World Customs Organization
East and Southern Africa
Regional Office for Capacity Building

IMPACTS, OPPORTUNITIES & TRENDS OF COVID-19

IN EAST AND SOUTHERN AFRICA

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April 2020

Preamble

This report highlights the impact, opportunities and trends of the COVID-19 (Coronavirus) in East and Southern Africa, covering the trends over a 30-day period, mid-March to mid-April 2020. Our first report provided an outlook on the pandemic with reference to the globe and the African continent, laying more emphasis to the East and Southern African region, and highlighting the responses of the Revenue and Customs Administrations.

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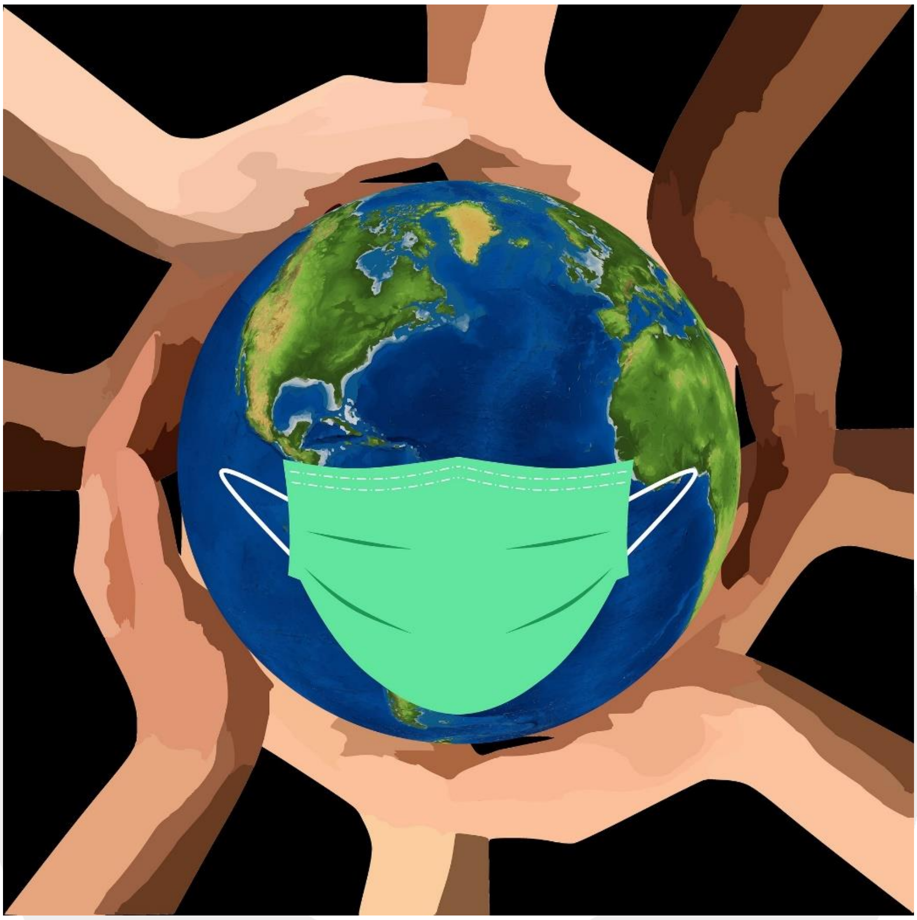
Global: Summary Outlook of the COVID-19

The global numbers of new cases have continued to rise exponentially, hitting the two million mark by mid-April 2020, with reported deaths approaching 150,000. USA upped their numbers to stand as the worst hit nation. Over the last 30 days, United Kingdom and France had their numbers of new cases and deaths rise, following after Italy and Spain, the two countries whose curves are only slightly beginning to flatten, albeit with higher cases yet. Our models suggest that the curve in Spain will begin to flatten from mid-April and stabilise by end of April, thanks to the measures that have been placed by the government. The stain on the Intensive Care Unit (ICU) beds is also beginning to ease thus creating more opportunities for critical patients to get support.

