

SURVEY OF COVID-19 EFFECT on selected businesses



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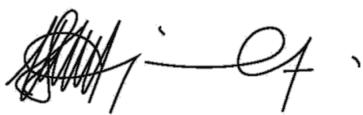
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Preface

The Namibia Statistics Agency conducted a survey on the effect of COVID-19 on a selected businesses in Namibia. The survey was designed as an experimental study aimed at providing an early indicator of the business impact resulting from COVID-19 during the stage one of the state of emergency.

The survey revealed that 96.5 percent of businesses that respondent are adversely affected by coronavirus and will continue to be affected in the coming months. The survey further revealed that 50 percent of the businesses indicated that they traded partial while 25.2 percent were temporary closed. The majority of operating businesses have indicated reduction in local customer demand as the most common current and future effect experienced by 68.8 percent and 65.1 percent of the businesses, respectively. Furthermore, 63.7 percent of businesses reported revenue loss of over 50 percent with the Manufacturing sector (20.1%), Hotels and Restaurants (15.2%) and Construction sector (11.3%) bearing most of the blunt.

Finally, let me express my appreciation to all the businesses that responded to the survey who made it possible for this release of this report.



Alex Shimuafeni
Statistician General & CEO

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1. Background

The World Health Organisation (WHO), on the 11th March 2020 declared COVID-19 (popularly known as coronavirus) as a worldwide pandemic. The spread of the novel coronavirus (COVID-19) in Africa has been increasing at a fast pace since mid-March 2020. Governments have implemented various strategies that range from simple restrictions to isolation of cities and regions in order to contain the pandemic.

In light of the pandemic, the government of Namibia following recording two positive cases, placed the country under a lock down with effect from 27 March 2020 in order to minimize the spread of the virus, and this resulted in the closure of most of the businesses that are deemed not to be providing essential services. The COVID-19 pandemic has brought disruptions in most economic activities in Namibia. The actual impact of the pandemic on the economy remains unknown until critical variables can be identified, including the duration of the pandemic and the measures that are put in place to fight the pandemic.

The pandemic has highlighted the need to obtain accurate information as close as possible to real time for planning purposes. NSA is implementing various strategies to address current statistics needs to support decision and policy makers during COVID-19. It is in this regard that the NSA decided to undertake an experimental perception survey on the effect of COVID-19 on selected businesses to provide an impression of the effect of COVID-19 on these businesses.

2. Objectives

In response to the ongoing pandemic, decision-makers must be equipped with the right information and analytics to guide policy, recovery strategies and future planning hence access to reliable data is critical. The survey on the effect of COVID-19 on a selected Businesses, is a perception survey that delivers near real time information that provides an impression of the effect of COVID-19 on these businesses. This perception survey provides an impression of the effect of COVID-19 on these businesses. The survey covered measured the prevalence and nature of adverse effects from coronavirus experienced by these businesses operating in Namibia. The results will further help in understanding the dynamic effect of COVID 19 on the businesses and provides areas for further research to provide the much-needed information to the policy maker.

3. Methodology

A convenient sample list of 546 formal businesses across 16 sectors of the economy was used for this survey. In the absence of the Statistical Business Register (SBR), the NSA maintains a list of businesses selected based on their importance in terms of turnover. This survey list contains contact details i.e. Telephone numbers and emails of the companies. These businesses are classified using the International Standard Industrial Classification of all Economic Activities (ISIC), Rev.4 of the United Nations.

3.1 Data collection

Data collection commenced on 30 April 2020 until 11 May 2020. A staff complement of 25 comprising of 18 NSA Statisticians, supervised by two Senior Statisticians were trained for one day on how to administer the questionnaire.

The survey used a mixed method approach of online questionnaire supplemented by telephone interviews. For the businesses with email address, an on-line link to the questionnaire was send to them through the email for them to undertake self-assessments. Follow ups where then made via telephone calls to ensure completion of the questionnaires. For businesses without email addresses of which were minimal, a telephone survey was undertaken.

The data entry application was developed in google forms. Edit and validation rules were in-built in the questionnaire in order to ensure that responses from respondents are consistent. Data cleaning and analysis as well as tabulation was performed under the supervision of the Manager National Accounts.

