



Summary
Online Discussion 27.5.2020

Online discussion: Covid-19 in Africa
Challenges for Economy and Society

Background: In mid-February 2020, the first Covid-19 case on the African continent was confirmed in Egypt. Although the number of infections in Africa remains relatively low, the pandemic poses enormous challenges for many African countries. To meet them many African countries reacted early on to the crisis and with sometimes drastic lockdown measures, which not only restrict public life and most economic activities, but also have an impact on German-African economic relations. Against this background, the **German Association of Chambers of Industry and Commerce (DIHK)** and the **German Africa Foundation** invited to the webinar "**Covid-19 in Africa - Challenges for Economy and Society**".

Highlights:

- **Many African countries reacted very quickly and with drastic measures to the pandemic, including strict lockdown regulations.**
- **Testing capacities on the African continent appear to be rather limited - a high number of unreported infections is assumed.**
- **The economic consequences of the pandemic are also serious for Africa, especially for raw material exporting countries such as Nigeria or South Africa. The tourism sector, which is an important source of income for many African countries, is also particularly hard hit.**
- **However, some sectors of the economy may also benefit from the crisis and the loss of competition from Europe, such as the food industry in Morocco.**

Reporting the situation on the ground:

Katharina Felgenhauer

Delegate of the Delegation of German Business in Nigeria

Maren Diale-Schellschmidt

Delegate of the German Business Delegation for East Africa, Kenya

Frank Aletter

Deputy Managing Director of the German Chamber of Industry and Commerce for Southern Africa, South Africa

Andreas Wenzel

Managing Director of the German Chamber of Industry and Commerce in Morocco

Moderation:

Heiko Schwiderowski

Head of Division Sub-Saharan Africa, Association of German Chambers of Industry and Commerce

In Nigeria, South Africa, Kenya and Morocco, governments took far-reaching measures to contain the pandemic after the first officially confirmed corona infections. These included curfews, border closures, entry bans from high-risk countries such as Germany and Italy, and domestic travel restrictions. In Nigeria, according to **Katharina Felgenhauer**, it is not allowed to leave the respective state, while in Kenya the capital Nairobi and the port city of Mombasa have been completely sealed off and only logistical activities and so-called essential services are available, as **Maren Diale-Schellschmidt** reported. South Africa, one of the most severely affected countries in Africa by the pandemic, imposed one of the strictest lockdowns worldwide. Here, even the military was deployed to enforce the containment measures. Despite the low infection rates compared to other European countries, all speakers considered the countermeasures taken necessary and praised the early intervention of the respective governments.

The panelists suspect that the low number of infected persons so far is also due to the limited testing capacities on the African continent. Even the comparatively highly developed Morocco has only carried out 200,000 tests so far - for a total population of 35 million people, as **Andreas Wenzel** reported. **Frank Aletter**, too, assumed a very high number of unreported infections, especially in the South African townships.

Although the early intervention of states was felt to be important and right - **Frank Aletter**, for instance, praised the South African government for its quick reaction and clear communication of the measures taken at the beginning of the lockdown - the strict measures also had negative effects; in Nigeria, for example, a clear increase in crime and violence was evident. In South Africa, some prices had increased tenfold.

The economic consequences of the pandemic are serious for the African continent. Nigeria and South Africa, in particular, which are heavily dependent on oil and coal exports, are suffering massively from the fall in the prices of these raw materials. Morocco's economy, on the other hand, is profiting from the fall in oil prices, but must expect to lose several billion euros in sales, especially in the tourism sector, **Andreas Wenzel** said. However, the Moroccan food industry is benefiting from trade restrictions because important food producers in France and Spain have been shut down due to the corona pandemic. Morocco is also making a name for itself as a producer and supplier of protective masks: around 6 million protective masks are produced there every day, which are also supplied to Germany and other EU countries.

Restrictions on air and travel have led to severe restrictions on domestic trade in all countries, with long traffic jams at many borders jeopardising the supply of goods to the population - and increasing the risk of infection among waiting drivers. In East Africa, German and European funding is being used to set up mobile test stations at border crossings to counteract this risk.

Even though the full extent of the consequences of the Corona pandemic for the economy and society in Africa cannot yet be fully predicted, there is hope. The heads of the Chambers of Commerce Abroad in Nigeria, Kenya, South Africa and Morocco agreed that the sometimes dramatically negative forecasts for the African continent will not be fully realised. The German economy is not withdrawing from Africa because of the Corona crisis.