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Communique' Issued by BUSINESSAfrica-Employers' Confederation to Members Across the African Continent on Covid-19 Response

Nairobi 04 May 2020

Dear Members,

Introduction

The COVID-19 pandemic has created an unprecedented challenge to the global health, social employment wellbeing and economy at large. It has heavily impacted how we live, learn and work, with populations in most Countries around the world currently under a form of movement restriction which in turn limits business operations. Many formal sector companies have already allowed employees to work from home and laid off their employees, others have given unpaid leave to their staff while others are in the process of completely restructuring their business models and operations to avoid total closure. Some sectors have been worst affected due to the nature of their business notably the agriculture, education, tourism, hospitality, transport, import/export, among many others. As the apex employers' body in the Continent, BUSINESSAfrica continues to engage with the members from all the regions of the Continent in response to this Crisis.

Covid-19 Pandemic Impact on Businesses Across the African Continent

1. Un-precedented Health Crisis:

- (a) The COVID-19 pandemic is not only a major health crisis but a serious human calamity. The continental health infrastructure was where capacity is increasingly getting stretched and this calls for immediate concerted support by Business & Government.
- (b) The continued spread and steep rise of the pandemic curve across the continent puts more pressure on the already stressed health systems.

2. Economic and Social Disruption

- (a) Covid-19 presents the continent with major challenges for instance, UNECA has revised its growth forecasts from an average growth rate of 3.2% across the continent to a contraction of 2.6% in a worst-case scenario. In the best-case scenario, the model shows 1.8% growth.
- (b) There is ultimately an imminent massive economic disruption and loss of business which could lead to labour crisis occasioned by unavoidable economic disruption.
- (c) Overall shrinking of economies is foreseen and massive disruption on the informal economy.
- (d) Disruption on demand and supply chains for both imports and exports across the African continent is evident.
- (e) Loss of potential investment local/foreign and loss of business across the continent and loss of formal employment. This has been mostly occasioned by business scale down or in some instances of complete shutdown.
- (f) Further an initial analysis of the economic impact of COVID-19 shows that Africa's GDP growth in 2020 could be cut by 3–8 %. – McKinsey & Co. April 2020 release.
- (g) Overall there will be inevitable change of way of life for millions of people across the world and more so within the African continent.

3. How Can Business Respond to this Crisis?

- (a) Concerted business & government support towards Covid-19 control and flattening the Curve - Call for Business engagement in stopping the spread of the pandemic through direct engagement with respective governments in crafting measures that would limit the spread of the pandemic.
- (b) Urgent need for continued fulfilment of obligations on Covid-19 workplace management to avoid/contain spread.
- (c) Call for continued adoption of changing work routines by businesses e.g. remote working
- (d) Business engagement in the provision of immediate medical supply needs.
- (e) Leveraging on technology to deliver business supplies including essential medical supplies and ensure continuity of supplies and services.

4. Business Continuity Planning

- (a) Need for Business engagement on national, regional and continental economic management framework over Covid-19 - This should include measures that incentivise business continuity factoring in the unprecedented challenges presented by this pandemic including reduced productivity and job losses.
- (b) Enhanced scenario planning for Business at the enterprise level, national, region and ultimately continental level is needed.

Key to Questions to Business scenario planning:

- What are the short-term actions by governments, business, and development institutions to mitigate the crisis impact in your respective country?
- What is the level of public-private and development agencies partnership to mitigate this calamity?
- What are the short-term, mid-term and long-term potential outcomes for Business?
- What are the national responses by governments e.g., tax relief etc? – (And how will this impact on business?)
- What are the national mechanisms being implemented to manage the medical crisis and how can Business link with this?

- (c) Need for Governments to institute immediate measures to support sectors in distress.
- (d) Need to rapidly explore opportunities for Business to leverage more on technology now and in future? - The pandemic offers Business in the emerging economies opportunity to leverage on technology in creating new businesses, remodel business processes, offer new services, need for new skills, reskilling and upskilling in view of the Post Covid-19 technologically enhanced economy.

5. BUSINESSAfrica Approach

Continue augmenting continental Covid-19 response through regional and continental political and economic platforms including coordination with International Organization of Employers, African Union, African Union Development Agency-New Partnership for African Development, International Labour Organization and other bilateral and multi-lateral agencies.

- (a) Support thought process and leadership on Business approach to the Covid-19 response, business continuity and post covid-19 rebound planning with a continental lens.

- (b) As the Continental Business platform, accelerate Continental voice of Business to share practical solutions to the current challenges.
- (c) Re-thinking on the engagement of the informal sector overall shrinking of economies is predicted and massive disruption on the informal economy.

6. Events & Initiatives to address Covid-19 situation in Africa.

BusinessAfrica has participated in a number of virtual events organised to share information on developments at continental level and requests members to participate in future events. The events held so far include: -

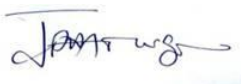
- i. **IOE virtual member-wide meeting held** on Wednesday, 18 March – COVID- 19
- ii. **Effective teleworking policies and advocacy for business sustainability**, 23rd March 2020
- iii. **IOE Digital Conference - African exchange COVID-19 conference** -9th April 2020
- iv. **African Union/ILO Video Conference of African Ministers of Labour** on 29 April 2020.
- v. **ILO response to COVID-19: Virtual information session** on 30 April 2020
- vi. **WHO and ILO leaders discuss back to work policies** on 6 May 2020

Conclusion

While the pandemic is already creating untold suffering in Africa there, lies an opportunity to turn the tide, if the Covid-19 control measures by laid out the respective governments are enhanced and followed. Further the continent has an opportunity to tap into its young population towards harnessing technology and innovation as key enablers to the Future of Work and being instrumental in the delivery of business.

BUSINESSAfrica calls for increased Business to Government (B2G) and Business to Business (B2B) engagements at the enterprise, national, regional and continental levels in managing the current crisis and forging forward.

Yours Sincerely,



Jacqueline Mugo, EBS
**SECRETARY GENERAL,
BUSINESSAFRICA- EMPLOYERS CONFEDERATION.**