

Results from November 2020 Survey

Background:

11 531 total cases:

34 deceased

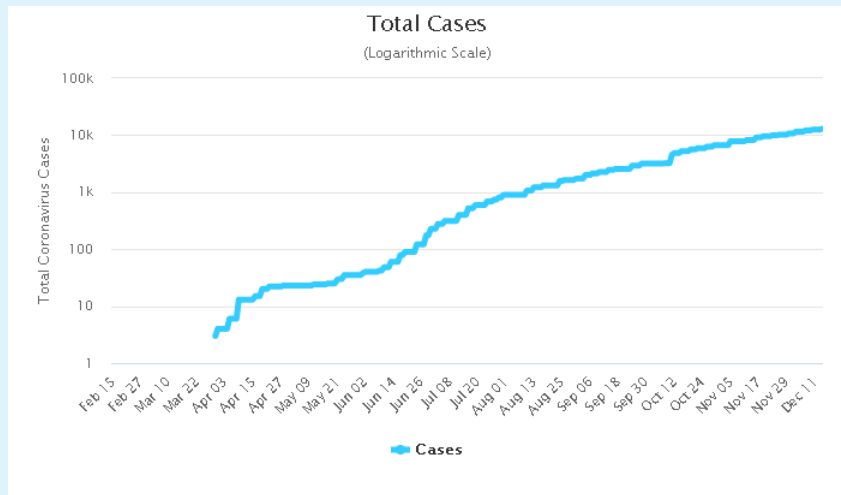
998 active

8 978 recoveries

Botswana is reporting 138 new infections on average each day, 39% of the peak — the highest daily average reported on December 11 (Reuters 2020).

The government of Botswana has extended the State of Public Emergency until 31 March 2021.

The majority of shops, banks and restaurants continue to operate, with precautionary measures in place including the compulsory wearing of face coverings and a requirement to have your temperature taken and to provide your name and contact details when entering.



Background: Government Response

As at the 14th of July 2020, the Government of Botswana:

- Fiscal Policy: Established the COVID-19 Relief Fund (Two Billion Pula)
- Monetary Policy: Banks offered to review and restructure loan facilities on mortgages, car loans, offer payment holidays for 3 – 6 months and life insurance and retirement fund restructuring
- Social protection - offer of psychosocial support to those affected
- Employment retention – Government provides a wage subsidy
- Assistance to businesses – Government provides:
 - Guarantee of loans to businesses most affected
 - Provides access to credit to eligible businesses
 - Give tax concessions to businesses in eligible sectors
- Social dialogue – Government established High-Level Committee (HLC) as a tripartite structure to manage the country's response

Source ILO: COVID-19 Country policy responses 14 December 2020

Background: Workers organisations

As at the 14th of July 2020, the workers' organisations:

- Welcomed government tripartite response since pandemic declared an emergency
- Made the following appeals to government:
 - Conduct an economic assessment on impact of pandemic
 - Train more people to complete testing
 - Ensure those in isolation are paid sick leave
 - Provide income to all workers for housing, food and water
 - Provide tax relief for businesses

Source ILO: COVID-19 Country policy responses 14 December 2020

Background: Employees organisations

As at the 14th of July 2020, Business Botswana has:

- Used social media to keep members informed about government procurement announcements
- Launched an on-line campaign to guide business response during state of emergency
- Provide resources for business responses drawing on ACTEMP tools
- Proposals to government:
 - Government to suspend utility increase
 - Passengers on busses be set at 60%
 - Four months tax relief of PAYE and VAT
 - Government provide 3 months wage relief
 - Support loan repayment holidays
- Conducted a rapid assessment in May to investigate the impacts on businesses and found:
 - 98% of businesses reported sharp declines in revenue
 - 81% reported significant cash flow issues

Source ILO: COVID-19 Country policy responses 14 December 2020

What has happened since July 2020?

Results from November 2020 survey

Pre-COVID

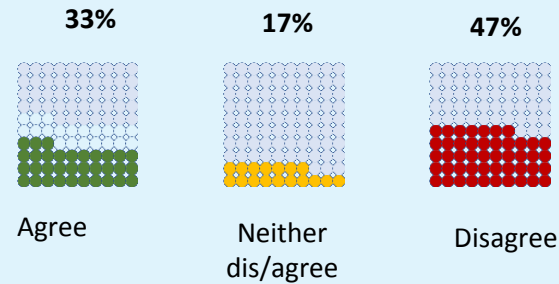
- International indices
- Business environment

The international indices show that prior to COVID-19 the business environment was fruitful. This environment is supported by good political stability. Areas of concern focus on starting a business and adequacy of infrastructure

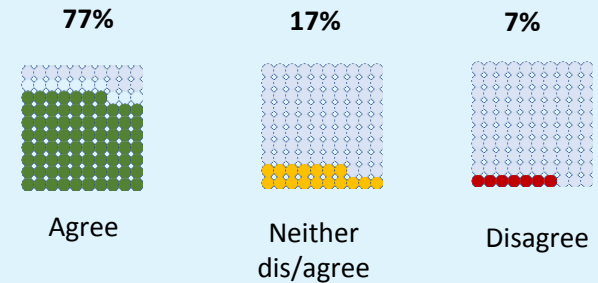
Indices in the top third world wide	Indices in the mid third world wide	Indices in the lower third
Economic: Ease of doing business Getting credit Macroeconomic stability	Economic: Competitiveness Trade openness	Economic: Starting a business
Social: Labour market	Social: Skills Human development	
Political Political stability and absence of terrorism Government effectiveness Control of corruption Regulatory quality Peace	Health Health security Prevention Detection and reporting Rapid response Health system capacity	Infrastructure ICT development and adoption
Environmental: Agriculture	Environmental: Environmental performance Water and sanitation	

Government engagement in the international and national business ecosystem can be improved.

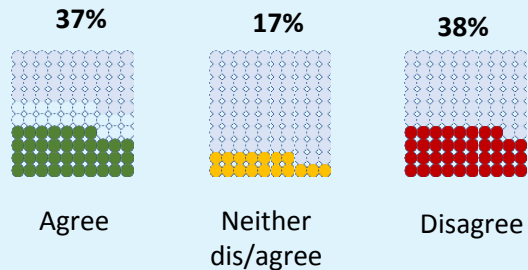
Even before COVID 19 most businesses report that more engagement with government is required



A strategy that is supported by most of the business within the survey is the provision to local business who make use of local resources



Respondent were worn between whether the infrastructure met their business needs before COVID-19

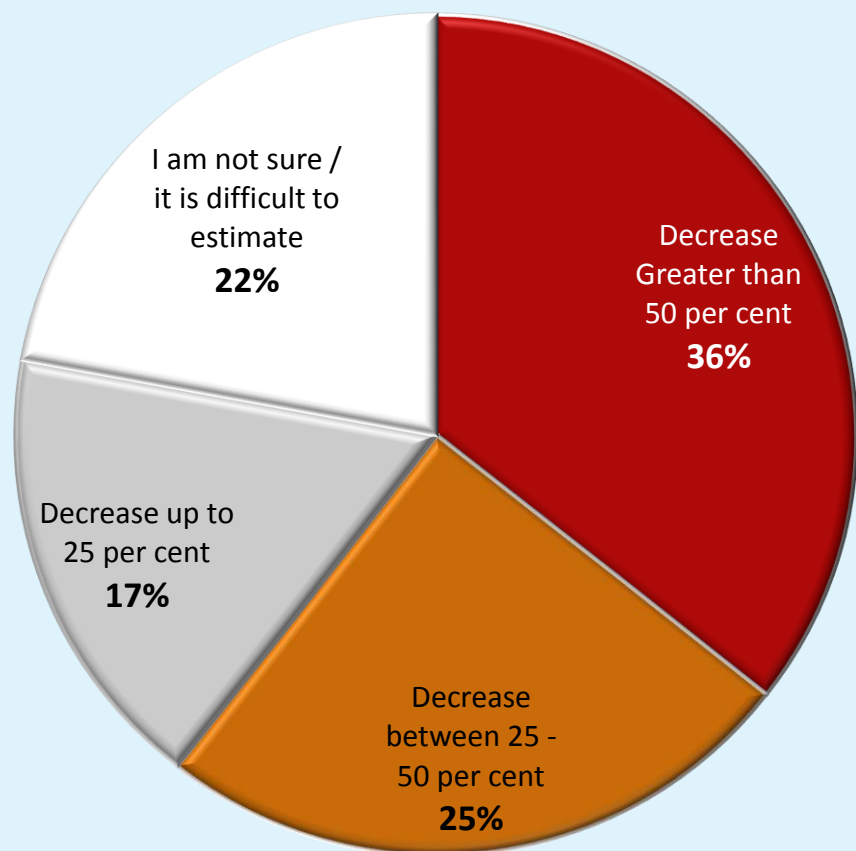


Impact of COVID-19

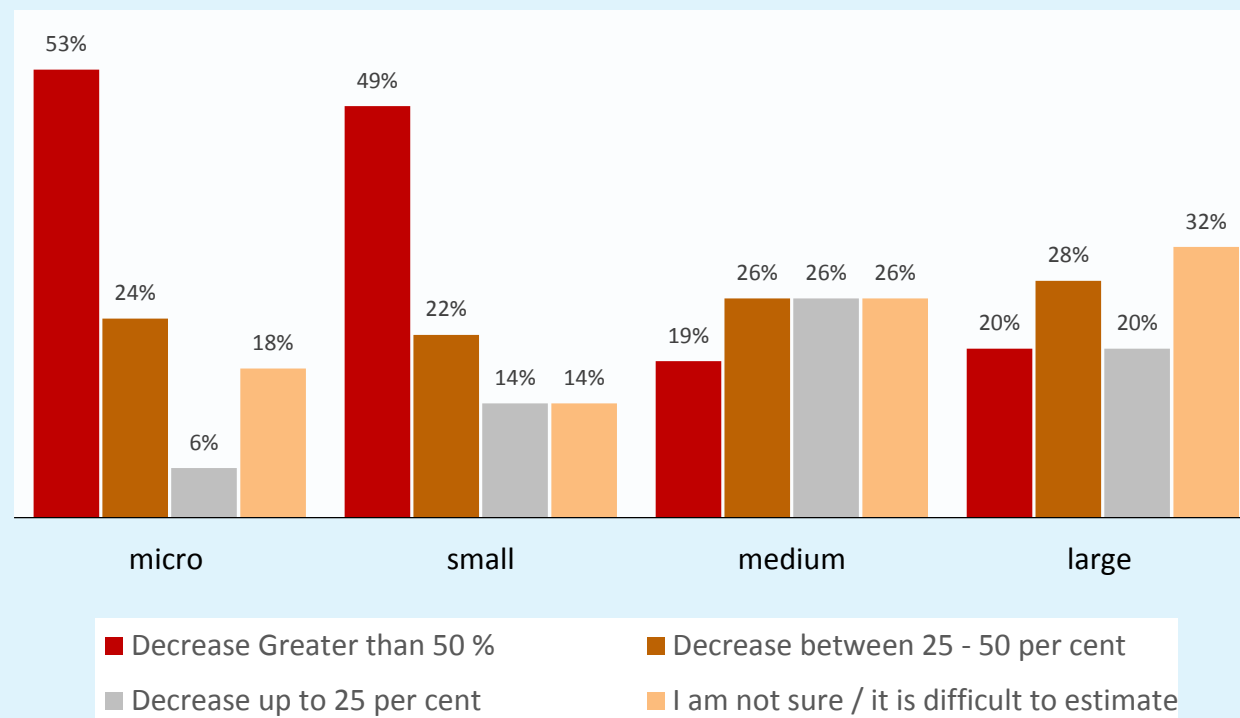
- revenue
- cost cutting measures adopted

