Final Report

ASSESSMENT OF THE IMPACT OF THE CORONAVIRUS (COVID-19) ON THE ECONOMY AND LABOUR MARKET IN ESWATINI

For BUSINESS ESWATINI

June 2020

Compiled by

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Acronyms

AfDB	African Development Bank
BE	Business Eswatini
ERA	Eswatini Revenue Authority
ESERPAC	Eswatini Economic Policy Analysis and Research Centre
ESSCOM	Eswatini Communications Commission
FAO	Food and Agriculture Organization
FESBC	Federation of Eswatini Business Community
GBV	Gender-based Violence
GDP	Gross Domestic Product
ILO	International Labour Organisation
MoH	Ministry of Health and Social Welfare
NCP	Neighbourhood Care Point
NDMA	National Disaster Management Agency
PPE	Personal Protective Equipment
QR code	Quick Response Code
SACU	Southern African Customs Union
SPSS	Statistical Packages for Social Sciences
SZL	Swaziland Lilangeni
UN	United Nations
UNICEF	United Nations Children’s Emergency Fund
VAT	Value Added Tax
WHO	World Health Organisation

Foreword

Business Eswatini (BE)

Business Eswatini is a voluntary, non-profit making member-based organisation representing employers and businesses in all sectors of the Eswatini economy to promote trade and harmonious labour relations.

BE is the main voice of the private sector in Eswatini whose membership collectively contribute more than 80% towards private sector GDP locally. It promotes, defends and represents all private sector businesses in Eswatini. It serves all business formations, both large and small, by advocating for a seamless trading and investment environment; consultancy on labour legislation; training and development; representation of business in several legislative bodies. Throughout its existence, BE has forged strong working relations with the Government of Eswatini and other key stakeholders within and beyond the Kingdom.

BE is also a member of the International Labour Organisation (ILO), the International Organisation of Employers (IOE), the SADC Private Sector Forum (SPSF) and the COMESA Business Council

Summed up in one sentence, BE essentially promotes national development through business.

Vision

To be the Voice of Business in Eswatini

Mission

To promote a conducive business environment through advocacy, stakeholder engagement, representation and delivery of useful services to members.

Core Values

Accountability | Inclusivity | Effectiveness | Quality | Agility

Federation of Eswatini Business Community

The Federation of Eswatini Business Community (FESBC) was established in August 2002, with a main focus to represent Swazi businesses in policy debate within both national and international contexts; by advocating for conducive business policies and legislations.

Shared Vision and Mission

The Federation of Eswatini Business Community aims to be the national and international voice of Small, Micro and Medium businesses within Eswatini, working towards a healthy and supportive, business climate to ensure that its members can manage and develop their companies effectively. This is done by:

i. Building a large base of committed and active members

ii. Providing quality business advice, coaching and training

iii. Enabling networking and sharing of business ideas

iv. Representing businesses with government and other external stakeholders, to ensure that legislation and policies enable a stable, competitive and favourable business environment

v. Providing support to businesses and entrepreneurs with specific needs, such as youth and the informal sector

Executive Summary

Given the challenges triggered by the COVID-19 pandemic, the economy of Eswatini is expected to contract in 2020 by up to -0.9% and grow by 1.8% in 2021 (subject to the post-pandemic global economic recovery)[1]. Poverty rate is expected to increase as more and more people and businesses face up to the impact of the lockdown restrictions on the economy. There is the added risk of a second wave of the pandemic, and with that, threats of more lockdowns around the world. The Eswatini economy's heavy dependence on our major trading partner, South Africa, the weaker than expected economic growth in that country is already having an impact on some sectors of the economy and that trend is expected to continue in the near future (The World Bank, 2020). Revenue from SACU receipts is expected to shrink depending reflecting the 1% economic activity recorded on a monthly basis in trade by the economies in the SACU region.

The covid-19 pandemic has affected all sectors of the Eswatini business landscape, albeit to varying degrees. Some businesses were better prepared than others. The bigger manufacturing and processing industries are fully insured and are better placed to respond to the economic challenges than smaller businesses (although the textile industries are one of the hardest hit sectors based on the number of staff that have been laid off from this sector). Staff retrenchments have already in some enterprises (temporal and permanent), and some enterprises (14%) have planned for staff lay-offs in the coming months which will expose more workers to financial hardship.

Only 38% of enterprises were operating fully on-site since the pandemic began. Only 55% of businesses have written business continuity plans. 52% of enterprises are fully insured; 29% are partially insured and 18% are not at all insured. Only 11% have comprehensive insurance cover. 81% of enterprises have experienced medium to high level of financial impact to business operations due to the pandemic. Only 5% of enterprises have not recorded any financial impact at all to their business operations. Only 35% of enterprises have access to internal and external sources of revenue to support their operations. However, 65% would require other sources of finance to cushion them from the effects of the pandemic.

On growth projections for the year 2020, 5% of enterprises are not expecting any impact on their yearly projections. 8% are anticipating positive growth while and 86% are expecting negative growth projections for the year.

[1] https://www.lloydsbanktrade.com/en/market-potential/eswatini/economy?vider_sticky=oui#

1.0 Background

The novel corona virus is now present in 216 countries worldwide with 18 902 735 million confirmed cases and some 709 511 deaths[2] (at the time of compiling this report). Although some recoveries are being captured, new waves of the virus have made the situation even more difficult in the health, social and economic sense. As a result of the enforced lockdowns and social distancing rules implemented across the world, many countries have plunged into a state of panic and economic downturn. The World Health Organisation (WHO) subsequently declared the COVID-19 disease a pandemic on the 11th March, 2020.

There have so far been two main approaches by most governments to the fight against the spread of the novel corona virus. There is the strict lockdown measure which has been enforced by most governments, particularly in Asia and in the West. Some of the best examples of this model's success are Australia and New Zealand. They acted fast and decisively and they kept the spread of the virus under control. There is also another model which was epitomised by Sweden where there was no lockdown imposed except for sharing social distancing guidelines and encouraging the nation to act responsibly. The most effective model is a topic that is open for debate, and will perhaps be discussed in much greater detail in the months that lie ahead.

The Kingdom of Eswatini is also one of those countries affected by the COVID-19 pandemic. At the time of compiling this report, 2968 positive cases have been confirmed with 55 deaths in the country. Albeit some recoveries that are currently at 1476, the number of positive cases is increasing with every passing day, making the situation fluid and very difficult to manage. The government enforced the strict lockdown model. The 06th May, 2020 marked the end of 41 days of two consecutive lockdown periods imposed by His Majesty's Government. The first lockdown period lasted for 21 days. The second partial lockdown period took 20 days which was thereafter followed by a gradual easing of the restrictions to pave the way for re-opening of non-essential sectors of the economy which presented an opportunity for the SMME sector to get back to somewhat "normal" business. The pandemic has affected the local regions disproportionately with the Manzini region being declared a hotspot. A city-wide curfew was subsequently imposed on the 29th April 2020 in an effort to clamp down on the spread of the virus.

The lockdown has evidently affected businesses and individuals across all demographics. In some instances, it has resulted to loss of income and earnings, and has even forced some families into starvation and malnutrition (FAO, 2020). There have also been reports of a spike in gender-based violence and a general social unrest. School-going children have been forced to stay at home, tertiary institutions have also had to close indefinitely and invest in online learning platforms (some private schools included). This has been an unprecedented time, the likeness of which has never been seen in modern history. The world as we know it has changed, perhaps forever.

The main prevention method against infection is proper hand washing. People are also encouraged to sterilize high contact surfaces and to enforce social distancing through self-isolation. To do that effectively, one needs access to clean running water. According to UNICEF, diseases related to water and sanitation are the leading causes of death for children under the age of 5 in Eswatini. They also note that the country has a clear gap in the access to good hygiene practice between the urban areas and the growing informal settlements

[2] https://www.who.int/emergencies/diseases/novel-coronavirus-2019

around these urban centres. WHO and UNICEF estimate that about 69% of Eswatini's population have access to basic water services with only 24 per cent of Emaswati (people of the Kingdom of Eswatini) having access to hygiene (hand washing as a proxy indicator)[3]. This means a significant proportion of the population is without access to proper hygiene practices.

According to SACU Executive Secretary, trade across some borders in the SACU region was cut to only 1 percent of normal flows due to the COVID-19 travel restrictions, costing the regional block members approximately R7 billion in revenue every month (Ngatane, 2020). SACU is in the process of reviewing the current revenue sharing formula. The process was due to be completed in December 2020. However, due to the emergence of the corona virus, it is likely that it will not be finalised this calendar year. According to the IMF's April 2020 report cited in Eye Witness News (Ngatane, 2020), SACU economies are expected to experience an average 5.6% decline in income due to the corona virus pandemic.

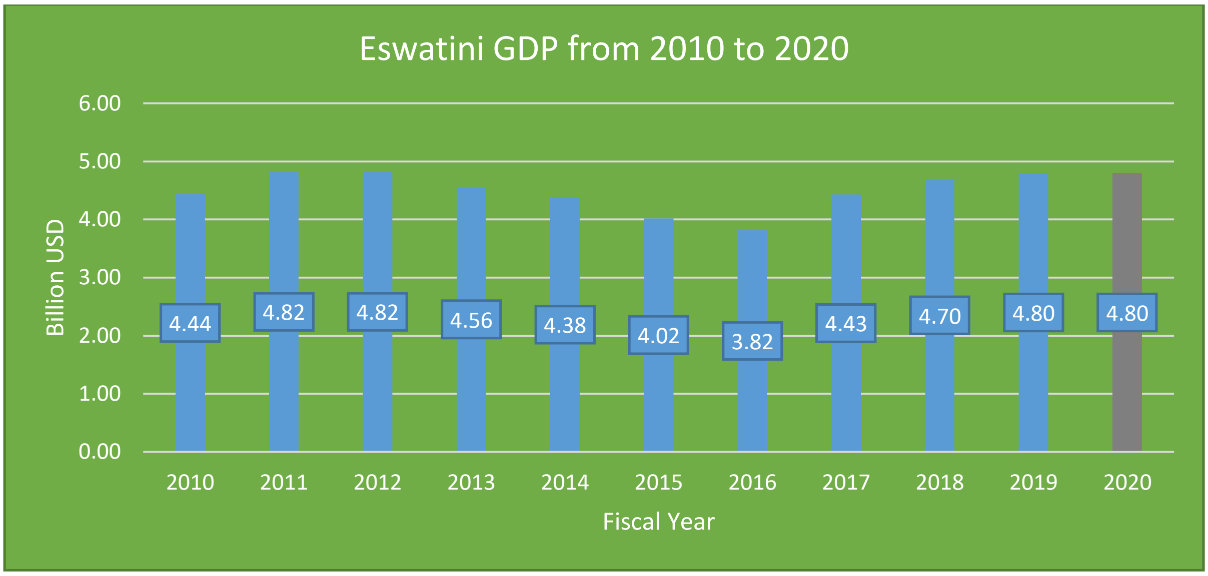
The hardest hit sector in almost all economies is tourism and the tourism value chain including hospitality industry, restaurants, travel agencies, to name a few. The SACU region is no exception to this global trend. In Eswatini, the strain on the tourism industry saw some of the oldest hotels that are heavily dependent on tourism closed for the first time in decades. Some of them include the Sun International Hotel chain. Others, including newly established hotels such as the Hilton Garden Inn were also affected. Some of the biggest festivals that are normally held during this time were also cancelled. This includes the Bush Fire Festival, Luju Festival, the King's birthday celebrations and the Easter holidays. Some of these events usually draw visitors and guests from all corners of the world, thus making a significant contribution to the local tourism and hospitality industries.

