder that acts of kindness and care for those in need are important – we're all in this together.

We're pleased to bring you a collection of Blogs and other publications on COVID-19 and its impact in Africa in this newsletter. We also include the latest updates from the tralac COVID-19 Resources Page.

We look forward to your feedback; and wish you all the best.

The **tralac** team

tralacBlog

Perspectives on Africa's trade and integration

tralacBlog is a forum to share and engage with the views of tralac researchers and Associates, as well as guest contributors, on pressing regional integration and trade policy issues affecting African countries in order to encourage relevant, topic-related discussion and debate. View all the latest blog posts [here](#).



Recovery from the Economic Impacts of the COVID-19 Pandemic in Africa: What Role for Trade?

Beatrice Chaytor, Ify Ogo

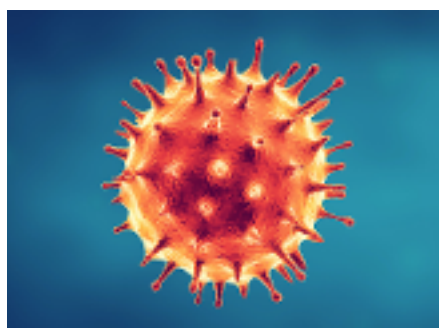
The economic impacts of the COVID-19 pandemic on African countries will be known only after the situation is brought under control. There will be immediate shocks to livelihoods, as well as severe disruptions to value chains, industries and government revenue for the foreseeable future.... [more](#)



Temporary suspension of import tariffs on medical products and equipment essential amid the COVID-19 pandemic in Africa

Talkmore Chidede

Most African countries do not produce medical products and equipment needed to fight COVID-19. Customs duties on imports of essential medical products and equipment could affect the movement and accessibility of such products during the current pandemic, and further exacerbate the spread of the virus.... [more](#)



COVID-19 impact on investment in Africa

Talkmore Chidede

UNCTAD's latest estimates are that Africa's overall FDI inflows are estimated to shrink by 15% because of the spread of the Coronavirus (COVID-19). The significant change from earlier estimates are a result of earnings revisions confirming the rapid deterioration of global prospects, global demand shock's impact on sales and global supply chain disruptions... [more](#)



Protecting the vulnerable and excluded in the financial sector

Ashly Hope

As the global health crisis caused by the COVID-19 pandemic unfolds, it brings with it a global economic crisis. COVID-19 has the potential to decimate Africa's already fragile financial sector. The impacts will be felt most by vulnerable members of society, including poorer households and small businesses... [more](#)



Trade restrictions – what is essential cargo?

Terry Gale

The 21-day lockdown period in South Africa is having a major impact on international trade, in particular, as confusion reigns over the operation of the ports throughout this period. Initial regulations were that only 'essential' cargo would be handled – what is deemed essential cargo?... [more](#)



Impact of COVID-19 on poultry production – view from a woman entrepreneur

Motlatsi Tolo

Raseto Agricultural Enterprise produces poultry on contract for Supreme Poultry. Supreme Poultry arranged and sent out permits that enable us to continue to perform essential services - for all growers, casuals, washing team, etc... [more](#)



Informal Cross Border Trade in Africa in a Time of Pandemic

John Stuart

Any threat to ICBT in SSA is a threat to the most vulnerable and needs to be taken seriously. Such a threat has now arisen: Covid-19 pandemic. Policy action needs to be nuanced to take into account the very strait conditions under which many rural and informal SSA communities live... [more](#)



Hitting Where it Hurts – Pandemic Border Closures and SSA's Most Vulnerable Informal Cross-Border Traders

John Stuart

Border closures and the resulting denial of access to markets in response to COVID-19 represent an existential threat to ICBT communities. Land border closures should take full cognisance of the potentially disastrous impact... [more](#)



Trade Brief

COVID-19 and the legal Measures employed to deal with the Crisis

Gerhard Erasmus

People and businesses around the world are being affected by COVID-19. What began as a health crisis, is now also a global economic crisis. What legal principles could apply to some of the measures being taken by governments to cope with the economic repercussions?

Download this paper [here](#).

Monitoring and analyzing the impact of COVID-19: contributions from the IOM

The current outbreak of COVID-19 has affected global mobility in the form of various travel disruptions, restrictions and blockages. To better understand how COVID-19 affects global mobility, the International Organization for Migration (IOM) has been working to map the impacts on human mobility at global, regional and country level. This includes a mapping of travel restriction monitoring and Points of Entry Status Baseline Assessment.

This information is presented in an interactive dashboard that is being constantly updated by IOM:

- ▶ **Mobility Impacts COVID 19**

The following resources are also available on the IOM website:

- ▶ **Global snapshot** - designed to capture the latest information and analysis in a fast-moving environment
- ▶ **IOM's general response to COVID-19** - On 19 March, IOM launched the USD 116.1 million COVID-19 Global Strategic Preparedness and Response Plan (SRP) to support countries that may need additional resources – financial, technical or operational – to help ensure that further COVID-19 infections are prevented, and to assist health systems so they have increased capacity to cope with additional requirements.

COVID-19 Resources Page



tralac is monitoring trade-related policy responses to the Coronavirus (COVID-19) global pandemic. This crisis, in the same way as the climate change and migration crises, transcends national borders. National and regional responses are important and necessary, but they are not sufficient. It is crucial that we use this crisis to rethink multilateral trade governance. A fundamental recalibration of purpose, values, community and the nature of collective action is required.

COVID-19 is offering many policy lessons – across macroeconomic and microeconomic policy areas. This may well require amending and fine-tuning

policies as we learn from the crisis. A pragmatic balance of measures that stem transmission of the virus and permit economic activity to continue is required.

Featured documents:

- ▶ **SADC Guidelines on Cross-Border Transport during COVID-19** - adopted 6 April 2020
- ▶ **Impact of the Coronavirus (COVID-19) on the African Economy** - African Union Report
- ▶ **Why Africa Must Brace Itself for Devastating Secondary Effects of the COVID-19** - COMESA Report
- ▶ **Trade Policies for Africa to Tackle Covid-19** - ATPC Briefing Paper

Note: This webpage is updated regularly.

Visit Resources Page

