

UPDATE: COVID-19 RESPONSE BY the dtic

Joint Meeting of the Portfolio Committee on
Trade and Industry and
the Select Committee on Trade and Industry, Economic
Development, Small Business Development, Tourism,
Employment and Labour

22 May 2020



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Department
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

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Key focus of presentation

- Recall of key themes for last presentation of 1 May
- Broader overview of global developments
- Key developments in pandemic since 1 May
- Actions on consumer protection
- Localisation initiatives
- Economic impact and measures, incl trade, business support
- The risk-based approach, including
 - Level 4 management of issues and issuing of directions
 - Discussions on moving to Level 3
- Transformation
- Economic recovery

Recall of 1 May themes

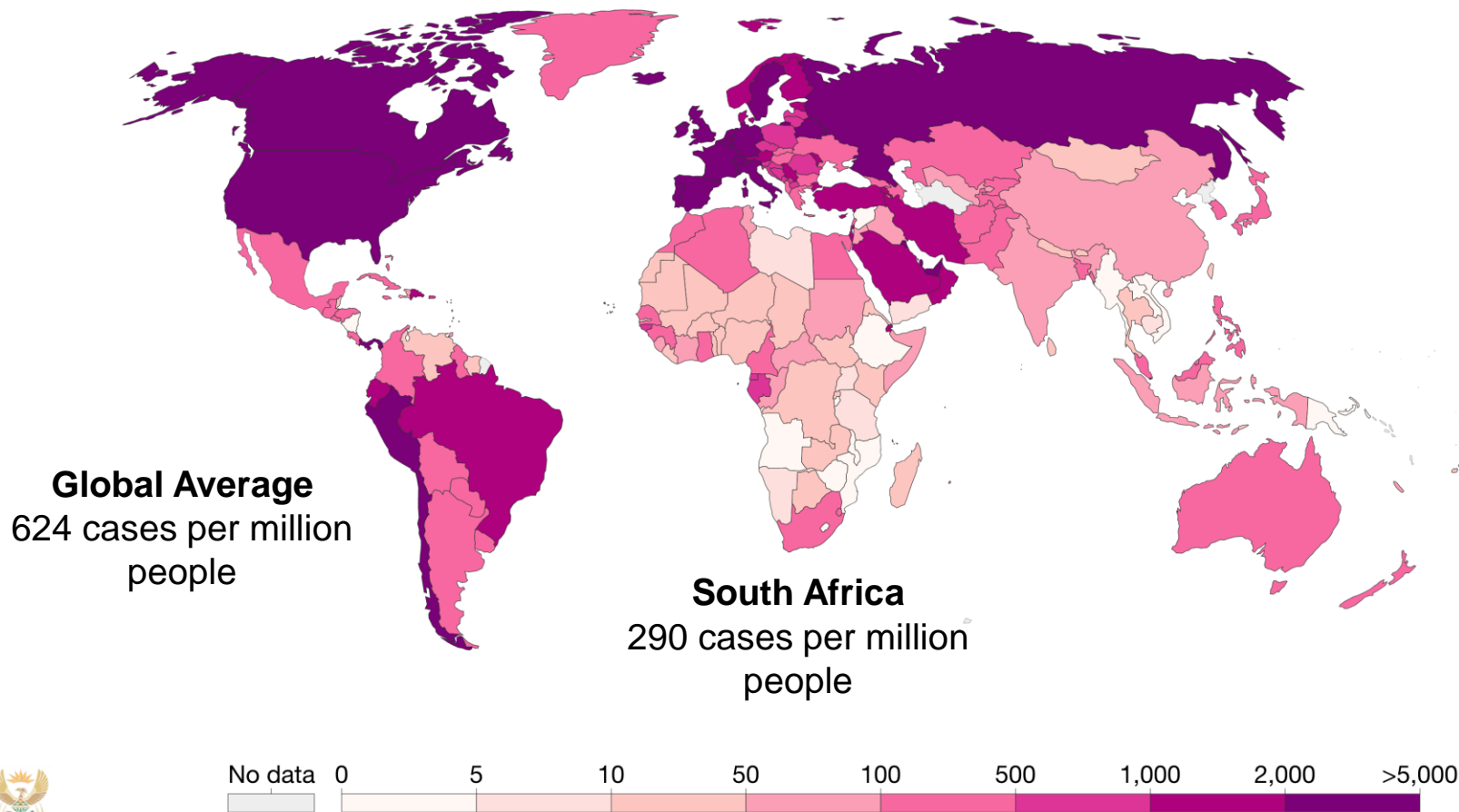
- Framing the challenge of COVID-19
- Detailing the South African response to COVID-19
- Economic impact and mitigation
- Highlighting solidarity and social protection measures
- Detailing DTIC regulatory support in the form of regulations, exemptions and directions
- Protecting consumers: action on price rises
- Detailing risk-adjusted strategic approach
- Detailing Level 4 of Lockdown

