



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 833

Mr D W Macpherson (DA) to ask the Minister of Trade, Industry and Competition:

With reference to the risk-adjusted approach, what (a) are the specific matrix indicators that he is looking at to make recommendations to advance to Level 3 and (b) thresholds need to be met at each point in the matrix in this regard?

NW1040E

REPLY

The Parliamentary Question was received prior to the move of the country from Alert Level 4 to Alert Level 3. As the Honourable Member will know, effective, 1 June 2020 the entire country has moved to Alert Level 3, which permits a substantial reopening of economic activity.

As I noted in a recent Parliamentary Question, each alert level reflects a careful balance between the risk of infection and the readiness of the healthcare system. President Ramaphosa outlined the five levels of the risk-adjusted framework when he addressed the nation on 23 April 2020. As indicated by the President, when he stated:

“Level 5 means that drastic measures are required to contain the spread of the virus to save lives.

Level 4 means that some activity can be allowed to resume subject to extreme precautions required to limit community transmission and outbreaks.

Level 3 involves the easing of some restrictions, including on work and social activities, to address a high risk of transmission.

Level 2 involves the further easing of restrictions, but the maintenance of physical distancing and restrictions on some leisure and social activities to prevent a resurgence of the virus.

Level 1 means that most normal activity can resume, with precautions and health guidelines followed at all times.”

When determining which economic activity may be permitted under each of the alert level, Government has considered a number of elements, including, but not limited to:

- The level of social distancing which can be maintained between co-workers and/or customers during the ordinary course of business;
- How essential the functioning of the sector is to other businesses, including its export profile and contribution to GDP and jobs
- Whether the sector performs critical services in the value chain of other economic sectors in South Africa;
- Whether the sector has been able to develop appropriate health and safety protocols and whether the sector has evidenced preparedness with regards to personal protective equipment;
- Whether the opening of the sector will result in substantially greater demand for public transport, and whether the sector is able to manage this increased demand by staggering working hours, or providing private transportation options; and
- The economic impact of re-opening the sector on both the sector itself and the broader economy.

A careful balancing had to be achieved between the legitimate desire of the sectors and investors concerned to reopen as rapidly as possible with the critical consideration of saving lives. In addition, the cumulative effect on health risks of reopening a number of different sectors and economic activities at the same time, had to be considered.

As I also indicated in an earlier reply to a Parliamentary Question:

the dtic has been working closely with industry from manufacturing, construction and retail to get updates on infections and to identify solutions which can be rolled out to the industry.

The success of each level proposed, and the allocation of economic sectors in particular levels, is measured by the contribution to containing the spread of the virus and flattening of the curve of infections. Where necessary, changes are made to the extent of economic activity to the wider objectives of saving lives and protecting livelihoods.

The industry classification system was explained at a joint meeting of Parliamentary Committees dealing with Trade, Industry and Competition portfolio, on 1 May 2020, setting out criteria and the application of the three systems in the country moving from Level 5 to Level 4.

Government has engaged with a number of organisations, from business associations, trade unions, political parties, premiers of provinces, individual businesses and religious institutions to receive feedback on the systems and to consider representations on proposed changes.

The incremental opening of certain sectors of the economy is intended to limit the spread of the virus, and to ensure that any spikes in infections can be identified and managed. In addition, it has enabled a greater level of preparedness in society and in the health system than was the case at the start of the pandemic in South Africa.

In the run-up to the decision to move to Level 3, we engaged a number of sectors on these and other relevant considerations. In addition, Government consulted organised Business, Labour and Community representatives at the National Economic Development and Labour Council (NEDLAC) which represents big and small business; established and informal enterprises; a wide range of primary, industrial and service sectors; and community organisations.

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