



World Customs Organization

East and Southern Africa

Regional Office for Capacity Building



THE COVID-19 PANDEMIC:

OUTLOOK IN EAST AND SOUTHERN AFRICA
& THE RESPONSE OF REVENUE/CUSTOMS ADMINISTRATIONS

Larry Liza
Faith Mosongo



CORONA

COVID-19

Preamble

This report has been prepared by the World Customs Organization, East and Southern Africa Regional Office for Capacity building and is presented to the Customs/Revenue Administrations of the East and Southern Africa region of the World Customs

Organization. It provides an outlook of the COVID-19 pandemic at the global, continental and regional fronts, as well as the responses of the Administrations in light of the pandemic.

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Background

The COVID-19, commonly known as the Coronavirus (disease) was discovered and first reported in Wuhan, in the Hubei Province of China in November 2019. As new cases and deaths mounted in China, it spread to other parts of the world. The World Health Organization (WHO) declared it a pandemic on 11th March 2020. The first case of the virus in Africa was reported in

Egypt on 14th February 2020, while the first case in East and Southern Africa region was reported in South Africa on 5th March 2020.

The situation is so superfluid, with rapidly changing statistics. As such, the validity of the figures represented in this report are only as at the end of day, 26th March 2020.

Global Outlook

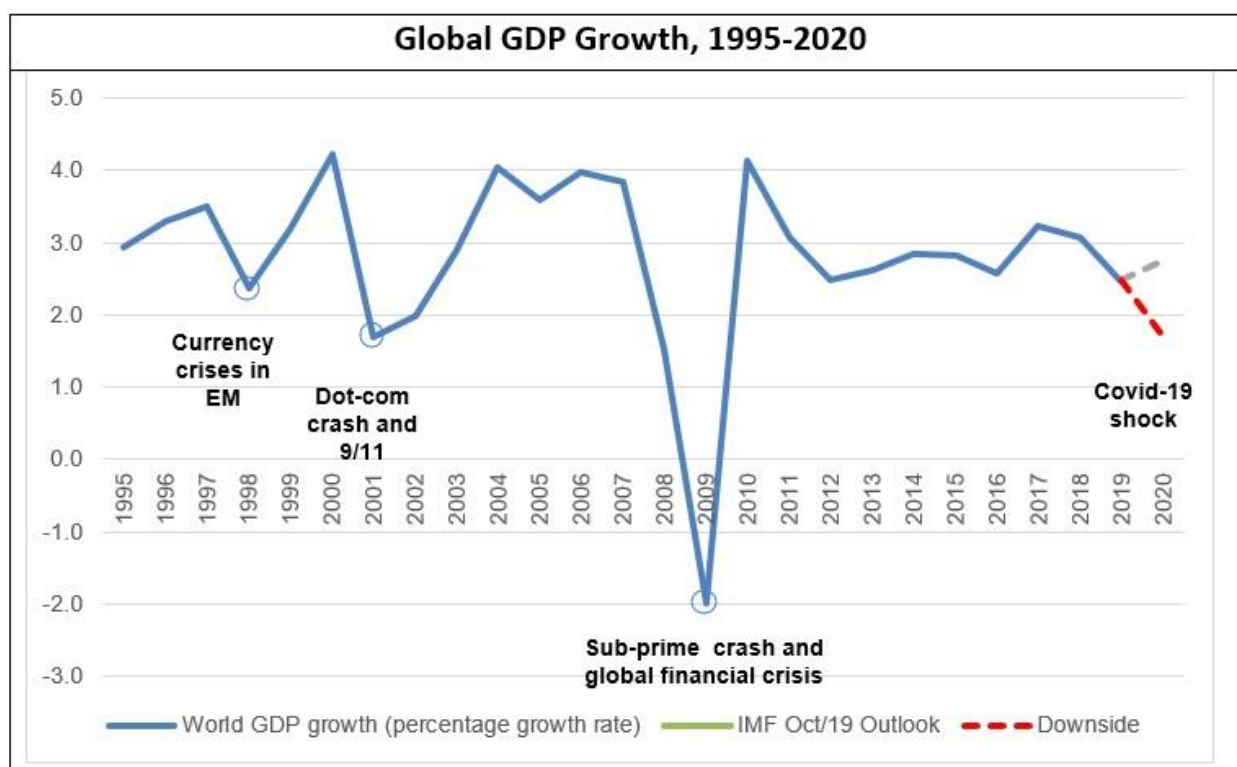
As at the end of 26th March 2020, over half a million cases of the novel Coronavirus had been reported in 198 countries and territories of the world, and 1 international conveyance (the Diamond Princess cruise ship harboured in Yokohama, Japan). Over 23,600 deaths have been reported, with over 123,000 recoveries reported.

