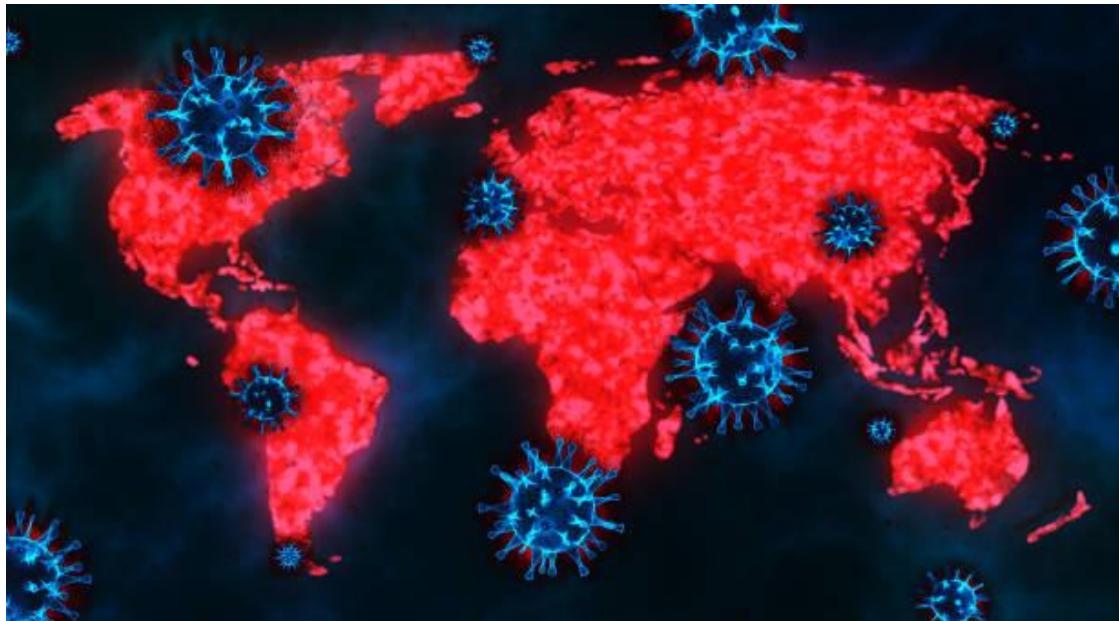


# How Covid-19 Pandemic Impacted Businesses In Africa.

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*How Covid -19 Pandemic Impacted Businesses In Africa*

Past [pandemics](#) have had long-lasting effects, even after eradicating the virus. An excellent example of such an occurrence is [the bubonic plague that ravaged Europe](#) for over four years, from 1347 to 1351, wiping out about twenty-five million individuals. A hundred years after the plague, the European population was yet to recover fully, and the survivors, along with their progeny, had to face several devastating economic effects.

The unexpected wave of [the covid-19 pandemic in 2020](#) has ever since posed a negative impact on the world economy at large. Africa has suffered an outrageous economic undergrowth due to the virus. Although the effects of the pandemic in Africa are relatively low compared to other regions, it is still severe and disastrous, turning the African continent into a state of social and economic emergency even to this day.

The sharp economic decline resulting from the pandemic led Africa into the most significant recession the black continent had experienced in the last 25 years, crippling and crumbling many businesses and enterprises. The imposed lockdown drastically decreased the demand for goods and services, as potential customers were forced to stay home and do without them except for what was necessary.

With the micro businesses taking the major hit, savvy business owners were threatened with a shabby future or, worst-case scenario, no future at all. Many companies were prevented from operating as they could not afford preventive health measures, such as nose masks, hand sanitizers, and washing equipment for staff and customers.

One of the biggest challenges many businesses faced was the sheer lack of support from the government, which made it necessary for them to close down as they could not keep up with the regulations put in place if they wanted to remain open and functioning. Another challenge was the numerous measures intended to mitigate the spread of the virus, such as lockdowns, curfews, social distancing, and travel bans. These measures negatively affected many businesses in a myriad of ways.

The supply of goods and services was cut short as suppliers only struggled to deliver them as per demand. Food production and export were also readily affected due to revenue loss and government policies. According to the [United Nations Economic Commission for Africa](#), the [pandemic led to a whopping 50% drop in demand for business across the continent](#), affecting mainly exporters.

The Oil sector, which accounts for 40% of Africa's total revenue, has witnessed a significant devaluation as prices dropped substantially during the first half of the pandemic year; even though the price managed to go back up, it remained way below the pre-covid era. Sectors like health and hospitality have witnessed a decline of up to 80 %, while banks and other service providers recorded a 35% decline in business.

However, the food and Agri-producing industries (especially those with in-house value chains) have been able to meet the increased demand for local produce, while those relying entirely on external supply have failed in this aspect as they have been greatly affected and cannot meet the demand.

The sector that was among the most severely affected during the pandemic was the transportation sector. There was a sharp reduction in mobility due to curfews, quarantines, government orders, and the closure of various amenities. This demand reduction led to several job cuts in the sector, with the aviation sub-sector taking the most brutal hit of them all due to significant and continued loss of revenue. Some airlines were shut down temporarily during the pandemic, necessitating pay cuts and employment losses in most sub-sector areas.

The sector that stood firm amidst the pandemonium is [the middle market business in South Africa](#). The middle market business has shown stern resilience and more agility than larger organizations. The middle market segment was not left unscathed by the severe pandemic, but it has demonstrated a significantly more massive recovery rate than any other sector.