While businesses reported a decrease in revenue due to COVID-19 measures, micro and small businesses have been hardest hit

Business reporting an impact on revenue

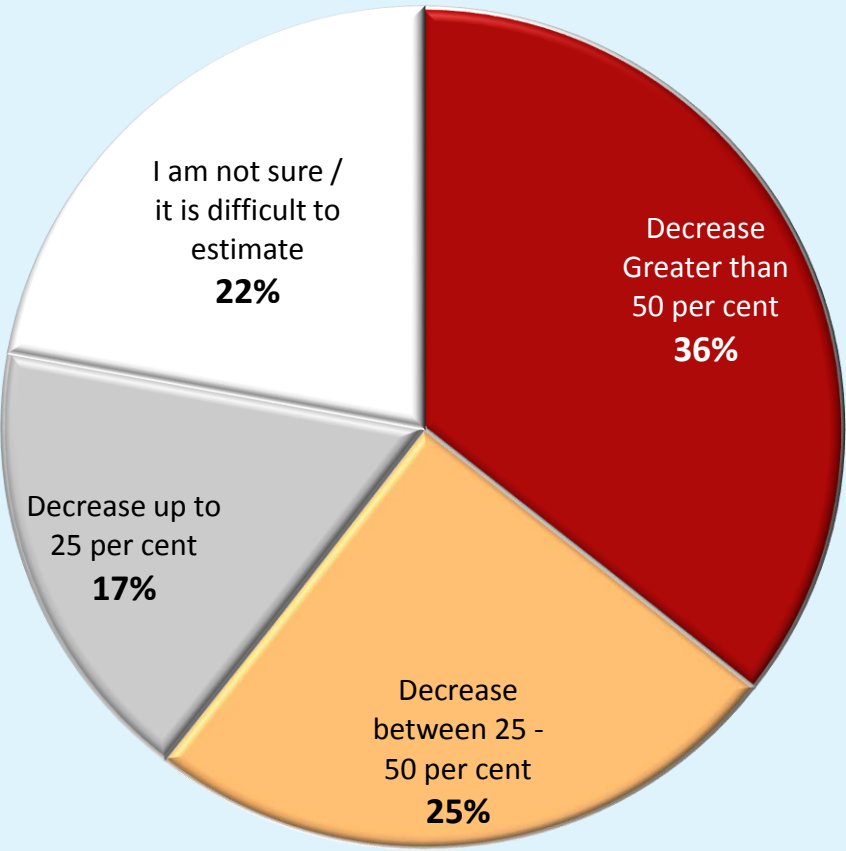


Micro and medium enterprises report the highest impact on revenue

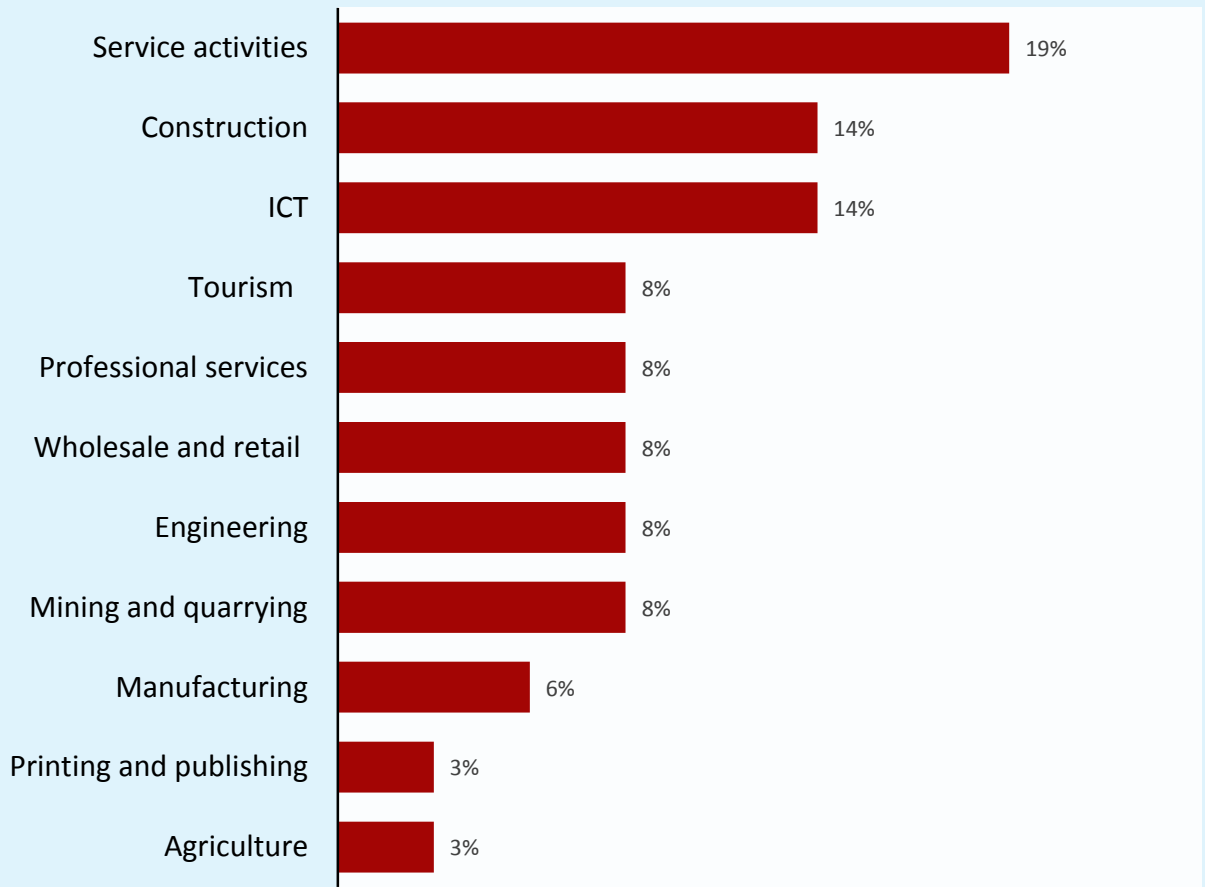


Services, Construction, ICT, Tourism, Professional Services, Whole Sale and Retail, Mining and Quarrying, and Engineering services report the highest levels of impact on revenue during this time (over 50% decrease).

Business reporting an impact on revenue

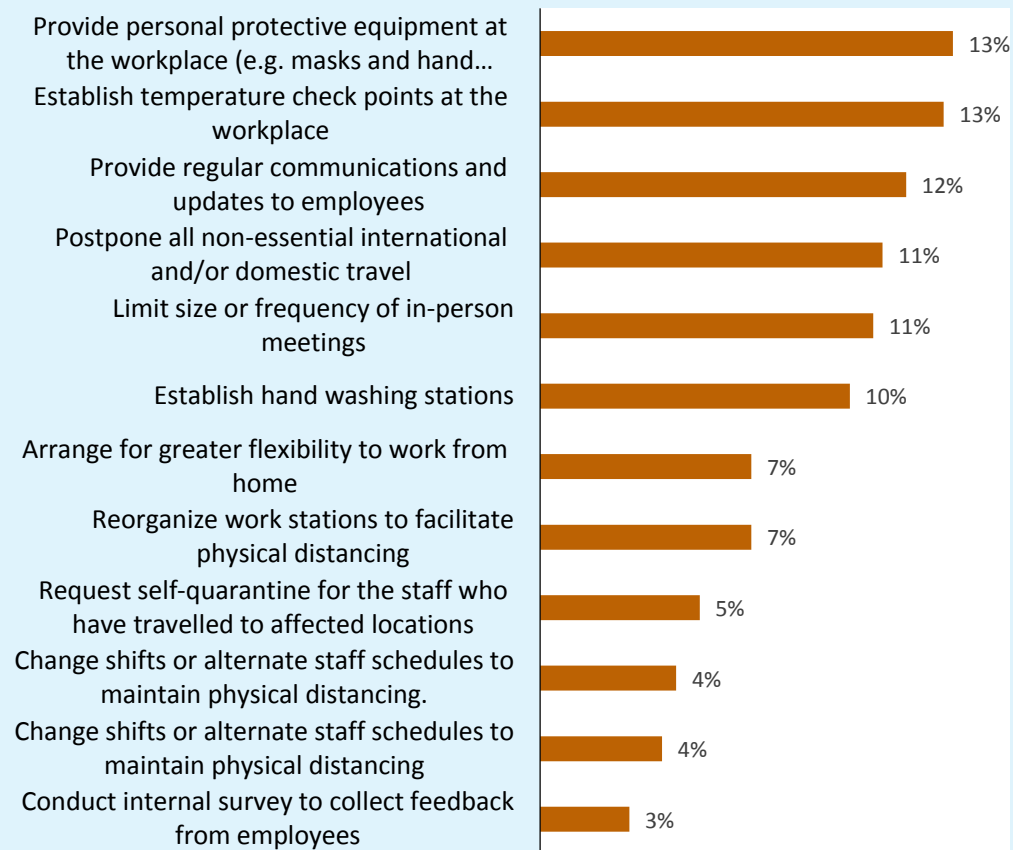


Decrease over 50 per cent by sector

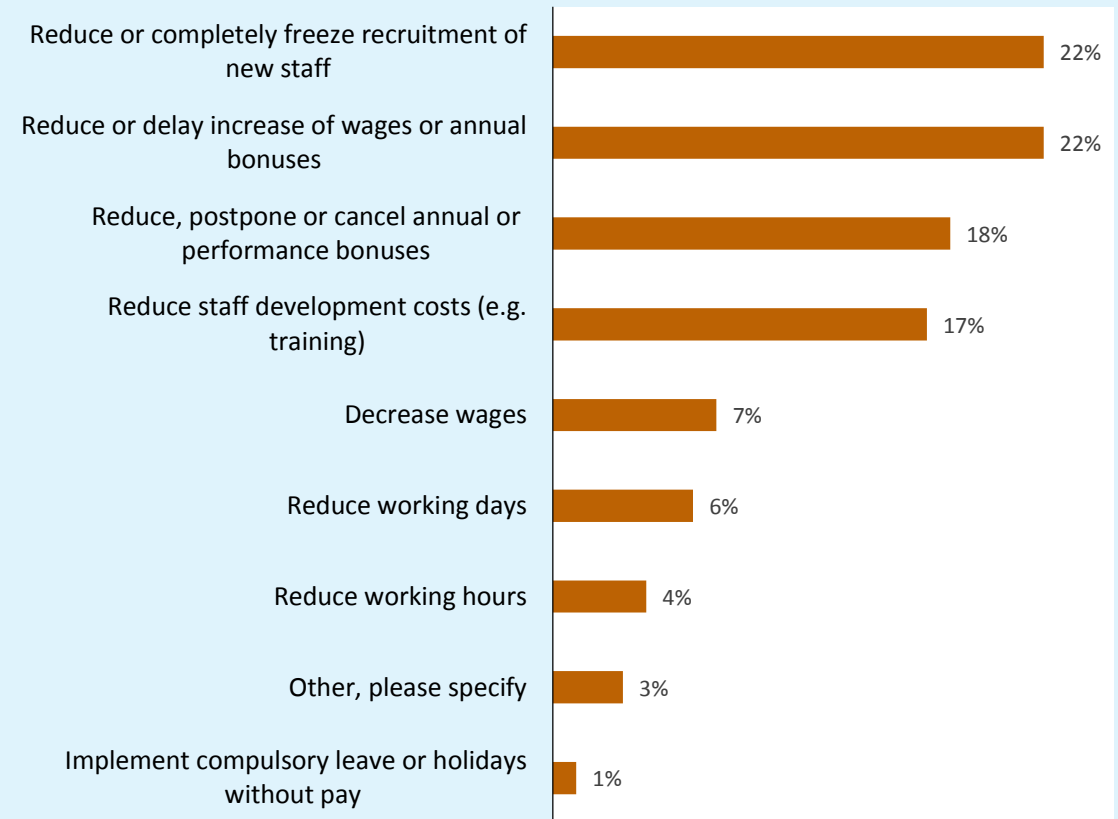


Business responses have implemented PPE and cost cutting measures, such as freezing staff recruitment, salaries, bonuses and staff development to reduce the impact of the pandemic