Meanwhile, Europe's leading economy, Germany, has come out as the stronger country in managing COVID-19 in spite of having one of the highest cases in the world. Germany's exemplary healthcare system has seen much lower rates of death compared to other countries across the world, with higher numbers of cases, thanks to their Intensive Care Unit (ICU) bed capacity, These stand at 34 beds for every 100,000 people in Germany. Comparatively, other



countries in Europe have less than half of Germany's number for every 100,000. East and Southern Africa's Kenya, seen to be managing the pandemic well, has 1 bed for every 100,000.

In Africa, countries in the north have been hardest hit, mainly Algeria, Egypt and Morocco. Nevertheless, South Africa retained that tag of the most hit country in the continent over the reporting period. Trends show that the three northern African countries might surpass South Africa by end of April.

East and Southern Africa boasts of two countries that are yet to report any COVID-19 cases: Comoros and Lesotho. Mauritius, Kenya and Rwanda's numbers remained as the highest in the region after South Africa. Djibouti's numbers rallied faster toward the end of the reporting period to becoming the second highest in the region.

The last section of this report shows graphical representation of trends of the virus in East and Southern Africa.

Postulate: The lower numbers in Africa

The African continent appears to have gone against predictions that the continent would have been hardest hit by the COVID-19 by April. Reports indicate that the numbers, for most nations, remain lower compared to what had been predicted. As other continents have grappled with managing the crisis, the hardest hit being North America (read USA), Europe and Asia, different international organizations and personalities have painted a grim picture for the African continent, especially for the Sub-Saharan Africa. No doubt the said North Africa nations (Algeria, Egypt and Morocco) have faced a rougher path, and so has South Africa. The numbers of cases in each of these countries had hit over 2,000 by mid-April. So far, 60% of the African countries have less than 100 cases, with the rest of the countries ranging between 100 and 1,000 cases.

Does it mean Africa is out of the woods? Certainly not! To explain the lower numbers, consider the following postulate:

1 **Movement and Migration:** The movement patterns of populations are fewer in Africa compared to Europe, USA and China whose **technological advancements** have eased movement of persons. This is mainly due to more efficient rail network, better roads and competitive prices for flights, with a people better endowed economically. Take the tube or underground in the UK as an illustration. The tube carries over 5 million people on a normal day in London, with over 500 trains and nearly 300 stations. There are high chances that in the wake of the virus, the asymptomatic patients, primarily, could have spread the virus in the trains, where usually many passengers stand with zero social distance. The said regions also account for some of the busiest airports in the world. Istanbul airport, at the heart of Europe and Asia, handles over 210,000 passengers in a day, buttressing the point on lack of social distancing. There are other busier airports in Europe: Heathrow, Charles de Gaulle, Amsterdam, Frankfurt and Adolfo-Suarez (Madrid, Spain). In addition to infrastructural capabilities, the absence of **VISA restrictions** among the nationals of the European Union eases movement, compared to Africa, where a number of countries still have VISA restrictions for other countries from even within the continent.