China has managed to contain the pandemic, which has nevertheless affected over 81,000 people in the country, with nearly 3,300 deaths reported, according to the official figures. That said, Italy long picked up as the epicentre of the virus in Europe, with an average of 650 deaths reported daily over the previous week. The total cases in Italy surpassed 80,000 and over 10% of them (read, over 8,000) ending in deaths. New cases reported daily had

peaked at over 6,000. Spain followed Italy in the numbers of infections, and deaths at over 56,200 and over 4,100 deaths recorded.

On this day, the United States of America, which had steadily reported infections in the last fortnight surpassed Italy as the second most affected country (by reported cases), and with the trend observed, was in line to surpass China as the country with the highest infections by the morning of the following day.

All in all, the top ten countries with the highest global infections included China, USA, Italy, Spain, Germany, Iran, France, Switzerland, UK and South Korea. Countries with the highest numbers of reported deaths were Italy (8,215), Spain (4,145), China (3,287), Iran (2,234), France (1,696), and USA (1,163).



Source: UNCTAD calculations based on IMF, WEO, October, 2019

Continental Outlook

In the African continent, 46 out of the 55 African Union member states had reported cases of the COVID-19 as at 26th March 2019. ¹All the countries of North Africa had reported the virus, with the highest infections in Egypt, and the least in Libya, which had reported one case. In West Africa and Central Africa, only Sierra Leone and Soe Tome and Principe had not reported any case of the virus, with Burkina Faso leading (152 cases) and Guinea Bissau with the lowest number of reported infections (2). In East and Southern Africa, South Africa had reported 927 cases, with Somalia having the lowest reported cases (2). The

region had the greatest numbers of virus-free countries in the continent (six).

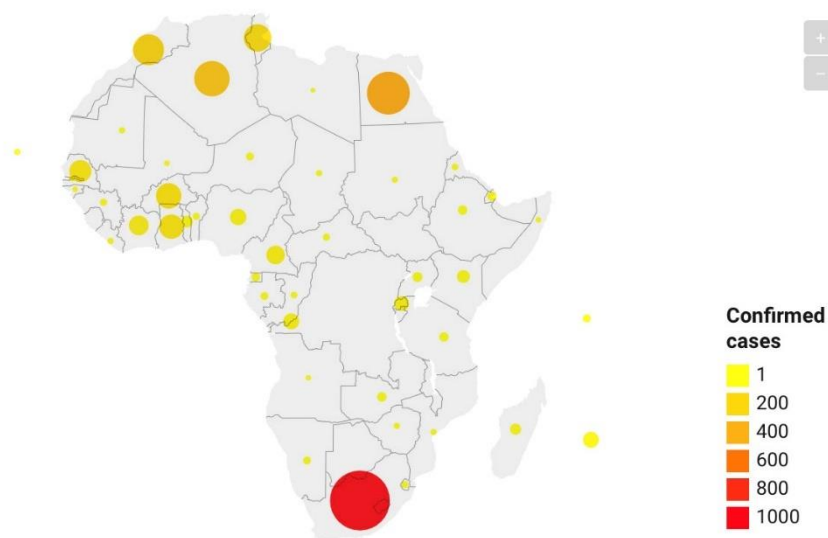
Coastal countries are reporting more cases than their landlocked counterparts, and so are developed/developing countries (such as South Africa, Egypt, Algeria), reporting more cases compared to the majority Least Developed Countries (LDCs). This is mainly due to high numbers of inbound flights – by returning residents, tourists, and visitors. Suffice to note too, Northern Africa countries have reported more cases, likely due to their geographical proximity to Europe, and the usually high traffic of persons and passengers between the region and Europe.

