



**COVID-19 – CMEFS WEEKLY NEWSLETTER**

**FRIDAY 08-05-2020**

Hello. I do hope that this week's edition of our newsletter finds you and your family as well as can be.

Let me say this right at the outset, I regard all life as precious, not just human life but ALL life. This extends all the way down to the smallest living thing imaginable. Life is precious.

Having said this, I must wonder out loud whether the world is really on the right track in so far as its response to the Coronavirus is concerned.

Is it indeed the deadly virus it is portrayed in the media to be, or is it a case of 'deadly to some' and 'benign to others'. And just what IS the true rate of death from the virus? At present, no one knows. All they know is that of those **tested** positive 80% will have no to mild symptoms, 20% will require hospitalisation and around 5% of those requiring hospitalisation will die from complications relating to the virus. But all those numbers relate only to those **tested** positive. The big question is just how many persons **in total** became infected with the virus versus those who died from related complications after having contracted it.

We just do not know this number, but notwithstanding this, some very big decisions are being taken by governments worldwide based on what amounts to very little to no real knowledge on the true mortality rate of the virus.

Scientists can only work on data. And data takes a very long time to collect, verify, analyse, peer review and publish. Whereafter it is the subject of much debate. And herein lies the rub. Economically, we just do not have the luxury of time. World economies have been dealt an almost mortal blow as a result of the global lockdowns, and my concern is that if these lockdowns, even partial ones, continue for much longer, the "almost" disappears from the expression "almost mortal blow" to just simply "mortal blow".

Although we do not know what the actual mortality rate of the virus is, what we do know is that there is a very low risk of death among those under the age of 60 who are generally in good health.

The risk of death grows exponentially thereafter, especially if you suffer from other pre-existing comorbidities, such as diabetes, COPD, and the like.

And of course we can easily identify those at high risk of dying prematurely from the disease, including some younger people who have known underlying conditions that place them at greater risk than someone in better health but the same age.

Now by far the vast majority of those at high risk, being the elderly, are not involved in the economy.

And the young people who ARE at a high morbidity risk due to pre-existing underlying conditions do not form a large segment of the economically active population, and therefore their temporary absence from the economy is not going to hold the economies of the world hostage.

So I have to wonder why only those at high risk were not subject to lockdown, as opposed to everyone, allowing the economies of the world to continue to operate until a herd immunity was created, which should not have taken an awfully long time to do. Not as long as the current approach anyway. We are nowhere NEAR that situation.

Would it be “complicated” to apply a **selective** rather than **general** lockdown? I have no doubt it would. But would it be any more complicated than what we now have in place? I do not think so.

To be clear, the reason I am going on about this is for no other reason than I am REALLY concerned that at some point (and I have to wonder if we are not already there and can only hope that we are not) the damage done to the global economy as a result of the approach taken thus will turn out to be nothing less than **catastrophic**.

Money does not come from nowhere. It is being continuously created through our ongoing economic activity.

With many of the global economies having all but stopped, new money is not being created, and as new money is not being created, governments worldwide are being forced to take on huge amounts of **additional debt** in order to pass this borrowed money on to people just so that they can have a place to live, clothes to wear and more importantly something to EAT.

But for just how long can this borrowing continue? All debt in the end either needs to be repaid or written off. There is no “in-between”.

Right now, for example, America has more than **30 million NEW** unemployed people. These 30 million people who just three months ago were paying their own way are now FULLY dependant on government funding through additional loans taken (not loans that are going to be repaid to the government, but outright funding) just in order to live. That’s a lot of people. And a lot of money. And a whole lot of debt.

Of course if this pandemic continues to stretch out into the next few months with economies “stop-starting”, governments world-wide will simply have to borrow more and more and more money to feed their people, whilst at the same time watching their tax revenues to repay these loans drop through the floor.

This is no different to you taking on more and more debt whilst your income continues to shrink. A sure recipe for disaster.

Now extend this dynamic right across the globe.

Add to this the fact that that before the current pandemic/economic crises, all of the global economic powerhouses, who together represent 68% of global economic output (United States (24%), China (16%), European Union (22%), Japan (6%)) were already stretched almost to the limit debt-wise as a result of the 2008 financial crises.

Here, I think, is the crunch question. Is there a “natural” limit to what debt can be incurred by any government, or can they simply continue to borrow seemingly without limit?

The answer here is that there is most certainly a borrowing limit, and irrespective of how this limit is calculated, the more they borrow, the closer they come to this limit.

And when that limit is reached, well, there is just no more money.

Read this again.

When that limit is reached, there is just no more money.

At this point, the very real and pertinent question needs to be asked, being

**“How are those literally millions of people reliant on government hand-outs worldwide going to feed themselves if they have no money to buy food?”**

Just think about what would happen in those circumstances.

