

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



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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



Information Demand

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

- South African Revenue Service (SARS)
- Government (monitoring and policy making)
- Human Sciences and Research Council (HSRC)
- Standard Bank
- Department of Economic Development and Tourism
- Economic Research Institutions
- Universities and other educational institutions
- Southern African Labour and Development Research

Unit data made available to conduct further analysis



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Key results for second survey (14 April 2020–30 April 2020)

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



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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
- Impact on face-to-face interviews – Computer Assisted Personal Interviewing (CAPI) or Pen and Paper Interviewing (PAPI)
- Long-term Initiatives to be taken
 - real-time data collection and processing
 - telephone interviewing (limited to selected variables)
 - web interviewing (creating a virtual environment between respondent and data collector)
 - Increasing remote access and creating a virtual working environment (infrastructure dependent).



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Long term impact of COVID-19 on the statistics programmes in Stats SA

- Long-term Initiatives to be taken
 - capital expenditure panel survey review: Methodology/Data collection
 - 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



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Thank you



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