Global developments since 1 May

- **2 May 2020:** **India** extended the country's coronavirus lockdown by two weeks
- **4 May 2020:** Phase 2 of **Italy's** lockdown starts, **Nigeria** has announced that a "stay at home" order that had been imposed since 30 March in the capital Abuja and the states of Lagos and Ogun will be lifted over a six-week period
- **5 May 2020:** São Luís (Maranhão state) becomes one of **Brazil's** first major city to enter lockdown, and **Colombia** extends nationwide lockdown to 25 May
- **6 May 2020:** **Germany** announces lifting of more restrictions; contact limits would remain until 5 June
- **7 May 2020:** **Scotland** extends the lockdown restrictions for another three weeks
- **10 May 2020:** **UK** announces the 5-tier COVID Alert System, **Malaysia** extends the country's movement control order until 9 June, the fourth extension since 18 March
- **11 May 2020:** In many regions in **Spain**, Phase 1 starts
- **13 May 2020:** **New Zealand** Level 2 begins , **Lesotho** records first positive case and **Chinese** city of Jilin was put on lockdown
- **15 May 2020:** Majority of **US States** Stay-at-home orders end, Spanish Health Order comes into affect - Travelers coming to **Spain** from abroad will have to self-quarantine for 14 days
- **16 May 2020:** **Italy** eases some travel-curbs for EU and Schengen Zone travellers starting 6 June
- **18 May 2020:** **Italy** allows Restaurants, bars, and shops to reopen, and travel within regions to visit friends and family is once again permitted
- **20 May 2020:** **Spanish** Congress extend the 'state of alarm' lockdown in Spain for a fifth time until 7 June.
- **21 May 2020:** Spain announces compulsory to wear face masks

Total confirmed COVID-19 cases per million people, May 20, 2020

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.





World Health
Organization

REGIONAL OFFICE FOR
Africa

COVID-19

WHOAFRICAUPDATE20.05.20



Country	Total cases	Total deaths	Country	Total cases	Total deaths	Country	Total cases	Total Deaths
WHO Africa Region			Tanzania	509	21	Burundi	42	1
South Africa	17,200	312	Congo	420	15	Eritrea	39	0
Algeria	7,377	561	CAR	411	0	Comoros	34	1
Nigeria	6,401	192	Ethiopia	365	5	Botswana	25	1
Ghana	6,096	31	Benin	340	2	Gambia	24	1
Cameroon	3,529	140	Togo	338	12	Namibia	16	0
Guinea	2,863	18	Cabo Verde	335	3	Seychelles	11	0
Senegal	2,617	30	Mauritius	332	10	Lesotho	1	0
Cote d'Ivoire	2,153	28	Madagascar	326	2	WHOAFRO Total	64,388	1,827
DRC	1731	60	Rwanda	308	0	WHO Eastern Mediterranean Region		
Gabon	1502	12	South Sudan	282	4	Egypt	12,764	645
Guinea Bissau	1038	6	Uganda	260	0	Morocco	6,972	193
Kenya	963	50	Sao Tome & Principe	251	7	Sudan	2,591	105
Niger	914	55	Liberia	233	23	Somalia	1,502	59
Mali	901	53	eSwatini	208	2	Djibouti	1,618	7
Equatorial Guinea	890	7	Mozambique	146	0	Tunisia	1,043	46
Burkina Faso	806	52	Mauritania	131	4	Libya	65	3
Zambia	772	7	Malawi	71	3	Africa Total	90,943	2,885
Chad	545	56	Angola	52	3			
Sierra Leone	534	33	Zimbabwe	46	4			

WHO only publishes verified information. Data may reflect differences in reporting methods, retrospective data consolidation, and reporting delays.



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COVID-19 Timeline in South Africa

- **March 6, 2020:** South Africa confirms its first coronavirus infection
- **March 15, 2020:** President Ramaphosa announces a national state of disaster to deal with the threat of COVID-19 (38 positive cases)
- **March 19, 2020:** Confirmed cases cross the 100 mark
- **March 23, 2020:** President Ramaphosa announces a nationwide lockdown from 26 March to 16 April (274 positive cases)
- **March 26, 2020:** A three-week nationwide lockdown begins (709 positive cases)
- **March 28, 2020:** Confirmed cases cross the 1 000 mark and first coronavirus death reported
- **April 9, 2020:** President Ramaphosa announces a two-week extension of the lockdown until 30 April (1 934 positive cases; 18 deaths)
- **April 23, 2020:** President Ramaphosa announces that the country will follow a five-level risk-adjusted approach to transition from the nationwide lockdown, and that effective 1 May, South Africa will ease lockdown restrictions to Level 4 (3 635 positive cases; 65 deaths)
- **April 29, 2020:** Confirmed cases cross the 5 000 mark
- **April 30, 2020:** Confirmed deaths cross the 100 mark
- **May 1, 2020:** South Africa moves from Level 5 lockdown to Level 4, opening up more economic activity
- **May 10, 2020:** Confirmed cases cross the 10 000 mark
- **May 13, 2020:** President Ramaphosa announces that most of the country be placed on Level 3 by end of May

