**MEDIA STATEMENT**

**TRADE AND INDUSTRY COMMITTEES HEAR THAT SA ECONOMY CAN MOVE RAPIDLY TO LEVEL 3 LOCKDOWN IF NO SHARP INCREASE IN INFECTIONS**

**Parliament, Friday, 1 May 2020**– The Portfolio Committee on Trade, Industry and Competition, together with the Select Committee on Trade and Industry, Economic Development, Small Business, Tourism, Employment and Labour today heard that should the country avoid a sharp increase in the levels of infections with the return to work of large numbers of workers and expanded testing and healthcare facilities, the economy could shift to level 3 as soon as possible.

Minister Ebrahim Patel told the committees that the country does not need to stay at level 4, which commenced today, for a specific number of weeks but can move rapidly to a lower level should risks be mitigated. The committees heard that the initial return to work will be based on the national level, but will progressively be expanded to provincial and district level, enabling workplaces to adapt to the level of infections and healthcare readiness in localities.

He emphasised that the Covid 19 pandemic will impact the South African economy in deep ways due to the closure of many companies during level 5. “Work is still underway to establish the extent of the impact. We are keen to restart as many economic areas as possible.”

The committees heard that the department is taking responsible steps to deliberately reopen the economy in phases, with the safety of the South African people at the forefront of how that is done, in ways that allow livelihoods to be preserved – and protecting the productive assets of the nation and sustaining as much of the economy as it can, while protecting lives.

The estimated impact on the economy varies at the moment, and will be driven by the trajectory of the virus both in South Africa and globally. The International Monetary Fund estimates that the gross domestic product (GDP) will fall by 5.8% in 2020. The South African Reserve Bank estimates that the GDP will fall by 6.1% in 2020. The Industrial Development Corporation estimates that the GDP will fall by 6.3% in 2020

The committees were informed that the Competition Commission received about 1 000 concerns and complaints. Many have already achieved closure on some cases where penalties were imposed or remedial action was taken. Some prosecutions are also pending. Furthermore, about 1 700 complaints were raised with the National Consumer Commission. The Minister said the department is trying to find a balance between due process and the right of the public to be heard.

The committee heard that the R500 billion Covid-19 stimulus package that was announced by the President is not an elitist package as it includes the Unemployment Insurance Fund, which is an “absolute lifesaver” for low-level paid workers.

The Committee Chairperson, Mr Duma Nkosi, said the committee commends the responsible and decisive manner in which the government is dealing with the Covid-19 pandemic. “We know that the lives of our people come first, and we will be guided by this principle. At the same time, we recognise the difficulty in the balancing act of keeping our people safe and reopening the economy, as these are interlinked.”

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY, MR DUMA NKOSI.**