¹ <https://www.africanews.com/2020/03/25/coronavirus-in-africa-breakdown-of-infected-virus-free-countries/>



Total confirmed coronavirus cases in Africa: 3,033

Last updated: 26 March 15:45 GMT. Source: [WHO](#); [Johns Hopkins](#); [nCoV](#).



Map: James Wan, African Arguments • Created with Datawrapper

The World Health Organization reports that since the start of the outbreak, it has been supporting African governments with early detection by providing thousands of COVID-19 testing kits to countries, training dozens of health workers and strengthening surveillance in communities. Forty-seven countries in the WHO African region can now test for COVID-19. At the start of the outbreak only two could do so. WHO has issued guidance to countries, which is

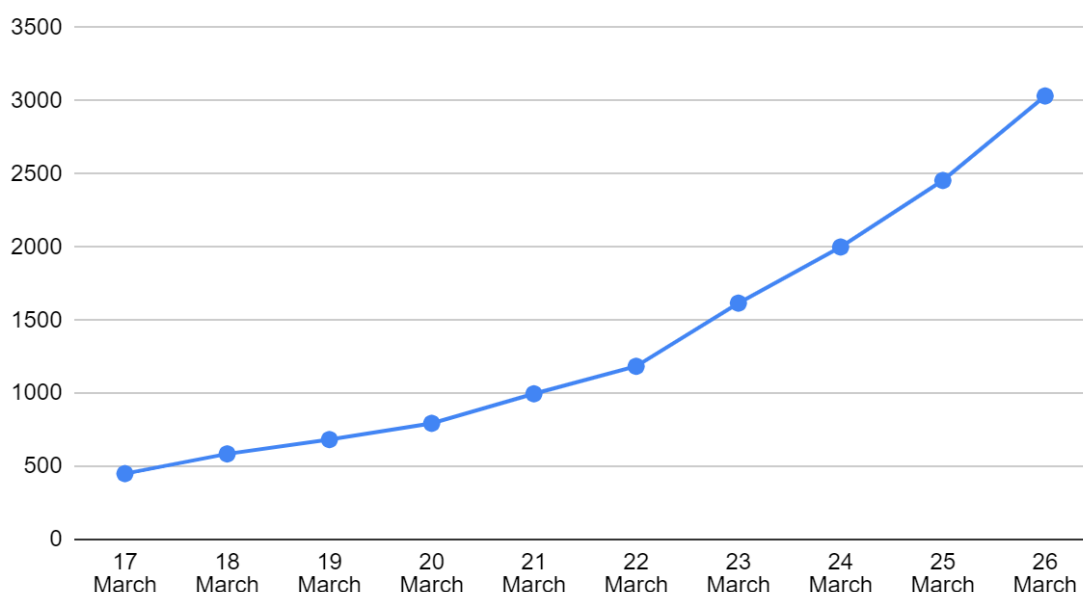
regularly updated to take into account the evolving situation. The guidelines include measures such as quarantine, repatriations of citizens and preparedness at workplaces. The Organization is also working with a network of experts to coordinate regional surveillance efforts, epidemiology, modelling, diagnostics, clinical care and treatment, and other ways to identify, manage the disease and limit widespread transmission.²