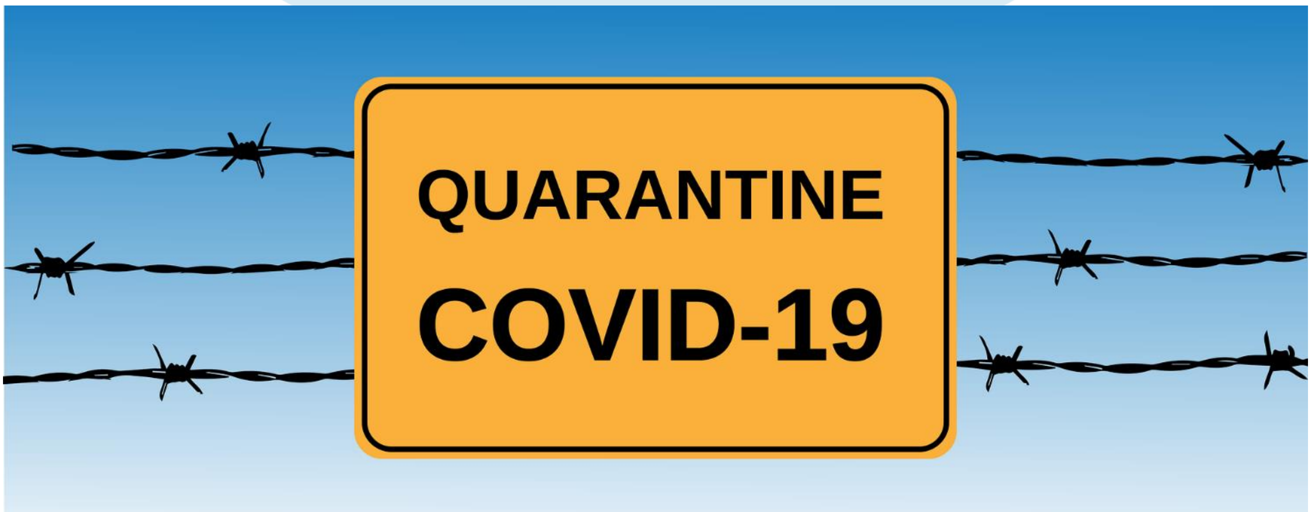
2 **Trade and Business:** Trade volumes are multiple times lower in Africa compared to the regions under comparison, with the percentage of **intraregional trade**, for instance, within Western Europe more than thrice in Europe and twice as high in North Africa. These, alongside the removal of both tariff and non-tariff barriers to trade, economic capital of persons, and infrastructural advancements in support of trade lead to increased interactions among members of these populations. Most shopping capitals, as well as tourist destinations, of the world are found among the most affected countries, adding to play the place of interpersonal physical interactions within the population.

Other theories have been brought forth in attempting to explain the lower rates in Africa, but many of these may not be backed by sufficient evidence. It has been implied that lack of testing could be concealing the actual numbers in Africa. Like elsewhere, there are chances that there have been recoveries from milder, unreported, cases. Nevertheless, save for deaths confirmed as a result of COVID-19, there are no deaths outside the normal curve.

Another postulate has been that most people of African descent got the Bacillus Calmette-Guérin (BCG) vaccine, usually given to children in most African counties where tuberculosis (TB) is common. There has since been no scientific evidence to back up this claim, yet.

The North Africa Story

North African countries of Algeria, Egypt, Morocco and Tunisia have been most hit by the pandemic, accounting for about 50% of the continent's infections. Together with South Africa, these five countries account for 60% of the continent's infections. A possible reason for the higher cases in the north could be attributed to the same reasons given for Europe, but have mainly seen higher cases because of their geographical proximity to Europe thereby increasing interactions. There are higher numbers of migrant workers from these countries in Europe, and with regular back and forth movement within these regions. They also account for some of the highest influx of numbers of tourists in Africa, alongside South Africa, and other countries with higher cases in the region such as Mauritius and Kenya. The migrant-worker scenario may also explain the higher cases in West Africa.



Socio-Eco-Political Effects on COVID-19

1 **Revenue:** March saw drops in revenue collected by Members countries, with a majority registering between 2% and 5% drop in their targeted collections. This was the first month that saw significant hits in revenue due to the COVID-19. It is projected that April will see a higher drop in Customs revenue targets, down by up to 50% among some Member countries.

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2 **Businesses:** Activities in the whole sale and retail sector have been disrupted. Many of these have been forced to close down, save for those offering essential services, which still have registered lower consumptions. Some of the hardest hit industries in the region are the fashion and beauty industries, with the populate barely buying clothing and the non-essential beauty products.

3 **Unemployment:** Job losses are on the rise especially for contract workers and waged employees, and so too those in the informal sector. The hotel industry and tourism is one among the many that are greatly affected. Companies that rely on customer and client numbers have furloughed their workers, many without pay. Some employees have entirely lost their jobs. There has never been a better time as this to be a permanent and pensionable government employee, but this might change in the future as governments are increasingly redefining their engagements.