COVID-19: A GLOBAL PANDEMIC

WHO declared COVID-19 a global pandemic on 11 March 2020. Data from WHO and DOH,
as at 21 May 2020

	30 April 2020	21 May 2020
Global infection level	3 256 570	5 047 377
SA infection level	5 647	19 137
Global deaths	233 363	329 816
SA deaths	103	369

COVID-19 STATISTICS IN RSA

21-05-2020

Unknown: 0

Confirmed cases: 19 137

Tests conducted: 525 433

Deaths: 369

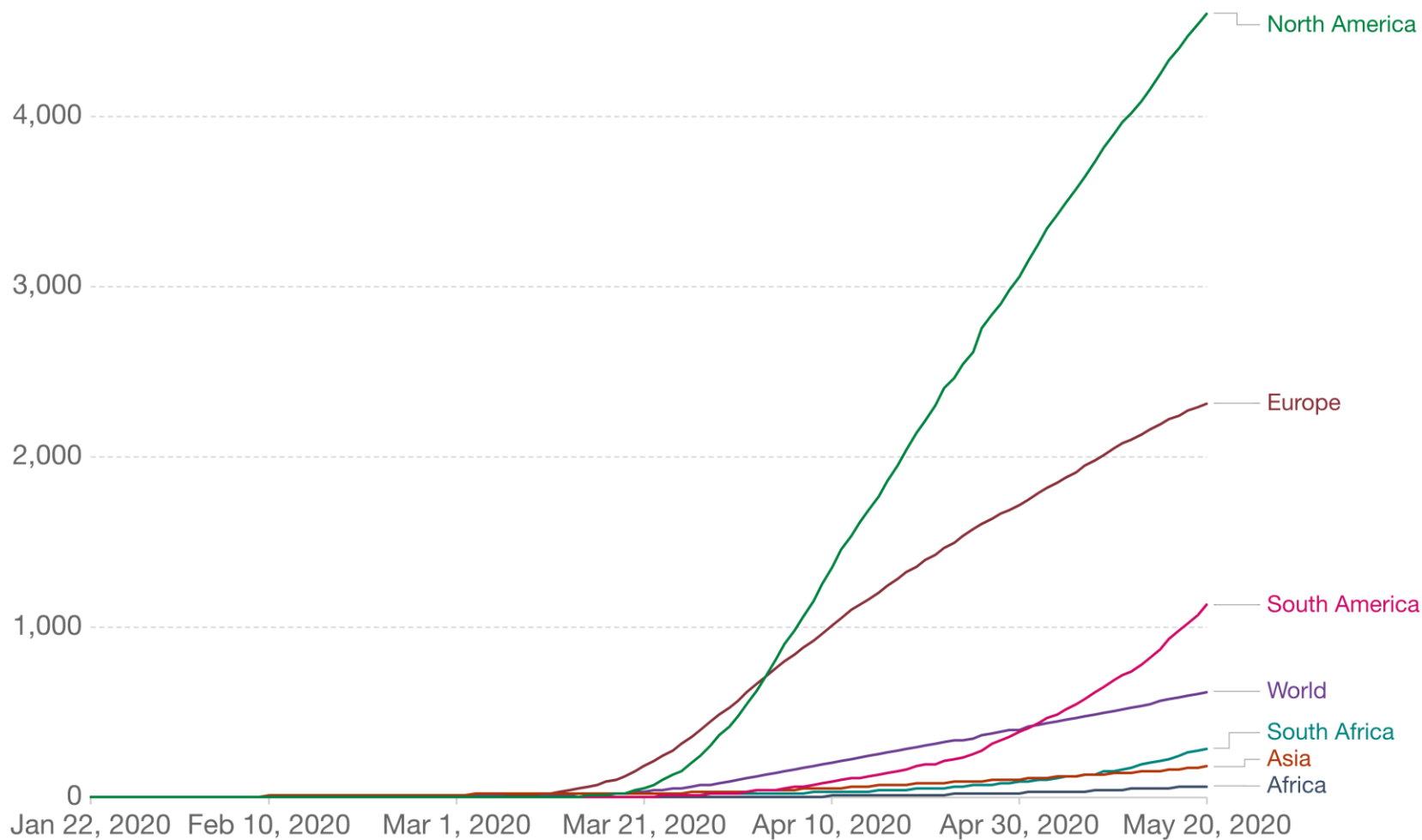
Recoveries: 8 950

Province	Deaths	Recoveries
Eastern Cape	50	1 036
Free State	6	118
Gauteng	27	1 694
KwaZulu-Natal	46	842
Limpopo	3	42
Mpumalanga	0	58
North West	1	28
Northern Cape	1	27
Western Cape	235	5105



