Sudan: the socio-economic impact of covid-19

Power point presentation By:
Dr. Amin Salih Yasin

January 2021

- This presentation benefited from materials and data provided by the Central Bureau of statistics. Khartoum - Sudan
Sudan: the socio-economic impact of covid-19
Power point presentation

1. The first confirmed COVID-19 case was in March 2020.
2. The same month the government of Sudan declared the state of emergency and took more measures to contain the spread of the disease: These measures include:
   ✓ Closure of schools.
   ✓ Complete lock down and state of curfew beside restriction on travel and public gatherings.
3. As of October 2020, 13,691 confirmed cases and 836 deaths.
4. In the second wave, the confirmed cases reached 17,810 with 1,249 death as December 2020.
Social & economic impact Features of covid-19

- Significantly felt countrywide groups & places hit by the pandemic.
- Uncertainty in terms of duration and evolution.
Reduction in welfare: the main channel through which COVID had impact on household welfare is through:

1- Labor income loss:
   - Direct loss of income due to illness.
   - Indirect due to employment shocks.

2- Non-labor income:
   - Reduction in remittances and private transfers.
   - Public transfers.

3- Direct effects on consumption:
   - Price changes.
   - Cost of health care.

4- Service disruption:
   - Health system not ready for the crisis.
   - Schools closure, nutrition, increased the shod dopants.
Substantial impact on food consumption:

- Many households were unable to buy main food items during the COVID-19 mainly due to the significant increase in the price of the food items:
  - Milk
  - Bread
  - Cereals
  - Vegetables
  - Inflation between March 2019 and December 2020.
The COVID-19 pandemic *may* be playing a role in price increases, but difficult to isolate its impact from other factors.

Change in inflation rate between March 2018 – September 2020

*Source: CPI data from the Central Bureau of Statistics*
Impact on macro economy of Sudan:-

- Reduction in national review by 46%.
- Disruptions in the labor market of employment.
- Disruption in the export / import operation due to the lockdown.
- Negative impact on current A/C due to impact of lockdown on the financial system country wide and worldwide.
- Low productive capacity in the micro and small and medium enterprises.
Coping strategies to compensate for the income loss:

- Reduced food consumption: 34%
- Did nothing: 20%
- Reduced non-food consumption: 17%
- Relied on savings: 11%
- Gap - close by borrowing: 9%
- Join additional income generating activities: 3%
- Recent assistance from a friend: 2%
- Other: 4%
Social assistance programs are far from their targets. The need is beyond their capacity, These:

- In kind, support.
- Direct cash transfers.
- Free food distribution.
Areas for potential policy response:-

- Provision of basic needs (health, food, etc.).
- Compensation programs for those who lost their jobs.
- Build buffer stock to avoid food price hikes.
- Provide incentives to firms to minimize layoffs.
The way forward:-

- There is a need for a household income and expenditure survey.
- Provide more accurate information on poverty situation and M&E system.
Thank you