² <https://www.afro.who.int/health-topics/coronavirus-covid-19>



Confirmed COVID-19 cases in Africa over time



Source: <https://africanarguments.org/>

Regional Outlook

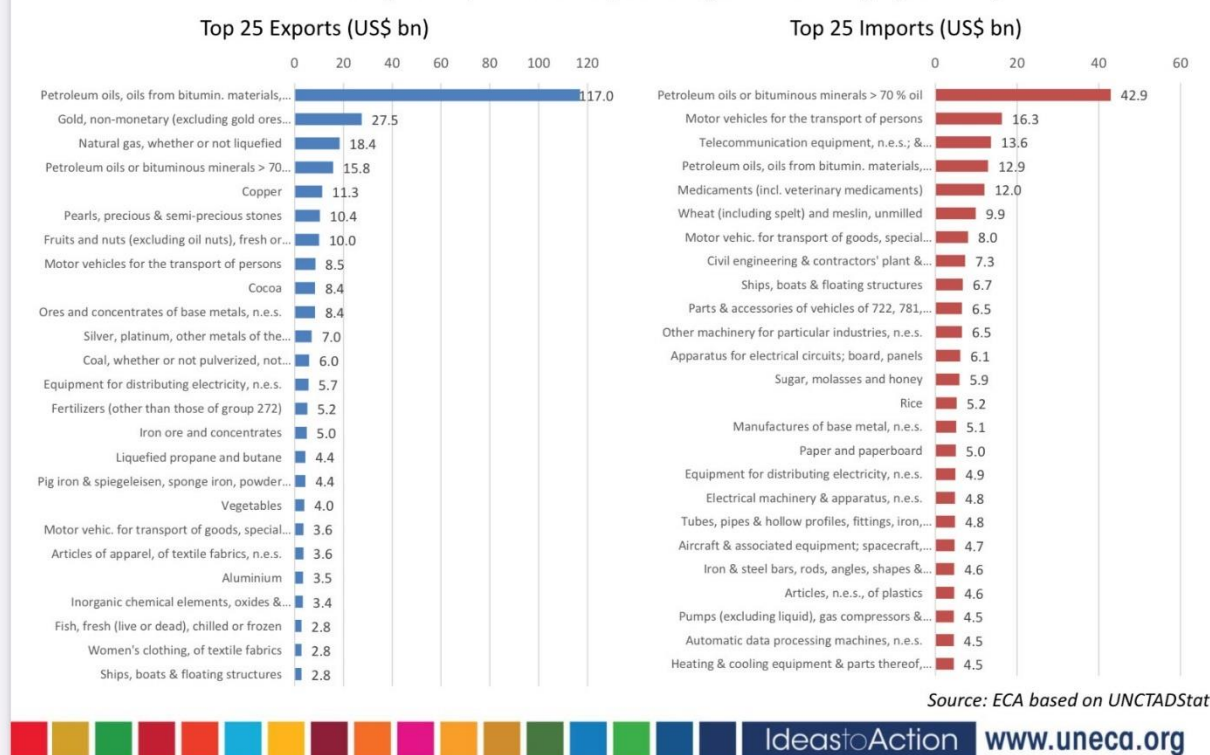
18 out of 24 ESA members had reported cases of COVID-19 as at the reporting date. The countries yet to report any cases included, **Botswana, Burundi, Comoros, Lesotho, Malawi** and **South Sudan**. The progression of reported cases followed the continental outlook with countries receiving higher number of inbound flights, as well as with lengthier coastal borders among the first to report cases, and with higher numbers of reported cases. These countries include South Africa (927 cases), Mauritius (81 cases and 2 deaths) and Kenya (21 cases and 1 death), and to an extent Madagascar (23 cases). Rwanda had also reported higher cases (50). An additional attribute adduced to these countries is their upscaling of testing processes.

Save for Comoros, all the Members not reporting any cases are landlocked. Botswana, with its proximity to South Africa and greater border relations is seen to have done remarkably well in maintaining its virus-free status, mainly attributed to stringent government requirements to self-quarantine and the discipline of the nationals undertaking that therein, as well as enhanced border management practices. South Sudan and Lesotho, without any reported cases, declared national lockdowns just prior to this report, while Malawi declared a state of emergency, both aiming to hinder the entry of the virus in the countries. Botswana warned of a looming lockdown.



High Trade Vulnerability to COVID19

Africa's Top 25 exports and imports of goods – Average (2016-18)



Impact on Revenue: Status and Outlook of East and Southern Africa

Most national governments in East and Southern Africa started by stepping up measures through heightened surveillance systems at points of entry, health facilities and communities globally to curtail the spread of the virus. Many countries also issued travel advisories to the affected countries, and calls to avoid non-essential travel to elsewhere. In recent days, heightened measures have been put in place, usually through the top leadership of different countries, such as Presidents and/or Premiers, while the various

ministries of health have taken the lead in providing daily updates and disseminating information to the country. More recent measures have included the banning of international flights, declaring national and/or partial lockdowns as well as state of emergencies.