Actions taken by business to mitigate the effects of COVID-19

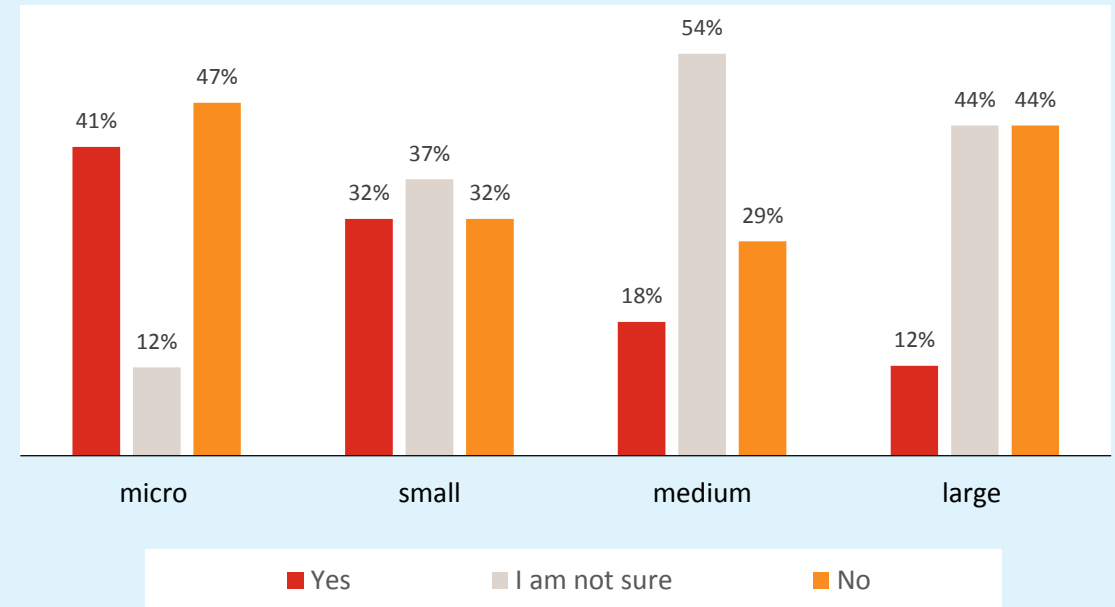
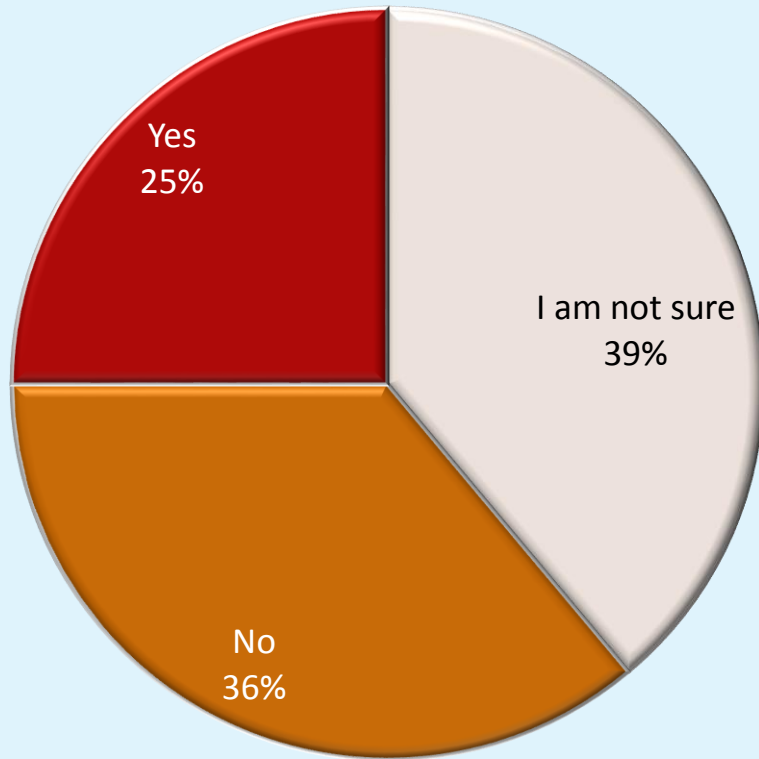


What cost-cutting measures have you conducted or plan to conduct?



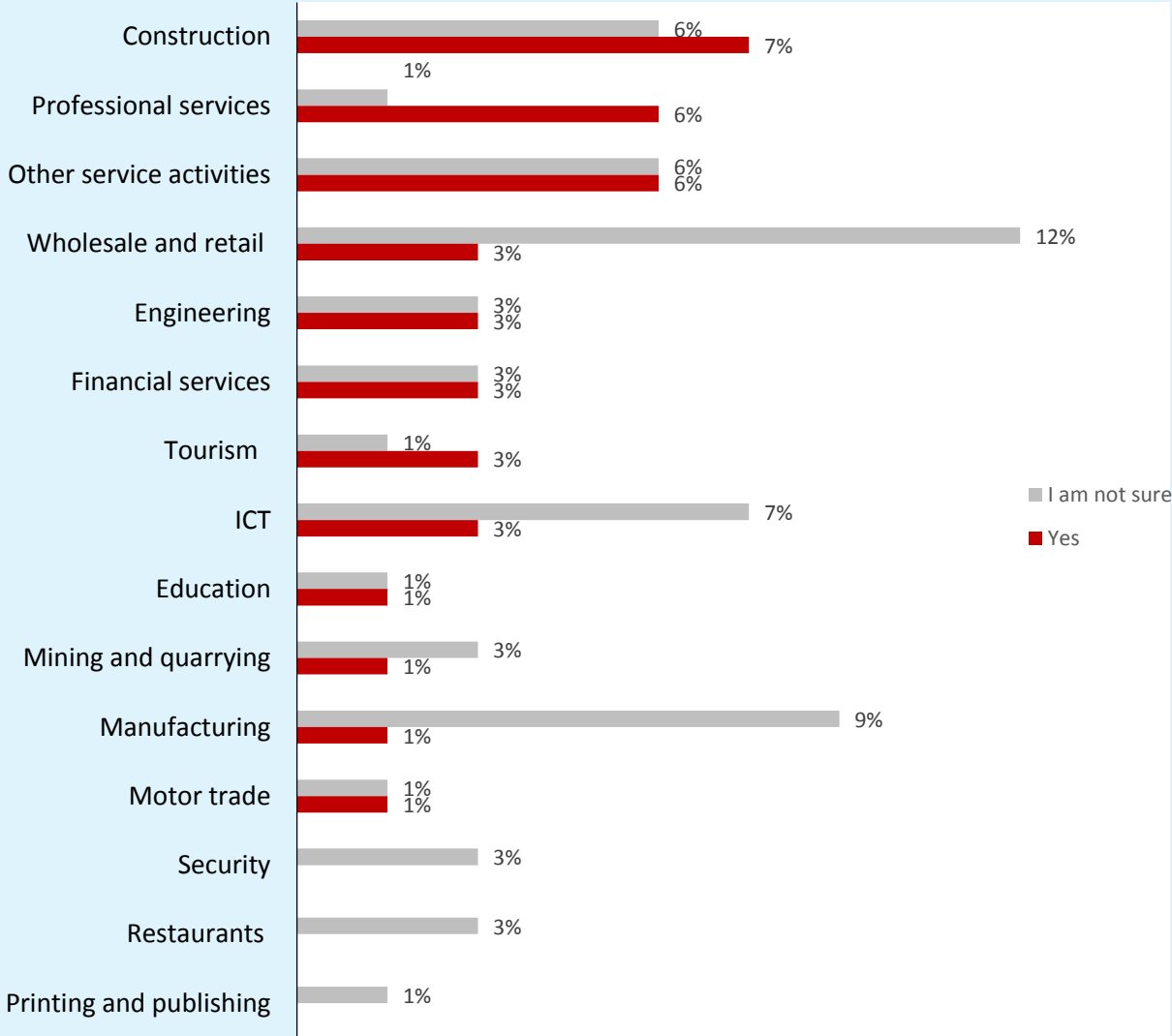
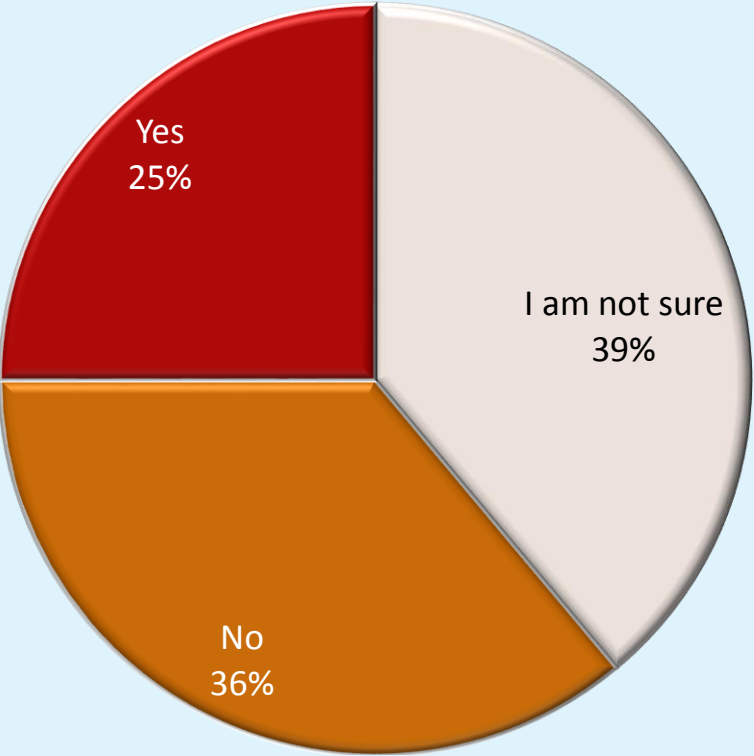
Staff reduction has been particularly contentious as a cost cutting strategy and directly effects micro and small businesses the most. There are large levels of uncertainty within small and medium businesses

Do you plan to reduce staff over the next six months?



Staff reduction has been particularly contentious as a cost cutting strategy and effects construction, professional services, and other services the most. There is uncertainty in the wholesale and retail sector as well as in manufacturing and ICT

Do you plan to reduce staff over the next six months?