According to some estimates, the tourism industry contributes between 10% and 20% to the GDP of some of the SACU member countries and it was the sector most affected by the pandemic[4]. Other sectors heavily impacted by the corona virus and resultant lockdowns include the mining sector, the retail sector, and the informal sector (Ngatane, 2020). The Eswatini economy has had an average of USD 4.51 billion a year since 2010. The lowest rate experienced in that time was in 2016 where the GDP was at USD 3.82 billion and the highest was USD 4.82 billion in 2011 and 2012 (Trading Economics, 2020). The current estimates for the GDP for 2020 are USD 4.8 billion. However, this will most likely not be the figure attained due to the current world and regional economic client on which the Eswatini economy is dependent (See the graph below for more details).

Figure 1: Eswatini Gross Domestic Product (2010-2020)

[3] https://www.unicef.org/eswatini/water-sanitation-and-hygiene-wash

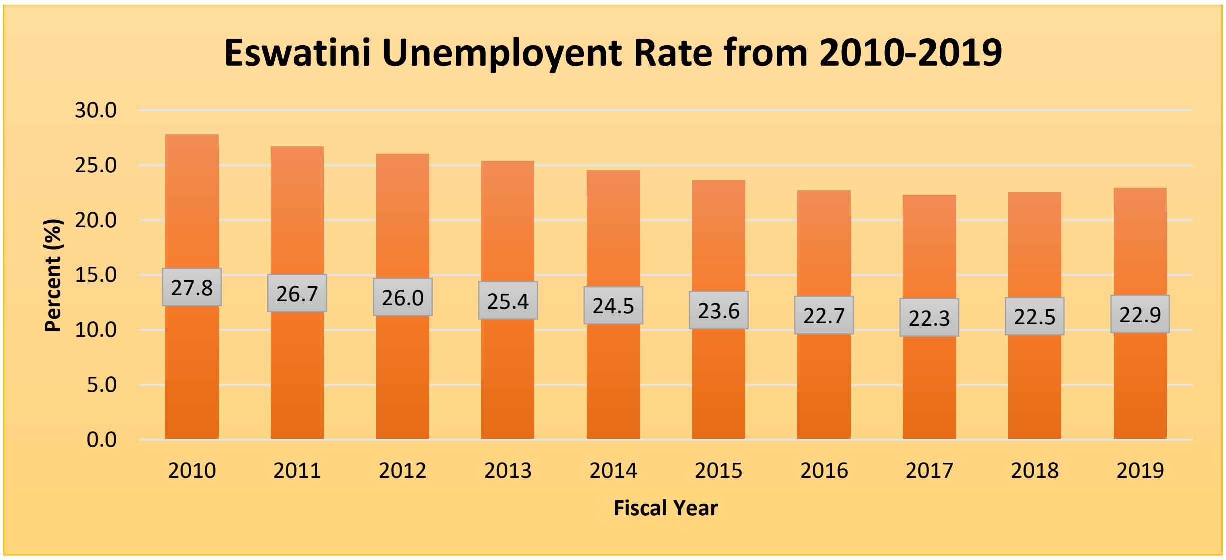
[4] https://ewn.co.za/2020/04/30/sacu-covid-19-costing-member-states-r7bn-in-revenue-every-month



Source: Tradingeconomics.com/World Bank

The unemployment rate on the other hand has been averaging at 24.4% from 2010 to 2019 and was declining at an average of 0.54% in that time interval. The highest unemployment rate ever recorded for the country is 28.6% (1989) and the lowest is 21.6% (1995) (Trading Economics, 2020). The figure below shows a summary of the unemployment rate in Eswatini since 2010. According to the Eswatini Household Income and Expenditure Report (2017) cited in (Ministry of Economic Planning and Development, 2019), 58.9% of the population of Eswatini live below the international poverty line. The most affected population (70%) being those living in rural areas. According to the data, this was an improvement of 4.1% from the 2010 estimates (in 2010 63% of the population lived below the international poverty line).

Figure 2: Eswatini Unemployment Rate (2010-2019)

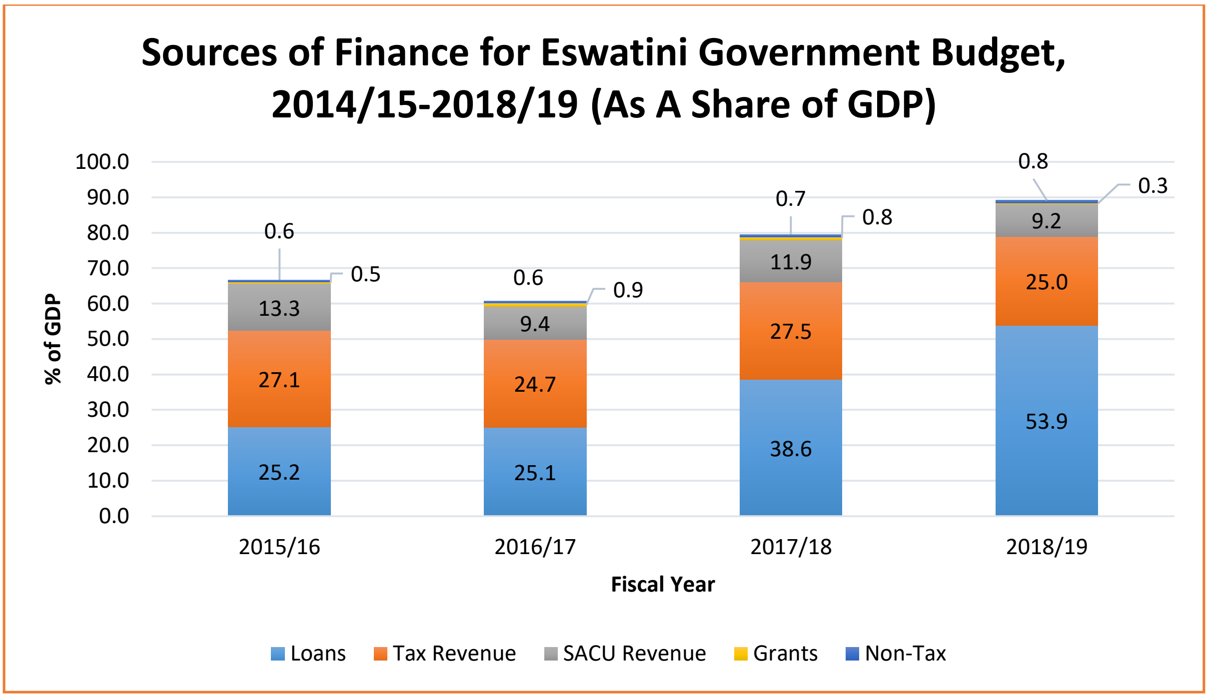


Source: Tradingeconomics.com/International Labour Organization (ILO)

In April 2020, as a direct consequence of the COVID-19 pandemic, according to the Minister of Labour and Social Security of Eswatini, Honorable Makhosi Vilakati, 43 companies filed for the temporary lay-offs of their employees. However, only requests by 13 companies were approved affecting a total of 8,429 employees (96% of whom are in the textile industry). 211 employees from the hospitality sector were also affected by the planned lay-offs. This was however construed as temporal lay-offs (Kunene, 2020). According to the same report, 16 companies had applied for the release of the bond or security on payment of wages. Also, a further 36 companies had applied to divert April and May 2020 Eswatini National Provident Fund Contributions towards cushioning the salaries of employees[5]. Overall, at least up to 95 companies had started experiencing some form of financial distress by April 2020.

The chart below shows the sources of finance for the Eswatini Government Budget from 2014 to 2019. From the data, there is an increase in the public debt (at 53.9% of GDP from 25.2% in 2015/16). Over the same period, there has also been a general decline on the revenue from SACU receipts. Tax revenue has also been declining in 2 of the 4 fiscal years depicted here. According to the World Bank, there has generally been a deteriorated fiscal situation in the country. This is clearly shown by the accumulation of domestic expenditure arrears, depletion of international reserves, and rising debt levels (The World Bank, 2020).

Figure 3: Sources of Finance for Eswatini Government Budget



Source: UNICEF Eswatini 2018 National Budget Brief

1.1 The Evolution of Eswatini Government COVID-19 Pandemic Response

The COVID-19 response in Eswatini is spearheaded by the Ministry of Health (MoH) along-side the National Disaster Management Agency (NDMA) which is the agency responsible for mitigating the effects of the pandemic on society by channelling assistance from Government, the private sector and other partners. A resource mobilisation committee was also set up to solicit funding for the pandemic response in the country. This has been an unprecedented time in the kingdom which saw, among other things, the postponement of the annual King's

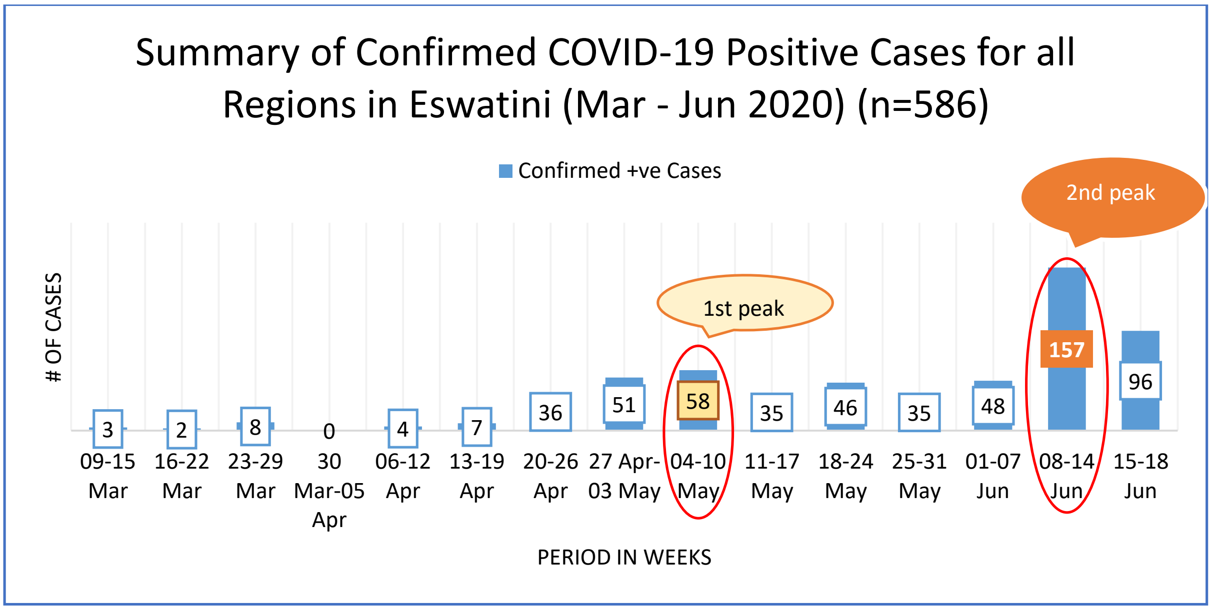
[5] http://new.observer.org.sz/details.php?id=12415

birthday celebrations. This was after a directive from the Throne which was aimed at diverting all available resources towards the fight against the novel corona virus.

At the outset of the response, the MoH was working very closely with our South African counterparts to coordinate the testing of samples. As such, in the beginning, test results sent to South African labs were received after 24 hours. This time period increased as the number of samples coming from South African provinces also increased. This meant that samples from neighbouring countries such as Eswatini also experienced increased time lags before they came back. Therefore, the MoH decided to revamp the National Referral Laboratory (NRL) in Mbabane so that tests could be done locally. This move saw a drastic improvement in the turn-around time for test results and it also meant that more tests could be carried out.