Most Customs authorities in the region operate under the broad leadership of Revenue administrations inasmuch as a few are standalone Customs authorities (yet still) and/or reporting directly under ministries of Finance. The revenue



authorities in the region aligned to the directives of the national governments while adopting to measures unique to the functioning of the administrations. No Customs officer has been reported to have been inflicted with the virus, sufficing to note though that in most cases, detailed statistics have not been released, and most Members are containing the identities of the persons infected. It might thus be imprudent to doubt possibilities of affected Customs officers, considering their front-line roles in entry points.

The most visible measures as yet have been the physical ones outlined for health purposes, as Members seek to secure the health (safety) of their staff. These have included encouraging personal measures as regular washing of hands and use of sanitizers which the members have sought to provide, keeping of social distance and self-monitoring. More administrative measures that are being employed included reduced work force by working in shifts to reduce exposure and enhance social distancing. Some Members has asked staff to take their leave days, a measure with demoralising psycho-emotional effect for staff who are not prepared to utilize their leave days.

With the effects of the virus taking its highest toll so far in March, Members have began registering drops in their workload

and, obviously, significant drops in revenue collection. While it has not been possible to equate the revenue loss or effectively measure the revenue collections against the target at this time, some Members have reported significant drops in March. The WCO ESA Regional Office for Capacity Building will be analysing and reporting on these in the coming weeks. Recall that imports from China and other Asian countries account for over 50% of imports into Africa and the region. Over the last years, the growth rate of China's trade with Africa has been the highest in the world with the import growth rate also the highest in the world.³ According to statistics from the General Administration of Customs of China, in 2018, China's total import and export volume with Africa was US\$204.19 billion, a year-on-year increase of 19.7%, exceeding the overall growth rate of foreign trade in the same period by 7.1 percentage points. Among these, China's exports to Africa were US\$104.91 billion, up 10.8% and China's imports from Africa were US\$99.28 billion, up 30.8%; the surplus was US\$5.63 billion, down 70.0% year on year. The East and Southern Africa region accounts for about half of Africa's volumes with China.

Recalling that the COVID-19 emerged in China in November 2019, export operations largely continued for the rest of the year, and began taking their beating in January 2020 when the management of the disease

³ Ministry of Commerce, People's Republic of China.

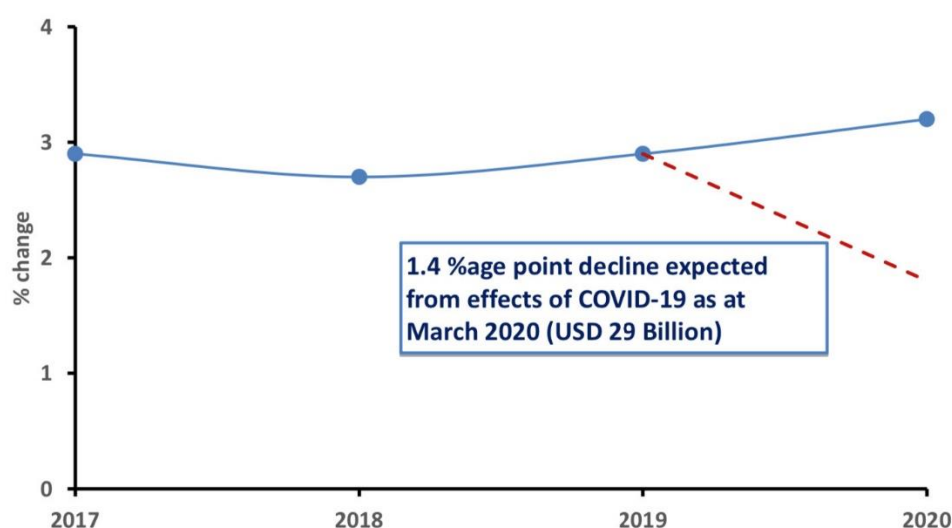
<http://english.mofcom.gov.cn/article/statistic/lanmubb/AsiaAfrica/201901/20190102831255.shtml>



reached unprecedented levels and China declared a lockdown in Wuhan and most exporting firms and stakeholders suspended their trade. Over the next sixty days, the East and Southern Africa region largely received the imports that had been *en route* by the time these suspensions came into effect.

The region will receive the continental economic beating of losses of up to 1.4% of their GDP growth, going by the United Nations Economic Commission for Africa.⁴ This is further estimated to be up to 25 billion dollars in Africa⁵, with East and Southern Africa losing over 10 billion dollars.