3.2 Response rate

Response rates are computed for each sector of the economy and the overall response rate is 41.4 percent. Challenges of response were mainly due non-contacts related companies that were closed during the lock down. The follow-up numbers were office landlines which went un-answered due to the closure of businesses during the reference period. Table 1 shows the responding businesses by economic sector which stood at 226 companies out of 546.

Table 1: Responding businesses by sector

Sector	Number of businesses reached	Number of responding businesses	Response rate (%)
Fishing and fish processing on board	19	9	47.4
Manufacturing	95	47	49.5
Construction	69	24	34.8
Wholesale and retail trade, repairs	40	12	30.0
Hotels and restaurants	72	32	44.4
Real estate activities	25	21	84.0
Professional, scientific and technical services	47	17	36.2
Administrative and support services	29	16	55.2
Education	44	17	38.6
Health	10	6	60.0
Arts, Entertainment & Other Service activities	47	14	29.8
Other	49	11	22.4
TOTAL	546	226	41.4

4. Survey Results

4.1 Business operating status

Figure 1 shows the proportion of businesses operating by sector and operating status. In general, half of the businesses (50.0%) indicated that they continued to trade partially. This is followed by 25.2 percent of businesses that indicated they have temporarily closed while 21.2 percent of the businesses cited operating at full capacity during the survey period. Only 3.5 percent of the businesses cited that they were permanently closed.

In the category of businesses that indicated to trade at full capacity, the 'Manufacturing' sector accounted for 5.8 percent of the total businesses. On the other hand, the highest percent (5.3%) of businesses that were temporarily closed were recorded in the 'Hotels and restaurants' sector followed by Real estate sector (3.5%).

