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OFFICIAL COMMUNIQUÉ

FROM PRIVATE SECTOR AND BUSINESS ASSOCIATIONS IN THE SOUTHERN AFRICA DEVELOPMENT COMMUNITY (SADC) ON COVID- 19 COORDINATED BY THE SADC BUSINESS COUNCIL (SADC BC) ON THE 1ST OF APRIL 2020.

BACKGROUND

The Directors of National Private Sector Apex Body and Regional Business Body Associations in the SADC region held an online meeting on 1 April 2020 to discuss and exchange notes on:

- the regional and national preparedness and responses to the outbreak of Coronavirus disease (COVID-19) in the SADC region.
- recommend government and private sector interventions at national and regional level to minimize economic impact during the Covid-19 emergency and support the quick recovery of businesses post the Covid-19 emergency.

The Directors of National Private Sector Apex Body and Regional Business Body Associations in SADC note that COVID-19 has affected most SADC countries resulting in national shutdown as of 1st April 2020. They acknowledge the paramount importance of protecting the health, and safety of the Southern African people and, as the regional private sector, we commit and join hands with the Governments to ensure that the business community complies with the measures to protect the lives of SADC citizens and the global community.

Further noting that the ongoing COVID-19 presents a significant challenge to SADC economies, disrupting global and regional value chains thereby impacting business operations from supplies, production capacity, distribution channels and utilization of resources.

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IMPACT OF COVID-19 ON BUSINESS AND TRADE

The meeting noted that the COVID-19 outbreak has brought the following challenges to businesses in SADC:

- Loss of revenue in the tourism sector because of a ban on travelling worldwide to stop the spread of COVID-19 across international boundaries.
- Temporary shutdown of borders. However, while cargo is moving across national borders, truck drivers are detained and quarantined at different border posts even though prior smooth passage would have been guaranteed.
- Landlocked countries failing to access ports with truck drivers failing to pick and drop cargo in ports because they don't have visas to travel to countries with ports infrastructure.
- No classification of essential goods yet amidst various emerging Covid-19 control measures. This ambiguity has left it at discretion of border control officers to determine what to permit in or not hence delays and cargo flow interruption, including of essential goods.
- Lack of clarity to border trade partners on what is permitted or not hence affecting planning/cargo flow.
- International suppliers have stopped exports of health products to SADC countries leaving the region with deficit of COVID-19 related material and having to look inward to produce the products from a low base.
- Exposed reliance on imports and weak Regional Value Chains. Some supermarkets are running out of stock due to logistical challenges resulting from the measures to contain the spread of COVID-19 across international boundaries.
- Regional mining production has gone down affecting regional mining revenue and has also slowed cargo movement to export markets due to border blockages.
- Protective equipment directed for the mining sector and other economic sectors have been directed to health impacting the smooth operation of mining activities and other economic activities. While it is appreciated, the health sector must be prioritized, it is equally important to consider health and safety of other sectors.
- Increase in demurrage fees incurred due to delays in the logistics supply chain.

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PRIVATE SECTOR INTERVENTIONS TO COVID-19

To aid national governments fight COVID-19, private sector will do the following:

- Mobilise resources required for safety, testing and treatment.
- Mobilize companies with capacity to provide infrastructure for quarantine, hospitalization and vehicles to be used by frontline workers during the crisis
- Identify and equip identified quarantine facilities and hospitals
- Be part of the highest committees of governments to discuss and offer solutions for COVID-19
- Collaborate and share information on the short term and long-term impact of Covid-19 to inform the business Post Covid-19 recovery strategy
- Conduct rapid national assessments to identify companies that supply COVID-19 related products. The assessment must include: What companies currently produce; what is currently available; capacity of the companies; and support they need to scale up
- Collaborate with relevant stakeholders to identify and solve Non-Tariff barriers (NTBs) in the supply chain to allow free and easy movement of essential commodities.

PRIVATE SECTOR RECOMMENDATIONS TO GOVERNMENT

To minimize the economic impact and to aid the quick business recovery to COVID-19, private sector urges Member States and governments to consider the following interventions:

Financial Interventions

- Consider tax bailouts and exempting SMMEs from loan repayments for six months to enable business recovery.
- Urge respective Central Banks in the region to lower interest rates to encourage lending and quick recovery of business.
- Social security/national governments urged to subsidize informal sector wages for six months.
- Consider putting together stimulus packages to aid business revival post COVID-19 crisis.

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Cross border logistics

- Utilize rail as a preferred transport solution to minimize human contact and quarantine dwell time during the movement of regional cargo.
- Facilitate easy visa clearance for truck drivers moving essential cargo across the region.
- Prioritize clearance of essential cargo freight at border posts and protection of drivers.
- Introduce duty free facilities for importation of COVID-19 related equipment and materials.
- Waiver storage fees for bonded products held indefinitely during the period of lock down.
- Essential border stations shall remain open to facilitate the movement of cargo subject to the customs laws and guidelines.
- Customs warehouses and facilities must remain open to enable clearance of cargo subject to the customs guidelines.
- Customs at regional level to urgently create interface between neighboring/ corridor countries to reduce paperwork delays at entry points and reduce driver idle time at borders.
- Stringent measures taken by a corridor country should be informed in advance to neighboring/corridor countries for contingency and pre alert measures to be provided to service providers (freight forwarders and transporters).
- Urge principles of shipping businesses to consider waiving demurrage costs.

COVID-19 support

- Support local companies to increase their capacity to produce COVID-19 products and equipment.
- Collaborate with private sector in national and regional committees set up to coordinate efforts to mitigate against COVID-19. This includes close collaboration between private sector and ICPs.
- Provide COVID-19 needs assessment and support packages.
- Consider putting together stimulus packages to aid business revival post COVID-19 crisis.

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PRIVATE SECTOR INTERVENTIONS TO COVID-19

We, the SADC Business Council and our member federations, reiterate our full commitment to supporting our respective governments and international institutions. On-going dialogue with business, employees and their representatives on the scope, content and implementation of extraordinary measures is essential to mitigating the negative impact of COVID-19 on employment and business.

END