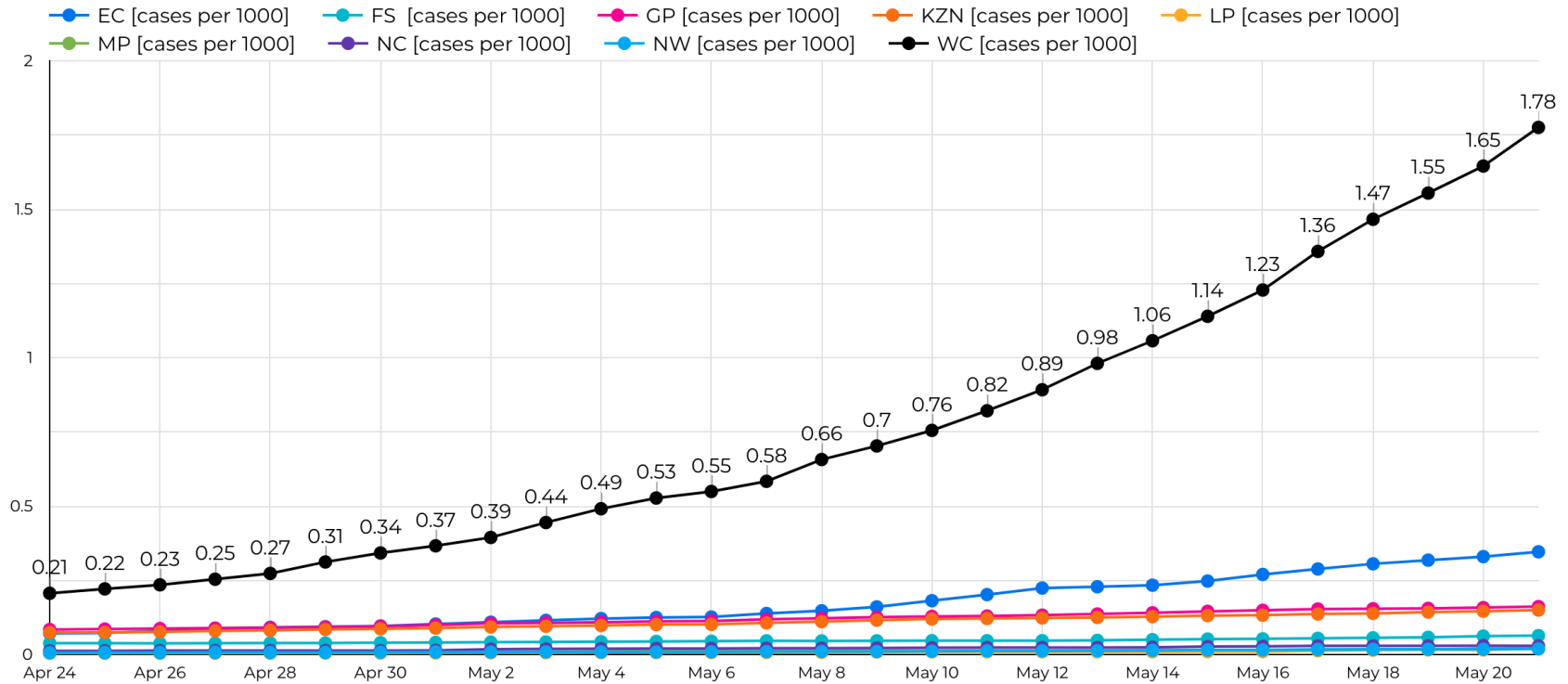
Total confirmed COVID-19 cases per million people

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.



PROVINCIAL INFECTION TRENDS

(NICD data as at 21 May 2020)



PROVINCIAL INFECTION TRENDS

(NICD data as at 21 May 2020)

Province	No of infections	Total confirmed cases per million people
Eastern Cape	2 324	350
Free State	184	60
Gauteng	2 453	160
KwaZulu-Natal	1 693	150
Limpopo	121	20
Mpumunga	95	20
North West	77	20
Northern Cape	37	30
Western Cape	12 153	1 780

Source: Data Science for Social Impact Research Group, University of Pretoria

ECONOMIC ACTION TO ADDRESS PANDEMIC

Government has prioritised key interventions, including:

1. Economic impact assessment and measures to mitigate;
2. Supporting health measures: essential health and PPE stocks;
3. Food and hygiene product supply-lines: from farm to shop;
4. Solidarity and social protection measures to assist the vulnerable;
5. Regulatory support to facilitate cooperation and keeping firms in business;
6. Protecting consumers: Action against unfair price rises;
7. Global coordination and engagement; and
8. Lockdown/Reopening the economy: risk adjusted approach.

ECONOMIC IMPACT AND MITIGATION

Estimates of the impact on the economy vary at the moment, and will be driven by trajectory of the virus both in South Africa and globally:

- The IMF estimates that GDP will fall by **5.8%** in 2020;
- The SARB estimates that GDP will fall by **6.1%** in 2020;
- The IDC estimates that GDP will fall by **6.3%** in 2020;
- New (May 2020) forecast by Deloitte SA estimates that GDP could fall by **9.1%** in 2020; and
- National Treasury economic modelling suggests employment losses are likely to be substantial.

