

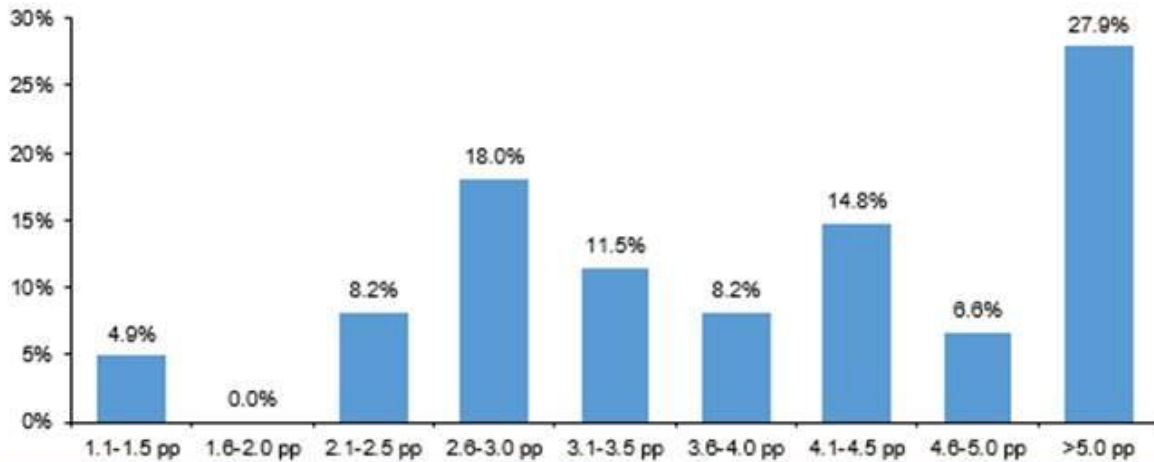
## Rand Note

Tuesday 28 April 2020

Rand strength from improving global risk sentiment held back by WGBI reweighting and Moody's recent worsening look for SA's key growth sector (the banking system) on concerns over the domestic economy



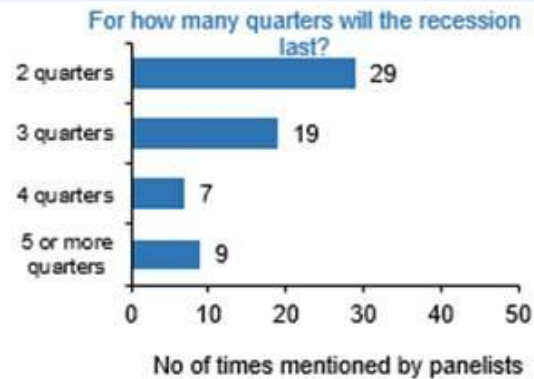
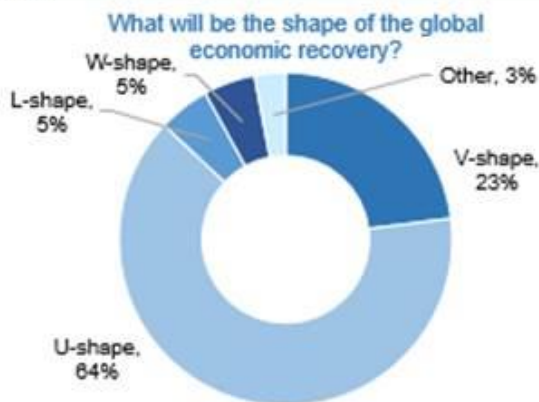
What will be the negative impact of Covid-19 on 2020 global growth in percentage points?



Source: Focus Economics

Note: Total responses in %

What will be the shape of the global economic recovery? And how many quarters will the recession last?



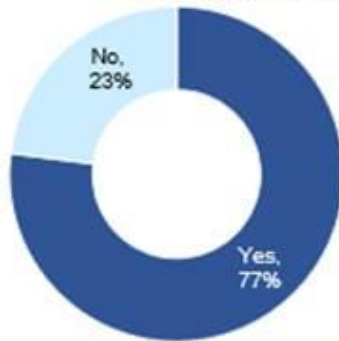
Source: Focus Economics Consensus Forecast panelists total responses

Note: Total responses in %

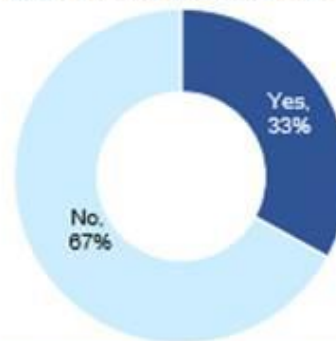
Note: Number of times mentioned by panellists

Will there be further monetary stimulus from major central banks and will the coronavirus-induced slump morph into a broader financial crisis?

Will there be further monetary stimulus from major central banks?



Will the coronavirus-induced slump morph into a broader financial crisis?