4 **Healthcare:** Hospitals, though offering essential services, have seen reductions in the numbers of patients as the populate is preferring home care for non-emergencies. There have been significant increase in over-the-counter purchases of pharmaceuticals, especially in items related to the COVID-19 such as sanitizers and masks. A number of pharmacies are also reporting increase in purchases of pain medication and pills related to family planning. Meanwhile, the healthcare workers continue to remain on the frontline. In return, some countries are offering health workers better allowances and packages for their service at this time. Well, *some* countries.

5 **Politics:** There has been a significant reduction in political activities in the region, with political campaigns (for/and) plebiscites and elections postponed with several related activities halted at civic, regional or national levels. In most countries, while a majority of politicians have been docile over the period, fewer politicians have stood out in mitigating the efforts of the COVID-19 and supplementing government efforts, thereby earning greater confidence in the hearts of the electorate.

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6 **Family Bonding & Domestic Violence on the rise:** Families have stayed together more than ever before, with the hitherto working class forced to stay at home, and with schools closed, increasing the interaction among adults and children. Children between the ages of three and seven have been most hit emotionally, with many, while now informed of the pandemic, not fully comprehending the limitations in their movements away from their homes. Sadly, there have been increasing reports of domestic violence in homes over the last couple of weeks. This is attributed to mental and psychological pressures and stresses, and increased interactions, leading to increased arguments between parties.

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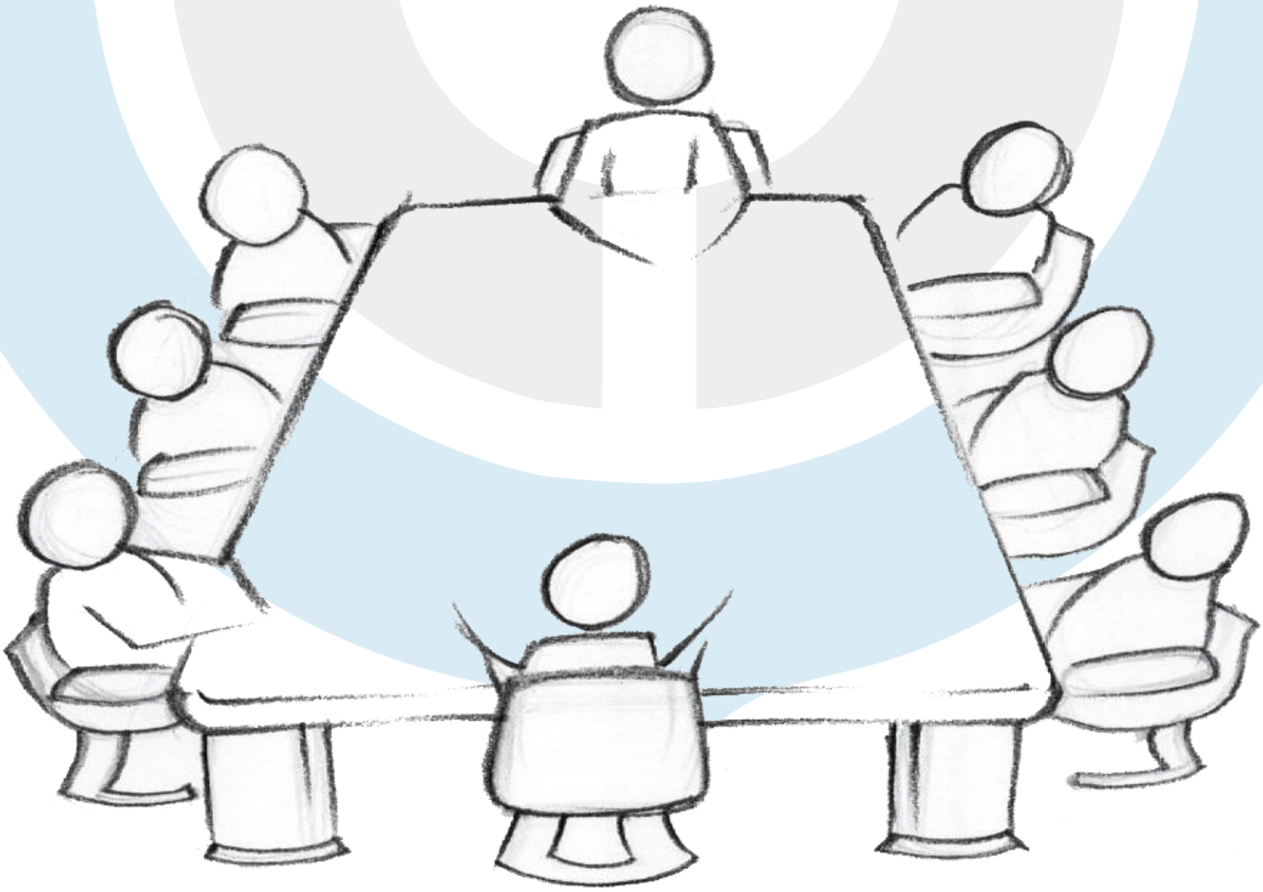
The Impact and Aftermath: The Opportunities for Customs