The Lubombo Referral Hospital was demarcated the COVID-19 referral hospital where the most serious cases were admitted and treated in the country. The Mavuso Trade and Exhibition Centre pavilions have been converted to a make-shift hospital to cate for some of the patients who are asymptomatic and those with minor ailments. As more testing was done, more positive results were found. The chart below shows the number of COVID-19 positive cases according to the MoH daily updates. The data was consolidated to show weekly trends. The first peak was reached on the week of 04th -10th May 2020 with 58 confirmed cases. The second peak, with 157 confirmed cases was recorded on the week of 08th – 14th June 2020. The week of 15th June 2020 has already recorded more cases (96 currently) than the first peak (as of the 18th June 2020). This might be a direct result of the easing of partial lockdown and the opening up of more businesses save with COVID-19 prevention measures in place.

Figure 4: Confirmed COVID-19 Positive Cases in Eswatini



Source: data was obtained from data studio and aggregated for this study[6]

The number of cases varies by region. The analysis according to the MoH showed that Manzini region was the epicentre of the pandemic in the country. It was subsequently demarcated as a red-zone. The Government also ordered a city-wide curfew for a number of weeks in the month of April and May 2020 in the Manzini region. This was done in addition to the nation-wide roadblocks and check-points that were set-up to expedite the identification of

[6] https://datastudio.google.com/u/0/reporting/b847a713-0793-40ce-8196-e37d1cc9d720/page/2a0LB

suspected cases and to enforce travel restrictions for all unnecessary travel between cities and communities.

The government also enforced nation-wide lockdowns of all non-essential businesses. The procurement and distribution of PPE was also high on government's agenda, particularly for front-line workers. Border blockades were applied together with home-quarantine measures for all those who had been to any of the high-risk areas including neighbouring South Africa, Europe and Asia.

According to Eswatini Observer, on the week of 01st-07th June 2020, the Hhohho region of Eswatini recorded more COVID-19 cases than the country's epicentre (Manzini region). This was reported by the Honorable Minister of Health, Lizzie Nkosi in a press briefing. The total number of COVID-19 cases in the country stood at 586. Manzini has a total of 344 (59%) confirmed cases, Hhohho region had 136 (23%), Lubombo region had 64 (11%) and Shiselweni region had 42 (7%) confirmed cases (as of 18th June 2020) (UNESWA, 2020).

In light of these developments and the potential impact that this disease will likely have on economies and livelihoods, Business Eswatini is conducting a survey to assess the impact of the pandemic on the economy and labour market in Eswatini. This assessment will be modelled towards the International Labour Organisation (ILO) Note on COVID-19 and world of work: Impacts and Responses.

2.0 Survey Objectives

The survey has five main objectives:

i. Undertake an assessment of the effects of COVID-19 on the economy and the labour market in Eswatini. The assessment will focus on the effects of the pandemic on:
    a. The overall economy and social fall-out
    b. Business level
    c. Employee (individual) level
ii. Determine the sectors that are hardest hit by the pandemic. Assess sectors with growth potential while identifying mitigating measures those sectors should deploy to achieve good growth.
iii. Recommend short-term support aimed at increasing or stimulating investment in the identified sectors. This should include a review of current legislation that may hinder recovery measures.
iv. Highlight any potential opportunities not being exploited whilst highlighting bottlenecks that need to be removed for these opportunities to be exploited.
v. Finally evaluate the potential loss of revenue to be suffered by Business Eswatini in terms of revenue (subscription and services)

2.1 Specific Objectives

The study has the following specific objectives:

i. Identify the sectors to be hardest hit by the Covid-19 pandemic;
ii. Highlight the extent to which these sectors will be negatively impacted by the virus
iii. Establish if there are any new opportunities that may exist in the near future that they may exploit which they are aware of;
iv. Evaluate the impact of the crisis on employment, social dialogue, social protection and labor rights on the side of workers and that of employers;
v. Gauge the preparedness and resourcefulness of employers on business continuity in order to inform assistance required, and
vi. Give an outlook of the world of work and the economy after the pandemic has come to the end.

3.0 Methodology

3.1 Sampling Frame

Survey population included members of Business Eswatini (BE) and the Federation of Eswatini Business Community (FESBC) and other non-member companies and stakeholders. BE, at the time of the survey, had 236 registered direct affiliates while FESBC had 42 registered members. The list of members was provided by BE and FESBC respectively. Statistical software was used to determine the sample size for the survey where a 95% confidence level and confidence interval of 10 was applied for each population. The required sample size for BE was 68 members and for FESBC was 30.

The list of sampled businesses and companies is annexed to this document.

3.2 Sample Size

Simple random sampling technique was used to select respondents. The list of member companies and businesses from each federation (BE and FESBC) were organised according to the sector that they represent. A comprehensive list of companies comprising of all members was developed in Microsoft Excel, after which the random number selector was applied. 68 companies were selected for BE and 35 companies/businesses were selected for FESBC. The sampled lists were shared with BE and FESBC focal persons who in turn sent invitations to those businesses to participate in the survey. A link to the survey was also shared with all sampled businesses accordingly.

Table 1: Sampling Size for each Federation Participating in the Survey

#	Federation	Population	Required Sample	# Respondents (% of sample)
1	BE	236	68	52 (80%)
2	FESBC	43	30	5 (8%)
3	No Affiliation	Unknown	0	8 (12%)
	Total	**279**	**98**	**65 (66%)**

3.2 Data collection methods

Participation in the survey was voluntary. No incentive was provided for those who participated. The survey was conducted through an online platform called Qualtrics. Qualtrics is an online data collection platform that provides services for social science research and analysis. A link to the survey was shared via email by BE and FESBC to their sampled members. The email was contained an introductory message detailing the rationale for the survey and how the results would be used to inform Government policy. The survey can be completed on a computer or via a mobile phone through the link or the QR code that was sent as part of the email. This was meant to provide more options for completing the survey and thereby result in a higher response rate.

A structured questionnaire which contained both open-ended and close-ended questions was used for the survey. The questions were developed by ILO and were customised by BE and the consultant for the local context. Questionnaire editing was done by Qualtrics. The use of the web-based and mobile phone-based survey was meant to both expedite the data collection process and to minimise physical contact between the respondents and the survey team in line with the COVID-19 lockdown guidelines from Eswatini Government.

3.3 Data Collection

An online questionnaire was used. It was self-administered by the respondent. This was the method of choice because it allowed for: real-time data capturing and synthesis; real-time monitoring of the data collection process; significant reduction in data transcription errors through the use of skip logic and other data validation tools within the system; and submission of completed questionnaires only (no incomplete data). Therefore, data analysis and reporting were expedited.

The survey commenced on 19th May 2020. It was initially planned to take a maximum of 14 days. However, due to the challenges with the lockdown and the overstretched internet infrastructure, the data collection period was extended in order to adhere to the sample size required.

3.4 Data Analysis

Data was exported from Qualtrics to Microsoft Excel and SPSS files for analysis. Data was analysed using the Statistical Packages for Social Sciences (SPSS). Graphs and charts were drawn in Microsoft Excel. Some frequency data was obtained from Qualtrics built-in data analytics software. Data modelling and cleaning was done in both Excel and SPSS. Some of the data was aggregated to make it easier for analysis.

3.5 Limitations

Time factor: The survey was meant to be done over a very short period of time (14 days). Poor response rates caused by abnormal working hours and the pandemic itself necessitated the extension.

4.0 Summary of Findings

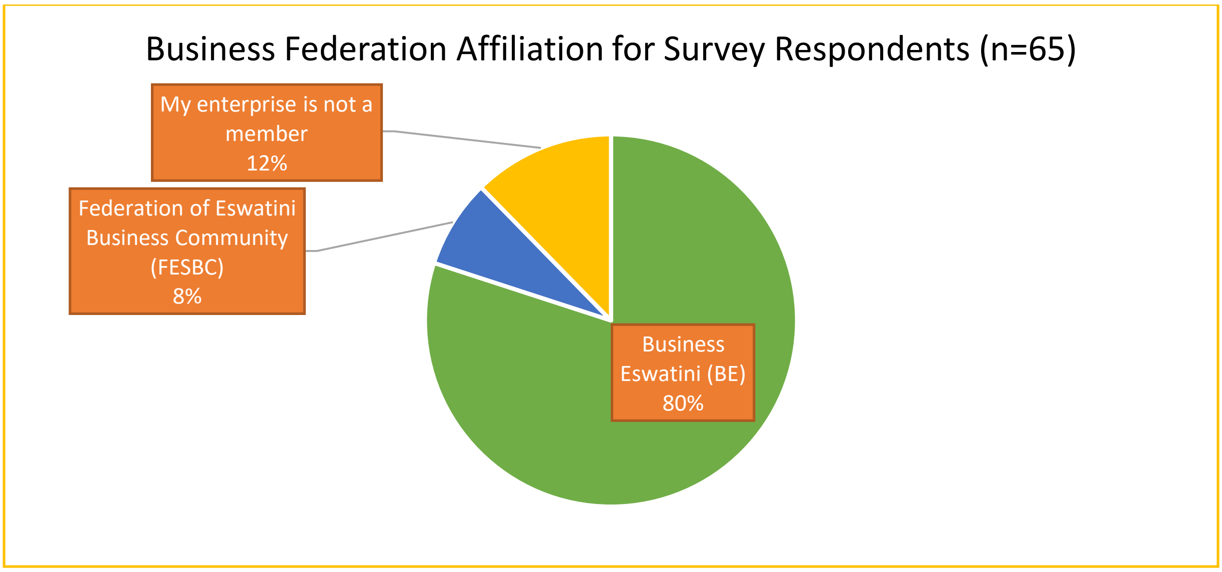
This section provides an in-depth analysis and presentation of the survey results. It is currently comprised of the 65 responses that have been received from the online survey to-date.

4.1 Demographics

4.1.1 Enterprise Membership

Respondents whether they are currently members of any of the business federations in Eswatini. 80% of respondents affiliate with Business Eswatini; 12% are not members of any federation; while 8% are members of FESBC, as shown in the chart below.

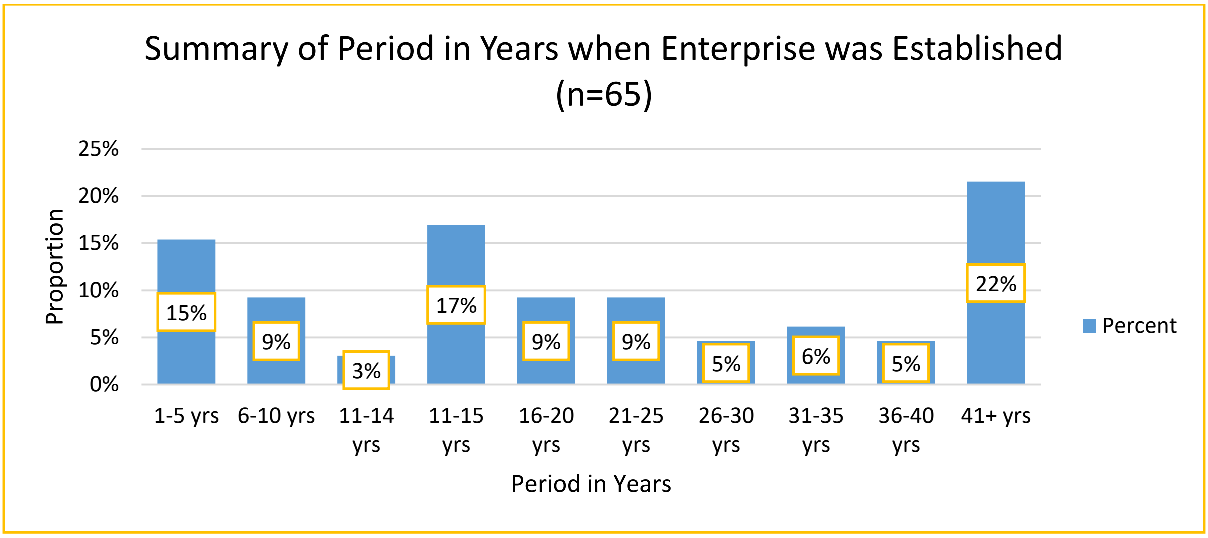
Figure 5: Business Affiliation



4.1.2 Year Business Enterprise was established

The chart below shows a summary of length in years in which business enterprises, who participated in the survey, were established. A majority of them have been in operation for more than 40 years (22%). Approximately more than 50% of respondents were established more than 15 years ago. 15% of businesses were established within the last 5 years.