ECONOMIC IMPACT AND MITIGATION

R500 billion coronavirus budget:

- **R200 billion** loan guarantee scheme with major banks, National Treasury and the SARB.
- **R100 billion** for the UIF's benefit to support workers' wages and assist companies in distress.
- **R70 billion** in cash flow relief or direct payments to businesses and individuals, through a 4-month holiday for companies' skills development levy contributions, fast-tracking VAT refunds and a 3-month delay for filing and first payment of carbon tax
- **R50 billion** on a temporary 6-month Coronavirus grant towards relieving the plight of those who are most desperately affected by the coronavirus,
- **R40 billion** for income support payments for workers whose employers do not pay their wages.
- **R20 billion** for personal protective equipment for health workers, community screening, increase in testing capacity, additional beds in field hospitals, ventilators, medicine and staffing.
- **R20 billion** to municipalities for the provision of emergency water supply, increased sanitisation of public transport and facilities, and providing food and shelter for the homeless
- **R2 billion** to assist SMEs and spaza shop owners and other small businesses.

Additional measures, incl:

- Tourism support Fund
- Emergency loan provisions in National Credit Act
- Small Business Fund

ECONOMIC MEASURES

- **SUGAR INDUSTRY – FOOD SECURITY**

- To promote food security and assist small-scale farmers during and after the Covid-19 pandemic, Government fast-tracked approval of a Sugar Master Plan
- The Sugar Industry - including industrial users, retailers, millers and growers – have reached agreement on a commitment to procure at least 80% of sugar needs from South African producers
- In return, South African producers have agreed to manage prices by limiting cost increases to inflation
- Other provisions cover a long-term restructuring plan for the sector
- The agreements form part of the Sugar Masterplan which was agreed by participants in early April 2020, to phase in a restructuring and stability programme for the industry
- A designation under the Competition Act has now been agreed after consultation with the Competition Commission, which will enable consultations between industry participants and Government to restructure the industry, while opening up diversified revenue sources for the industry, including small-scale and black farmers



ECONOMIC MEASURES (cont.)

- **NATIONAL CREDIT ACT – CONSUMER ACCESS TO FINANCE**
 - The National Credit Regulator has issued a circular providing guidelines to banks who wish to make emergency loans available to consumers during COVID-19
 - The emergency loan provisions can be used to provide credit to consumers who suffered a loss in income; destruction of property or experienced death in the family
 - The provisions also make allowance for consumers who need access to finance to support family members and friends who have lost income during the COVID-19 disaster
 - Emergency loans suspend some of affordability criteria in the Act, making it easier for consumers to access finance
 - To further support access to finance, it is expected that microfinance lenders will be allowed to operate during Level 3 of the lockdown

HEALTH STOCKS

1

- The DTIC has continued to work with companies to build the supply of critical health stocks
- The National Ventilator Project has finalised prototyping and will soon be in production to meet expected demand by early July
- The IDC has increased approvals to provide funding to companies to add essential supplies into supply chain
- The Solidarity Fund has continued to deploy resources to bring in critical stocks
- Clothing manufacturers have repositioned production processes to focus on masks and other PPE
- Work by the Competition Commission and National Consumer Commission is helping to monitor prices for essential health stocks

BUILDING HEALTH STOCKS

IDC FUNDING

- IDC has approved 12 applications to the value of **R476 million** in term of the IDC's Essential Supplies Intervention programme
- Support includes financing to ramp up local production of critical goods, and trade finance support to import essential products needed in the fight against COVID-19
- Companies supported have added critical capacity for face masks, hand sanitizer, gloves, packaging for medicines, disinfectants, testing kits
- As a result of IDC funding:
 - **N95 mask** manufacturing capacity has increased by **1 million masks per month**
 - **Surgical mask** manufacturing capacity has increased by **16 million masks per month**
 - **Hand sanitizer / disinfectant** manufacturing capacity has increased by **2 million litres per month**
- In addition, working capital and trade finance has been provided to import the following:
 - N95 Masks: **2.3 million**
 - Surgical Masks: **30.7 million**
 - Surgical Gloves: **57 million**
 - Medical Gowns: **56 000**
 - Coveralls: **60 000**
 - Swabs: **192 000**
 - Viral transport media: **2 000 units**



FOOD AND HYGIENE SUPPLY LINES

Unblocking work of the DTIC

2

- Assisting businesses verify their essential status
- Working with companies to address challenges in the supply chain for:
 - Food and consumer good
 - Pharmaceutical goods
 - PPE
 - Importation of essential goods
 - Exports of other goods
- Localisation initiatives

Unblocking work of the DTIC - examples

- Assisted companies such as AMKA to set up face mask plants; facilitated importation of machines and linked them with local suppliers of raw materials and components such as meltblown, earlobes and nose pieces and approval with testing and licensing.
- Comprehensive support provided on the manufacturing of sanitisers and specifically to Sasol for ethanol and suppliers of bottlers such as Coca Cola.
- Assisted poultry producers with transporting of live chickens across provincial borders (Gauteng/Limpopo and Western Cape/Eastern Cape).
- Provided support to Tiger Brands and Pioneer with the import of wheat and blockages at the Port of Cape Town and Durban.
- Enabled an SAA cargo flight from Frankfurt to bring emergency medicines in the cargo destined for South Africa.
- Ensured that Evergreen received additional energy from Eskom to increase their production capacity by 6 million surgical masks.
- Adcock/Aspen – assistance with the importation of paracetamol from India.
- PharmaQ – Facilitation with ITAC application.