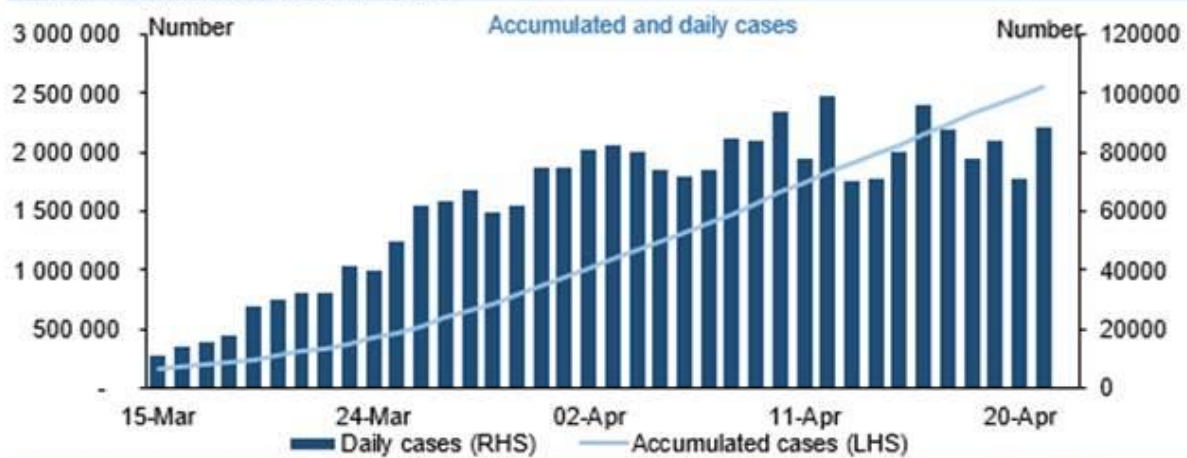


Source: Focus Economics Consensus Forecast panelists total responses

Note: Total responses in %

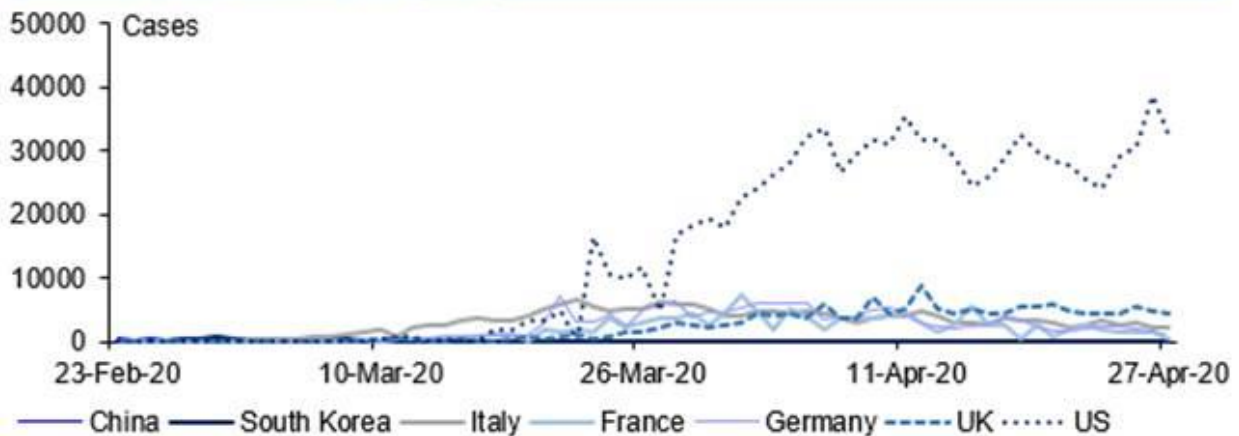
Note: Total responses in %

World: accumulated and daily cases



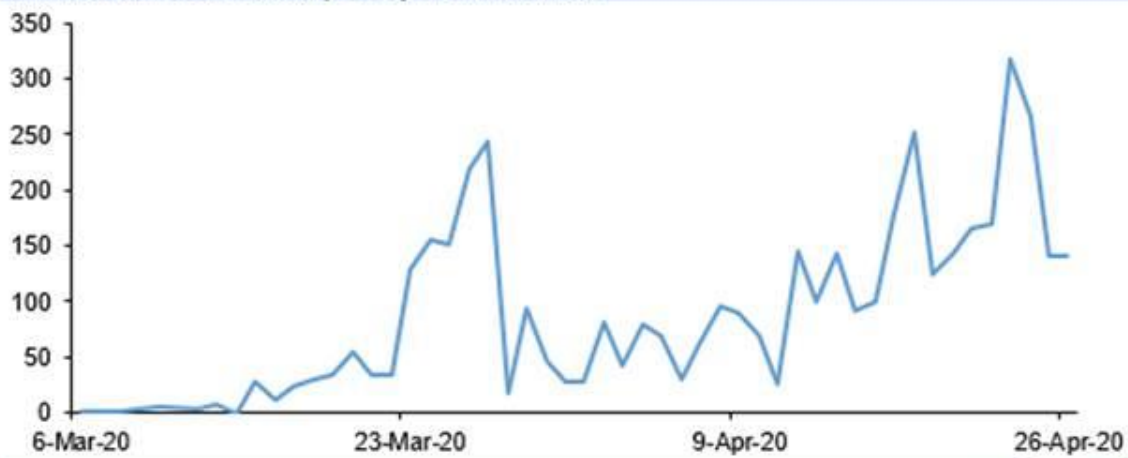
Source: Focus Economics

Number of new confirmed cases per day



Source: World Health Organisation

Number of new infections per day in South Africa



Source: ECDC

Situation in numbers (total and new cases in last 24 hours for 27<sup>th</sup> April)