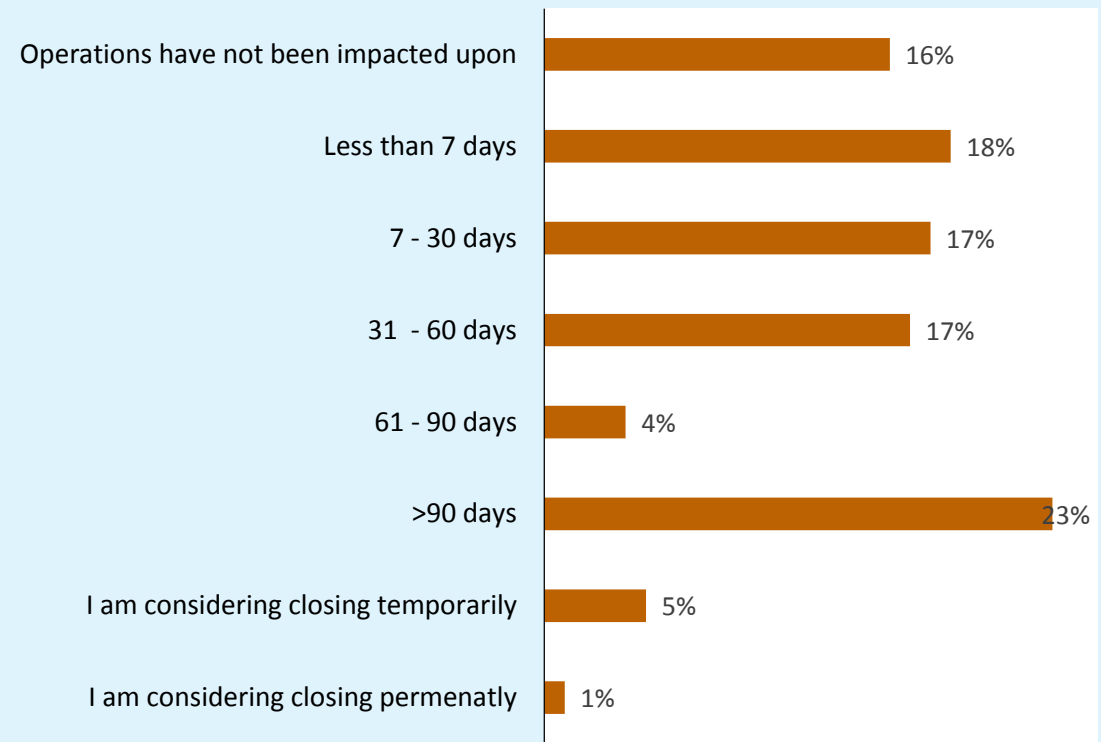


Recovery

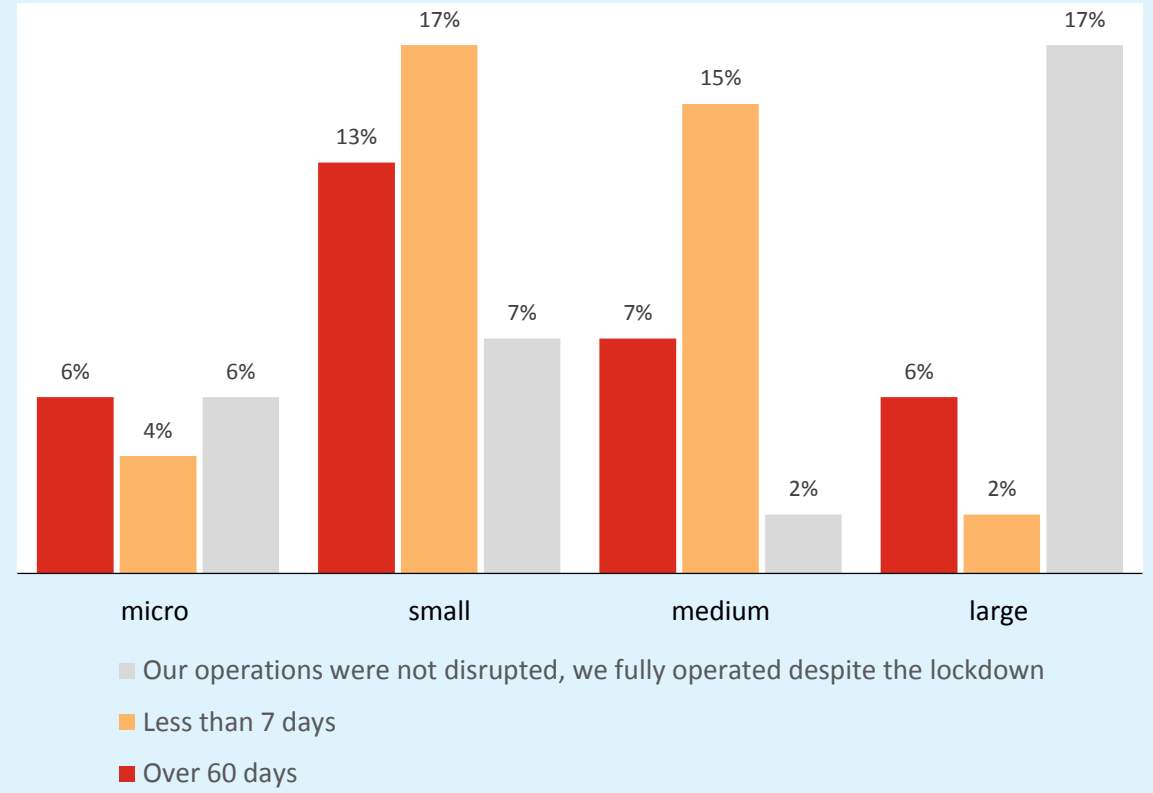
- Time required
- Business practices to promote recovery
- Global factors influencing recovery
- National factors promoting recovery

All business were affected but large businesses have the least impact on operations while, medium businesses will take less than 7 days to recover while small business are torn between 7 days and over 60 days to recover

Estimated time to become fully operational again



How operations have been effected by type of business

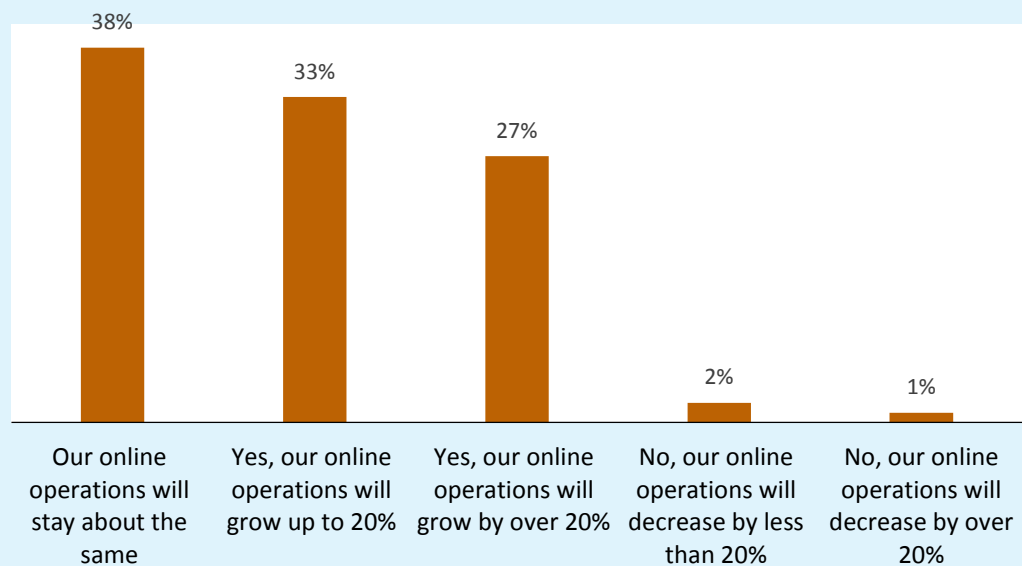


The types of business strategies adopted to ensure faster recover include: diversification, continuity planning, tax deferrals and loyalty plans

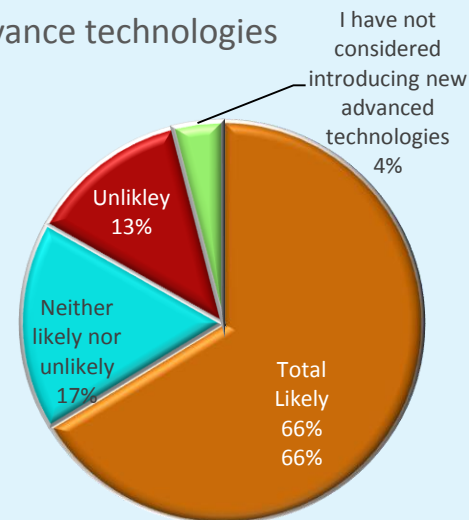


Adopting online work processes is seen as a viable way in which to build resilience to future shocks. About 60% of the business surveyed reported that they would increase their on-line operations. A large proportion of business said they would adopted of advance technologies but continued working from home where remained unlikely, overall

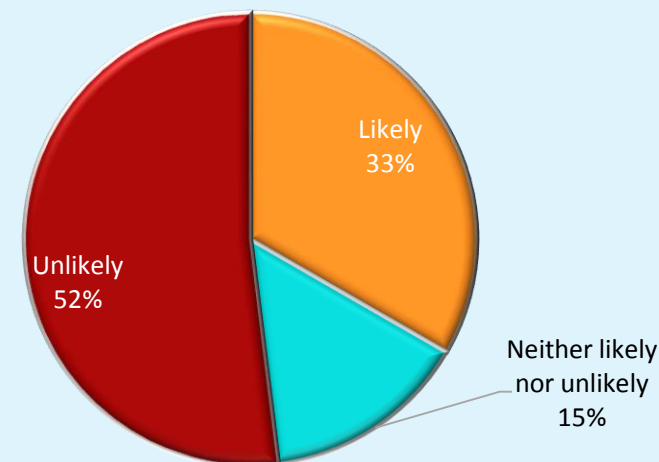
Over 60% of business report that they would increase their online operations



Adoption of advance technologies

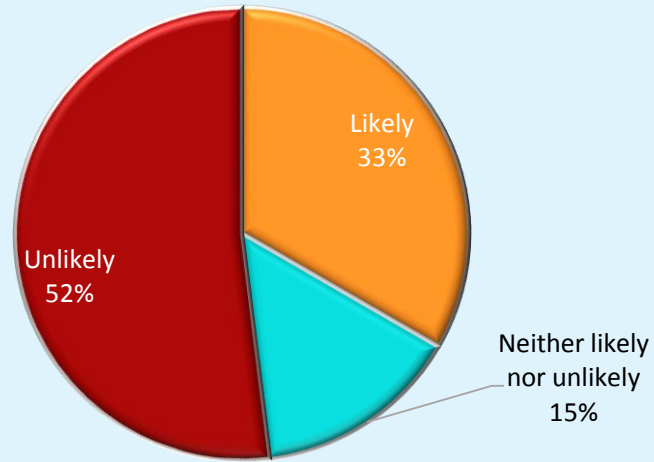


Adopting working from home:

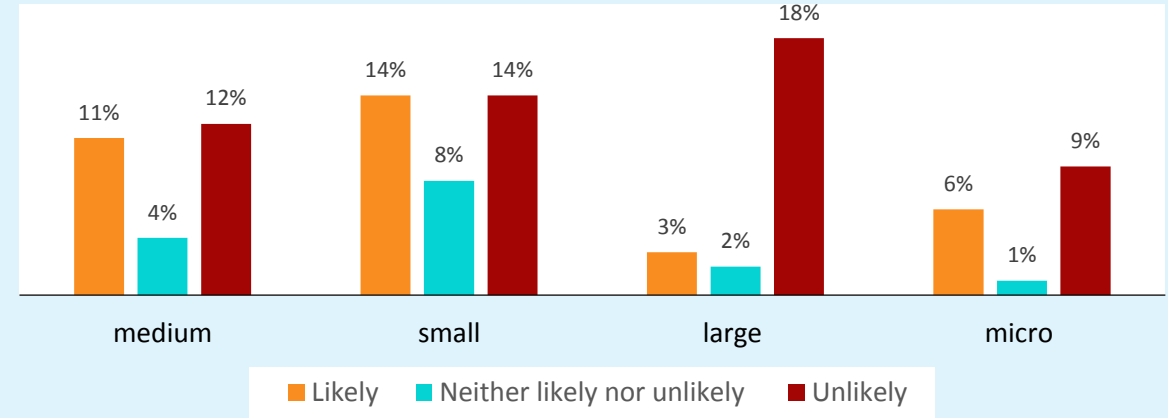


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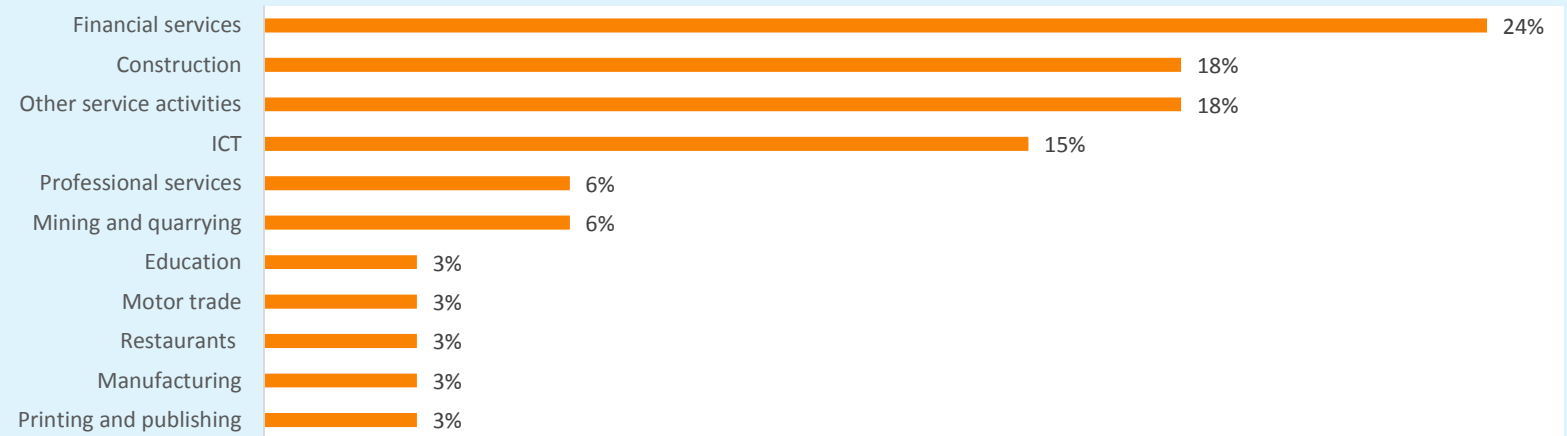
Adopting working from home:



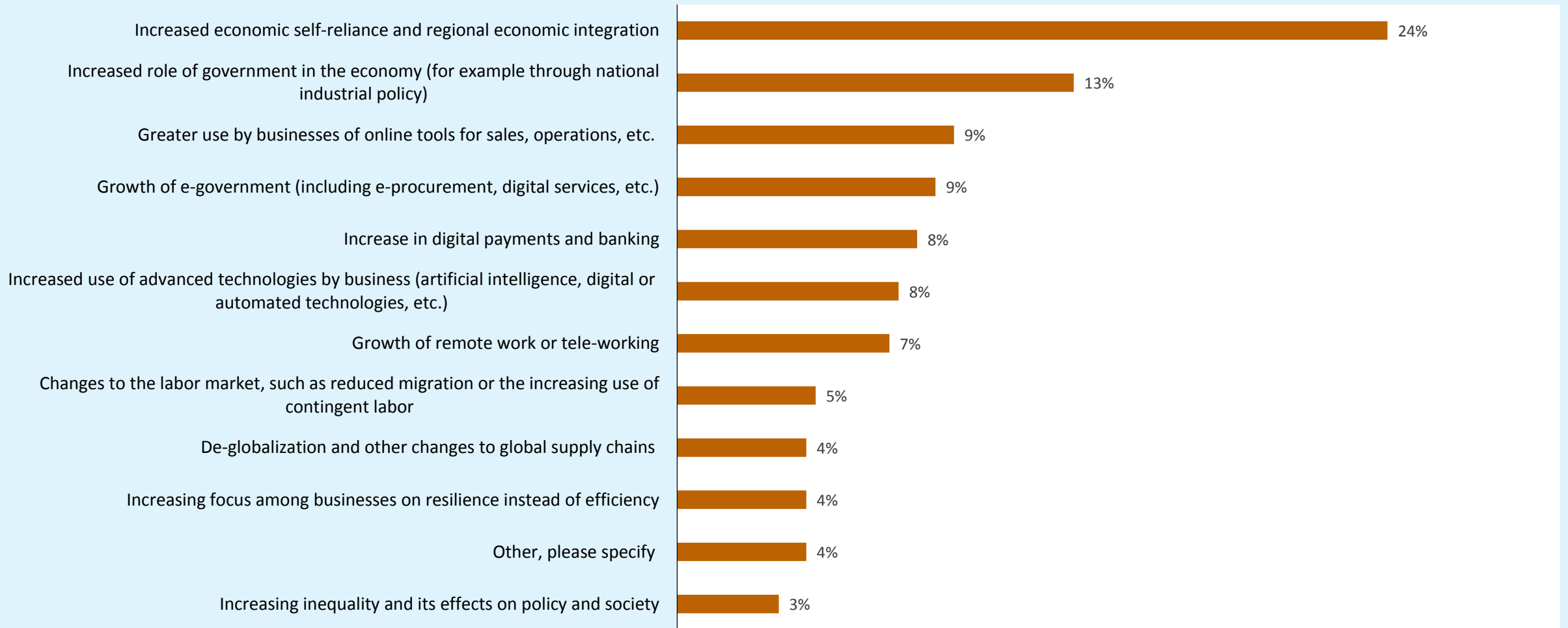
Working from home by business size



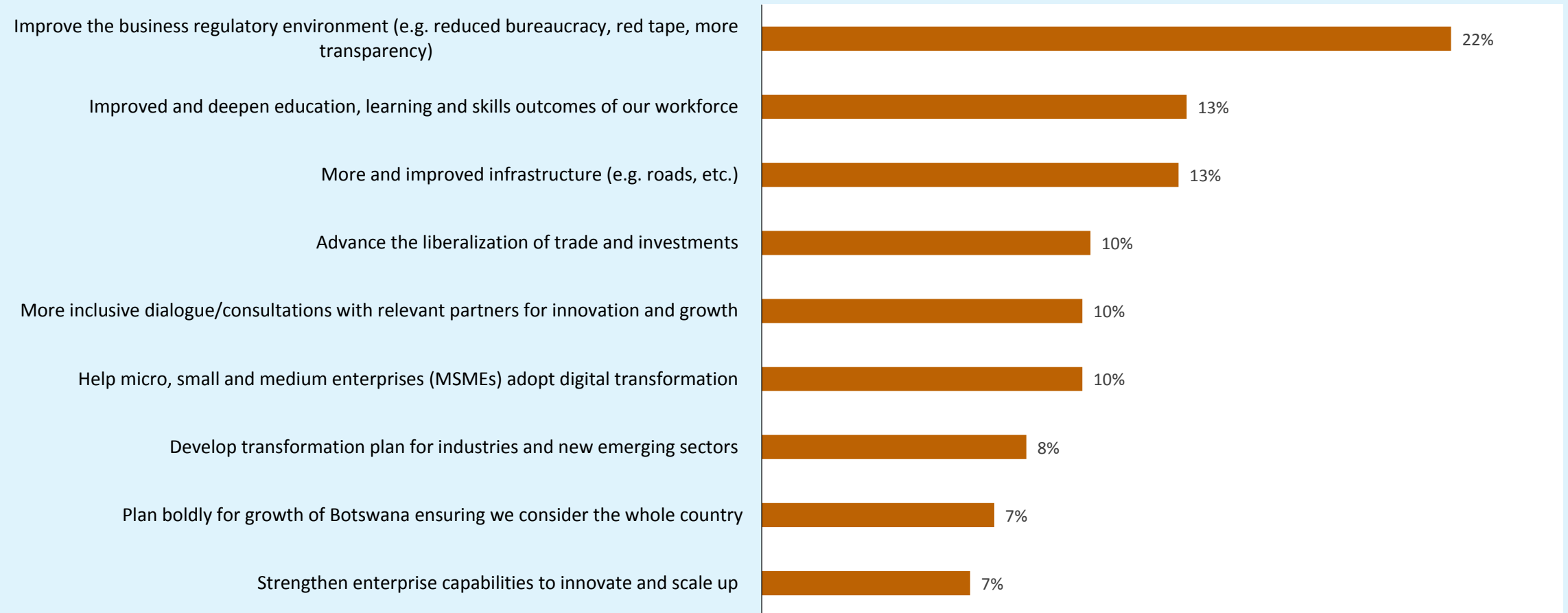
The sectors that would like to make use of the working from home engagement include financial services, construction, other services, ICT



External factors that will improve recovery include the integration of Botswana into the regional economic ecosystem and increased involvement of government in the local economic environment



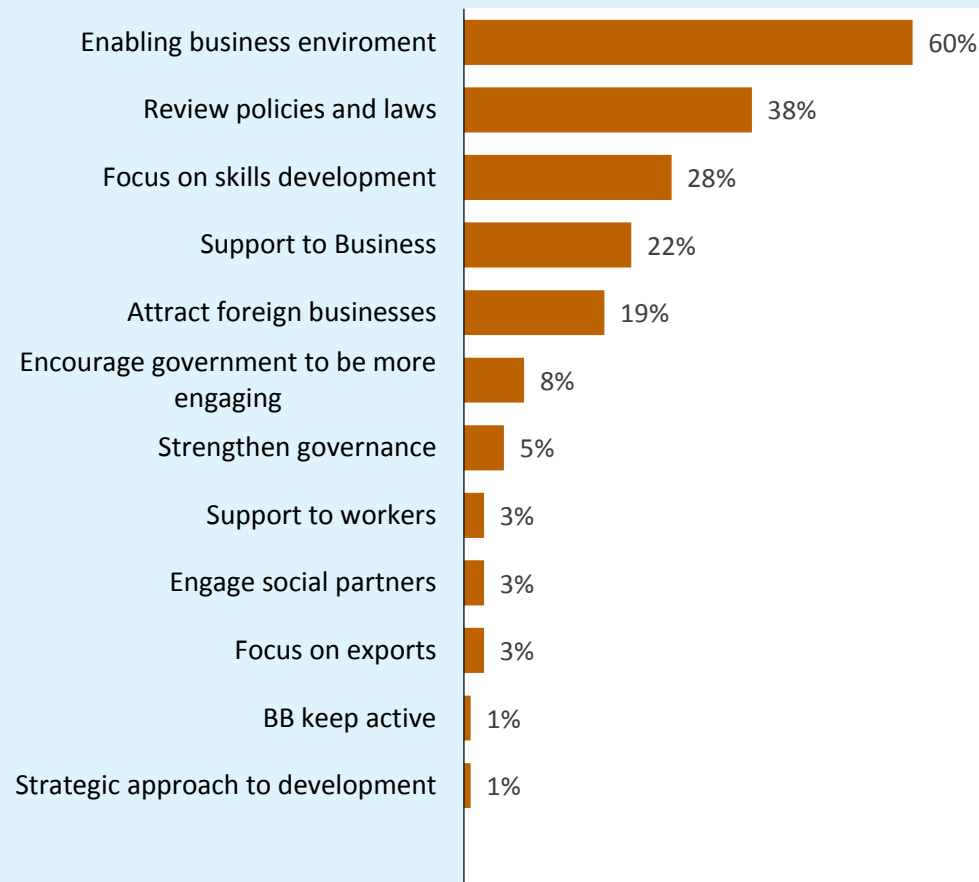
Internal factors or national responses that will influence recovery includes the improvements to the business regulatory environment, improved skills in the work force and improved infrastructure