Contrary to most of the sectors listed above, online and remote jobs, which did not require physical contact, had been highly sought out during and even after the COVID-19 pandemic,

and it's easy to see why. The work-from-home option was prevalent among the masses, with most employees preferring to stay home and work remotely even after the pandemic. Globally, searches for remote jobs were [up by about 460% during the pandemic](#). Although Africa followed the trend, it did so at a relatively slower pace, with countries like Nigeria, Ghana, and South Africa taking the lead.

## How African Businesses Can Survive the Negative Impact of the Covid-19 Pandemic.



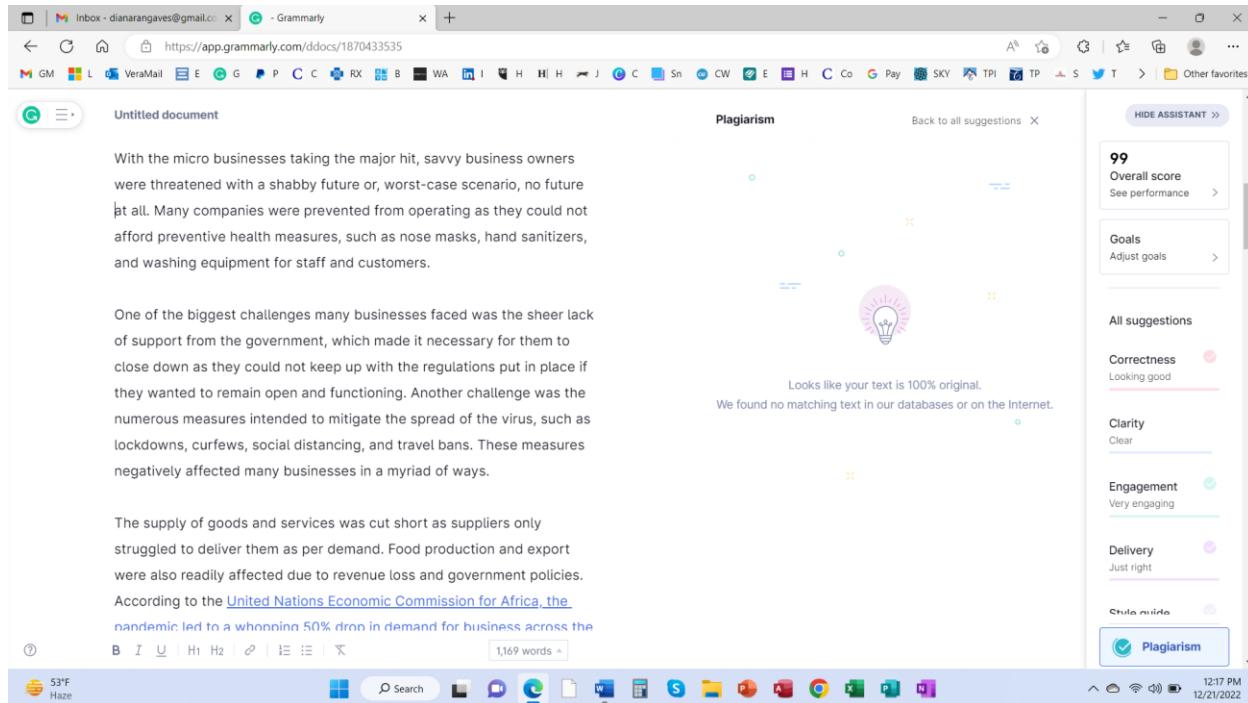
*Africa, Surviving the negative impacts of the Covid-19 Pandemic.*

The pandemic has undoubtedly created a challenging environment for businesses and enterprises to thrive as they face severe backlashes from inflation, so much so that many companies have witnessed their bottom-line figures. In contrast, some have accumulated debts that could be impossible to repay even by amortization, but there are underlying opportunities that could be used to revitalize businesses and the economy at large.

1. **Utilization Of Technology:** Technology has proven to be humanity's most outstanding innovation. Businesses must adopt cost-effective technology to align their goals and redefine how humans and tech can work together effectively. Such integrated systems can revolutionize business models in 2023 and beyond.
2. **Diversification:** Businesses may need to diversify to create new opportunities to fuel their growth. Diversification introduces new products into the supply chain to create more value for customers and increase profits. Diversification also helps to; increase sales revenue, grow market share, find new revenue streams, and limit the impact of changes in the market.
3. **Analyze the growth of other industries:** As a business, you need to observe and evaluate trends in different industries and see how they affect the market in which your company operates. A good tactic is to conduct three analyses; [SWOT analysis](#), [Competitive analysis](#), and [Broad factor analysis](#).
4. **Re-evaluate your financial planning:** Re-evaluating your financial plan is something that could be done annually to avoid making financial decisions that are not viable. It is also essential to make sure your business can withstand tough times.
5. **Urbanization:** It is estimated that more than 500 million Africans will be born in the next 30 years. With urbanization, businesses can create new markets with high-income consumers who are more likely to spend.
6. **Proper Planning:** An adequate business plan should be done with the appropriate environmental assessment. A good business plan helps you set realistic goals and keeps your business on track.

7. **Risk assessment:** The assessment of risk covers a good number of aspects of any business. Be it risk to oneself and employees due to the coronavirus, the financial risk to the company itself, or both, assessing these risks and preparing against them accordingly to mitigate long-term and short-term losses is significant.

The impact of the coronavirus was gradually curtailed in 2021 due to the availability of vaccines and sanitizers, but the result still had a long-lasting negative effect on upcoming businesses and the economy.



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