In short, it does not even bear thinking about.

THIS is why I keep on thinking ongoingly about the current strategy being adopted to “address” the COVID-19 pandemic and wondering if it is not doing more harm than good.

In fact, just a few days ago there was a detailed report sent to President Cyril Ramaphosa by a specialist panel headed by actuaries who seem to agree with my view.

It was reported thus in the Daily Maverick, and I have just done a simple cut and paste of the article below for your information. (Underlining my own)

***“A continued lockdown is not only damaging the economy, it promises a 'humanitarian disaster to dwarf Covid-19' by having a severe impact on the health and well-being of millions of South Africans. That is the gist of a detailed report sent to President Cyril Ramaphosa by a specialist panel headed by actuaries.***

*If South Africa’s present economically restrictive lockdown measures are not discontinued **immediately**, they may cause **29 times more deaths than the measures aim to prevent.***

*And each week of continuing lockdown will, in the long run, cause **more loss of life than the virus itself.***

*That is the stark message in a report delivered to President Cyril Ramaphosa by Pandemic Data and Analytics (Panda), a multidisciplinary initiative co-ordinated by actuary Nick Hudson, chief executive of private equity firm, SANA Partners.*

*It describes itself as a concerned group of professionals and comprises actuaries, an economist, lawyers, a medical doctor, a data specialist and a statistics lecturer.*

*The frequently voiced government mantra that lives are being prioritised and that the issue is “lives versus the economy” is described in the Panda report as a false dichotomy.*

*The report notes: “Viruses kill. But the economy sustains lives, and poverty kills too.”*

*It points out that the admitted intention of the lockdown is to “flatten the curve”, to spread expected virus deaths over time, so as not to overburden hospital systems.*

*This “saves lives to the extent that avoidable deaths are prevented, but merely shifts the timing of the rest by some weeks”.*

In short, “getting our strategy right”, cannot be focussed singularly on possible deaths from being infected by the virus.

The focus must be broadened to include, as a result of the continuing the lock-down, the number of possible deaths from loneliness, heartbreak (yes this is a real cause of death especially amongst the elderly), suicide, hunger, stress, mental illness, poverty, domestic violence, people avoiding hospitals and so on. And this is by no means an exhaustive list.

With the spotlight being firmly placed on the COVID-19 pandemic by the media at large, we are also in danger of losing sight of the bigger picture.

By way of an example, here are some stats from a website called “worldometer” measured from the beginning of this year. By the way, this is a very interesting site and you might want to visit it yourself. <https://www.worldometers.info>

Rank No.	Number of deaths so far this year	Cause of death	Your likelihood as a multiple of dying from this event as compared to Coronavirus
1	4 543 544	Communicable disease deaths (Something you can catch from someone else-like COVID-19 )	17.0
2	2 874 535	Deaths caused by cancer	10.8
3	1 749 676	Deaths caused by smoking	6.6
4	875 391	Deaths caused by alcohol	3.3
5	588 374	Deaths caused by HIV/AIDS	2.2
6	472 470	Road traffic accident fatalities	1.8
7	375 326	Suicides	1.4
8	343 311	Deaths caused by malaria	1.3
<b>9</b>	<b>267 064</b>	<b>Coronavirus deaths</b>	<b>1.0</b>
10	170 343	Seasonal flu deaths	0.6

As you can see, right now, out of the 10 leading causes of deaths so far this year, deaths resulting from complications arising from being infected with the Coronavirus comes in at number 9, and you are in fact **17 times** more likely to die from some other communicable disease than from COVID-19.

Further to this, had government heads been paying a little more attention than they did when this virus was still confined to the Hubei Province of China, of which Wuhan is the Capital City, early experience in terms of fatalities already identified those most at risk of dying as a result of complications arising from the virus.

Here's the table that became available to the World through the WHO on Feb 28.

AGE	DEATH RATE confirmed cases	DEATH RATE all cases
<b>80+ years old</b>	<b>21.9%</b>	<b>14.8%</b>
<b>70-79 years old</b>		<b>8.0%</b>
<b>60-69 years old</b>		<b>3.6%</b>
<b>50-59 years old</b>		<b>1.3%</b>
<b>40-49 years old</b>		<b>0.4%</b>
<b>30-39 years old</b>		<b>0.2%</b>
<b>20-29 years old</b>		<b>0.2%</b>
<b>10-19 years old</b>		<b>0.2%</b>
<b>0-9 years old</b>		<b>no fatalities</b>

Further to this still, it was also made known at the same time that patients who reported no pre-existing ("comorbid") medical conditions had a case fatality rate of 0.9%. Pre-existing illnesses that put patients at higher risk of dying from a COVID-19 infection were:

PRE-EXISTING CONDITION	DEATH RATE confirmed cases	DEATH RATE all cases
<b>Cardiovascular disease</b>	<b>13.2%</b>	<b>10.5%</b>
<b>Diabetes</b>	<b>9.2%</b>	<b>7.3%</b>
<b>Chronic respiratory disease</b>	<b>8.0%</b>	<b>6.3%</b>
<b>Hypertension</b>	<b>8.4%</b>	<b>6.0%</b>
<b>Cancer</b>	<b>7.6%</b>	<b>5.6%</b>
<b><i>no pre-existing conditions</i></b>		<b>0.9%</b>

From my point of view, this was already sufficient, and sufficiently timeous, information to enable governments worldwide to **identify those most at risk**, and put measures in place to **prevent this group of people from being unnecessarily exposed to the virus**.

Outside of many/most/all governments waking up to the threat of the virus to those vulnerable to it too late, causing the death rate from complications arising out of being infected with the virus being **WAY** higher than it need have been (imagine if they HAD isolated those most at risk earlier – even a week earlier?) it somehow also became a good idea (fashionable?) globally to isolate/lock-down EVERYONE.

This action completely ignores the fact that the data already readily available showed that the **vast majority of people have little to zero morbidity risk after being infected with the virus?**

However, in locking down EVERYONE, they simultaneously shut down the global economy, in my view compounding their initial error (waking up too late – way more deaths than should have been) with yet another.

These actions have resulted in the world now ALREADY having been plunged into an economic crisis **greater than the one experienced in 1929** – and I see from the news last night – from a UK perspective – **their greatest economic crisis in the last 400 years**.

It is only the fact that we are so early into this entirely unnecessary man-made economic crisis that we are not feeling the full effects of it just yet. They are still to come. And unfortunately they will.

But for now, let us see what this next week brings, at which point I will continue this discussion, as this week's edition of our newsletter has run on for far longer than I planned on. My apologies.

It is just that there is so much to say and to think about and to plan for if we are going to somehow find our way out of both the pandemic AND the global economic crises resulting from the actions taken by governments worldwide to deal with them.

And a last word from Nine.

Hello everyone, I hesitated to say hello to you all as I don't feel happy about some of the circumstances you all may be individually finding yourself in. But I just wanted to touch in and say thank you so very much for being supportive of our business, and very many thanks for being with us through this time. Our love and thoughts go out to each one of you and family and friends. We wish you well, and upliftment, and trust that all is being able to be accepted as it unfolds. Thoughts reach out to all of you for whatever is needed both individually and together. As ever. Nine.

Until next time then, from Nine, me and all of us at CMEFS do take really good care of yourself and your loved ones. Charles

Name	Division	Cell Number	Detail
Alicia	Wealth	063 434 8074	Learner. Servicing attaching to the following classes of business. Investment Accounts, Tax Free Savings Accounts, Retirement Annuities, Living Annuities, Pension and Provident Preservation Funds, Endowments.
Andrew	Wealth	063 321 7399	Intern. New business and servicing. Medical Aids & GAP Cover. In the process of migrating across to the Wealth Division.
Andrisha	Wealth	063 378 1473	Representative. New business. Investment Accounts, Tax Free Savings Accounts, Retirement Annuities, Living Annuities, Pension and Provident Preservation Funds, Endowments.
Bernelee	Tax	078 708 4536	Administrator providing admin support to Geraldine and understudy to Geraldine.
Brady	Wealth	071 843 3933	Representative. New business. Investment Accounts, Tax Free Savings Accounts, Retirement Annuities, Living Annuities, Pension and Provident Preservation Funds, Endowments.
Felicia	Risk	071 880 9576	Learner. Servicing attaching to Short-Term Insurance, assisting Stella. Starting to obtain some exposure to Medical Aids, GAP Cover and Life Insurance.
Geraldine	Tax	083 754 1699	Head of tax division.
Jamie	Wealth	071 850 1389	Learner. Core responsibility being to produce and send out the monthly investment statements and to handle any queries connected to them. Satellite responsibility to assist where possible in the Wealth Division.
Luh	Bookkeeping	063 102 3313	Head of Bookkeeping Division. Professional Accountant (SA) SAIPA 30345
Nadean	Tax	063 026 1351	Intern. Administrator providing admin support to Bernelee and understudy to Bernelee.
Siso	Risk	060 376 6605	Learner. Starting to obtain some exposure to Short-Term insurance Medical Aids, GAP Cover and Life Insurance.
Stella	Risk	078 784 6462	Head of Short-Term Insurance Division.
Terisha	Books	071 858 3373	Intern. Bookkeeping Division. Data Capture and other functions relating to the bookkeeping Division.
Thabo	Risk	078 004 3864	Learner. Starting to obtain some exposure to Short-Term insurance Medical Aids, GAP Cover and Life Insurance.