Africa: Corona Virus new blow to economy Growth expected to drop from 3.2% to 1.8%



While we are aware that the pandemic will greatly affect Customs revenue, we have largely not been able to predict the proportion of these losses. More focus has been geared towards addressing the public health threat beyond the safeguarding of

revenue losses as a result of the pandemic with a lot perceived as being out of the hands of the systems at the moment. The key goal has been to stop the spread and flatten the curve even as scientists

⁴ https://www.uneca.org/sites/default/files/uploaded-documents/stories/eca_analysis_-_covid-19_macroeconomiceffects.pdf

⁵ <https://www.odi.org/blogs/16764-economic-impact-coronavirus-five-lessons-and-challenges>



continue to serve for medical solutions to the pandemic.

We consider lessons espoused in a report by Vanessa Van Den Boogaard on African Arguments⁶ referring to the Ebola outbreak and its effects. As members lose on

Customs revenues, the domestic taxes will be particularly hit considering that most ESA Members are either developing or least developed countries and this taxation bears a greater burden to taxpayers in low-income countries compared to the central governments or trade taxes.⁷

The broad reasons for decrease in revenues (both Customs and domestic revenue) are:

- i. The 'closure' of China, a major global import hub for East and Southern Africa has left trade to the minimum, locking down nearly all industries, especially from January through March 2020. It will take months for the companies and enterprises to pick up, resume production and resume exports. Recovering from the negative effects – for East and Southern Africa, and China, herein may take years even if trade resumed in the coming months.
- ii. The reduced global, regional and intra-regional trade, as well as cross border trade. Other countries in Asia, Europe and North America account for a huge measure of trade within the region. South Africa and Egypt are key export destinations for Africa. Inasmuch as cargo transportation may not have stopped, if the pandemic persists, it will greatly reduce, with the reduced production, especially in the non-food items and other consumables. Suffice to note too online trade has reduced because of the absence of suppliers and reduced presence of transporters.
- iii. Some local revenues may not be available due to economic lockdowns and social distancing containment measures as Boogaard affirmed. *Due to COVID-19, preventative containment measures may limit economic and taxable activity, including restricting market and street trading hours and banning gatherings of more than 100 people. These containment and social distancing measures are likely to only get more stringent.*
- iv. On the domestic front, borrowing from Boogaard; *as a result of the lack of online infrastructure for tax assessment and payment, many local taxes (may) become too risky to collect. For property taxes, for example, tax bills are delivered by hand to individual properties and all payments must be made in person at banks or the local government office. Face-to-face interaction goes from being an inconvenience and accountability risk in normal times to a major public health risk during times of contagion.*

⁶ <https://africanarguments.org/2020/03/25/fill-the-gaps-feel-the-pain-insights-from-sierra-leone-on-an-epidemics-impact-on-local-taxation-public-services-and-the-poor/>

⁷ <https://www.zedbooks.net/shop/book/taxing-africa/>



Response of ESA Countries and Revenue/Customs Administrations

The WCO ESA ROCB undertook a survey on the national and administrative responses to the COVID-19. Below is a consolidation of

measures undertaken by some of the ESA Revenue/Customs administrations, as at 26th March 2020.

Angola



Three cases reported. The government temporarily banned entry of citizens from COVID-19-affected countries, with schools and certain companies closed and most of the international ones having their staff working from home. The Administration has

staff working on shifts with expectant and lactating mothers as well as vulnerable staff asked to stay at home, without necessarily utilising their leave days. The Administration was awaiting any other government directives on a possible lockdown.

Botswana



With no cases reported, the government of Botswana declared a public health emergency on 21st March and has introduced a number of precautionary measures in response to the coronavirus (COVID-19) pandemic. Botswana closed its borders except to

citizens and residents. On 26th March, the president alerted the country of a possible lockdown. The revenue administration has its staff continuing to work while taking the necessary precautionary measures (washing hands frequently, maintaining social distancing and practicing respiratory hygiene).

Burundi



With no cases reported, the government suspended all flights in and out of the country to prevent the spread of the coronavirus. Borders into the country were closed and citizens advised not to travel to countries that already have

COVID-19 cases. Within the revenue administration, staff are required to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).