How BB can support recovery

There is a call for Business Botswana to assist with the development of an enabling business environment, review policies and laws, assist with a focus on skills development, and attract foreign investment/businesses

Areas that Business Botswana can assist with in the recovery process

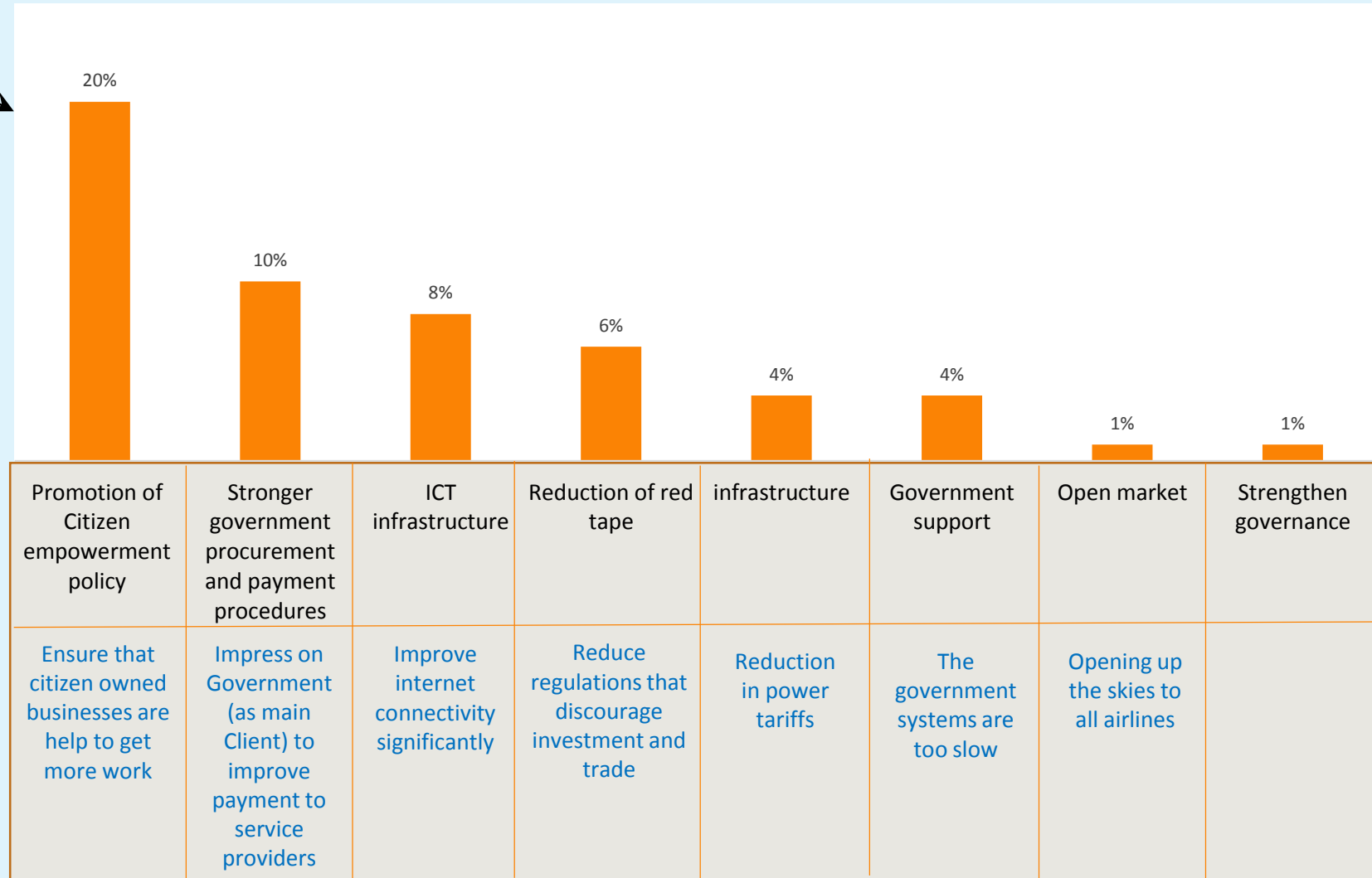


The focus for an enabling business, mainly focuses on the adoption of the Citizen Empowerment Policy, strengthening government procurement processes, strengthening ICT infrastructure

Areas that Business Botswana can assist with in the recovery process



Enabling business environment



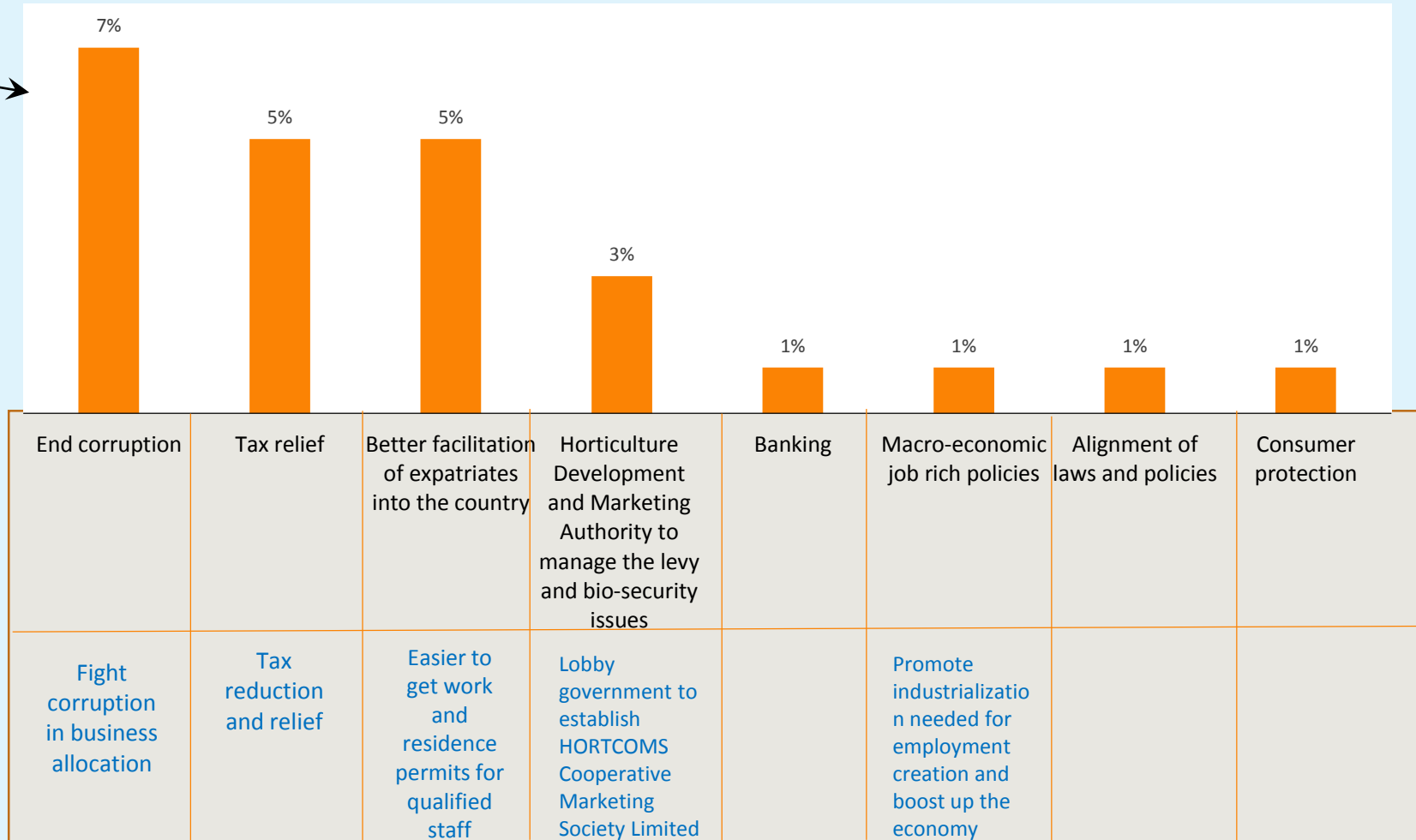
Promotion of Citizen empowerment policy	Stronger government procurement and payment procedures	ICT infrastructure	Reduction of red tape	infrastructure	Government support	Open market	Strengthen governance
Ensure that citizen owned businesses are help to get more work	Impress on Government (as main Client) to improve payment to service providers	Improve internet connectivity significantly	Reduce regulations that discourage investment and trade	Reduction in power tariffs	The government systems are too slow	Opening up the skies to all airlines	

Policy reviews include a call for ending corruption, tax relief measures, review of the how expatriates are able to work in the country

Areas that Business Botswana can assist with in the recovery process



Review policies and laws

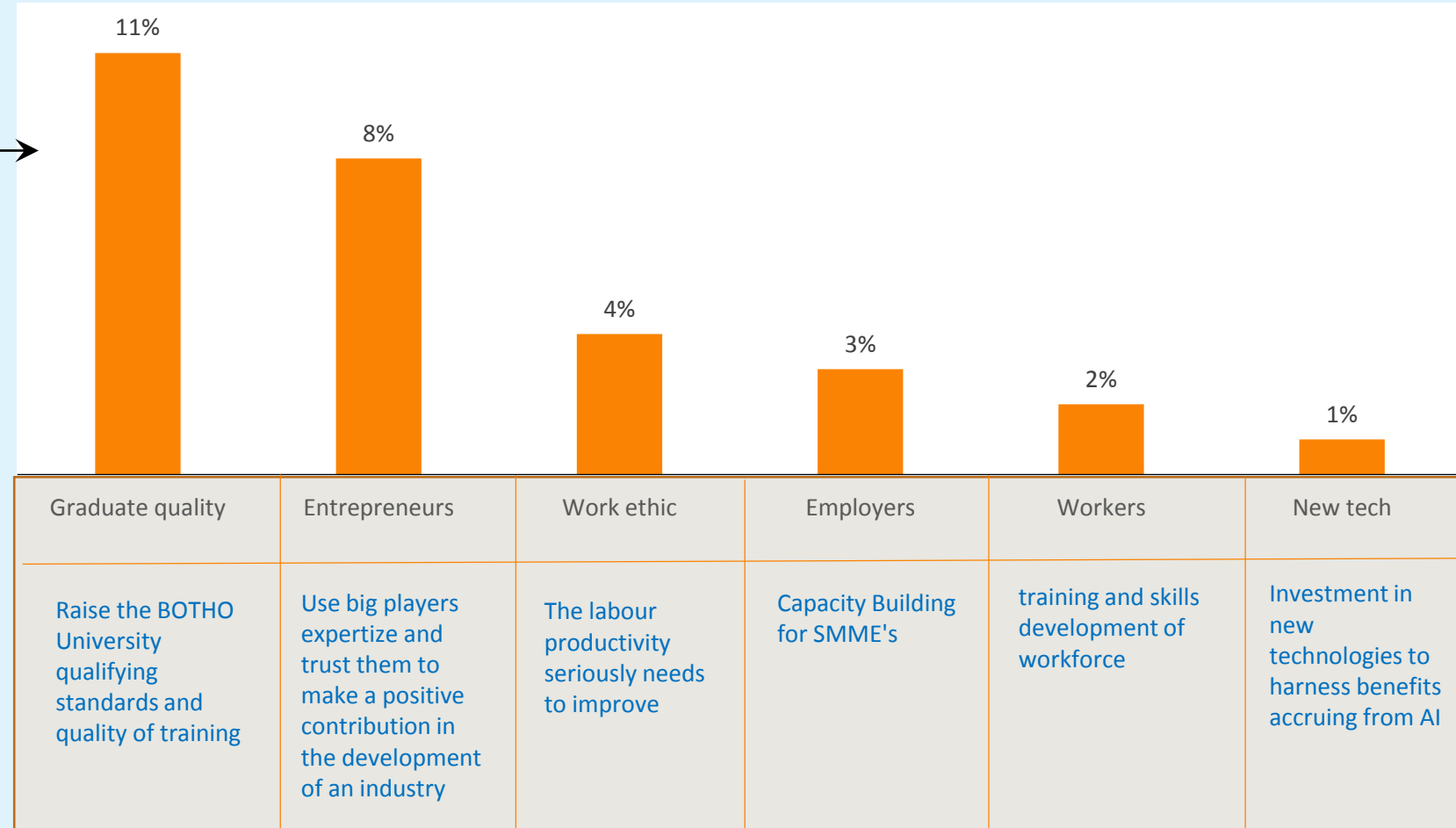


There is a strong call for improvements to graduate quality and the provision of training for entrepreneurs