SOLIDARITY AND SOCIAL PROTECTION

3

- Update on support for workers in distress
- Update on support companies in distress
- Provision of NEF Funding

SOLIDARITY AND SOCIAL PROTECTION Update

SUPPORT FOR WORKERS IN DISTRESS (Update):

- UIF ‘ordinary’ payouts of R1.8bn;
- UIF TERS has disbursed almost R14.1bn for payment to employers (since 16 April 2020); (R2.2 billion at 30 April)
- These employers applied on behalf of 2.5 million workers;
- Through NEDLAC, social partners are engaging on how best to prepare workplaces and developing a guide to the conditions under which workers can refuse to return to work e.g. due to unsafe work conditions; and
- Also through NEDLAC, social partners are working with the Department of Transport (DOT) to develop Regulations and Directions to address the safety of workers while travelling to work.

SOLIDARITY AND SOCIAL PROTECTION

The NEF has started implementing the COVID-19 Black Business Fund:

- The Fund received over 300 applications amounting in excess of R1 billion.
- To date 12 projects for the value of approximately R80 million have been approved under the Fund

Relief for NEF Clients in COVID-19 Distress:

- The NEF has granted repayment holidays to 47% of businesses in its invested portfolio which repayment holiday will be for a period of up to three months from April to June 2020.
- This is to help safeguard the sustainability of the businesses whose operations are distressed due to COVID-19.
- This will amount to a total R30 million postponement in capital repayments. In addition, the NEF will grant a zero rating on interest for these eligible investees over the same period, which will result in a total R20 million benefit for the clients.

REGULATIONS AND DIRECTIONS ISSUED BY DTIC

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- Sale of Cars and Emergency Auto Repairs at Alert Level 4.
- Sale of Clothing, Footwear and Bedding at Alert Level 4.
- e-Commerce Sales at Alert Level 4.

SALE OF CARS AND EMERGENCY AUTO REPAIRS

- Alert Level 4 Regulations provided for automotive retail sector to commence operations subject to directions
- The DTIC met with the automotive sector on 4 May 2020 to consult with them, based on the need to manage social distance and protect both customers and employees
- The industry in discussion with DTIC proposed a phasing in of activity over a period of a 4 weeks
- On 12 May 2020, the directions were issued following consultations within Government
- In terms of the directions, all Passenger Cars, Light Commercial Vehicles, Medium Commercial Vehicles, Heavy Commercial Vehicles, Extra Heavy Commercial Vehicles, inclusive of buses, motorcycles, trailers, caravans can be sold, and repaired
- During Phase 1, (12 May to 24 May) dealerships commence with 30% employment levels, and to sales through online platforms
- During Phase 2, (24 May to 8 June) dealers increase employment to 50% levels and welcome customers by appointment
- During Phase 3, (8 June onwards) dealers increase employment up to 100%
- Strict hygiene and social distance protocols have been established throughout each Phase

SALE OF CLOTHING, BEDDING AND FOOTWEAR

- The Alert Level 4 Regulations enabled the sale and manufacture of winter clothing, in addition to children, toddler and baby clothing
- Incremental opening of clothing was done to avoid large numbers of shoppers overwhelming the sector as it just opened up
- On 4 May 2020, the DTIC met with clothing and footwear retailers, along with key manufacturing associations and organised labour
- Industry representatives suggested that a standard list should be adopted by the industry to ensure that each retailer complied with the same standard
- The list was developed by clothing retailers in consultation with manufacturers and labour
- The final list was consulted was accepted by Government as appropriate and gazetted in the form of an official direction on 12 May

E-COMMERCE SALES

- The Alert Level 4 regulations allowed for incremental opening up of e-Commerce platforms to goods not sold in brick and mortar stores
- e-Commerce is an important retail platform; however appropriate health and safety protocols need to be put in place which can allow the full e-Commerce supply chain to operate safely while mitigating the risk of it becoming a vector for transmission of the coronavirus.
- Greater levels of e-Commerce for goods that are normally not for sale in retail stores, can introduce increased health risks by greater movement of courier or delivery service personnel, and hence health and safety protocols are important to mitigate this risk.
- DTIC engaged with major retailers, e-Commerce platforms and retail associations on the impact of opening e-Commerce more widely
- As part of the engagement, major e-Commerce platforms committed to give prominence to those goods which are manufactured in South Africa, in order to limit the social and economic hardship caused by the pandemic on local industries and enable consumer choice to support local producers
- E-Commerce platforms committed to expand payment options to drive greater levels of inclusion and to reach a broader spectrum of South Africans
- Directions provide for sale of all goods except alcohol and cigarettes.