Comoros



With no cases reported, the government introduced a number of measures, including immigration restrictions and enhanced screening procedures to restrict the entry of the COVID-19 within its borders.

The Customs Union has scaled down operations, and all staff requested to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).

Djibouti



11 cases have been reported. On 15th March the Djibouti Civil Aviation Authority suspended commercial passenger flights into and out of the country effective 18th March as a precautionary measure against coronavirus

spread. *As at the publishing of this report, information had not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.*

Eritrea



4 cases reported. The government banned commercial passenger flights to and from Eritrea from 25th March 2020. The ban will remain effective for two weeks until further review. The government urged the entire populace to “take utmost precautionary measures to prevent the spread of the pandemic and to strictly implement government guidelines for the safety of their own lives and the

country.” These guidelines include restricted movement and ban on all public gatherings, sport and cultural events that assemble a crowd of more than 10 people are prohibited. *As at the publishing of this report, information had not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.*



Eswatini (Kingdom of)



4 cases reported. The government introduced a partial lockdown on selected sectors of the economy to curtail the spread of coronavirus with effect from 27th March 2020. Within the Administration,

skeleton staff maintained to ensure critical business continuity. All staff requested to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).

Ethiopia



12 cases reported. The country closed its land borders and deployed its security forces to man all entry points. Most of the government

employees are working from home and advised to stay indoors. The employees of the Ethiopian Customs Commission began working from home on 26th March 2020 for an initial 15 days pending review.

Kenya



31 cases and one death reported. The government has enforced a partial lockdown and a national curfew from 19h00 to 05h00. The government has urged companies to allow their employees to work from home to minimise the risk of infection. All learning institutions were ordered closed, with religious and other public gatherings and public weddings banned. Funerals were also banned, except for close family members numbering ten. The international airspace was closed with effect from 25th March, except for cargo flights.

Within the revenue administration, all Heads of Departments are required to ensure business continuity while allowing as many staff as is practicable utilise their leave days as others work from home. To enhance social distance between staff and taxpayers, taxpayers have been asked to minimize physical visits to the offices and instead utilize online services. The Authority has provided psycho-social support for staff and counsellors are on call throughout the period.



Lesotho



With no cases reported, the government of Lesotho announced a lockdown starting 29th March until 21st April. Non-essential travel within and outside the country is prohibited except for the transport of food, medical supplies and essential household goods. Within the administration, staff were asked to begin

working from home, with the ICT configuring systems to support secured remote access of the systems. The scaled down staff are required to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).

Madagascar



23 cases reported. The government halted all international flights to prevent cases of the virus from spreading further. Citizens were advised to avoid non-essential movement and maintain high hygienic standards. As at

the publishing of this report, information had not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.

Malawi



With no cases reported, the government declared a state of emergency on 26th March 2020. It had previously suspended hosting of international meetings and banned public servants from attending both regional and international meetings being hosted by

affected countries. It also closed all learning institutions by 23rd March and restricted public gatherings to less than 100 people. Within the revenue Administration, staff are still reporting to the office and asked to take the necessary precautionary measures.



Mauritius



81 cases reported, the second highest in the region (so far), plus two deaths. The government has enforced a complete national lockdown for

7 days from 24th March. The Administration restricted operations to most essential staff- skeleton staff at the airport and port with other staff working from home.

Mozambique



5 cases reported. The government has enforced a ban on all gatherings of more than 300 people and suspended flights into the country. *As at the publishing of this report, information had*

not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.

Namibia



5 cases reported. The government enforced a lockdown from 27th March for an initial 14 days. Within

the Administration, skeleton staff maintained to ensure critical business continuity with other staff asked to work at home.

Rwanda



50 cases reported. The government has suspended all arriving and departing commercial flights for an initial period of 30 days, which also affects national carrier RwandAir. Temporary shutdown of schools, universities, and places of worship for two weeks amid

concerns about the spread of COVID-19. Court proceedings and inmates' visits have also been stopped.

Within the Administration skeleton staff maintained to ensure critical business continuity with others working from home where possible.