Reporting regions	Confirmed	Total confirmed new cases	Total Deaths	Total new deaths
Globally	2878196	85530	198668	4982
European Region	1359380	29659	124525	2307
Region of the Americas	1140520	45674	58492	2453
Western Pacific Region	144121	1482	5958	15
Eastern Mediterranean Region	165933	5347	6991	104
South-East Asia Region	46060	2214	1824	77
African Region	21470	1154	865	26

Source: World Health Organization

- The rand traded at R18.55/USD, R20.19/EUR and R23.19/GBP today, from Friday's close of R18.77/USD, R20.34/EUR and R23.35/GBP, supported by improved global market sentiment despite poor incoming economic data, with clearer expectations that the global economy will turn bolstering risk taking on likely value seeking and rising global liquidity.
- The unprecedented quantitative easing programmes of advanced economies this year has aided improved global financial market risk appetite (supporting the rand), with unlimited monetary support anticipated in most advanced economies, while markets are also seemingly more cheered by the other support measures that are being implemented as well.
- While global financial markets have not yet entered a period of sustained, or even substantial risk-on, financial markets tend to lead economic data, and the extreme levels of uncertainty in markets earlier this month and last month seem to have waned somewhat. We expect the rand could attempt to strengthen somewhat further from mid-May, if not earlier.
- Further volatility in markets is still likely domestically and internationally however, the level of risk aversion is still heightened globally even if it has waned somewhat, and risk aversion in financial markets would likely rise instead if uncertainty around Covid-19 intensifies again as expectations change.
- Over the weekend Moody's said it "changed ...(its) outlook for the South African banking system to negative from stable, reflecting our assessment that disruption caused by the coronavirus outbreak will exacerbate the already challenging operating conditions in the country."





# Economic Scenarios: note updated forecasts

		Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21
Extreme Up case 1%	USD/Rand (average)	15.38	15.00	14.00	13.00	12.00	11.00	10.00	9.00
	Repo rate (end rate)	5.25	3.50	3.50	3.50	3.50	3.50	3.50	3.50
	Impact of Covid-19 pandemic very rapidly resolved - economic growth of 3-5%, then 5-7% for SA. Good governance, growth-creating reforms (structural constraints overcome), strengthening of property rights - individuals obtain title deeds in EWC - no nationalisation. High business confidence and fixed investment growth, substantial FDI inflows, strong fiscal consolidation (government debt falls back to low ratios of 2000s). <a href="#">Strong global growth, commodity boom. Stabilisation of credit ratings, then credit rating upgrades.</a>								
Up case 4%	USD/Rand (average)	15.38	16.00	15.00	14.00	13.50	12.00	11.50	11.00
	Repo rate (end rate)	5.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75
	Quick rebound from Covid-19 pandemic, rising confidence and investment levels - structural problems worked down. <a href="#">No further credit rating downgrades, rating outlooks move to stable and eventually positive, strong fiscal consolidation (government debt projections fall substantially).</a> Global risk-on, global demand quickly returns to trend growth. Limited impact of expropriation (without compensation) to abandoned, unused, labour tenants" and government land (individuals are new owners and receive title deeds) does not have a negative effect on economy - no nationalisation.								
Base case 43%	USD/Rand (average)	15.38	18.00	17.50	16.50	15.75	15.50	15.50	15.00
	Repo rate (end rate)	5.25	4.00	4.00	4.00	4.00	4.25	4.25	4.25
	Temporary sharp global slowdown and global financial turmoil from Covid-19 pandemic (severe currency depreciation, low interest rates) - <a href="#">eventually sufficient global and domestic monetary and other policy supports to growth and financial markets occur and risk sentiment stabilises.</a> South Africa exits recession in Q3.20. Market unfriendly policies like expropriation of private sector property put on hold in the crisis. <a href="#">SA remains BB+ rating from Moody's - government debt projections stabilise.</a>								
Lite (domestic) Down case 42%	USD/Rand (average)	15.38	19.50	22.00	20.00	18.50	17.00	16.50	16.00
	Repo rate (end rate)	5.25	4.25	4.25	4.50	4.75	4.75	4.75	5.00
	The international risk sentiment environment is that of the base case. <a href="#">South Africa continues to fail to see its debt projections stabilise and loses its BB+ rating from Moody's and falls towards B ratings from all three rating agencies.</a> More severe recession in SA over 2020 than in the expected case. Expropriation of some private commercial sector property without compensation, with some negative impact on the economy. Business confidence depressed even further, significant rand weakness, significant load shedding and weak investment growth until substantial fiscal repair ultimately effected.								
Severe down case 10%	USD/Rand (average)	15.38	22.00	24.00	21.00	20.00	19.00	18.00	16.50
	Repo rate (end rate)	5.25	4.50	4.75	5.00	5.50	6.00	6.50	7.00
	Lengthy global recession on impact of Covid-19 - global financial crisis - insufficient monetary and other policy supports to growth domestically and internationally. Depression in SA, unprecedented rand weakness. Nationalisation of private sector property (title deeds not transferred to individuals). <a href="#">SA rated single B from all three key agencies, with further rating downgrades occurring into C grade as government finances deteriorate (debt projections elevate even further - fail to ever stabilise.</a> Government borrows from increasingly wider sources as it sinks deeper into a debt trap), eventually include widespread services load shedding, strike action and civil unrest.								