The region is expected to align to the global trends in the aftermath of the COVID-19. Suffice to note though that a majority of countries herein are Least Developed Countries (LDCs), they will not match their counterparts from developed countries. Positively, low cost, yet effective productions have arisen across the board, seeing mass production of necessary items such as masks and sanitizers. If well harnessed and supported, this could lead to greater innovation and the reviving of domestic industries. The following are some of the changes expected, many which will reflect within the Customs family.



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1 Greater Investment in Customs ICT Infrastructure

Over the last decade, Members have upped their Customs **reform and modernisation** processes and strategies leading to some form of automation in all the Member states. Nevertheless, investments in ICT infrastructure have been hampered by the high costs involved. Single Window, One Stop Border Posts (OSBP) and Coordinated Border Management, for instance, are yet to be implemented among near two thirds of the Members, while cargo tracking systems have been implemented in just about 50% of the Members. A key challenge reported by most Members is poor or lack of automation, thanks to the high costs involved.

COVID-19 has forced many organisations and agencies to have their staff at home during the season. For some governmental agencies such as Customs, successful implementation of this strategy has been hampered by **lack of portable equipment for home-office environment, inability to monitor and quantify the use of time, and difficulties in permitting remote configurations**, especially with systems built under Local Area Networks (LAN).

Furthermore, most Members are yet to develop **e-payment platforms** for their taxpayers, which has further decreased the amounts of taxes – albeit reduced – that would have been collected at this time.

Many governments and agencies are therefore expected to further upscale their automation processes and invest more in equipment and human resources relating to information and communication technology.

2 The African Continental Free Trade Area (AfCFTA)

In the interim, the AfCFTA may appear to be a loser of the COVID-19. And this is true to the effect that the implementation of the Agreement is scheduled to get into force from July 2020. This is likely to be deferred, with the countries of the continent not immediately benefiting from this. Our assessment, nevertheless, reveals that a number of countries were not fully equipped to begin the implementation of the AfCFTA by July 2020.

In the long term though, the Agreement shows promise of a winner in the post-COVID-19 era. Recall that the Agreement aims to, among others, create a single market, deepen economic integration of the continent; enhance competitiveness of member states within Africa and in the global market, encourage industrial development through diversification and regional value chain development, agricultural development and food security, establish a liberalised market through multiple rounds of negotiations, aid the movement of capital and people, facilitating investment, and move towards the establishment of a future continental customs union.

The COVID-19 pandemic has brought to the fore the urgency of meeting these objectives if the region, and the continent, is to enhance competitiveness within its countries and with other continents. The African Union is expected to move with speed, and marshal necessary political will to buttress support and implementation of the Agreement.