Areas that Business Botswana can assist with in the recovery process



Focus on skills development

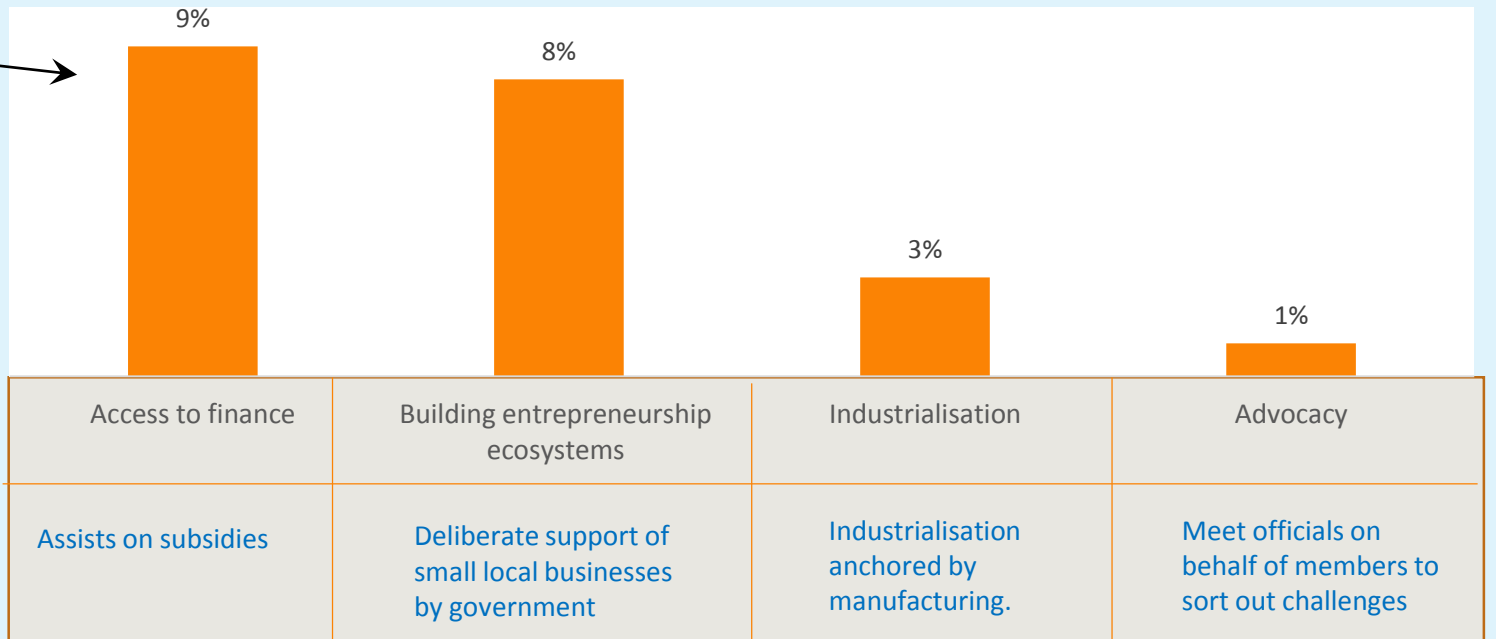


Access to finance and the building of the overall entrepreneurship ecosystem were most sought in this area.

Areas that Business Botswana can assist with in the recovery process



Support to business

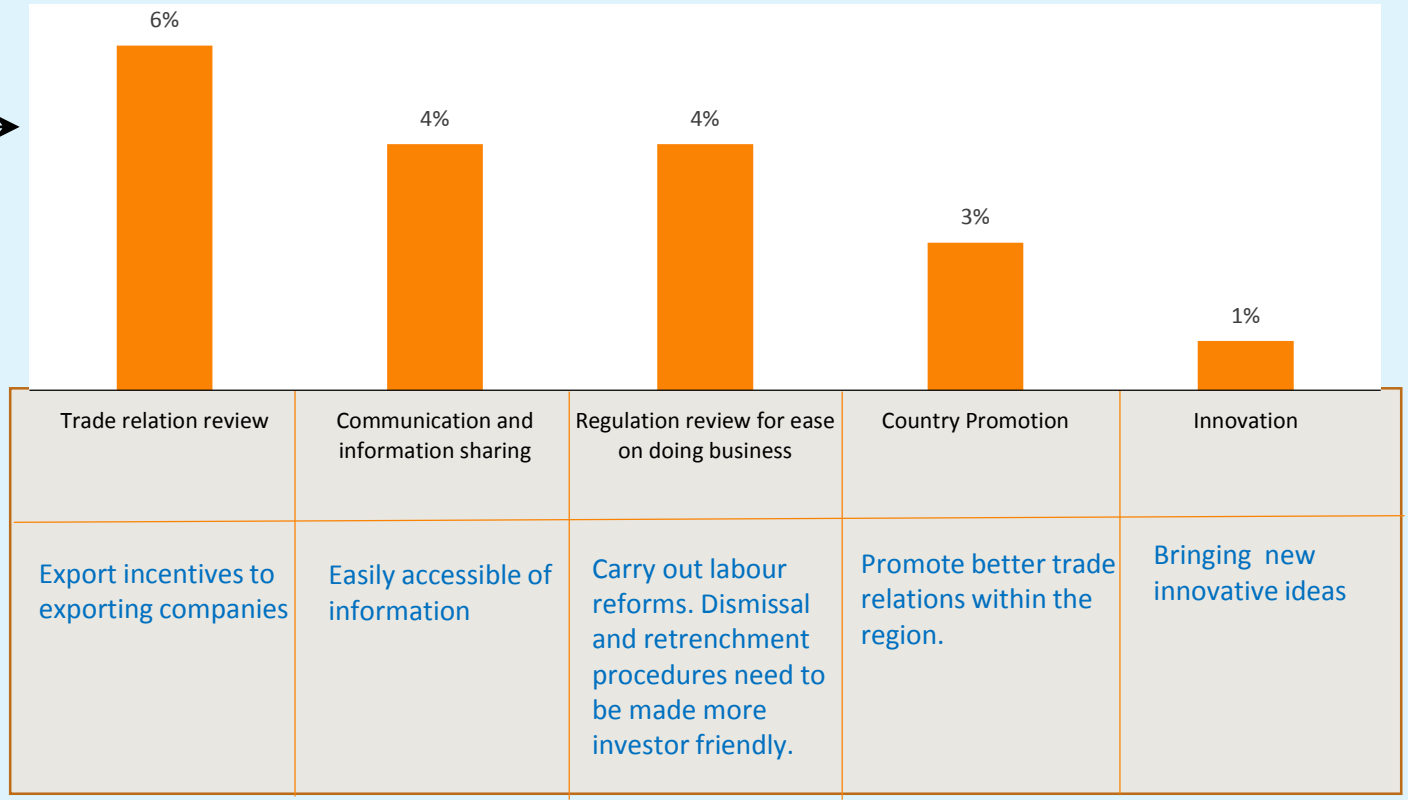


Attracting foreign business related to reviewing trade relations and regulations, improving ease of doing businesses, and improving communication and the sharing of information with local businesses.

Areas that Business Botswana can assist with in the recovery process



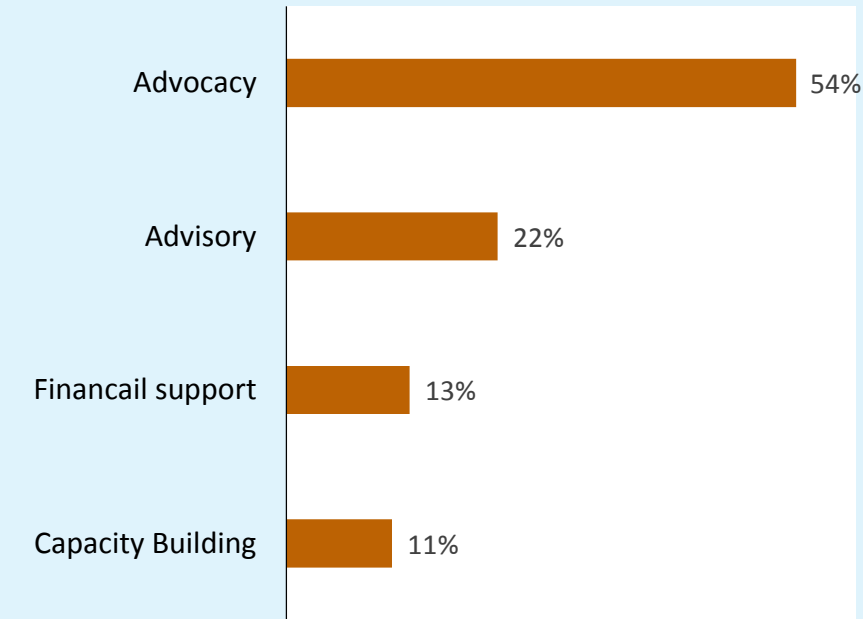
Attract Foreign Business



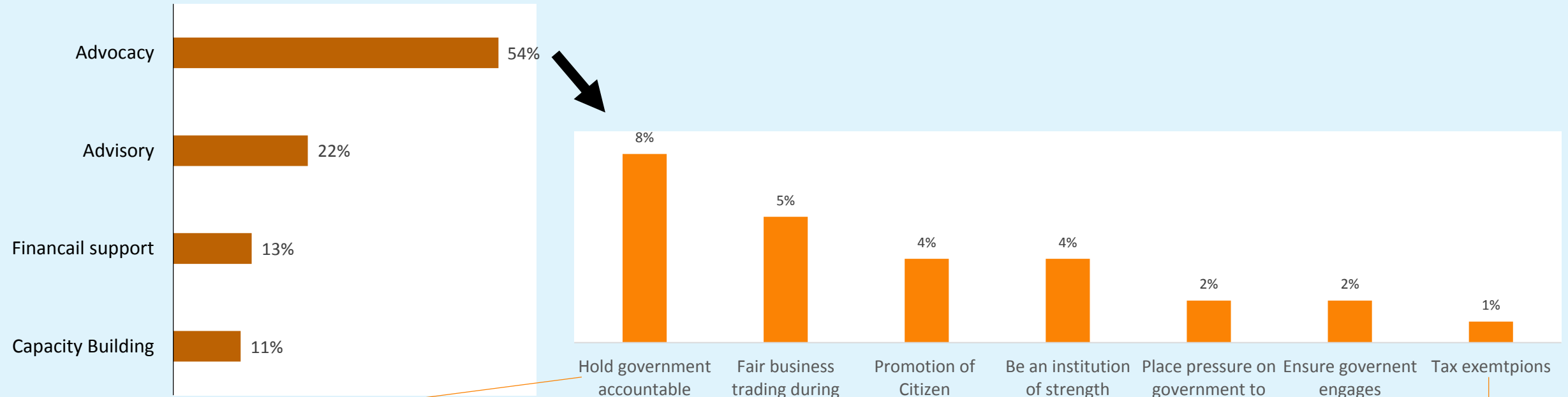
Trade relation review	Communication and information sharing	Regulation review for ease on doing business	Country Promotion	Innovation
Export incentives to exporting companies	Easily accessible of information	Carry out labour reforms. Dismissal and retrenchment procedures need to be made more investor friendly.	Promote better trade relations within the region.	Bringing new innovative ideas

Key BB activities

Overall, advocacy is seen as the key area that Business Botswana can provide its members, followed by advisory and financial support and access to capacity building



Holding government accountable to its commitments, ensuring fair business, promoting the Citizen Empowerment policy and being an institution of strength were the main advocacy takes put forward by members



Government must insure its properties instead of forcing through legislation to make the private sector responsible for its losses.