Seychelles



7 cases reported. The government enforced a temporary ban on all official overseas travel by public officials. All official conferences and gatherings Seychelles would have been hosting in March, April and May 2020 were postponed. All passengers disembarking in Seychelles, both Seychellois and

foreigners, provide their detailed address and correct contact information.

As at the publishing of this report, information had not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.

Somalia



2 cases reported. The Somali Aviation Ministry ordered a suspension of all international flights for 15 days starting from Wednesday, 18 March, with the possibility of exceptions for humanitarian flights. On 17th March the government announced that schools and universities would be closed for 15 days

effective from 19th March and that large gatherings were prohibited.

As at the publishing of this report, information had not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.

South Africa



927 cases reported. The government enforced national lockdown for 21 days starting 26th March 2020. The revenue administration closed its

offices in light of the lockdown, with staffing restricted to the most essential staff- skeleton staff manning the borders, other staff working from home where possible.





South Sudan



With no cases reported, the government suspended direct flights with countries affected by the novel coronavirus outbreak. All events slated to take place in South Sudan have been postponed and that organizers planning to hold social gatherings should seek clearance from the Ministry of Health.

As at the publishing of this report, information had not been obtained on the measures put up by the revenue administration beyond the safety measures called for by the government, on personal hygiene and social distancing.

Tanzania



13 cases reported. The government closed all schools, colleges and universities and suspended all sporting events for at least 30 days. Public gatherings have also been banned.

Within the administration, the staff were requested to take precautionary measures (Washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).

Uganda



14 cases reported. The government has enforced a partial lockdown and urged companies to allow their employees to work from home to minimise the risk of infection. All schools, from primary school level to university, have been ordered closed and learners sent home. Churches closed, all public gatherings including weddings and funerals are prohibited. Ground transport is allowed with passengers maintaining a minimum of 1metre between them. Airspace closed except for cargo.

Within the Administration, the staff are expected to work from home. Other staff will work in shifts to ensure business continuity in border stations, Document Processing Centres and Bonded warehousing. All field enforcement operations are suspended until advised. Customs warehouses and Central Bus Terminal stations are closed. All staff requested to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).



Zambia



16 cases reported. On March 14, the government announced increased screening, response, and preventative measures, instituted mandatory 14-day self-quarantine and monitoring for persons entering Zambia from any country with confirmed COVID-19 cases. Within the Administration, in

consideration of Zambia being a landlocked import-oriented economy, borders are still open, but the government is monitoring the situation. All staff are required to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).

Zimbabwe



3 cases and one death reported. The president also declared the pandemic a national disaster, a move that would allow the government to mobilize resources. The government postponed, curtailed or cancelled public events, gatherings and activities. While Zimbabwean borders remain open, all crossing points, or undesignated crossing

ports, will be closed. All public gatherings with more than 100 people are banned.

Within the revenue administration, ZIMRA scaled down operations with skeleton staff on the ground. All staff requested to take precautionary measures (washing hands frequently, maintaining social distancing, practicing respiratory hygiene and minimized interactions with taxpayers).





Conclusion & Contacts

The COVID-19 pandemic has caused disruptions of gigantic proportions in the world and the East and Southern Africa region. It has shaken the social, economic, political, environmental, and even the spiritual fabric of the society and it will take a while before its full effect across these spheres are felt, considering that it is an ongoing pandemic. The biggest beating though is in the social (day to day living), with loss of lives and infections reported, worsening apprehension and fear. Inasmuch as many governments have put in place various measures, the first points of call are to individuals to exercise cautions

and take up responsibility in stopping new infections, and the spread of the virus.

Revenue/Customs administrations in East and Southern Africa have largely responded based on the national government requirements but all in all, taken different measures to protect their staff. The effects on revenue collected will be felt highest starting with the reports as at end of March 2020, and will continue in the coming months depending on how the world responds to the pandemic, and how the COVID-19 'responds' to the measures taken by humanity.





AUTHOR CONTACTS

Larry Liza, Director

Email: larry.liza@wcoesarocb.org

Faith Mosongo, Programme Officer

Email: faith.mosongo@wcoesarocb.org

World Customs Organization,
East & Southern Africa,
Regional Office for Capacity Building,
P. O. Box 50581- 00200,
NAIROBI, KENYA.