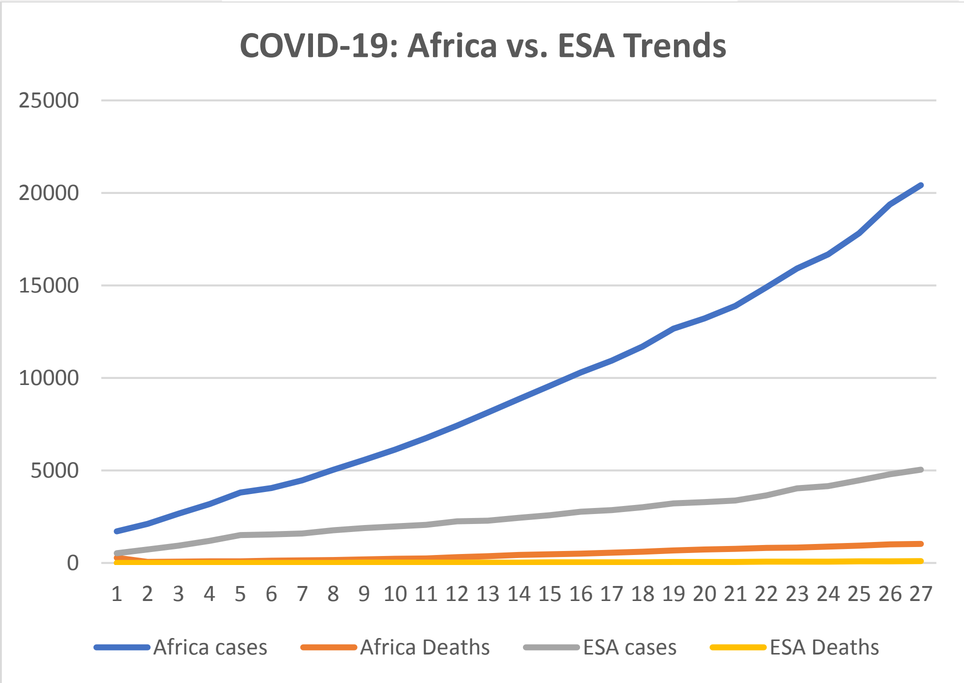
3 Business Travel and Missions

The world of Customs is filled with business meetings, rightly, as Members engage in deliberations and negotiations with different stakeholders, aiming to enhance aspects of trade facilitation, improve revenues collected, develop policies and negotiate agreements. The COVID-19 pandemic has had many stakeholders scale up their online meetings, with some of the applications and facilities used in the region mainly being **Zoom, Skype and Microsoft Teams**. Despite the connectivity challenges, success have been registered carrying out meetings in this manner.

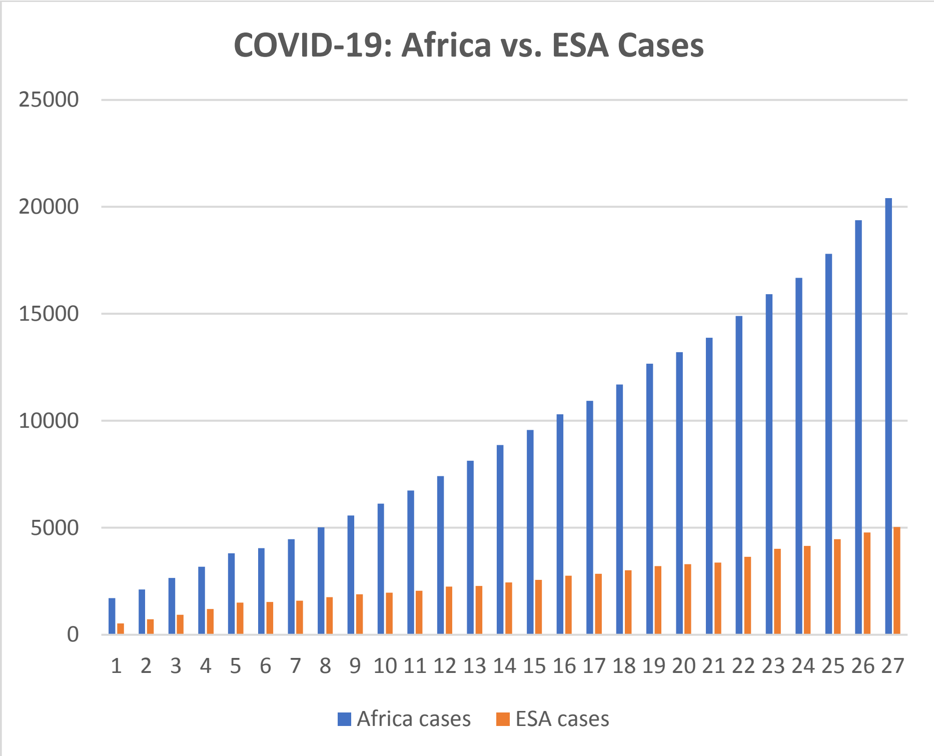
As the ICT systems strengthens, over time, Members will marshal resources towards capacitating online meetings and video-conferencing, be they internal or external, within or without the borders. Such adoptions are likely to be seen more among and between the private sector who engage Customs compared to within Customs.