Note: Event risk begins Q2.20. Source: Investec



**Up Case: Exchange Rates forecasts**

	2020				2021				2022			
	Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22
USDZAR	15.38	16.00	15.00	14.00	13.50	12.00	11.50	11.00	10.80	10.60	10.40	10.65
GBPZAR	19.64	19.76	18.53	17.54	17.17	15.35	14.93	14.67	14.47	14.31	14.14	14.59
EURZAR	16.95	17.34	16.13	15.26	14.85	13.20	12.77	12.32	12.20	12.08	11.96	12.35
ZARJPY	7.12	6.75	7.27	7.86	8.07	8.96	9.22	9.50	9.81	10.00	10.19	9.95
CHFZAR	15.89	16.44	15.28	14.26	13.69	12.05	11.55	11.05	10.80	10.60	10.40	10.65
AUDZAR	10.09	9.58	8.89	8.54	8.51	7.74	7.65	7.59	7.56	7.42	7.38	7.56

Note averages, Source: Investec, Iress

**Extreme Up Case: Exchange Rates forecasts**

	2020				2021				2022			
	Q1.20	Q2.20	Q3.20	Q4.20	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22
USDZAR	15.38	15.00	14.00	13.00	12.00	11.00	10.00	9.00	8.00	8.00	8.00	8.00
GBPZAR	19.64	18.53	17.30	16.29	15.26	14.07	12.98	12.00	10.72	10.80	10.88	10.96
EURZAR	16.95	16.25	15.05	14.17	13.20	12.10	11.10	10.08	9.04	9.12	9.20	9.28
ZARJPY	7.12	7.20	7.79	8.46	9.08	9.77	10.60	11.61	13.25	13.25	13.25	13.25
CHFZAR	15.89	15.42	14.27	13.24	12.17	11.05	10.05	9.04	8.00	8.00	8.00	8.00
AUDZAR	10.09	8.98	8.30	7.93	7.56	7.10	6.65	6.21	5.60	5.60	5.68	5.68

Note: averages, Source: Investec, Iress

**South Africa: Risk-adjusted strategy for economic activity**

The following rules will be imposed across all sectors and alert levels:

- Industries are encouraged to adopt a work-from-home strategy where possible, and all staff who can work remotely must be allowed to do so.
- Workers above the age of 60, as well as workers with comorbidities identified by the Department of Health should be offered a work-from-home option or allowed to remain on leave with full pay.
- There should be workplace protocols in place that would include disease surveillance and prevention of the spread of infection.
- All employers to screen staff on a daily basis for symptoms of COVID-19, including a symptom check as well as temperature assessment.
- All employees to use a cloth mask especially where social distancing is not possible.
- Work environment to have sanitisers available or hand washing facilities with soap.
- Stringent social distancing measures should be implemented in the workplace.

The Department of Health will issue a comprehensive guidance note stipulating health and safety practices for returning to work.

Source: The Presidency

#### South Africa: Risk-adjusted strategy for economic activity

Post-lockdown: General exclusions

**The following restrictions will remain in place after the national lockdown, and regardless of the level of alert at any given time:**

- Sit-in restaurants and hotels
- Bars and shebeens
- Conference and convention centres
- Entertainment venues, including cinemas, theatres, and concerts
- Sporting events
- Religious, cultural and social gatherings

**No gatherings of more than 10 people outside of a workplace will be permitted.**

**Passengers on all modes of transport must wear a cloth mask to be allowed entry into the vehicle. Hand sanitisers must be made available, and all passengers must sanitise their hands before entering. Public transport vehicles must be sanitised on a daily basis.**

Source: The Presidency

#### South Africa: Risk-adjusted strategy for economic activity

Consideration	Description
Low transmission risk	Economic activity can resume with low transmission risk Or Economic activity can resume under conditions whereby transmission risks can be effectively managed
Regulated and organised	Precedent of good compliance and enforcement of regulations in sector <i>and/or</i> Industry bodies / unions / lead firms can support coordination of sector response
Localised/low movement of people	Economic activity can resume with no/minimal movement across provincial borders and between rural and urban areas, <i>and</i> movement is limited to low risk geographies
Enabling of other sectors or essential services	Resumption of economic activity is crucial for the effective functioning of a sector that produces, distributes or sells goods / services designated as essential or other sectors prioritised for opening