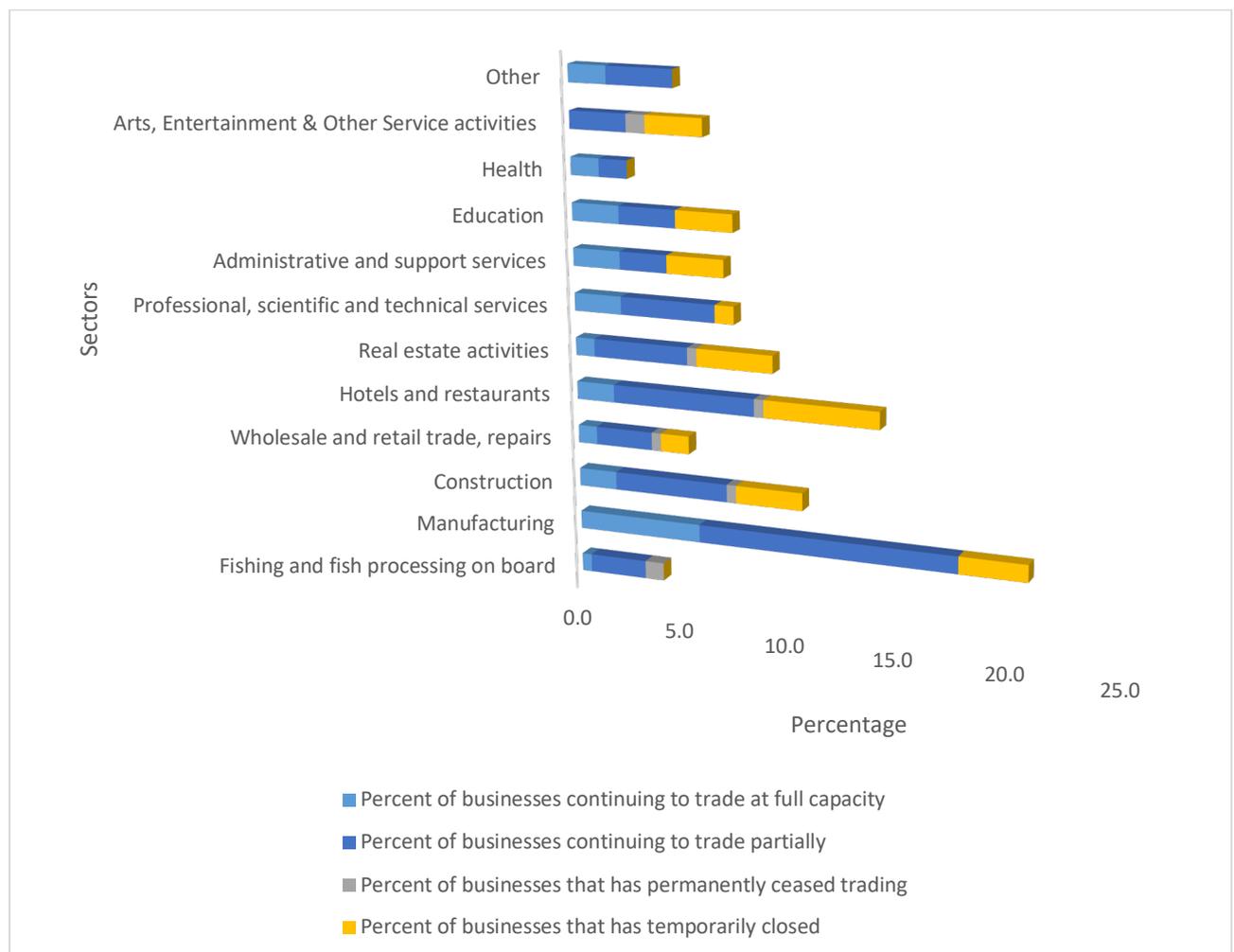


Figure 1: Percentage of businesses by sector and operating status

4.2 Businesses adversely affected

Table 2 depicts the number of businesses that are currently adversely affected by coronavirus (COVID-19), and those that are expected to be affected in the future, by sector. The 'manufacturing' sector reported the highest number (47) of businesses adversely affected by COVID-19, followed by the 'Hotels and Restaurants' sector with 31 businesses and 'Construction' sector with 23 businesses.

Overall, businesses that were affected by COVID-19 during the four weeks of the assessment, indicated that they are expecting further affects by the virus in the coming months.

Table 2: Businesses adversely affected by coronavirus (COVID-19), current and expected, by sector during the past four weeks

Sector	Number of Responding Businesses	Number of Businesses Affected	
		Current Effect	Expected Effect
Fishing and fish processing on board	9	7	7
Manufacturing	47	47	47
Construction	24	23	23
Wholesale and retail trade, repairs	12	11	11
Hotels and restaurants	32	31	31
Real estate activities	21	20	20
Professional, scientific and technical services	17	17	17
Administrative and support services	16	16	16
Education	17	17	17
Health	6	6	6
Arts, Entertainment & Other Service activities	14	12	12
Other	11	11	11
Total	226	218	218

4.3 Nature of business effect

The responding businesses were asked on the nature of effect that COVID-19 has on their business. The results presented in Figure 2 indicates that the majority of the businesses (68.8%) were currently being affected by the reduction in customer demands. Similarly, 65.1 percent of the businesses indicated reduced customer demands are the most effect they oversee in the coming months if the status of COVID-19 pandemic continues unabated. In addition, reduction in international customer demand was highlighted as the second most current effects experienced by the businesses with 29.8 percent while 30.3 percent of the businesses identified it as a prospect future effect. On the other hand, reduced stock or raw materials was only identified as being a current effect and possible future effect by 14.2 percent and 9.6 percent of the responding businesses, respectively.