PROTECTING CONSUMERS: ACTION ON PRICE RISES

5

- The Competition Commission and National Consumer Commission work to protect consumers and businesses from price gouging and excessive pricing
- The Competition Tribunal confirmed 13 consent orders for a total fine and/or contribution to the Solidarity Fund and other causes of R12.8 million
- The National Consumer Tribunal confirmed 1 settlement with a further 7 matters awaiting decision
- Monitoring of prices in the economy continuing

COMPETITION COMMISSION FOCUS

- Since the last Portfolio Committee meeting, the Competition Commission has continued its work to address excessive pricing during the COVID-19 pandemic
- The Commission has referred a further 12 cases to the Competition Tribunal over the period on a range of relating to excessive pricing cases on face masks and hand sanitiser
- The Competition Tribunal has confirmed 13 consent orders in favour of the Competition Commission which has resulted in settlements for fines, donations to Solidarity Fund and to other organisations, refunds to customers and immediate price decreases on essential goods
- Key decisions are discussed on the next slide

COMPETITION COMMISSION FOCUS

Hennox and Sicuro	Sicuro Safety CC (Sicuro) and Hennox 638 CC t/a Hennox Supplies (Hennox) admitted that they increased their gross profit margins for FFP1 face masks during March 2020 in contravention of the Act
Matus	Commission obtained information against Matus in relation to inflated prices of dust face masks (FFP1 and FFP2 masks) that it was charging its customers in March 2020.
Centrum Pharmacy	Commission investigated Centrum Pharmacy's conduct and found, among others, that the pharmacy's average mark-up in respect of facial masks for March 2020 was in excess of 100%
Evergreens Fresh Market	The Commission found that Evergreens' average margin in respect of hand sanitisers for March 2020 was approximately 33.4%.
Van Heerden Pharmacy 1	The Commission investigated and concluded that there was no justification for significant price increases for face masks effected between February and March 2020
Van Heerden Pharmacy 2	
Weleda Pharmacy	The Commission found that the average cost mark-up of approximately 50% and gross profit margin of 33.33% in respect of 500ml hand sanitisers for March 2020
Seaside / Merlot Pharmacies	The Commission found that Seaside Pharmacy's average cost mark-up of 63.04% and gross profit margin of 38.67% in respect of hand sanitisers and average cost mark-up of 44.95% and gross profit margin of 31% in respect of face mask in March and April 2020
Domoney	Bloemfontein-based supplier that on-sells face masks to customers, found marking up the price of its dust masks by 56% in February 2020 and 262% in March 2020.
Mandini	A Commission investigation found that Mandini Pharmacy ordered face masks from a supplier with the intention to resell to its customers. It did not sell face masks before March 2020 but decided to source face masks due to the sudden demand and panic-buying

COMPETITION COMMISSION FOCUS

- The total value of the settlements finalised equal: R12 854 694.

Respondent	Administrative penalty	Solidarity Fund	Donation to Public Interest Organisations
Hennox and Sicuro	R1 500 000	R200 000	
Matus	R5 949 542	R5 050 458	
Centrum Pharmacy			R25 410
Evergreens Fresh Market			R1 800
Van Heerden Pharmacy 1	R30 000		
Van Heerden Pharmacy 2	R3 875		
Belkem Pharmacy	R1 059		
Sunset Pharmacy	R8 640		
Manhattan Cosmetics			R612
Weleda Pharmacy	R18 750		
Seaside / Merlot Pharmacies	R4 168		
Domoney		R30 040	R30 040
Mandini			R300
Total	R7 479 542	R5 316 990	R58 162

COMPETITION COMMISSION FOCUS

- The Commission has achieved a number of settlements and consent orders with several respondent firms. Competition Tribunal has confirmed 13 settlements.

Firm	Settlement Terms
Celliers and Heunis CC t/a Centrum	Donation of 500 hand sanitisers, 320 face masks, 7 boxes of gloves (700) gloves valued at R25 000.
Main Hardware (Pty) Ltd	Reduction of the net-mark ups to 10% during pandemic period and 6 months afterwards, refund customers that were overcharged.
Evergreens Fresh Market	Reduction of margin on hand sanitiser to 25% or lower, donation of hand sanitisers to the value of R1800 to Tembisa hospital.
Matus(Pty) Ltd	Administrative penalty of R5.9 million, contribution of R5million to Solidarity Fund, ensure that gross profit margins for face masks will not increase during state of national disaster.
MandiniPharmacy	Reduction of mark ups by 20%, and donation of essential products to Mandini child welfare.