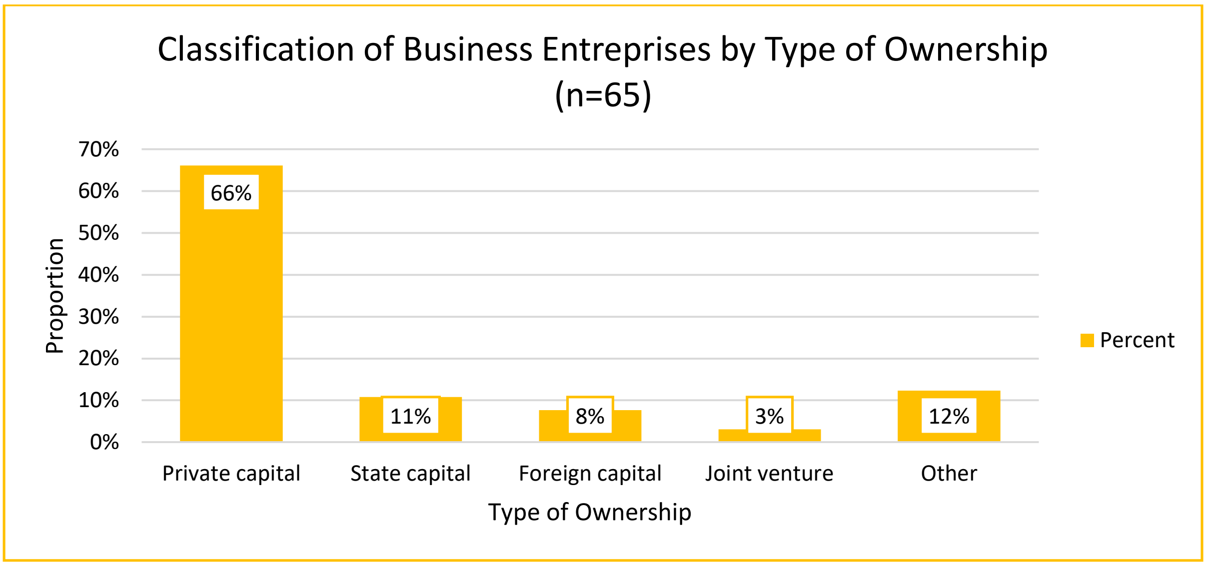
Figure 6: Business Establishment Profile



4.1.3 Type of Ownership

Business enterprises can be classified according to the type of ownership. Survey respondents can be grouped in to 4 distinct types of ownership which are: State-capital, Private capital, Foreign capital and Joint Ventures, among others. 66% of respondents are Private capital owned, 11% are State capital owned, 8% are Foreign capital owned and 3% are Joint ventures. 12% of entities comprise of other types of ownership.

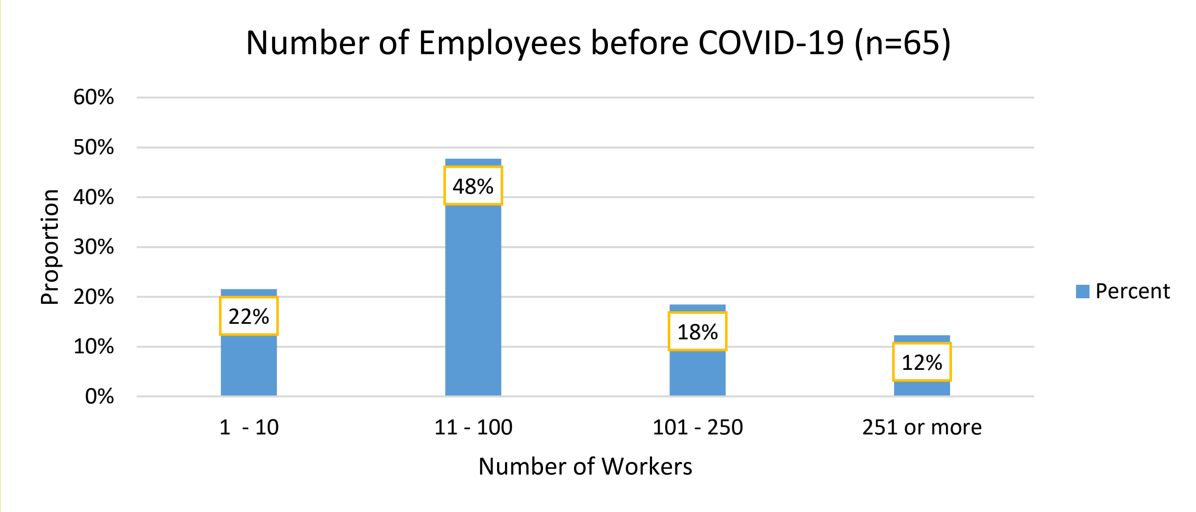
Figure 7: Type of Business Ownership



4.1.4 Staffing

The chart below shows the number of employees each enterprise employed before the COVID-19 pandemic. Categories were divided into four including those employing 1-10 employees, 11-100 employees, 101—250 employees and 251 and more employees. The findings show that approximately 50% of enterprises employed 11-100 workers before the pandemic. 70% of all enterprises who participated in the survey employ between 1-100 workers. 18% of enterprises had 101-250 workers while only 12% of enterprises employ more than 250 workers before the pandemic. See the chart below for more details.

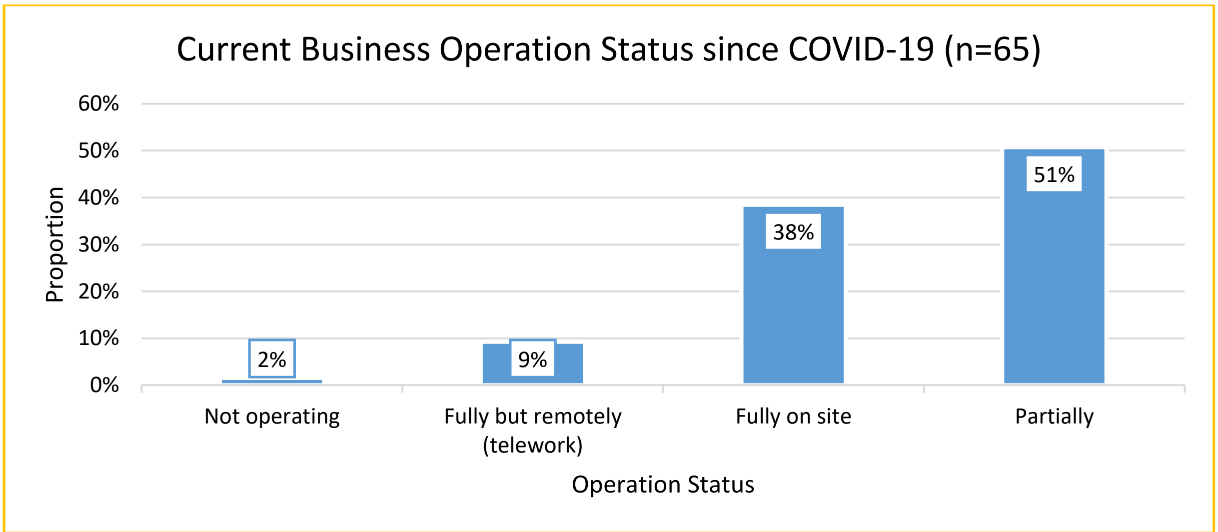
Figure 8: Labour Force Rate before COVID-19



4.1.5 Current Business Operation Status

The chart below shows that at the time of this survey only 2% of enterprises were not operating at all, 9% were fully operational but working remotely (telework); 38% of enterprises were fully on site and; 51% were operating partially. This shows that approximately 53% of enterprises interviewed had their operations affected by the pandemic even though the effects were varied.

Figure 9: Business Operation Status since the pandemic began



The table below shows how business operations affected each type of enterprise disaggregated by the type of ownership. From the findings, 2% of foreign capital owned firms were fully operational but were working remotely from site (telework), and 3% were operating partially. All joint venture owned companies (3%) were operating fully on site. Partial capital owned firms on the other hand had a majority of their enterprises working partially (35%), while 25% were fully on site. 5% of private capital owned enterprises were fully but remotely operational (telework), and 2% were not operating at all. State owned enterprises were either fully on site (2%) or partially on site (9%). See the table below for more details.

Table 2: Operation Status by Type of Ownership

	Fully but remotely (telework)	Fully on site	Not operating	Partially	Total
Foreign capital	2%	3%	0%	3%	**8%**
Joint venture	0%	3%	0%	0%	**3%**
Private capital	5%	25%	2%	35%	**66%**
State capital	0%	2%	0%	9%	**11%**
Other	3%	6%	0%	3%	**12%**
Total	**9%**	**38%**	**2%**	**51%**	**100%**

4.2 The Effects of COVID-19 on the Economy and the Labour Market

The next section will explore the effect the pandemic has had on the labour market.

4.2.1 Staff Retrenchments

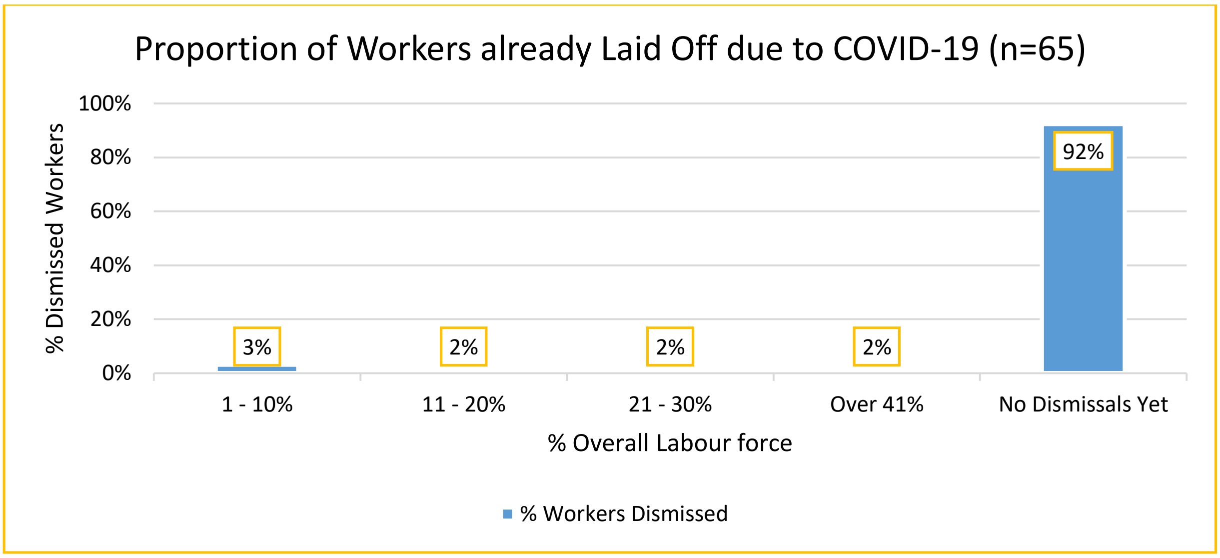
92% of enterprises who were part of the survey said they had not laid off any workers as a result of the pandemic, compared to 8% of respondents who had laid off some of their workers. The table below shows that 5% of enterprises who laid off staff are currently fully on site while 3% are partially on site. Enterprises that are currently not operating and those that are fully but remotely operational (telework) had not laid off any workers at the time of the survey.