Comparison of COVID-19 Cases and Deaths: Rates in Africa vs. East and Southern Africa

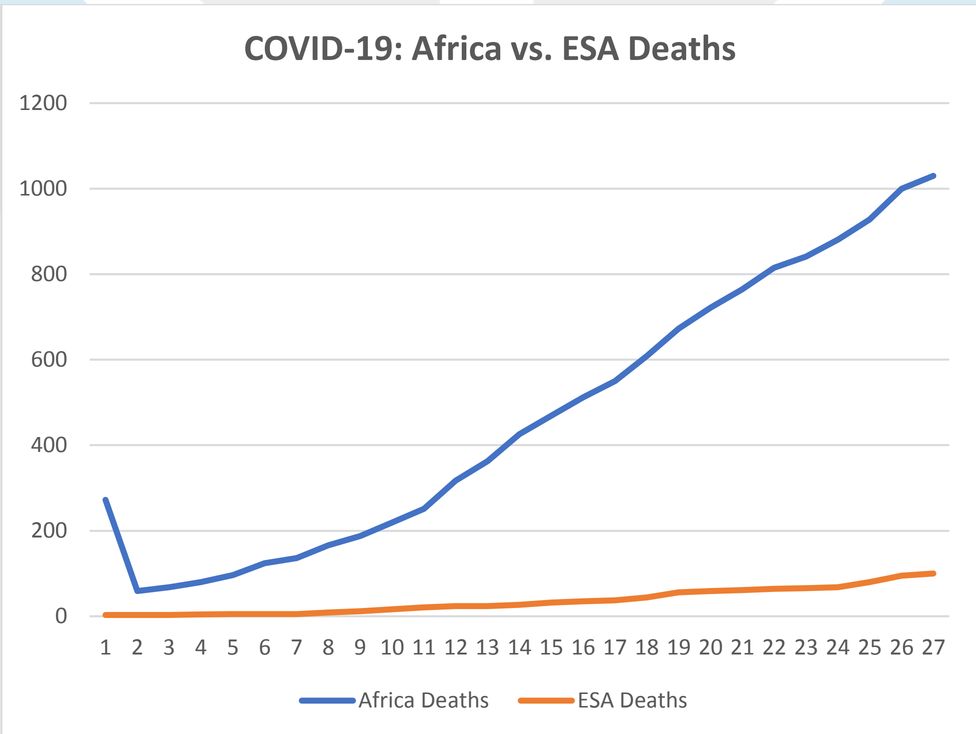
The number of new cases of COVID-19 have continued to grow in Africa over the 30-day window of mid-March to mid-April. This saw the number of reported cases in Africa increase from 340 cases to 20,000 cases, nearly sixty times more or by 5,700%. The daily growth rate peaked at 10% at the beginning of April and has since settled between 5-7%. These numbers are attributed to: more confirmations, thanks to increased testing by different countries mainly from arriving passengers – imported cases. The numbers of local-local transmissions have continued to pick up considerably over the period.