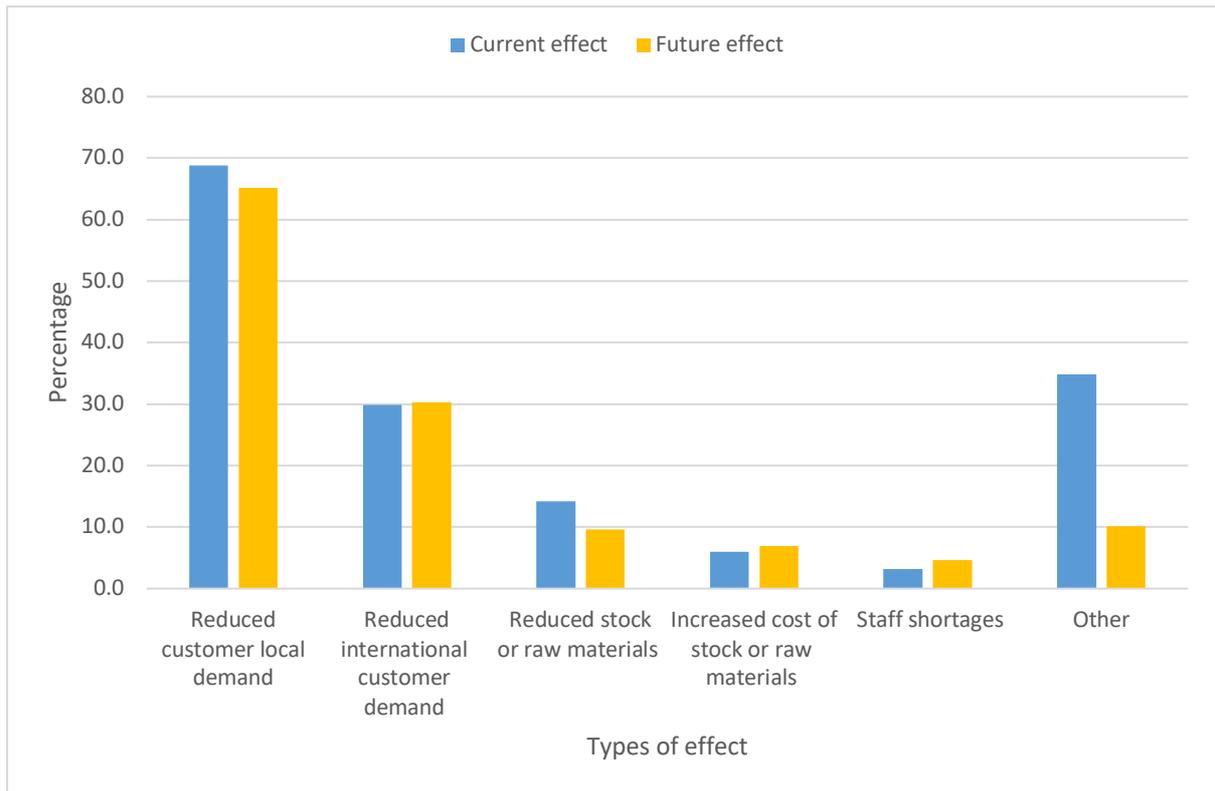


Figure 2: Percent distribution of the effect of COVID-19 on businesses, current and future

***Other¹**

4.4 Turnover loss

The responding businesses were asked to indicate the percentage of turnover that they have lost due to Coronavirus (COVID-19) in the past four weeks under review. A total of 204 out of 227 representing 89.7 percent of responding businesses indicated that they have lost revenue due to the lockdown measures. The distribution of these businesses according to the percentage of revenues lost is presented in the Figure 3 below. It is evident from the figure that most of the businesses (73) reported to have lost turnover in the range of 91-100 percent, followed by those who lost between 81- 90 percent of revenues experienced by 24 businesses. Similarly, 20 businesses have indicated losing revenues in the range of 21- 30 percentage, while the least number of companies (10) has indicated losing revenues in the range of 11-20 percent, 61-70 percent and 71-80 percent, respectively.

¹ Under category “Other” effects such as ‘quarantines’, ‘school closures’ and ‘transport interruptions’ were also cited as having effects on business operations in the future whereas ‘no government support’ is cited as part of current effects.

