

Title of the Webinar: “Business Continuity and Way Forward”

‘The Coronavirus pandemic, which was first detected in China, has now infected people in 185 countries. Its spread has left businesses around the globe counting the costs’ – BBC News

From small companies to big companies, from developing economies to advanced economies, the effects of the Covid-19 can be seen everywhere on both jobs and turnovers. The stock markets and the oil prices have not been spared either. The FTSE and the Dow are reported to have experienced huge falls last seen in 1987, whilst the oil prices dipped below the US\$20. Economists around the globe are predicting a negative economic growth with the annual global GDP for 2020 projected to drop to 2.4% and the world economy going into a recession.

Governments across the globe have taken ambitious measures as an attempt to reduce the effects of Covid-19 on their citizens as well as to limit the damage on their economies. Lockdown measures were introduced to restrict people’s movement and curb the spread of the virus or flatten the curve. Financial and fiscal support policies were also introduced to support businesses who might have been impacted negatively as a result of covid-19. Despite all the efforts and the relief programmes introduced, the global economy is forecasted to contract due to the unprecedented disruption of global economy and investment inflows.

The South African economy, which was already dealt a blow by a negative credit rating, has not been spared the devastating effects of this global crisis. Consistent with other countries, the South African government placed the country under national lockdown to curb the spread of the virus and loss of lives. The restriction on movement of people, goods and services brought the economy to a complete standstill due to a reduced demand for non-essential services and products. In response to the unintended consequences, the South African government along with financial institutions have introduced economic policies and relief funding packages tailored to address the needs of companies impacted by the pandemic. In addition, the Reserve Bank responded by cutting the interest rates bringing the repo rate to 4.25% as an attempt to cushion the impact of the pandemic on the economy.