Source: The Presidency



## South Africa: Risk-adjusted strategy for economic activity

### Criteria for return to activity

1. Economic value at risk
  - Sectoral contribution to GDP
  - Employment
  - Export earnings (fx)
  - Prevalance of SMEs and informal sector
  - Linkages to the rest of the economy
  - Is it an enabling industry?
2. Transmission risks
  - Nature of work
  - Profile of workforce
  - Geographic location of workforce
  - Practical mitigation measures
  - Feasibility of mitigation measures
3. Economic stress
  - Not presently operating
  - Facing imminent retrenchment
  - Facing imminent firm closures
  - Facing permanent and irreversible damage
  - Jobs at stake

### Industries that return to work first should:

1. Have acceptably **low transmission risk** (or be able to attain this through mitigation measures) **and**
2. Be of critical **value to the economy or**
3. Be under severe near-term **economic stress**

Source: The Presidency

- Moody's forecast that South Africa will see GDP contract by "6.5% in real terms in 2020, a result of long-standing structural challenges and the severe hit to economic activity caused by the coronavirus. The outbreak has led to a temporary lockdown of the country, which will reduce production and cut household consumption."
- The agency adds "(t)he transport, hospitality, mining and manufacturing industries will be particularly affected. The South African government's crisis response program of ZAR500bn will partly mitigate the negative effect. Furthermore, political tensions and reform inertia have significantly eroded business confidence."
- Furthermore, "(t)hese challenges will materially hurt banks' growth prospects over the next 12 to 18 months. Loan performance will deteriorate materially. We expect problem loans to increase in view of the challenging economic backdrop, which will strain borrower cash flows and make it harder to manage loan repayments."
- "At the same time, the regulator has requested banks consider suspending dividends and bonus payments in 2020 so as to conserve capital and increase their ability to absorb losses and originate or restructure loans. This will reduce downward pressure on capital metrics somewhat, although many banks will pay out dividends previously announced, for 2019."
- "A decline in client activity will weaken banks' total revenue. Operating expenses will likely grow faster than earnings because of high digital investments, although this will improve operational efficiency over the longer term. Loan-loss provisioning needs will increase ... (on) rising problem loans and lower loan recoveries."

- The rand benefitted late last week from US dollar weakness, with the euro area Covid-19 rescue package also stimulating some market optimism. The rand is highly sensitive to global financial market risk sentiment, and against the basket of 24 EM currencies on Bloomberg the domestic currency (vs. US\$) is the best performer on a week ago.
- The President's move to open up certain areas of the economy (see attached tables) is also seen to have strengthened the rand. Specifically, the series of phased easings of the lockdown restrictions from the 1<sup>st</sup> of May was seen as positive, as some industries can begin operation, albeit partially and with a number of restrictions, with more opening up planned.
- In particular, the approaching level four lockdown (albeit with regional contingencies on its occurrence) has sparked some optimism in domestic markets, while some easing in lockdowns in various economies globally has seen risk aversion subside somewhat in internal markets, as markets are beginning to anticipate some turning in the global economy.
- While the rand is highly liquid, and reflective of global financial market risk sentiment, concerns over the impact of the funding of SA's fiscal stimulus package are also weighing on the domestic currency. Markets are wary of further rating downgrades for SA from all three of the key credit rating agencies, given also political obstructions to necessary reforms.

## Coronavirus levels and measures

Five coronavirus levels introduced:

- Level 5 means that drastic measures are required to contain the spread of the virus to save lives.
- Level 4 means that some activity can be allowed to resume subject to extreme precautions required to limit community transmission and outbreaks
- Level 3 involves the easing of some restrictions, including on work and social activities, to address a high risk of transmission.
- Level 2 involves the further easing of restrictions, but the maintenance of physical distancing and restricting on some leisure and social activities to prevent a resurgence of the virus.
- Level 1 means that most normal activity can resume, with precautions and health guidelines followed at all times.

There will be a national level and separate levels for each province, district and metro in the country.

We are currently at Level 5, which requires a full national lockdown to contain the spread of the virus.

The National Coronavirus Command Council will determine the alert level based on an assessment of the infection rate and the capacity of our health system to provide care to those who need it.

A detailed exercise to classify the different parts of the economy according to the risk of transmission in that sector, the expected impact of the lockdown, the economic contribution of the sector and the effect on livelihoods.

The relevant Ministers will provide a detailed briefing on the classification of industries and how each is affected at each level.

All industry bodies will be given an opportunity to consider these details and, should they wish, to make submissions before new regulations are gazette.

The National Coronavirus Command Council has determined that the national coronavirus alert level will be lowered from level 5 to level 4 with effect from Friday the 1<sup>st</sup> of May.

This means that some activity will be allowed to resume subject to extreme precautions to limit community transmission and outbreaks.

- Some businesses will be allowed to resume options under specific conditions.
- Every business will have to adhere to detailed health and safety protocols to protect their employees, and workplace plans will be put in place to enable disease surveillance and prevent the spread of infection.
- All businesses that are permitted to resume operations will be required to do so in a phased manner, first preparing the workplace for a return to operations, followed by the return of the workforce in batches of no more than one-third.
- In some cases, a sector will not be able to return to full production during Level 4 while the risk of infection remains high.
- These will be spelt out next week following a final round of consultations.
- Businesses will be encouraged to adopt a work-from-home strategy where possible. All staff who can work remotely must be allowed to do so.
- The relevant Ministers will provide details on the process for the phased re-opening of schools and other educational institutions.

