Business impact survey of COVID-19 pandemic in South Africa

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Overview

- South African government has from 27 March 2020 placed the country under a national lockdown to reduce the spread of the virus, resulting in the closure of many businesses.
- The rapid response survey aimed at determining the impact of the COVID-19 pandemic on businesses in the formal sector.
- The survey targets selected businesses that are registered for VAT.
- Two surveys:
  - First survey: 30 March 2020–13 April 2020 (707 businesses responded)
  - Second survey: 14 April 2020–30 April 2020 (2,182 businesses responded)
  - Third survey: 01 May 2020–31 May 2020 (collection underway, possible publication date is 18 June 2020)
- Data was collected on the pandemic’s impact on turnover, trading, workforce, imports and exports, purchases, prices, research and development and business survival.
Overview

- Limitations
  - Answers to the survey questions reflect the perceptions of respondents
  - Findings are based on limited responses
  - Excludes the informal business sector, financial intermediation, insurance, pension funding, government, education, and business services ‘not elsewhere classified’
  - Results cannot be estimated to represent a population
  - Difficulties targeting actual business owners, accountants complete surveys for various businesses

- Lessons Learnt
  - Providing a user friendly platform for survey completion
  - Collaboration and incorporating stakeholders feedback
  - Adequate IT platforms to process bulk sending of emails
  - Ensuring adequate response rates in a very constrained environment
### Key results for second survey (14 April 2020–30 April 2020)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>89,6%</td>
<td>of responding businesses reported that turnover was below their normal range in the period, up from 85,4% in the first survey</td>
</tr>
<tr>
<td>29,7%</td>
<td>indicated they can survive less than a month without any turnover, 55,3% can survive between 1 and 3 months, and 6,7% can survive greater than 3 months</td>
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<tr>
<td>47,9%</td>
<td>indicated temporary closure or paused trading activity, up from 46,4% in the first survey</td>
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<tr>
<td>36,4%</td>
<td>indicated that they are laying off staff in the short term</td>
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<tr>
<td>45,6%</td>
<td>expected their workforce size to decrease</td>
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<tr>
<td>50,4%</td>
<td>of the workforce were unable to meet business demands</td>
</tr>
<tr>
<td>29,7%</td>
<td>indicated they can survive less than a month without any turnover</td>
</tr>
<tr>
<td>38,3%</td>
<td>indicated a decrease in access to financial resources</td>
</tr>
<tr>
<td>32,9%</td>
<td>indicated that prices of materials, goods or services increased more than normal</td>
</tr>
<tr>
<td>56,3%</td>
<td>indicated that their businesses would be operating during the level 4 lockdown period</td>
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<tr>
<td>30,0%</td>
<td>reported that they would use government relief schemes</td>
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Information Demand

Addressing the information gaps by collaborating with stakeholders, including but not limited to: Users need for different data during lockdown

- Accessibility: the demand for anonymized unit-level data is growing, the business impact survey provided users with such data
- Partnerships: Increasing collaboration with data providers for example the hunting and ICT sectors to include certain questions/respondents
- Collaboration and sharing of ideas between various institutions, training programs, and offering development solutions to provide a platform to generate data and information together
Long term impact of COVID-19 on the statistics programmes in Stats SA

Impact on private sector financial statistics (quarterly and annual financial statistics series)

- Detailed financial information required as a result data collection will certainly continue
- Further exploring aspects related to working remotely with a key emphasis on evaluating the productivity and efficiency of staff
- Impact on face-to-face interviews – Computer Assisted Personal Interviewing (CAPI) or Pen and Paper Interviewing (PAPI)
  - Increasing remote access and creating a virtual working environment (infrastructure dependent).
Long term impact of COVID-19 on the statistics programmes in Stats SA

- Long-term Initiatives to be taken
  - investigate the use of VAT records to estimate for small businesses
  - investigate the reduction in sample sizes/better imputations
  - Web scraping/financial statements/reports
  - use of administrative data, currently exploring the use of annual reports provided on the XBRL platform with Department of Trade and Industry
  - Develop a strategy for staff to work effectively from home to ensure continuity
  - real-time data collection and processing
  - telephone interviewing (limited to selected variables)
  - web interviewing (creating a virtual environment between respondent and data collector)
Thank you