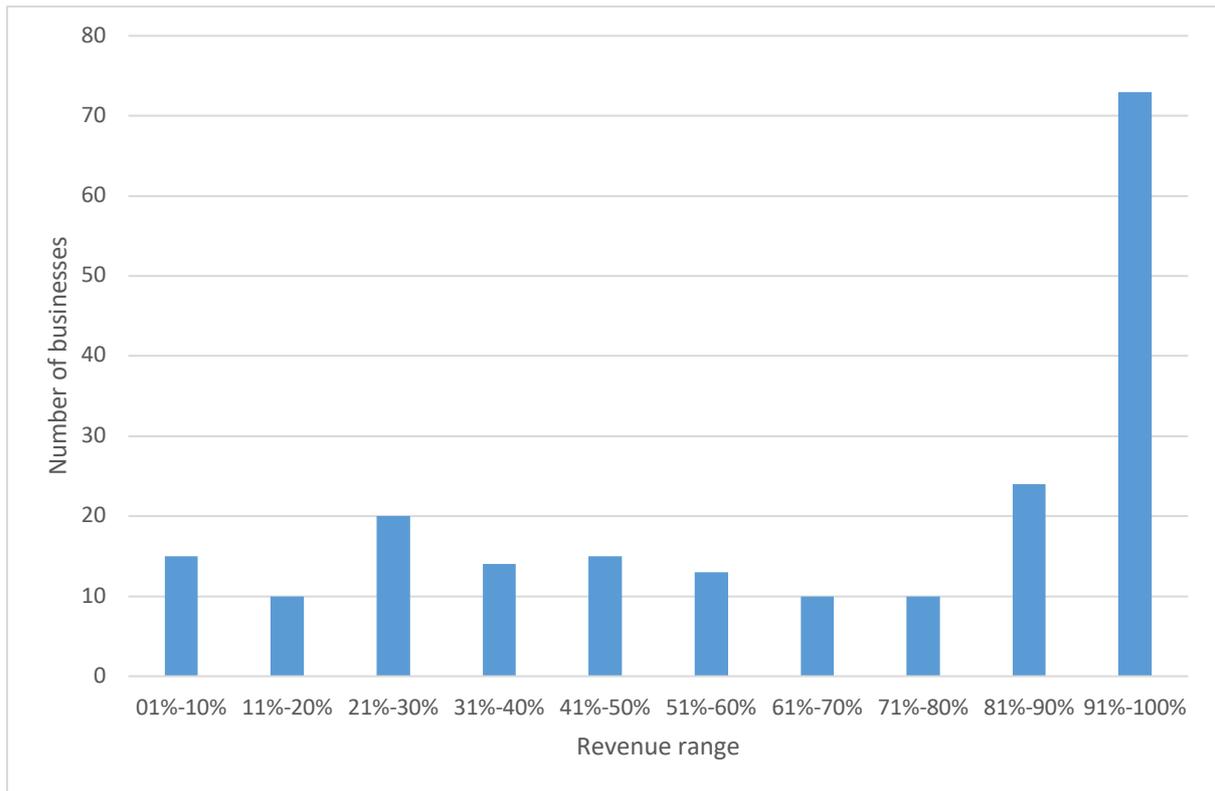


Figure 3: Number of businesses with revenue loss

The distribution of business that indicated losing revenues by economic sector is presented in Table 3 below. The result shows that most of the companies that indicated losing turnover in the range of 90 – 100 percent, comprised of Hotels and Restaurant (9.3%) followed by Manufacturing (7.8%), Construction (5.4%) and Administrative and support services (3.9%). Similarly, Hotels and Restaurant (2.5%) followed by Manufacturing (2.0%) and Construction (2.0%) made up the majority of the businesses that indicated loss of revenue in the range 80-90 percent. In contrast only Education (2.5%), Manufacturing (1.5%) and Hotels and Restaurant (1.0%) have lost revenues in the range of 21-30 percent, respectively.

