

Coronavirus threatens nearly 20 million African jobs: study

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Millions of lost jobs, mounting debt woes and plunging remittances are among the economic hardships African countries can expect because of the COVID-19 pandemic, the African Union said in a study published

Monday.

"Nearly 20 million jobs, both in the formal and informal sectors, are threatened with destruction on the continent if the situation continues," said the study, which noted that countries relying heavily on tourism and oil production stand to be hit especially hard.

The 35-page study outlines two scenarios for the trajectory of the [pandemic](#)—a "realistic" scenario in which the pandemic lasts until July but Africa "is not very affected", and a "pessimistic" scenario in which it lasts until August and Africa suffers more.

The first would cause the African economy to shrink by 0.8 percent and the second would cause it to shrink by 1.1 percent—both far cries from the 3.4 percent growth the African Development Bank projected for the continent before the pandemic hit.

As of Monday there were 9,198 positive COVID-19 cases across 51 African countries resulting in 414 deaths, according to the Africa Centres for Disease Control and Prevention.

But while the continent has been less affected than China, southern Europe and the US, it is already feeling the [economic consequences](#) because of trade links with those regions.

The continent stands to see a 35-percent drop in imports and exports, valued at \$270 billion (259 million euros).

As the pandemic progresses, sharp drops in oil prices will hammer producers like Nigeria and Angola, while [travel restrictions](#) could cost the African tourism sector "at least \$50 billion" and "at least 2 million direct and indirect jobs", the study said.

With revenue drying up, governments "will have no option than to rely on international markets", which could drive up debt levels, it said.

African leaders are already trying to mitigate the coming economic blows.

Ethiopian Prime Minister Abiy Ahmed last month urged G20 leaders to help Africa cope with the coronavirus crisis by facilitating debt relief and providing \$150 billion in emergency funding.

The AU study published Monday said the African Union Commission "should lead negotiations of an ambitious plan for the cancellation of total African external [debt](#)", valued at \$236 billion.

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