

RESPONDING TO THE IMPACT OF COVID-19

Dubbed a “black swan” phenomenon, the Covid-19 pandemic represented an entirely unexpected and completely unpredictable occurrence, the impact of which affected all of us in almost every way imaginable.

GLOBAL OVERVIEW

On 11 March 2020, the World Health Organisation (WHO) declared Covid-19 as a pandemic. At this point in time there were more than 3 million infections worldwide. Since then the statistics have skyrocketed and exactly a year later the global statistics continue to tell the story of a world amidst a humanitarian crisis: 102 million infections and 2,7 million deaths.

The impact of the Covid-19 pandemic supersedes that of a public health crisis. It brought about a disruption and continues to unsettle the interconnected world economy in unprecedented ways. Infections reduce labour supply and productivity, while interventions such as national lockdowns, quarantine and social distancing contribute to major disruptions, lay-offs and loss of income across all economic sectors. In addition, the extreme uncertainty of the duration, magnitude and impact of the pandemic gives way to a vicious cycle of dampening business and consumer confidence and to even more restrictive financial conditions.

SOUTH AFRICAN OVERVIEW

With more than 1,6 million confirmed cases by 30 April 2021, the country has not been spared from the socio-economic effects of the pandemic. The stringent lockdown, as the main response to curb the spread of the virus in March 2020, sent our already weakened economy into a downward spiral, which saw it contract by 7,8% during 2020. During this period the national unemployment rate reached an all-time high of 30,8%.

The agricultural sector largely remained operational during the onset of the strict alert level 5 lockdown, with the exception of a few sub-sectors such as the wine, tobacco, wool and floriculture industries. These sub-sectors subsequently became operational during alert levels 4 and 3. During the second quarter of 2020, agriculture came out as the strongest performer in the South African economy, growing by 15,1%.

SENWES' RESPONSE

During the financial year, Senwes continued to manage the escalating spread of the Covid-19 outbreak in a proactive and responsible manner.

In the company's response to the pandemic, precautionary and preventive actions were implemented to help ensure the health and well-being of all our staff, clients and other stakeholders, and to ensure business continuity and continuous value-added service delivery across the group's operations.

Apart from stringent adherence to the set Covid-19 preventative measures, Senwes established a Core Crisis Committee to oversee the group's actions and management of unfolding Covid-19 related risks.

The impact of Covid-19 and the company's response thereto will be featured throughout this financial report and are illustrated by the use of this Covid-19 icon.