COMPETITION COMMISSION FOCUS

- The Competition Commission has also concluded other work in the context of both COVID-19 and addressing market structure more generally:
 - On 18 May 2020, the Competition Commission released their enforcement guidelines on buyer power, which seeks to protect SMEs and black-owned suppliers to large firms from abuses of negotiating power in the retail, agriculture, agro-processing and e-Commerce sectors
 - On 13 May 2020, the Competition Commission reached agreement with Shoprite Checkers to stop the use of exclusive leases in retail malls which prevent other small retailers from competing in those shopping centres. This agreement has come directly from the Grocery Retail Market Inquiry which was concluded in November 2019.
 - On 30 April, the Competition Commission reached agreement with MTN on package which reduces data costs for consumers, and provides access to free browsing, messaging and educational and government websites
- Each of these developments will have important impact in South Africa's economic recovery post COVID-19 and paves the way for greater access and competition

NATIONAL CONSUMER COMMISSION

- The COVID-19 toll free line (0800 014 880) was launched by the NCC on 19 March 2020, post the declaration of state of national disaster.
- Set up a Twitter account @NCC_COVID19 to assist in raising their issues. Consumers with complaints were provided assistance to file a complaint
- From 28th March to 3 April 2020, a public awareness campaign was undertaken on SABC's 11 national radio stations to alert consumers about the toll-free line and the Regulations.
- For the period 23 March to 12 May 2020, the NCC received 2,900 calls on its COVID-19 toll-free hotline. A total of 2533 (87,3%) calls were answered and 367 (12,7%) were lost/ abandoned.
- Of the 2 533 complaints received to-date, 1 618 complaints alleged price gouging relating to regulated essential products. The remaining 915 complaints were not related to the Regulation. These complainants were referred to the relevant platforms.

NATIONAL CONSUMER COMMISSION

- Of the complaints received:
 - 29 investigations have been completed
 - Of the 29 investigations completed, 11 matters were closed and will not be referred to the Tribunal as no contravention of the Regulations were found or settlement was reached between Competition Commission and respondents on the same product.
 - Of the 29 investigations completed, 8 matters have been referred to the Tribunal or have been settled.
 - Full settlement has been reached with one retailer, Mopani Pharmacy (Mbombela), which will result in a fine of R52 796; donation of 2 500 reusable masks to non-profit organization serving vulnerable groups and limits to markups
 - Other matters are still subject to arbitration by National Consumer Tribunal

GLOBAL CO-ORDINATION

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- African Union Ministers of trade meeting held on 7 May 2020 to consider matters related to fighting Covid-19 on the continent and adjustments to the date for implementing the AfCFTA
- G-20 Trade Ministerial meeting held on 14 May 2020 to agree an action plan on Covid-19
- Engagement with neighbouring countries on critical stocks

LOCKDOWN/RE-OPENING OF ECONOMY

7

- A lockdown was announced by the President to limit movement and people and the spread of the virus and 'flatten the curve' of infections.
- The lockdown has bought SA critical time to prepare for the impact of COVID-19.
- On 13 May, President Ramaphosa announced consultation to shift the economy to Level 3

RISK-ADJUSTED STRATEGIC APPROACH

Level 5	High virus spread and/or low health system readiness	Full lockdown
Level 4	Moderate to high virus spread with low to moderate readiness	High restrictions
Level 3	Moderate virus spread with moderate readiness	Moderate restrictions
Level 2	Moderate virus spread with high readiness	Reduced restrictions
Level 1	Low virus spread with high readiness	Minimum restrictions

The purpose of the new approach is to calibrate the level of openness with the level of risk and enable us to restart or increase as many economic activities as is possible given the health risks.

MOVING FROM LEVEL 4 TO LEVEL 3 COVID-READY WORKPLACES

- Department of Employment & Labour issued workplace directions.
- COVID-19 prevention and mitigation plans and protection measures:
 - Identification and protection of vulnerable employees;
 - Safe transport of employees;
 - Screening of employees on entering the workplace;
 - Prevention of viral spread in the workplace; and
 - Hand sanitisers and face masks.
- Monitoring systems must be in place to ensure compliance with safety protocols and identify infections among employees.
- Partnerships with unions to get work-places COVID-19 ready.
- Mass testing for workplaces with over 500 workers.

MOVING FROM LEVEL 4 TO LEVEL 3 INDUSTRY CONSULTATION

- Consultation with a number of constituencies to prepare for Level 3
 - **Nedlac**
 - **Business:** B4SA, BLSA, BBC, BASA, Asisa,
 - **Labour:** COSATU, FEDUSA, NACTU, SACCAWU, NUMSA, SACTWU, NULAW
 - **Manufacturers:** Automotive, food and consumer goods, CTFL, chemicals, plastics, paper products, saw mills, steel and metal fabrication
 - **Retailers:** Food, general goods, CTFL, automotive, e-Commerce
 - **Construction:** small and large construction companies
- Consultations have looked at preparedness of the industry to increase production, and to protect employees and customers from the spread of the coronavirus, including how to manage the increased demand for public transport as workers return to the workplace

Reconstruction post Covid-19

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- Work is commencing on measures to repair the damage of Covid-19
- Critical challenges will include addressing structural problems that hold back job creation and inclusive growth
- Transformation must be a key objective to be pursued to ensure a fairer economy and the inclusion of larger numbers of South Africans (youth, women, black industrialists)

THANK YOU



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