Table 3: Operation Status and Staff Lay-Offs due to COVID-19

		Have you dismissed any workers due to COVID-19?		
		No	Yes	**Total**
Operation Status	Fully but remotely (telework)	9%	0%	**9%**
	Fully on site	34%	5%	**38%**
	Not operating	2%	0%	**2%**
	Partially	48%	3%	**51%**
	Total	**92%**	**8%**	**100%**

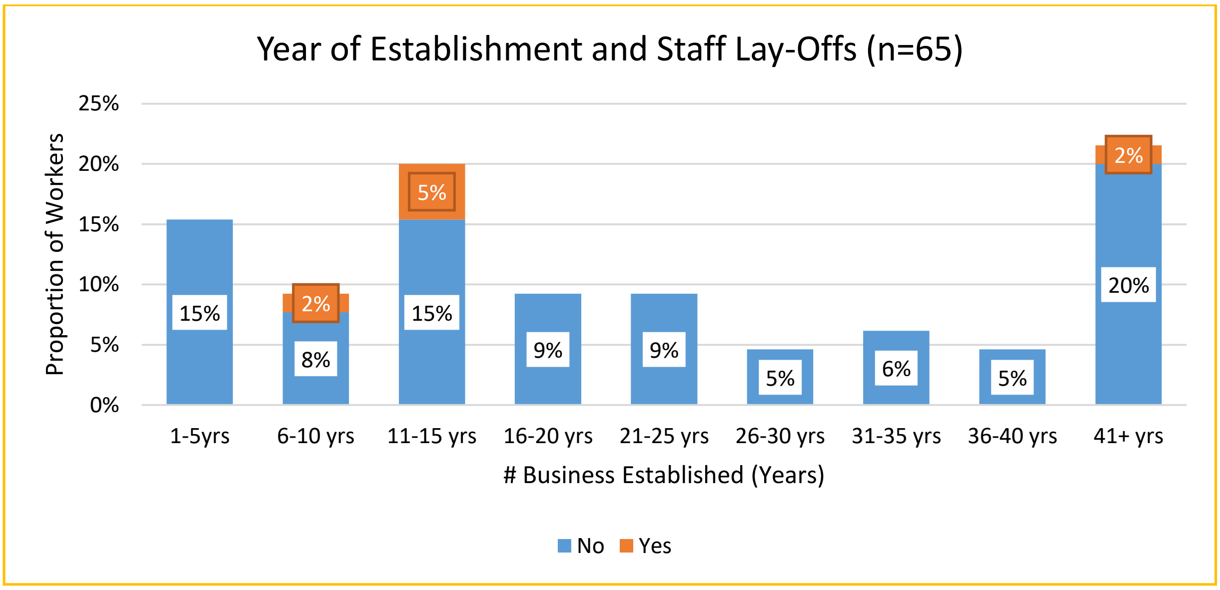
A majority of enterprises had not laid off any of their workers at the time of the survey. However, this is not all of them as there are some entities that had already laid off workers. The chart below shows that some enterprises laid off more than 41% of their labour force due to the pandemic. These enterprises constitute 2% of all enterprises that laid off their staff. Also, between 21%-30% of workers were dismissed by 2% of enterprises. 11%-20% of workers were dismissed by 2% of enterprises that effected retrenchments. 3% of enterprises who reported lay-offs shed 1-10% of their labour force. See the chart below for more details.

Figure 10: Proportion of Laid-Off Workers



The chart below shows the relationship between the number of years an enterprise has been established and whether they have laid off any of their workers. The data shows that none of the enterprises who are in their first 5 years of operation had let go of their staff at the time of the survey. Also, there is 2% of enterprises who were established more than 40 years ago who had let go some workers at the time of the survey. Other companies who had laid off some of their staff were established between 6 and 15 years ago.

Figure 11: Staff Lay-Offs by Years of Establishment (n=65)



4.2.2 Planned Dismissals

Respondents were also asked whether they had any plans to lay off staff in the near future as a result of the pandemic. 86% of enterprises said they were not planning to lay-off any of their workers in the near future, while 14% said they were planning to relieve some of their workers. Of these, 6% of enterprises planned to lay off workers in the following month and in the next three months respectively. 2% of enterprises planned to effect retrenchments in the next two months.

A majority of enterprises that have planned staff lay-offs (6%) will affect 1-10% of workers. 3% of enterprises will lay of between 11%-20% of workers and 31%-40% of workers, respectively. Only 2% of enterprises are planning to lay-off more than 40% of their workers.

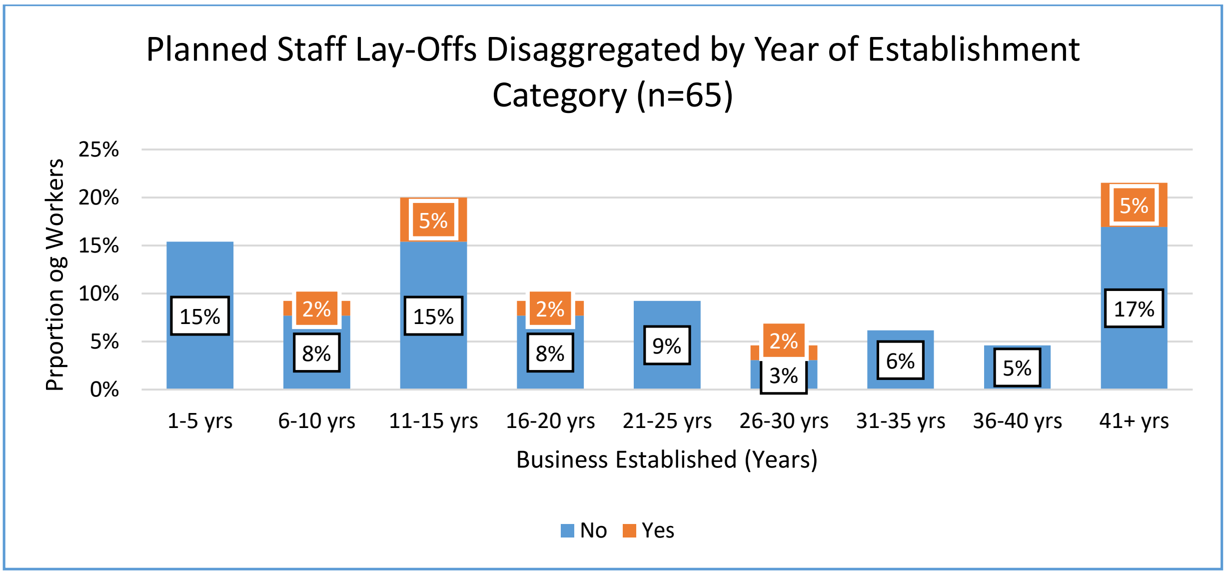
The table below shows that 11% of enterprises who have not yet laid off staff are planning to do so in the near future. Also, 3% of enterprises who have already executed lay-offs staff due to the pandemic are planning to do so again. However, a majority of enterprises interviewed (82%) had not effected any lay-offs and were not planning to do so in the near future.

Table 4: Planned and Current Retrenchments due to COVID-19

		Do you plan to dismiss any workers due to COVID-19?		
		No	Yes	**Total**
Have you dismissed any workers due to COVID-19?	No	82%	11%	**92%**
	Yes	5%	3%	**8%**
	Total	**86%**	**14%**	**100%**

The chart below shows the relationship between planned retrenchments and the number of years of establishment. The findings show that none of the enterprises that were established in the last 5 years have planned for staff lay-offs in the near future. This also includes some enterprises established more than 20 years ago. Most planned retrenchments (9%) are for enterprises established between 6 and 20 years. Also, 5% of planned retrenchments are for businesses established more than 40 years ago.

Figure 12: Planned Retrenchments by Year of Establishment



4.3 The Social Fall-Out of the Pandemic in Eswatini

This section will focus on the impact of the COVID-19 pandemic on both businesses and individuals within businesses, with a particular focus on economic and social dimensions.

4.3.1 Social Fall-out at Business Level

COVID-19 infection can happen to anyone at any time if they are exposed. Some workers have unfortunately been infected with the virus. According to survey respondents, 8% of workers or families had been infected with the virus at the time of this survey as opposed to 92% who said no one among workers or family members was infected.

Access to hand sanitizers and other personal protective equipment and products was available in 95% of enterprises. Only 5% said they did not have adequate access to PPE supplies.

4.3.2 Social Fall-out at Individual Level

With a rise in poverty comes a rise in petty crimes, social unrest and other social ills. Mental health issues also come to the fore mainly due to the frustration of restrictions to movement and socialisation. During the lockdown, people have been forced to find new hobbies and to spend more time at home other than their usual hangout spots. This has been widely reported, in the media, to result in friction and tension and there have been reports of an escalation of gender-based violence (GBV) cases during the lockdown[7]. According to the UNFPA, vulnerable groups such as women and children are hard-hit by COVID-19 and GBV is one of the issues they face as they stay home. The travel restrictions and the requirement to have travel permits for anyone seeking to leave their local community also hindered access to essential services such as GBV mitigation services. This might have put some victims in extreme danger in situations such as rape where quick access to medical services and interventions is essential, particularly, in order to prevent HIV infection, pregnancies and additional violence (UNFPA, 2020) (Reilly, 2020).

4.3.3 Economic Fall-out at Business Level

All enterprises who participated in the survey said they had to change their business operations or service delivery to protect the enterprise against COVID-19. Also, on the question of essential services, 80% of respondents said their enterprises were in the essential services category. 20% said their enterprises were not classified as essential service.

Respondents were also asked whether their enterprise had a written business continuity plan. 55% said they have it and 45% said they do not have it. The table below shows the sector and whether there is a written business continuity plan or not.

[7] https://www.pactworld.org/blog/%E2%80%98-some-women-and-children-home-not-safest-place%E2%80%99-responding-family-and-gender-based-violence

Table 5: Business Continuity Plans:

Sector	**No (%)**	**Yes (%)**
Not Specified	19 (29%)	27 (42%)
Agriculture	5 (8%)	4 (6%)
Consultancy	4 (6%)	0
Aviation	1 (2%)	0
Art Gallery	0	1 (2%)
Shopping Complex	0	1 (2%)
Specialised Services	0	1 (2%)
Manufacturing	0	1 (2%)
Printing & publishing	0	1 (2%)
Total	**29 (45%)**	**36 (55%)**

4.3.4 Economic Fall-out at Individual Level

Some individuals and families have lost their sources of income during this pandemic. Some were laid off from work (temporarily or permanently), some had their businesses closed, while others might be affected indirectly through delayed payments for services already rendered to their customers and clientele. Some businesses have been locked out of premises due to failure to pay rent. Some have had their assets confiscated for failure to service their loans/debts. It might be possible to quantify the extent of the losses and impact on some individuals, particularly those who are employed in the formal sector. However, for the vast majority who are in the informal sector, it might not be possible to fully understand the gravity of the economic impact. For that to happen, there would need to be a national survey.

Some individuals and families have been locked out of their rental apartments, which also raises the vulnerability level of some groups such as women and children who need to find alternative accommodation which might not be the safest since they do not have the time or the money to make favourable arrangements. This might expose some of them to exploitation and abuse by forcing them to make choices they might not have made had they have adequate financial resources. Hunger and starvation are also a risk that faces most individuals and families, especially those who have no alternative sources of income and those who depend on the informal sector for a living.