Citizen reservation policies have the negative effect of dragging business sectors down to the lowest common denominator. Protecting citizen entrepreneurs might win votes today, but lowers

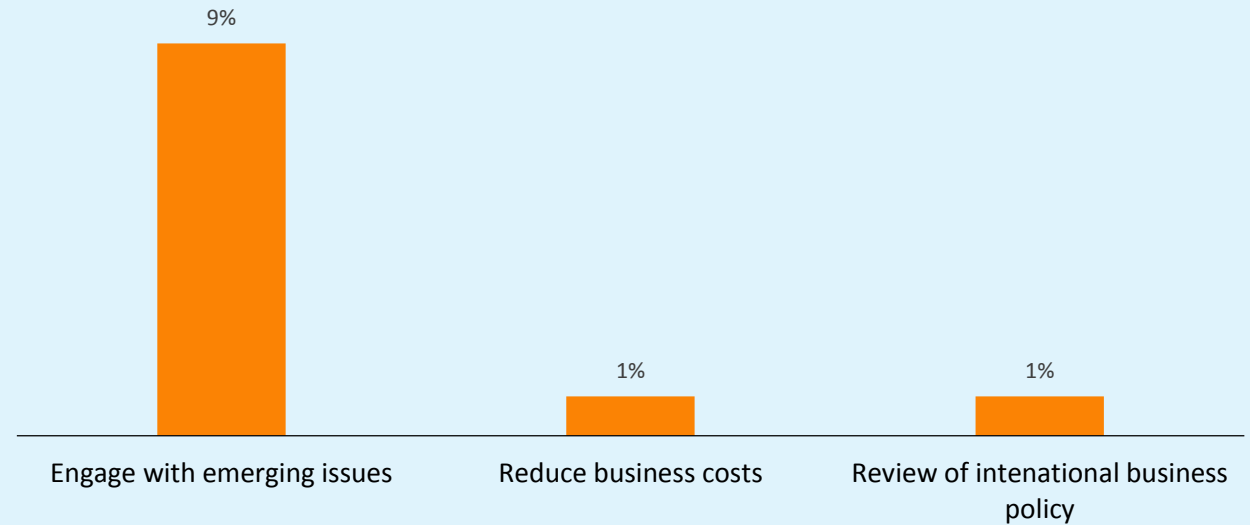
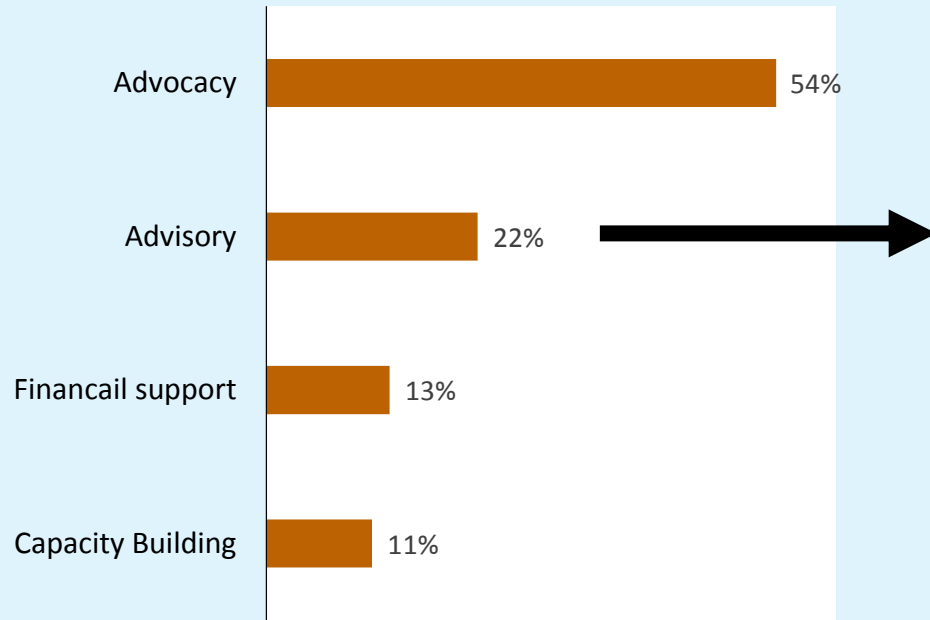
Alcohol Trading for Liquor Wholesale and Distributors should be allowed six days a week and retail trading days and hours should be increased to make the business economical.

BB should impress upon Government that BB members must be consulted prior to enacting legislation that directly affects their business activities.

Our current status of being partners, instead of adversaries, has not gained us any respect. In fact, we have become but an approving rubber-stamp for any government policy.

We were not eligible for wage subsidies due to BURS registration issues which were beyond our control. BURS is posing challenges.

Advising businesses on emerging issues, on how to reduce business costs, and reviewing international business policies were the main concerns of members



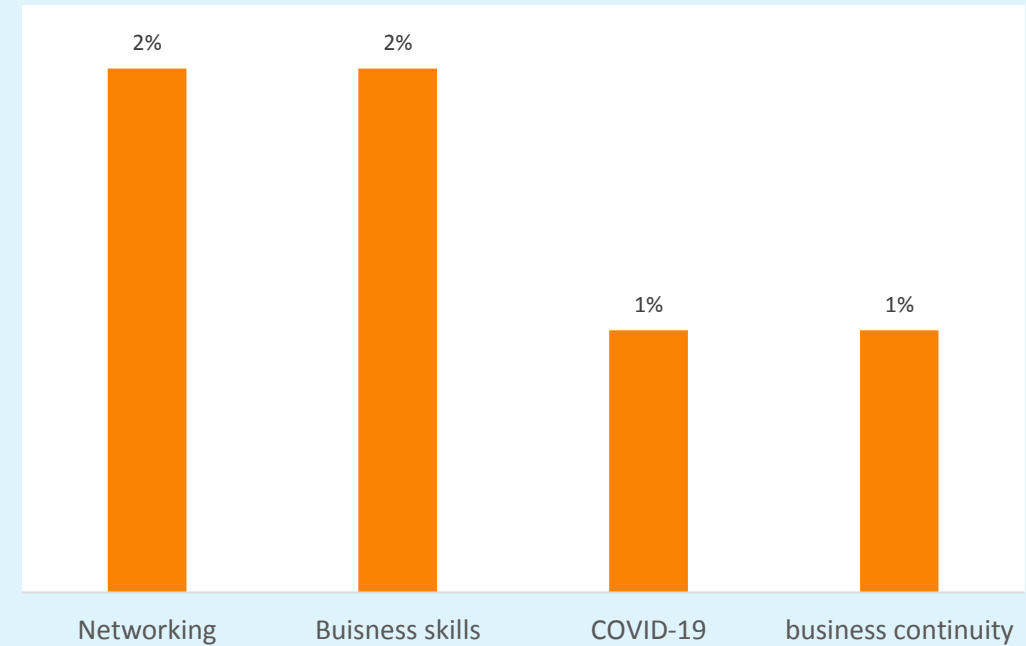
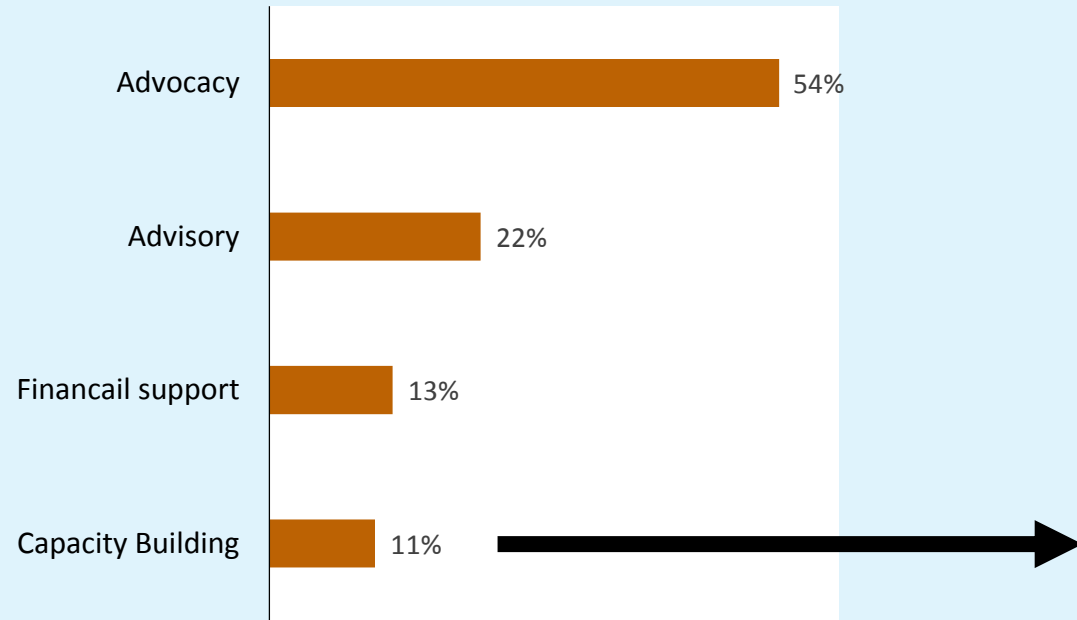
Regular update of information on COVID latest information and prevention issues

Capacity building trainings to be free.

International Business Regulatory policy

Focus on key measures that could avoid another lockdown and would reduce travel restrictions within the country

Capacity building services that are sought focus on networking, entrepreneurial business skills, recovering from COVID-19 and building business continuity



Conclusion

COVID-19 has hit micro and small businesses the hardest (revenue, productivity and recovery).

Large businesses appear more resilient

Business have responded:

- Stop the spread of COVID-19 through PPEs
- Cost cutting measures
 - Most contentious is the area of staff losses

Recovery is dependent on the government's response for the most part:

1. Promotion of the country:
 - a. To attract foreign investment
 - b. Locate within SADC
2. Reduce tax during recovery
3. Reduce red tape and review policies:
 - a. Implement Citizen Empowerment policy
4. Strengthened Governance
 - a. procurement processes
 - b. corruption
5. 4th industrial revolution:
 - a. ITC infrastructure
 - b. Work from home
6. Skills
 - a. Quality of labour force
 - b. Expats
7. Access to Finances

These ideas support the recommendations from the ILO's common policy responses to COVID-19

ILO Common Policy Response (2020) to COVID-19 places Botswana transitioning between the survival to the adjustment phase

It appears that more efforts could be placed on:

- Wage subsidies
- Job-retention schemes
- Extending social protection
- Supporting sustainable enterprises, for example, extending debt deferral, tax relief, utility costs
- Extending support to self-employed
- Supporting the use of digital economy by developing the ITC sector
- Strengthening public procurement processes