Source: The Presidency



## Coronavirus levels and measures

When the country moves to level 4 on 1 May:

- Our borders will remain closed to international travel, except for the repatriation of South African nationals and foreign citizens.
- No travel will be allowed between provinces, except for the transportation of goods and exceptional circumstances such as funerals.
- Public transport will continue to operate, with limitations on the number of passengers and stringent hygiene requirements, including that all passengers must wear a face mask.
- The public is encouraged to stay at home, other than for essential personal movement, doing essential work and work in sectors that are under controlled opening. People can exercise under strict public health conditions.
- All gatherings, apart from funerals and for work, will remain prohibited.
- Those who are elderly, and those with underlying conditions, must remain at home and take additional precautions to isolate themselves.
- The sale of cigarettes will be permitted.
- The range of goods that may be sold will be extended to incorporate certain additional categories. This will be detailed by the relevant Ministers.
- Bars and shebeens will remain closed.
- Conference and convention centres, entertainment venues, cinemas, theatres and concerts will remain closed.
- From the beginning of May, all South Africans are to wear a face mask whenever you leave home.

As we slowly ease the lockdown restrictions, we are substantially and rapidly increasing our public health response.

- We have already seen a huge increase in community screening and testing.
- Guided by advice from the World Health Organization and the Africa Centres for Disease Control and Prevention, we have joined other African countries in placing mass screening and testing at the centre of the next phase of our response.
- The additional allocation of R20 billion to our health response is to ensure that we have the beds, medicine, equipment and personnel required when the country experiences the peak of infections.

70000 defence force personnel have been employed to assist with various parts of the coronavirus response.

- They have been supporting the South African Police Service and will also provide assistance in other essential areas, such as the provision of water supply, infrastructure maintenance and health services.

Source: The Presidency

#### Summary of alert levels

##### Level 5

Objective	Drastic measures to contain the spread of the virus and save lives
Sectors permitted	Only essential services as per existing regulations.
Retail permitted (including stores, eCommerce and informal traders)	Only essential goods, including food, medical products, cleaning and hygiene products, fuel, and winter goods such as blankets and heaters.
Movement	You must stay at home unless you are an essential worker. You may leave home only to purchase essential goods or seek medical care.
Gatherings	All public gatherings are prohibited.
Transport	Bus services, taxi services, e-hailing and private motor vehicles may operate at restricted times, with limitations on vehicle capacity and stringent hygiene requirements.
Education	Directions to be issued by the Minister of Basic Education and Minister of Higher Education, Science and Innovation

Source: The Presidency

#### Summary of alert levels

##### Level 4

Objective	Extreme precautions to limit community transmission and outbreaks, while allowing some activity to resume.
Sectors permitted	All essential services, plus a limited number of sectors with a low rate of transmission and high economic or social value.
Retail permitted (including stores, eCommerce and informal traders)	All essential goods, as well books, stationery and office equipment. Alcohol may be sold within restricted hours, and in limited quantities, for off-site consumption. Restaurants and fast food outlets may open for delivery only
Movement	You must stay at home except to go to work, do shopping where necessary, or seek medical care. No inter-provincial movement of people, except to return to usual place of residence, for transportation of goods and exceptional circumstances (e.g. funerals). Curfew in place between 7pm and 5am. Walking, jogging and cycling permitted.
Gatherings	All public gatherings are prohibited.
Transport	Passenger rail, bus services, taxi services, e-hailing and private motor vehicles may operate subject to directions.
Education	Directions to be issued by the Minister of Basic Education and Minister of Higher Education, Science and Innovation

Source: The Presidency

### Summary of alert levels

#### Level 3

Objective	Restrictions on many activities, including at workplaces and socially, to address a high risk of transmission.
Sectors permitted	A wider range of sectors permitted with a low to moderate risk <u>of transmission</u> that can be effectively mitigated.
Retail permitted (including stores, eCommerce and informal traders)	All retail permitted at levels 5 and 4, as well as clothing stores and hardware stores.
Movement	All South Africans are encouraged to stay at home as far as <u>possible</u> and limit their interactions with others. No inter-provincial movement of people, except to return to usual place of residence, for transportation of goods and exceptional circumstances (e.g. funerals).
Gatherings	All public gatherings are prohibited.
Transport	Limited domestic air travel, with a restriction on the number of flights per day and authorisation based <u>on the</u> reason for travel.
Education	Directions to be issued by the Minister of Basic Education and Minister of Higher Education, Science and Innovation

Source: The Presidency

### Summary of alert levels

#### Level 2

Objective	Physical distancing and restrictions on leisure and social activities to prevent a resurgence of the virus.
Sectors permitted	Most sectors permitted, with limitations remaining where the risk of transmission is high.
Retail permitted (including stores, eCommerce and informal traders)	All retail permitted. Restaurants and fast food outlets may open for delivery and take-away.
Movement	All South Africans are encouraged to stay at home as far as <u>possible</u> and limit their interactions with others. Movement between provinces at levels 1 and 2. Movement from provinces at a higher level to those with a lower level may be restricted.
Gatherings	All public gatherings are prohibited.
Transport	Limited domestic air travel, with a restriction on the number of flights per day and authorisation based on the reason for travel.
Education	Directions to be issued by the Minister of Basic Education and Minister of Higher Education, Science and Innovation