4.3.5 Supply Chain Challenges

74% of enterprises that participated in the survey said they had experienced supply chain challenges specific to the lockdown. 26% said they had not experienced any supply chain challenges at the time of the survey. For those enterprises that experienced supply chain challenges, 33% said they were able to overcome them. However, 39% said they could not overcome them.

Some of the challenges cited by some respondents include the difficulty to import raw materials from South Africa due to the limited production capacity of suppliers mainly resulting from stricter lockdown conditions imposed in that country. Also, according to some respondents, the reduction in the buying power of customers resulted in weak sales. Customers are spending more on airtime and data bundles in order to stay in contact with their loved ones and to also be able to work remotely from home.

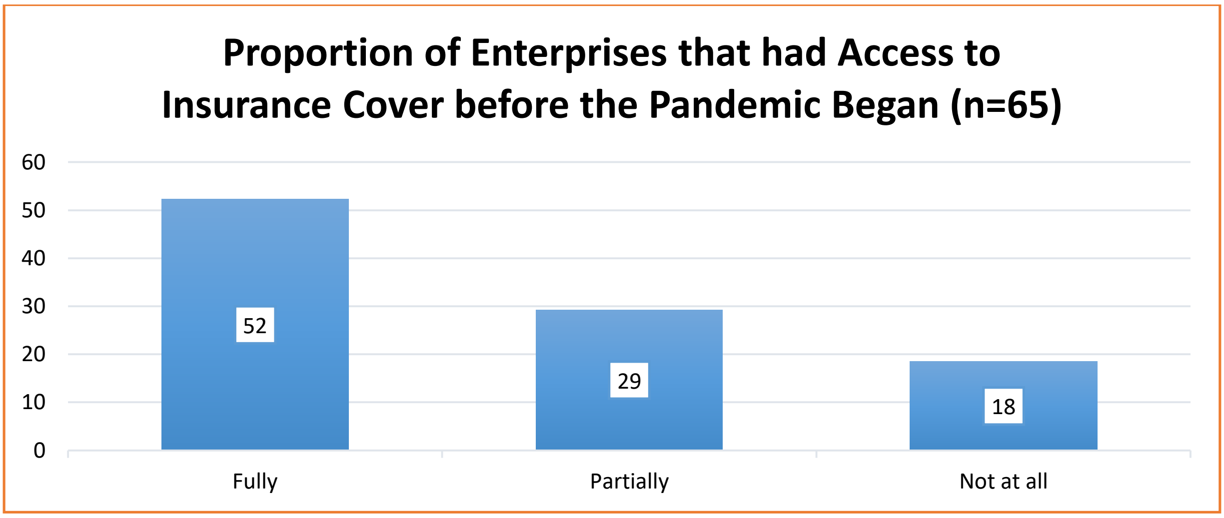
There was also a reported influx in the number of clients who requested discounts for products that were closer to their expiry dates due to the reduction in the number of walk-ins. The general spending pattern of customers shifted from spending more and saving less to saving more and spending less due to the anticipated macro-economic downturn. Products that are usually consumed during ceremonies and functions were adversely affected by the lockdown since social gatherings and celebrations were banned. Some respondents reported delays in getting PPE, sanitizers and thermometers. At the onset of the pandemic in the country, some of these materials are reported to have been very expensive to procure due to the increased demand. There were also multiple roadblocks and checkpoints that resulted in delays when getting to work and when transporting supplies.

Partial operation of some government departments and parastatals resulted in delays on the issuance of licences and in concluding agreements, which are needed by some business operations. As a result, a lot of business was lost and there were generally delays in the supply chain mechanism (e.g. ESSCOM). It takes longer for Customs to clear goods due to rigorous screening procedures for essential goods.

4.3.6 Access to Insurance Cover

The chart below shows the proportion of enterprises that had some form of insurance cover before the pandemic began in the country. The findings show that 52% had full insurance cover; 29% had partial insurance cover and 19% had no insurance cover at all.

Figure 13: Access to Insurance Cover before the Pandemic



The table below shows that manufacturing and processing industries constitute the highest proportion of industries who responded to the survey (15%). This was followed by companies in the farming and agriculture (14%), financial services industry (12%), professional services industry (11%), hotels, catering and tourism industry (9%), building, construction, engineering and mining industry (6%), to name a few.

In terms of access to **full insurance cover**, the data shows that 100% of companies in the oil and motoring industry respectively; 93% of manufacturing /processing plants are fully insured. This was followed by 75% of companies in the financial services industry; 67% of NGOs and healthcare industry respectively; 60% of companies in transport and logistics industry; 55% of companies providing professional services; 50% of companies involved in farming /

agricultural services and building, construction, mining and engineering, respectively; 40% in retail and wholesale industry; 33% of businesses in the hotel, catering and tourism industry.

On **partial insurance cover**, a number of companies and businesses had access at the time of this report. Companies in the following industries /sectors only had partial cover exclusively. These are: property and real estate industry, textile, garment and apparel industry, energy and water industry, information, communication and technology industry. The sector with the highest proportion of companies with partial insurance cover is the farming / agriculture sector with an overall proportion of 7% (which is 29% of all companies with partial insurance cover).

There are some companies or businesses that reported to have no **insurance cover at all** before the pandemic. 100% of companies in the education and training industry and service industry, respectively. These are: 5% of hotels catering and tourism providers (56% of industry total); 2% of manufacturing/processing plants (13% of industry total); 2% of farming / agriculture industries (14% of industry total); 2% of those in professional services (18% of industry total); 2% of those in the building, construction, engineering and mining industry (33% of industry total); 2% of retail and wholesale traders (40% of industry total); 2% of NGOs (67% of industry total).

The classification of businesses by sector of operation and the level of insurance cover that they had before the pandemic can be seen in the table below:

Table 6: Sector of Operation and Level of Insurance Cover before the Pandemic

Sector	Fully (%)	Partial (%)	Not at all (%)	Total (%)
manufacturing / processing industry	14%	0%	2%	**15%**
financial services industry	9%	3%	0%	**12%**
farming/agriculture	6%	7%	2%	**14%**
professional services industry	6%	3%	2%	**11%**
hotels, catering & tourism industry	3%	2%	5%	**9%**
building, construction, engineering & mining Industry	3%	2%	2%	**6%**
transport and logistics industry	3%	2%	0%	**5%**
retail & wholesale industry	2%	2%	2%	**5%**
healthcare industry	2%	2%	0%	**3%**
non-governmental organisations industry	2%	0%	2%	**3%**
motoring industry	2%	0%	0%	**2%**
oil industry	2%	0%	0%	**2%**
property & real estate industry	0%	3%	0%	**3%**
textile, garment & apparel industry	0%	3%	0%	**3%**
energy & water industry	0%	2%	0%	**2%**
information communications technology (ict) industry	0%	2%	0%	**2%**
service industry	0%	0%	3%	**3%**
education & training industry	0%	0%	2%	**2%**
Total	**52%**	**29%**	**18%**	**100%**

Respondents were then asked to specify the type of insurance cover that they had. The table below shows the type if cover accessible to enterprises at the time of the pandemic:

Table 7: Type of Insurance Cover taken by Enterprises before the Pandemic

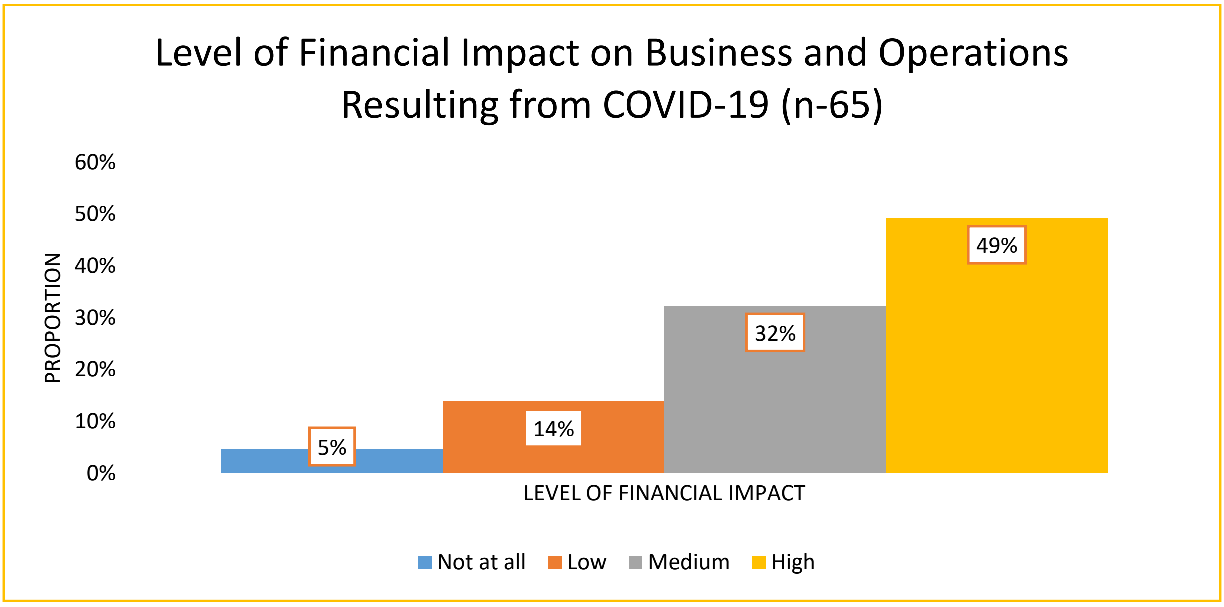
Type of Insurance	Freq.	%
No Response	27	42%
Accident Cover & group Life Cover	1	2%
Aircraft Insurance	1	2%
All Risk Cover	2	3%
Asset Cover but no Fidelity Cover	1	2%
Assets Insurance & Workman's Compensation	4	6%
Assets Insurance & Life Assurance	1	2%
Building & Assets Replacement	1	2%
Business Operations, Fire Protection, Workman's Compensation	1	2%
Common	1	2%
Comprehensive Cover	7	11%
Comprehensive Cover & Workman's Compensation	1	2%
Fidelity & PI Covers	1	2%
Fire & Theft Cover	1	2%
Fire, Public Liability & Workman's Compensation	1	2%
General Insurance that has nothing to do with COVID-19 or Pandemics	2	3%
Life Insurance for Staff & Movable Assets Insurance	1	2%
Multimark Policy	2	3%
Multimark, D&O Liability, Vehicle Insurance & Workman's Compensation	1	2%
Not Sure	1	2%
Wages Guarantee	1	2%
Workman's Compensation	4	6%
Workman's Compensation, Business All Risks, Assets Insurance & Public Liability	1	2%
Workman's Compensation, Public Liability, Vehicle Insurance	1	2%
Total	**65**	**100%**

The data shows that comprehensive insurance (11%), assets insurance & workman's compensation (6%), and the workman's compensation insurance (6%) are the most common types of insurance cover for most insured enterprises. There are also variations of different insurance covers including a combination of two or more policies that enterprises and their staffs were covered for at the time of the pandemic. Some respondents also noted that even though they had some form of insurance cover, some of the policies do not specifically cover this pandemic.

4.3.7 The Financial Impact on Businesses

Respondents were also asked what the level of financial impact (on sales and revenue) and the level of disruption to business operations as a result of the pandemic. 49% of respondents said the level of financial impact and disruption to operations has been very high; 32% said it was medium; 14% said it was low and 5% said they have faced no financial impact and/or disruptions to business operations at all, at the time of the survey. 81% of enterprises will experience medium to high financial impact. See the chart below for more details.