The East and Southern Africa region has faired better, compared to the rest of Africa, and is accounting for 25% of the cases in Africa. South Africa accounts for over 50% of the cases registered in the 24-Member country block. This percentages are repeated among the reported cases of recoveries. The region also boasts the only two countries in the continent that are yet to report any cases of the COVID-19: Comoros and Lesotho.



Reported death cases are comparatively lower in East and Southern Africa compared to the rest of the continent, with the region accounting for about 10% of the continent's cases. Here too, South Africa accounts for about 50% of the reported deaths.



Conclusion

The number of confirmed COVID-19 cases in the continent and in the region will continue to rise in the coming weeks as different governments upscale their testing. The World Health Organization (WHO) has predicted that the continent could be the next epicentre of the COVID-19, with the United Nations predicting that up to three million people could die in the continent in the worst-case scenario, with the minimum number pegged at 300,000[1]. However, looking at the measures put in place and studying various models, I do not see these numbers, especially the predicted high numbers of deaths, being reached. The economic hit, however, will be massive, with more job losses experienced. There are also concerns for reinfections among those who have recovered from the virus, for reasons which have not been fully understood.

The clarion call is for the populace to be disciplined and follow the measures that have been put in place by the governments. If fully employed by all parties, the desired flattening of the curve will be achieved sooner rather than later. And we could all slowly emerge back into our lives. Until then… your guess is as good as mine.

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20th April 2020.

[1] https://www.uneca.org/sites/default/files/PublicationFiles/eca_covid_report_en_rev16april_5web.pdf

Africa

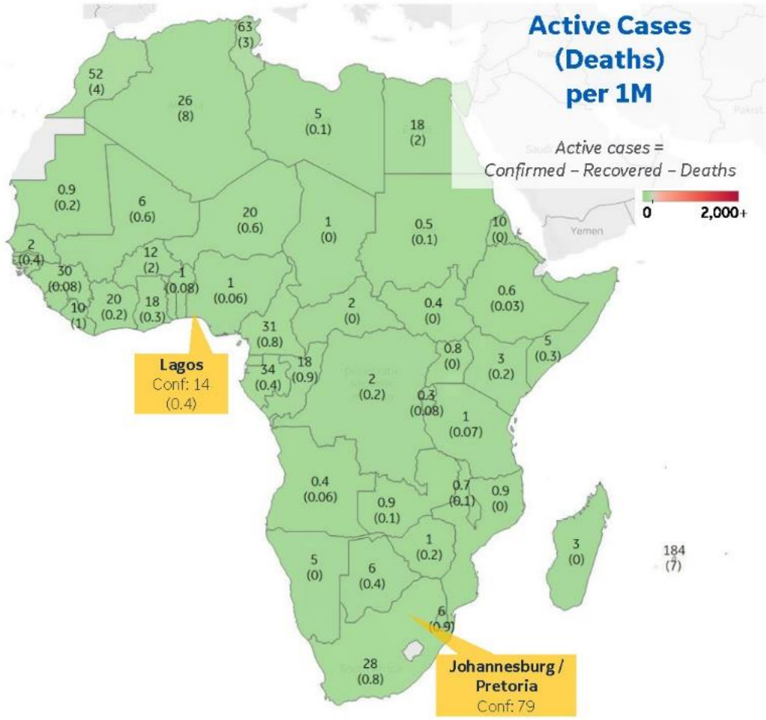
Per 1M in Region

	Today	Change
Active Cases	10	+2%
Confirmed	0.9 new	+7%
Deaths	0.04 new	+6%
Recovered	0.6 new	+24%

Most Active Cases per 1M

Mauritius	184
Tunisia	63
Morocco	52
Gabon	34
Equatorial Guinea	34
Cameroon	31
Guinea	30
South Africa	28
Algeria	26
Guinea-Bissau	22

** Excludes regions with population < 1M*



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Updated 17 April 2020, 1:00 GMT

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