Source: The Presidency



## Summary of alert levels

### Level 1

Objective	Most normal activity can resume, with precautions and health guidelines followed at all times. Population prepared for an increase in alert levels if necessary.
Sectors permitted	All sectors permitted.
Retail permitted (including stores, eCommerce and informal traders)	All retail permitted. Restaurants may open, with stringent social distancing measures.
Movement	You may leave home but take precautions while interacting with others. Interprovincial movement allowed, with restrictions on international travel. Curfew lifted.
Gatherings	All public gatherings are prohibited.
Transport	Domestic air travel restored.
Education	Directions to be issued by the Minister of Basic Education and Minister of Higher Education, Science and Innovation

Source: The Presidency

### Risk-adjusted strategy for economic activity

An alert system with levels of restriction should be created with clearly defined levels of restriction that can be imposed by the National Command Council as necessary.

- If lockdown regulations are amended to allow some economic activity to resume, it is possible that the infection rate will accelerate and that the virus will resurge. In this scenario, it would be necessary to quickly revert to more stringent restrictions in order to arrest further transmission.
- An "alert system" with four to five levels would allow for flexibility and responsiveness, and would reduce the need to amend regulations in future.
- At each level restrictions would be more or less severe, and sectors and companies would know what activity is permitted depending on the level imposed at any time.
- Government would be able to switch between levels with far greater speed, and could use mass communications platforms (such as an SMS notification system) to signal this to the public.
- Different levels could be imposed in specific provinces and areas based on the risk of transmission.
- **NB: A gradual transition between alert levels can be implemented where necessary.**
- Detailed health protocols should be imposed at all levels of alert.

Level 1 - Low virus spread, high health system readiness

Level 2 - Moderate virus spread, with high readiness

Level 3 - Moderate virus spread, with moderate readiness

Level 4 - Moderate to high virus spread, with low to moderate readiness

Level 5 - High virus spread, and/or low readiness

Source: The Presidency

- Levels of alert (1-5) will be determined by the National Command Council at each meeting, upon a recommendation from the Minister of Health and the Minister of Trade and Industry. **A single national alert level may be determined, or an alert level may be determined for each province.**
- The highest burden of the disease is currently concentrated in Gauteng, Western Cape, KwaZulu-Natal and Eastern Cape. The remaining provinces have a limited number of cases.
- Within the provinces the infection is concentrated largely in the metro areas.
- Given the disproportionate distribution of infections there is an opportunity to have a differentiated approach to the lockdown based on the geographic distribution.
- The initial plan is to determine alert levels at a provincial level based on the number of cases in each province.
- Premiers may thereafter determine an alert level for specific districts, with the approval of the Minister of Health. Those districts with lower risk levels could in this way embark on increased levels of economic activity.
- **Individual Ministers, upon consultation with and approval from the Minister of Health, may provide for exceptions and additional directions in sectors within their domain.**
- A working committee should be established comprising officials from the Department of Health and the Department of Trade and Industry to consider changes to the sector restrictions as they are required.

## Risk-adjusted strategy for economic activity

### Alert system: Level 5

High virus spread, and/or low health system readiness

Sectors permitted

- Only essential services

Transport restrictions

- Bus-services, taxi services, e-hailing and private

Movement restrictions

- No inter-provincial, movement of people, except for transportation of goods and exceptional circumstances (e.g. funerals)

### Alert system: Level 4

Moderate to high virus spread, with moderate readiness

Sectors permitted

- All essential services, plus:

Food retail stores already permitted to be open may sell full line of products within existing stock

All agriculture (horticulture, export agriculture including wool and wine, floriculture and horticulture, and related processing)

Forestry, pulp and paper

Mining (open cast mines at 100% capacity, all other mines at 50%)

All financial and professional services

Global business services for export markets

Postal and telecommunications services

Fibre optic and IT services

Formal waste recycling (glass, plastic, paper and metal)

Transport restrictions

- Bus-services, taxi services, e-hailing and private motor vehicles may operate at all times of the day, with limitations on vehicle capacity and stringent hygiene requirements

Movement restrictions

- No inter-provincial, movement of people, except for transportation of goods and exceptional circumstances (e.g. funerals)

Source: The Presidency



## Risk-adjusted strategy for economic activity

### Alert system: Level 3

Moderate virus spread, with moderate readiness

#### Sectors permitted

- Licensing and permitting services, deeds offices and other government services designated by the Minister of Public Service and Administration
- Take away restaurants and online food delivery
- Liquor retail within restricted hours
- Clothing retail
- Hardware stores
- Stationery, personal electronics and office equipment production and retail
- Books and educational products
- E commerce and delivery services
- Clothing and textiles manufacturing (at 50% capacity)
- Automotive manufacturing
- Chemicals
- Bottling
- Cement and steel
- Machinery and equipment
- Global Business Services
- SANRAL construction and maintenance
- Transnet at 100%