Figure 14: Estimated Financial Impact to Operations



High on the list of enterprises with a **high level of financial impact** from the pandemic is the hotels, catering and tourism industry (100% of all interviewed enterprises in this sector); 83% of building, construction, engineering and mining industry. In some sectors, 100% of all respondents reported a high level of financial impact. These are: hotels, catering and tourism industry; transport and logistics; education and training; energy and water; and oil industry. Only respondents from two sectors reported **no financial impact at all** resulting from the pandemic. These are manufacturing and processing (3%) (At 20% of industry total) and information, communication and technology (100% of industry total).

Some enterprises reported **medium level of financial impact** to their business operations: 66% of service industry and textile, garment and apparel industry; 60% of retail and wholesale industry; 45% of professional service providers; 43% of farming / agricultural industries; 42% of financial service providers. 43% of all enterprises that reported low levels of financial risk are in the agriculture sector. See the table below for more details.

Table 8: Level of Financial Impact Disaggregated by Sector

Sector	High (%)	Medium (%)	Low (%)	Not at all (%)	Total (%)
Hotels, Catering & Tourism industry	9%	0%	0%	0%	**9%**
Manufacturing / Processing industry	8%	3%	2%	3%	**15%**
Building, Construction, Engineering & Mining Industry	5%	2%	0%	0%	**6%**
Financial services industry	5%	5%	3%	0%	**12%**
Professional services industry	5%	5%	2%	0%	**11%**
Transport and Logistics industry	5%	0%	0%	0%	**5%**
Education & Training industry	2%	0%	0%	0%	**2%**
Energy & Water industry	2%	0%	0%	0%	**2%**
Farming/Agriculture	2%	6%	6%	0%	**14%**
Healthcare industry	2%	0%	2%	0%	**3%**
Oil industry	2%	0%	0%	0%	**2%**
Property & real estate industry	2%	2%	0%	0%	**3%**
Retail & Wholesale industry	2%	3%	0%	0%	**5%**
Service industry	2%	2%	0%	0%	**3%**
Textile, Garment & Apparel industry	2%	2%	0%	0%	**3%**
Information Communications Technology (ICT) industry	0%	0%	0%	2%	**2%**
Motoring industry	0%	2%	0%	0%	**2%**
Non-governmental organisations industry	0%	3%	0%	0%	**3%**
Total	**49%**	**32%**	**14%**	**5%**	**100%**

4.3.8 Amount of time Needed to Restore Operations Fully

Since the level and severity of the financial impact and disruption of business operations varies from one enterprise to another, the survey sought to find out how long it would take to restore all operations. 19% of enterprises said they would need less than 7 days; 19% said it would take between 8 and 30 days; 22% said between 31 and 90 days; 12% need between 91 days and 180 days; 26% need over 181 days; while 3% said they were considering closing temporarily or permanently.

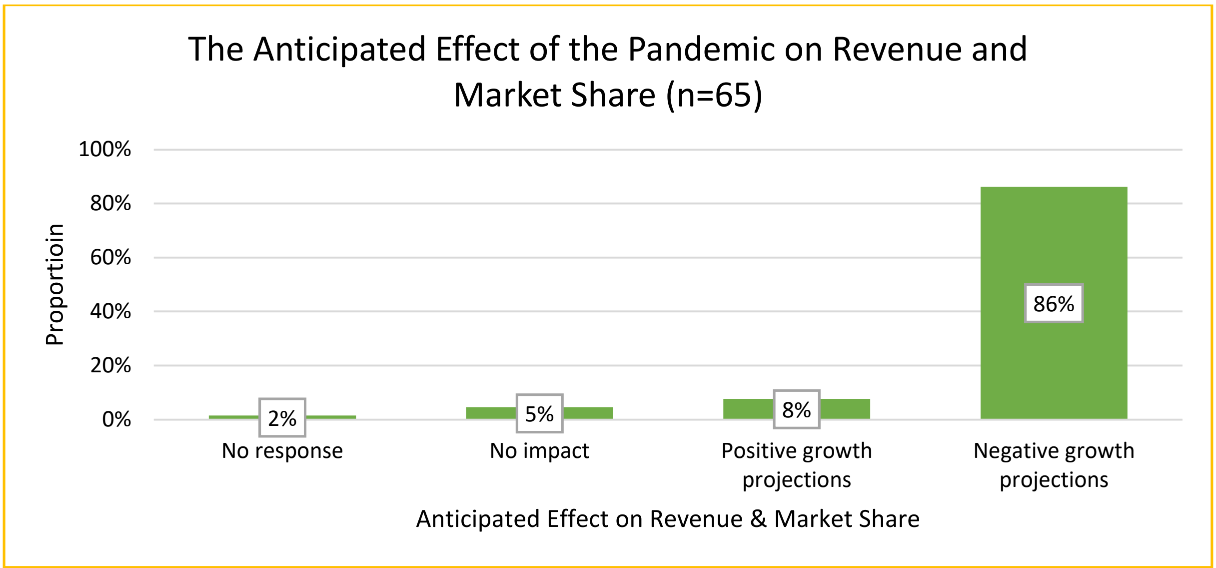
4.3.9 Access to Funding from Internal and External Sources

35% of enterprises have access to cash on hand and savings to help them recover from any financial losses resulting from the pandemic. 18% have access to loans or grants. 11% have access to ‘other’ types of funding (including overdrafts, funds from other internal business units, and shareholders). 5% have access to cash on hand, savings, and loans or grants. Some enterprises do not have access to any internal funding or funding from external sources to bail them out of this current predicament. 40% of those entities that have access to some kind of funding resource said the money would not be enough to see them through the hardships while 34% said they have sufficient funding. They account for 26% of respondents.

4.4 Effects on Revenue and Market Share

A majority or enterprises (86%) are anticipating a negative impact on their revenue and market share resulting from the pandemic. At the same time, 8% of respondents said they expect positive growth during this time, compared to 5% who said they are anticipating no impact to their revenue and market share. 2% of respondents did not respond to this question. See the graph below.

Figure 15: Effect on Revenue and Market Share



4.5 Bottlenecks that need to be removed

One of the issues plaguing the growth of the private sector and the role of SMME's in Eswatini is the **delayed payments of suppliers** which has led to some suppliers not being paid for a long time by the Government. This has stifled many businesses and, in some instances, resulted in closures. If the government pays off its debt, it opens up other areas of the economy, which in turn results in more tax revenue for the government. (The World Bank, 2020).

The agriculture sector is one of the sectors that offer growth prospects for the country during such difficult and unprecedented times, particularly with its likely effect on the poverty situation in rural Eswatini. One of the risks that face this sector in particular, is the erratic rainfall that has been experienced in recent years which culminated in the 2006 drought. The eastern Lubombo and the Southern Shiselweni region of Eswatini is the warmest and driest part of the country. It is also the region with the highest poverty rate. It is characterised by poor food crop yields and experiences the highest retail prices for commodities such as mealie-meal which is the staple food for most Emaswati. The region is also characterised by some of the most fertile soil in the country. There is a need for government to **stimulate the food crop market** in this region specifically by providing land and water for farming so that food can be produced locally (The World Bank, 2020).

The shadow economy is another area that Eswatini Government must stimulate and regulate. The shadow economy, according to Schneider (cited in ESERPAC 2016), refers to all unregistered economic activity that would contribute to a country's GDP if they were to be observed and regulated. According to ESERPAC (Eswatini Economic Policy Analysis and Research Centre), the Government of Eswatini was losing approximately SZL20.5 billion a year, in 2016, in economic activities undertaken on the shadow economy. The shadow economy accounts for approximately 37.4% of the formal economy at that time[8].

Government must find a way to encourage businesses operating in the shadow economy to be formalised. This includes creating an enabling environment to register businesses, particularly, those belonging to Emaswati. Currently in Eswatini, one cannot get a trading licence before they have a lease agreement. And they cannot open a bank account unless they have a trading license. At the same time, the minimum time in offered by a majority of landlords is a minimum of 12 months. In essence what this means is that, before a business even has its first client, they already have a rent liability for at least 12 months. In most instances if rent is not paid on time it attracts penalties. This then becomes a vicious cycle for someone who wants to formalise his/her business. It might be a contributing factor to some of the corruption that is sometimes reported regarding falsified company registration documents. Government must remove some these barriers if it is to tap into the approximately SZL 20.5 billion in circulation in the shadow economy. These and other barriers at the Eswatini Revenue Authority (SRA) in relation to the payment of taxes need to be reviewed and amended accordingly.

The country is currently ranked at number 121 out of 190 countries on the Ease of Doing Business Report according to 2019 statistics. In 2018 the country was ranked at number 117. The aim should be to do better and not to regress on these ratings[9]. Only the countries in the top 20 bracket have simpler and friendlier regulations for businesses. Among the highest ranked countries are the world's leading economies. It would be good if we adopted some of their strategies.

4.6 Potential Loss of Revenue for BE and FESBC resulting from the Pandemic

Potential revenue loss for BE

BE estimates that they will lose more than 85% of subscription revenue from members in the tourism and hospitality sectors. Further revenue losses, which have already been suffered, are from the training and consultancy income streams. Some mitigation measures are being explored to keep the organisation afloat and BE is doing the best, under the circumstances, to stir the country's economic fate in the path of recovery for the benefit of its members.

Potential revenue loss for FESBC

In order to fulfil its mandate, FESBC relies on member subscriptions to fund most of their operations. Subscriptions currently account for 80% of the organisation's annual budget. The subscription period runs from 01st January to 30th June of every year. The financial impact of the COVID-19 pandemic on the organization has been very significant. The organisation is under severe financial strain. As of the 23rd of June 2020, 95% of subscriptions had not been paid by the members. There is real risk that some staff might be laid off in the very near future if the situation does not improve drastically.

[8] https://www.separc.co.sz/2019/05/06/explaining-the-shadow-economy-in-eswatini/
[9] https://tradingeconomics.com/swaziland/ease-of-doing-business

5.0 Conclusion

While a lot of businesses have been negatively affected by the lockdown, some have benefited from increasing demand for their products. Some of the biggest beneficiaries are tech companies, particularly internet providers and data service providers. Non-essential service workers were forced to work from home. Tele-conferencing and video-conferencing became the new normal. Also, schools and tertiary institutions were also closed, and have been conducting lessons via online platforms. Some have been using Zoom, Skype, and even WhatsApp. This has inadvertently put a strain on the existing network and telecommunications infrastructure, particularly data service providers. Institutions of higher learning that were not providing online services have had to develop such facilities to be able to continue providing lectures to students.

81% of enterprises interviewed said they were anticipating medium to high levels of financial impact as a result of the pandemic. Also, only 11% of enterprises have access to comprehensive insurance cover. Some firms have one form of insurance cover or another, but it does not cover adverse events such as this current pandemic. Therefore, those firms cannot benefit from insurance.

Staff lay-offs and those planned for the near future have affected businesses regardless of when they were established. This means that most enterprises have not been immune from the effects of the pandemic. Also, due to the limited Government resources, the Government was not able to cover all enterprises under the SZL 90 Million bailout package that was availed for businesses. This was targeted at businesses making not more than SZL 8 million in revenue per annum and fully compliant with taxation regulations, which is very rare. Further to that, another SZL 25 Million was availed by government to cushion employees who have lost employment from the pandemic. This amount falls far too short of adequately meeting the demand for social assistance by laid-off employees who have not earned a salary from March, 2020 to date (a period of over five (5) months to date of report). With the available amount, the flat rate relief received by each employee who has been laid off without pay does not exceed a sum of four hundred Emalangeni (E400) per month which is equivalent to 22USD per month. A need for partners and humanitarian organisations nationally and worldwide to supplement this Fund to a more sustainable level is required. It was also established that there is an informational void caused by a lack of an active unemployment register which could assist in crystallizing the impact on the ground. An unemployment register will be done in the employment centres that the Ministry of Labour and Social Security proposed to establish in line with the Ministry's Strategic Plan for 2019-2023.

