

Update 10: South Africa - Recession Deepens as Economy Contracts by 51% in Q2 2020 Amid COVID-19 Pandemic

- South Africa's GDP decreased by 51% QoQ in Q2 2020 as a result of the COVID-19 lockdown restrictions imposed from the end of March 2020
- This was the fourth consecutive decline in quarterly GDP since Q2 2019
- The manufacturing industry contracted by 74.9%
- The trade, catering, and accommodation industry decreased by 67.6%
- The transport, storage, and communication industry decreased by 67.9%
- The mining and quarrying industry decreased by 73.1%
- The finance, real estate, and business services industry decreased by 28.9%
- Meanwhile, the agriculture, forestry, and fishing industry was the only positive contributor to GDP growth, with an increase of 15.1%
- Expenditure on real GDP fell by 52.3% in Q2 2020
- Net exports contributed negatively to growth in expenditure on GDP during the quarter
- Exports of goods and services were down 72.9%, while imports of goods and services decreased by 54.2%
- As of now, South Africa reported 639,362 confirmed COVID-19 cases with 15,004 deaths (2.3% of total reported cases)
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments

Source(s)

<https://it-online.co.za/2020/09/08/gdp-plunged-51-in-q2/>

<https://www.reuters.com/article/safrica-economy-gdp/south-african-economy-contracts-51-q-q-in-q2-idUSJ8N2A6024>

<https://businesstech.co.za/news/finance/432018/south-africas-gdp-tanks-51-in-the-second-quarter/>

<https://www.worldometers.info/coronavirus/country/south-africa/>

Targets Affected:

South Africa

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' and 'Increase in Positive Cases/Deaths' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

Aug. 16, 2020

High

Update 9: South Africa - Extends National State of Disaster Until September 15, 2020; Eases Restrictions as Outbreak Reaches Peak

July 13, 2020

Medium

Update 8: South Africa - Reimposes Night Curfew Amid Increase in COVID-19 Cases

July 1, 2020

High

Update 7: South Africa - Recession Deepens as GDP Declines by 2% in Q1 2020

June 30, 2020

Medium

Update 6: South Africa - Further Eases Restrictions on Domestic Air Travel Despite Surge in COVID-19 Cases

June 28, 2020

Medium

Update 5: South Africa - Reports Highest Daily Increase of 7,210 Confirmed COVID-19 Cases, Totaling 131,800

June 24, 2020

Medium

Update 4: South Africa - Q1 2020 Unemployment Rate Increases to 30.1%

June 21, 2020

Medium

Update 3: South Africa - Records ~5,000 New COVID-19 Cases, Totaling ~93,000

June 12, 2020

Medium

Update 2: South Africa - Plans to Reopen Tourism Industry Starting September 2020 Amid COVID-19 Pandemic

June 6, 2020

Medium

Update 1: South Africa - Records 2,642
New COVID-19 Cases, Totaling 43,434

June 2, 2020

High

South Africa - Partially Lifts COVID-19
Lockdown to Aid Economy

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.