#### Transport restrictions

- Bus services, taxi services, e-hailing and private motor vehicles may operate at all times of the day, with limitations on vehicle capacity and stringent hygiene requirements
- Limited passenger rail restored, with stringent hygiene conditions in place
- Limited domestic air travel, with a restriction on the number of flights per day and authorisation based on the reason for travel

#### Movement restrictions

- No inter-provincial, movement of people, except for transportation of goods and exceptional circumstances (e.g. funerals)

Source: The Presidency

## Risk-adjusted strategy for economic activity

### Alert system: Level 2

Moderate virus spread, with high readiness

#### Sectors permitted

- Construction
- All other retail
- All other manufacturing
- Mining (all mines at 100% capacity)
- All government services
- Installation, repairs and maintenance
- Domestic work and cleaning services
- Informal waste pickers

#### Transport restrictions

- Domestic air travel restored
- Car rental services restored

#### Movement restrictions

- Movement between provinces at Level 1 and 2 restrictions

### Alert system: Level 1

Low virus spread, health system readiness

#### Sectors permitted

- All sectors

#### Transport restrictions

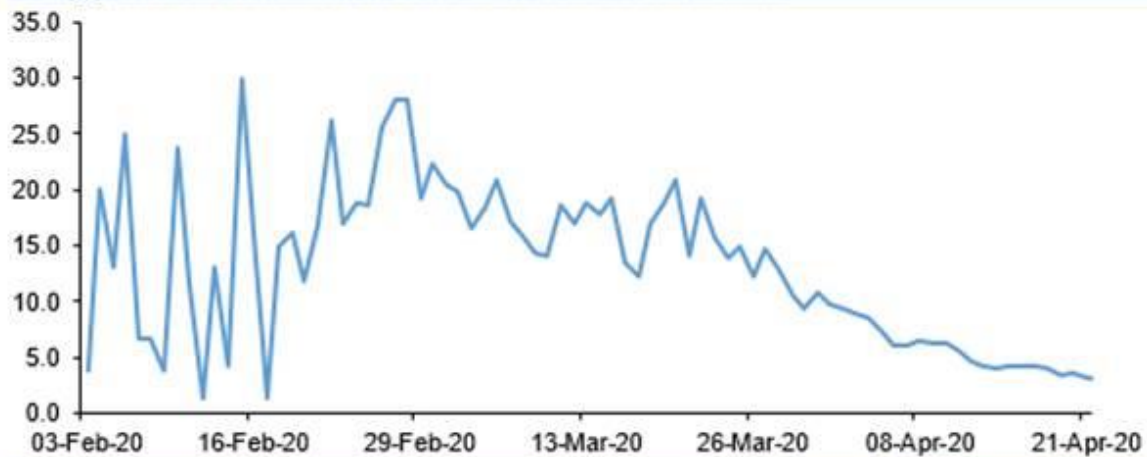
- All modes of transport, with stringent hygiene conditions in place

#### Movement restrictions

- Interprovincial movement allowed, with restrictions on international travel

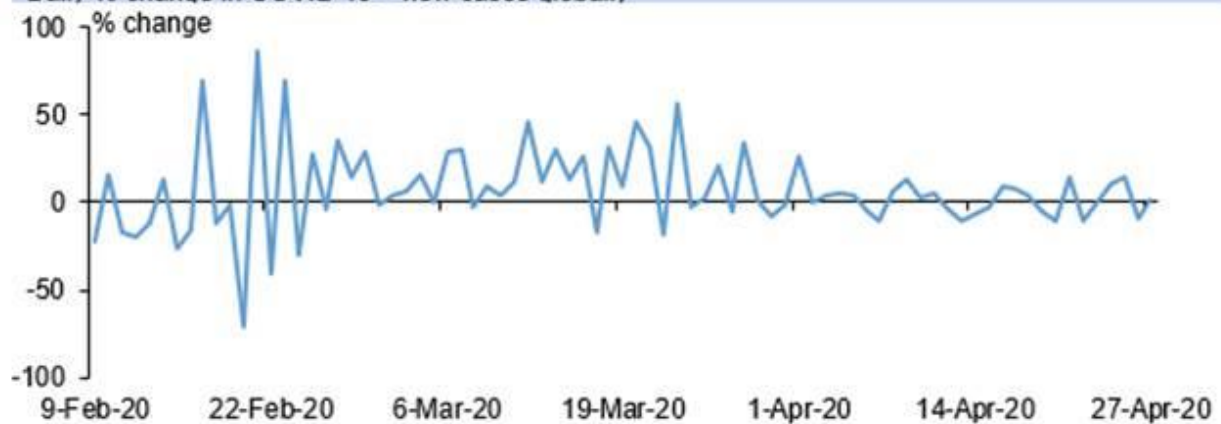
Source: The Presidency

Daily growth rate in number of Covid-19 cases outside of China



Source: World Health Organisation

Daily % change in COVID 19 – new cases globally



Source: World Health Organisation