Furthermore, during the period of COVID-19 national emergency, employers have been permitted to temporarily lay off their employees without pay. Layoff within the Eswatini context, does not equate to a permanent termination of the employment contract, but only means temporary suspension of the operation of the employment contract in that the employee does not report for duty whilst the employer does not have a legal obligation to remunerate the employee.

The guidelines put in place by Government state that “no employer should consider retrenching any of its employee(s) within the declared period of a partial lock-down. Any employer who was ordinarily planning on retrenchments during the period of the declared national emergency on the basis of prior arranged and/or on-going standard restructuring processes should fully comply with the provisions of Section 40 of the Employment Act, No. 5

of 1980". This has posed difficulties for companies which can no longer bear the financial burden caused by a downturn in their operations and those looking to re-structure to position themselves for new opportunities.

In light of this, there is therefore a need to design business continuity plans or to revise the existing ones in order to ensure that companies and businesses are prepared for any unforeseen disasters going forward.

The government had planned to clear all domestic arrears in 2020[10]. While this is good, the challenge is that this was going to be done through a negotiated commercial loan. This might result in a worsening of the current debt level and lead to a higher risk of debt distress in the short to medium term (The World Bank, 2020). If the domestic arrears are not cleared, it means banks will not be able to issue loans to the private sector thus stifling economic activity domestically. According to the AfDB, Eswatini's economic growth is expected to be driven by agricultural expansion and industrial development[11].

Business leaders and advocates such and the FESBC have been severely impacted by the COVID-19 pandemic. There is a need for the business community and other stakeholders to support such organisations during these difficult times because they provide vital advocacy, coordination, and capacity building for local businesses.

In the words of Mr E. Nathi Dlamini, Business Eswatini CEO when addressing the media following news of the passing of the Sectional Title Act recently by Senate.:

> *"If truth be told, some of the initiatives we need to undertake to save ourselves from the calamities that await us post-COVID-19 will not always cost money. Case in point is the changing of legislation and/or the reintroduction of a new one in order to redirect the trajectory of our economic resuscitation. It costs absolutely nothing to do that, but all it needs is execution and political will.[12]"*

[10] http://pubdocs.worldbank.org/en/548321492188172694/mpo-swz.pdf

[11] https://www.lloydsbanktrade.com/en/market-potential/eswatini/economy?vider_sticky=oui#

[12] http://new.observer.org.sz/details.php?id=12897

6.0 Recommendations

In light of the challenges and gaps that the country has faced in its fight with the novel corona virus pandemic, and other health conditions of a similar nature, there is a need to find new ways and approaches to mitigate the severity of the impact. It is also worth noting that, even though some of the impacts of the virus have already been felt in the economy, perhaps greater repercussions still lie ahead, particularly for some industries and sectors. Some of the recommendations advanced in light of the findings of this study include the need to:

i. Develop a detailed Pandemic Response Plan. The first few weeks and months of the pandemic response in Eswatini were characterised by confusion. There did not appear to be a playbook the government was following. The government was indeed, to some extent, accused of copycatting the South African response. The COVID-19 pandemic response was generally reactive and not proactive. Hard lessons have to be learned. Could some of the infections have been prevented? Could some frontline workers have been more prepared if we had adequate supplies of PPE?. Such a plan should have clear guidelines for government and government agencies on what they are supposed to do at each stage of a pandemic response.

ii. Stimulate local production. This refers to all essential commodities and supplies ranging from food to medical supplies and equipment. There is an urgent need to expedite local production. Providing incentives and stimuli for businesses to venture into some of these sectors would stand the country in good stead in the medium to long term.

   Goods like surgical gloves, surgical masks, and other PPE equipment can, and must, be produced locally. Other supplies such as reagents and test kits must also be in the forefront of Government's thinking for the months and years to come in terms of stimulating local production. The Resource Mobilisation Committee of the COVID-19 response in Eswatini, in a single transaction, spent SZL 10,300 000.00 to procure much needed PPE for frontline workers. While that in itself is good, it would be even better were that money to circulate within the local economy through local production.

   In a newspaper article carried by the Times of Eswatini, there is a shortage of 40 medical drugs in public health facilities. Such drugs include cough mixtures, antibiotics, and drugs for mental health patients, to name a few[13]. Some of those drugs could potentially be produced locally.

iii. Increase access to potable water for all citizens. Current estimates by the WHO and UNICEF local office are that only 24% of households in Eswatini have access to good hygiene practices, if hand washing is used as a proxy indicator (UNICEF, 2020). In an age where handwashing is of utmost importance to keeping families safe, there is an urgent need to invest in water schemes for households and public places such as schools, neighbourhood care-points (NCPs), public markets, to name a few.

iv. Stimulate Agricultural production. COVID-19 has exposed the many gaps in the local economy and highlighted its reliance on the South African market for food. A recent report by the FAO states that the government of Eswatini and humanitarian partners

[13] http://www.times.co.sz/news/128789-another-drugs-shortage-hits-eswatini.html

estimate that approximately 300,000 people are at risk of acute food security resulting from the pandemic[14]. It is also estimated that the country will need to import 140,000 tonnes of maize in 2020 (with prices expected to be 7% higher than at the same time last year). There is a need to cushion poor and vulnerable groups against the negative effects of the pandemic on livelihoods. This should be done to curb the rise of poverty (The World Bank, 2020).

v. Invest in technology. Technology can assist with the identification of contacts and emerging hotspots. Some countries have used mobile applications to identify and trace contacts thus limiting community spread of the disease. Government can explore ways of engaging the mobile network companies to find a way to leverage resources. According to the BBC, contact tracing apps are meant to prevent a second wave of the virus by recording when any two people have been in close proximity with each other for an extended period. If one of them tests positive for corona virus, then an alert is immediately sent to all contacts to get tested and/or self-isolate[15]. There are already some apps that have been developed by technology giants such as Apple and Google that the government can, and perhaps, should explore.

vi. Invest in data management and synergies. There is a need to develop the data management capabilities of Government departments and parastatals. Government's response must be data driven. And for that to happen, data must be available in a timely manner. Information such as the total number of people who have been laid-off, the number of businesses that have closed due to the COVID-19 pandemic is not readily available. This hampers the Government's response effort. There must also be effective information sharing between the different Government departments in real-time. This would greatly improve efficiencies within the government machinery.

vii. Perform a comprehensive review of the extent of the social fall-out during the lockdown in particular issues of gender-based violence and how they are currently addressed. Some of the technological advances already suggested earlier in this document, could also be extended to the Social and Welfare Department which is responsible for coordinating the GBV response in the country. Some developments in this sector could include the development of online anonymous GBV reporting platforms to enable more people to report timeously and for the GBV response agencies to respond expeditiously. The anonymous reporting of GBV cases would not only act as a deterrent for would-be perpetrators, it would also encourage more victims to report cases since they would not be afraid of being victimised by the perpetrators. Current face-to-face reporting of GBV cases to case workers puts some people at risk of being identified by the perpetrators and victimized. When responding to cases that are reported anonymously, the agencies would still follow normal due diligence processes and any suspect would remain innocent until proven guilty.

viii. Provide relevant and timely messaging on proper disposal of used PPE. While the Government has invested in messaging towards proper hand washing and sanitization, and has enforced the wearing of masks, there is very limited civic education about the proper care and disposal of some of the PPE. For instance, there are no guidelines on how many times a surgical mask can be worn by any individual,

[14] http://www.fao.org/giews/countrybrief/country.jsp?code=SWZ
[15] https://www.bbc.com/news/technology-53095336

and how that mask should be disposed. This lack of information can be a health hazard.

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Annexure

Table 9: List of sampled businesses from FESBC

#	BE Affiliates	FESBC Affiliates
1	Old Mutual	Mlobi Investments
2	Ekhaya Funeral Services	Swaziland livestock, tech Service
3	Eswatini Insurance Brokers (Pty) Ltd	LSM Distributors
4	Dup's Holdings	Website Videos
5	Eswatini Royal Insurance Corporation	Ms Legal Attorney
6	Royal Swaziland Sugar Corporation (RSSC)	J.D Agencies
7	Hurlingham Sugar Estate	Velekhaya invest
8	Tongaat Hulett t/a Tambankulu Estate	S.P Mamba Attorney& Trust
9	Crookes Plantations Limited	Alnohd Invest I
10	Eagle's Nest (Pty) Ltd	TEE & JAY
11	Scotts Ranch 2000 Limited	Dan& Don Construction
12	National Maize Corporation (NMC)	Nkhulukati Investments
13	Eagle Air (Pty) Ltd	SEDCO
14	Black Duke	Imisebe Publishing
15	Nedbank (Swaziland) Limited	Exline Investment
16	Central Bank of Eswatini	Tums Group
17	Farmers Bank	Hyper Packaging
18	Standard Bank Swaziland Ltd	Foresight Investments
19	SBM Enterprises T/A Sdudla Engineering	ERG
20	Inyatsi Construction (Pty) Ltd	Sesuka sahamba
21	Sebenta National Institute	Group 4 Solutions
22	St. Michaels High School	D&D Timbers
23	Eswatini Water Services Corporation	Inyatsi Construction company
24	Fairlife Benefit Services Swaziland (Pty) Ltd	Kukhanya Construction
25	Swaziland Development Finance Corporation (FINCORP)	Masi Investment
26	Medisun Clinic	Mgongoloti Holdings
27	Lancet Laboratories	Manqobq Gas Filling/Zodwa*
28	Kusa Kusile (Pty) Ltd t/a Nandos	Thajo Investment
29	Phophonyane Lodge and Nature Reserve	H.M. Holdings
30	Happy Valley Hotel	CRB Trading
31	The Swazi Observer (Pty) Ltd	TZ Concrete
32	Wanderport Networks Swaziland	Corban Electrical

33	Anot Publishing t/a Times of Swaziland	Motsa transport
34	MTN Swaziland Ltd	Thomson distributors
35	Real Image Internet	ABSA Investment
36	PC Sytems	
37	Eswatini Mobile Ltd	
38	Dyson & Lincoln (Pty) Ltd	
39	Atlanta Products (Pty) Ltd	
40	Printpak	
41	Stonewood Creations	
42	Swazi Plastic Industries Ltd	
43	Mananga Sugar Packers	
44	Afrisam Swaziland (Pty) Ltd	
45	Global Paints	
46	Premier Swazi	
47	Mondelez International (Pty) Ltd	
48	Macmillan Education Swaziland (Pty) Ltd	
49	Yebo Art Gallery-Africa Fantasy	
50	Lactalis Eswatini (Pty) Ltd	
51	GD Holdings t/a Kia Motors	
52	Swaziland Earthmoving Equipment	
53	Leites Toyota	
54	Medecins Sans Frontieres	
55	Galp Swaziland	
56	Xpedia Consulting (Pty) Ltd	
57	A M Recruitment Services (Pty) Ltd	
58	Steve Hall Development Consultants (Pty) Ltd	
59	Eswatini Economic Policy Analysis and Research Centre	
60	Resolution & Management Consultancy	
61	Swazi Plaza Properties	
62	Swaziland National Housing Board	
63	SANO Holdings	
64	Afritool	
65	Mormond Electrical Contractors Ltd	
66	Swaziland Supply Centre	
67	Ocean Fresh Import & Export (Pty) Ltd	
68	Under African Skies t/a Baobab-Batik	
69	British American Tobacco (Swaziland)	

70	Matsapha Trading Company	
71	Interfreight (Pty) Ltd	
72	Logico Unlimited	
73	Royal Eswatini National Airways	
74	Cargo Carriers (Swaziland) (Pty) Ltd	
75	SiyeSwatini TransMagnific	
76	H. S. Transport	
77	Titan Logistics	