Table 3: Percentage of companies reporting loss of turnover by sector

Sector	Turnover range										Total (%)
	01% - 10%	11% - 20%	21% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 70%	71% - 80%	81% - 90%	91% - 100%	
Fishing and fish processing on board	-	0.5	0.5	0.5	0.5	-	0.5	-	0.5	-	2.9
Manufacturing	0.5	1.5	1.5	1.5	1.5	1.5	-	2.5	2.0	7.8	20.1
Construction	1.0	0.5	0.5	-	0.5	0.5	0.5	0.5	2.0	5.4	11.3
Wholesale and retail trade, repairs	-	-	0.5	0.5	-	-	1.0	-	1.5	2.0	5.4
Hotels and restaurants	0.5	-	1.0	0.5	0.5	-	0.5	0.5	2.5	9.3	15.2
Real estate activities	-	-	-	-	-	-	-	-	-	-	-
Professional, scientific and technical services	1.5	1.5	0.5	1.5	-	1.5	0.5	0.5	-	1.0	8.3
Administrative and support services	1.0	-	0.5	-	0.5	-	0.5	-	1.0	3.9	7.4
Education	1.0	1.0	2.5	-	1.0	-	0.5	-	0.5	1.0	7.4
Health	-	-	-	1.0	1.5	-	-	-	-	-	2.5
Arts, Entertainment & Other Service activities	1.0	-	-	-	-	1.5	0.5	-	-	2.9	5.9
Other	1.0	-	2.5	1.5	1.5	1.5	0.5	1.0	2.0	2.5	13.7
Total	7.4	4.9	9.8	6.9	7.4	6.4	4.9	4.9	11.8	35.8	100.0

5. Conclusion

The objective of the survey is to provide information on economic insight into the impact of the COVID-19 pandemic to businesses. The indicators and analysis presented in this document captured the selected businesses perceptions and views of the effect of COVID-19 pandemic. The survey design is subject to specific strengths and limitations. Some limitations of the survey are that the results are based on perceptions largely to due to self-enumeration nature of the survey; and interpretation is based on limited responses as a result of businesses closure due to the implementation of the lock down measures. The result of the survey however, provides necessary information towards understanding the dynamic effect of COVID-19 on the businesses and provides areas for further research to inform policy maker.

Appendix: Questionnaire

Introduction

The Namibia Statistics Agency is conducting a survey on the effect of Coronavirus (COVID-19) on businesses operating in Namibia. This short survey is looking at the prevalence and nature of adverse impacts from COVID-19 experienced by your business. The information collected through the survey will be treated with utmost confidentiality and results will be disseminated in aggregate form only after consolidating with those of other enterprises.

Part A

A1	A2	A3	A4	A5	A6
What is the name of your company?	What is the name of the respondent?	What is your position at the business?	What is your Cell number?	What is your email address?	Date of survey

Part B

B1		B2	
What is the current trading status of your business?		In the last four weeks, was your business adversely effected by Coronavirus (COVID-19)?	
<p>Select one that apply from the drop down</p> <p>If '04' is selected, then end the survey</p>		<p>If Yes, continue to B3</p> <p>If No, go to B5</p>	
Continuing to trade at full capacity	01	Yes	01
Continuing to trade partially	02	No	02
Has temporarily closed	03		
Has permanently ceased trading	04		
CODE		CODE	

Part B Cont...

B3		B4	
How has Coronavirus (COVID-19) adversely effected your business?		How much percent of turnover was lost due to Coronavirus (COVID-19) in the past four weeks?	
<i>Select all that apply</i>		<i>Select the appropriate range from the drop down</i>	
Reduced customer local demand	01	01%-10%	01
Reduced international customer demand (international customers based or visiting international tourists)	02	11%-20%	02
Reduced stock or raw materials (such as material inputs)	03	21%-30%	03
Increased cost of stock or raw materials (such as materials inputs)	04	31%-40%	04
Staff shortages due to COVID-19 related illness, quarantine measures, school closures or transport interruptions	05	41%-50%	05
Other (Specify)	06	51%-60%	06
		61%-70%	07
		71%-80%	08
		81%-90%	09
		91%-100%	10
CODE		NUMBER	

Part B Cont...

B5		B6	
Do you expect Coronavirus (COVID-19) to adversely affect your business in the coming months?		How do you think will Coronavirus (COVID-19) adversely affect your business in the coming months?	
If yes continue to B6 If No, end the survey		Select all that apply	
Yes	01	Reduced customer local demand	01
No	02	Reduced international customer demand (international customers based or visiting international tourists)	02
		Reduced stock or raw materials (such as material inputs)	03
		Increased cost of stock or raw materials (such as materials inputs)	04
		Staff shortages due to COVID-19 related illness, quarantine measures, schools closure or transport interruptions	05
		Other (Specify)	06
CODE		CODE	

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