

## COMESA Records Annual Inflation Rate at 21.8% in July 2019

The COMESA region has recorded a 1.3% increase in the year-on-year inflation rate due to the escalation in prices of goods and services. This has been measured by the Harmonized Consumer Price Index (HCPI-COMESA) indicating an upsurge from 20.5% recorded in June 2018 to 21.8% in July 2019. However, this figure is a drop from the 22.5 percent recorded the same time the year earlier.

According to the HCPI-COMESA monthly news release issued in Lusaka, the month-on-month inflation rate in the region stood at 3.9% for the month of July 2019, up from 2.3% registered in June 2019. It was 2.9% in July 2018.

The HCPI-COMESA comprises of twelve divisions of expenditure. These divisions registered the following average price changes during the month of July 2019 compared with July 2018.

Some of the items that necessitated the increase include food & non-alcoholic beverages, alcoholic beverages and tobacco clothing and footwear; housing, water, electricity, gas and other fuels. Furnishings, household equipment and routine household maintenance, health, transport, communication, recreation and culture, education, restaurants

and hotels, miscellaneous Goods and services also contributed to the rise in the figure.

Participating Member States that contribute to HCPI-COMESA registered the following rates of total inflation in July 2019 compared to July 2018:-

Country	Percentage
Burundi	+1.8%
Democratic Republic of Congo	+4.1%
Djibouti	+6.8%
Egypt	+9.2%
Ethiopia	+11.7%
Kenya	+6.0%
Madagascar	+4.8%
Malawi	+9.6%
Mauritius	+2.1%
Rwanda	+1.7%
Seychelles	+1.5%
Sudan	+54.3%
Eswatini	+1.9%
Uganda	+2.6%
Zambia	+10.5%
Zimbabwe	+257.2%

### COMESA Mourns President Mugabe - SG Signs Book of Condolences

*"COMESA joins the nation of Zimbabwe in mourning the passing of a fearless son of Africa....."* Story on page 6



Late President Robert Mugabe in Madagascar for 19th COMESA Summit



# Deepening Collaboration with Regional Business Reporters



*Regional Business Reporters and staff of the COMESA Competition Commission and COMESA Secretariat at the 6th COMESA Business Reporters workshop, Kenya.*

**T**wenty journalists representing media houses from 13 COMESA Member States participated in the 6th Regional Workshop for COMESA Business Reporters that took place on 9-10 September 2019 in Kenya.

Sponsored by the COMESA Competition Commission, the workshop is an annual forum that provides updates on recent developments in regional integration and competition regulations to deepen the knowledge and understanding of business reporters in the Common Market.

The network of COMESA Business Reporters has been most instrumental in publicizing regional integration in Member States owing to its advanced understanding of the related issues and enhanced access to information.

At the workshop, staff of the COMESA Competition Commission (CCC) and COMESA Secretariat provided updates on recent developments in regional integration, competition policy, business mergers and acquisitions and challenges in business reporting in the digital age among others.

Addressing the journalists, the Chairman of the Board of the CCC Mr. Patrick

Okilangole, observed that enterprises operating in the Common Market do not fully enjoy the benefits of free trade even though many Member States have introduced the market economic systems in recent years.

“The existence of restrictive business practices in our national markets have reduced investment opportunities, increased business risks, raised the costs of essential business inputs needed to compete in domestic and international markets,” he noted.

Mr. Okilangole said this has lessened the benefits of private sector participation in terms of economic development and poverty reduction adding that the key feature of competition rules was to create a level playing field for all business players in the market.

Speaking about the successes achieved since the inception of the regional competition authority in 2013, Director of the CCC Mr George Lipimile said over 220 merger transactions have so far been assessed in the Common Market, with USD 77 billion in turnover derived by merging parties. In addition, over USD 30 million has been received in notification fees.

“Most African countries have come to recognize the economic benefits (productivity, innovation, competitiveness) of safeguarding or increasing market competition, as evidenced by the growing economic liberalization reforms that is taking place in the region,” he observed.

Likewise, COMESA Merger Regulations have contributed to the growth of Foreign Direct Investment (FDI) in the region. According to the CCC Manager in charge of Mergers and Acquisitions, Mr. Willard Mwemba, COMESA posted an increase in FDI inflows of 3.6% from USD 18.6 billion in 2016 to USD 19.3 billion in 2017.

“This translated to 46% of Africa’s FDI inflows in 2017 with Egypt and Ethiopia accounting for the majority of the inflows in COMESA,” he said.

Senior Research Fellow at the COMESA Secretariat, Benedict Musengele took the participants through the current trends on intra-regional trade in the Common Market, and the status of implementation of the regional and continental Free Trade Area regimes.

Meanwhile, the CCC has developed three guidelines to strengthen competition in the Common Market. The guidelines





cover: Restrictive Business Practices, Abuse of Dominance and Market definition. The guidelines were launched during the workshop.

With regard to formalizing the COMESA

Business Reporters Network, the meeting agreed to develop a joint concept paper on how it will be configured and facilitated to support the regional integration programmes.

Journalists from the following countries

participated: Burundi, DR Congo, Eritrea, Eswatini, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Uganda, Zambia and Zimbabwe.

## Finance Experts call for Revision of Regional Macroeconomic Convergence Criteria

Finance experts from Ministries of Finance and Central Banks from the region have called for the revision of the COMESA macroeconomic convergence criteria and the road map to the Monetary Union. This was revealed during the Second Meeting of the Committee of Experts on Finance of the COMESA Convergence Council held from 4 - 6 September 2019 in Nairobi, Kenya.

The officials deliberated on the proposals for the revision of the COMESA Macroeconomic Convergence Criteria, the Template for Reporting Fiscal Risks and the Common Market Levy for the purpose of generating resources for financing Common market activities. This is expected to enhance the implementation of the COMESA Regional Integration Agenda.

Speaking during the meeting, Assistant Secretary General, Programmes Amb. Kipyego Cheluget emphasized the importance of harnessing fiscal policy instruments to achieve SDGs. He stated that fiscal policy is vital for “crowding in” private investment in the region which has a significant effect on real GDP.

In order to ensure effectiveness of fiscal policy, Amb. Cheluget emphasized the importance of improving governance in revenue collection; leveraging technology to reduce the cost of compliance and tax collection and widening the tax base. Other factors are to reduce corruption, improving the quality of public spending and introduction of an effective tax administration among others.



Regional finance experts participating at the convergence council meeting.

The revised Convergence Criteria is aimed at coordinating member countries' macroeconomic policies in the interests of the stability and sustainability of the integration process.

Former AU Deputy Chairperson who also once served as COMESA Secretary General Mr Erastus Mwencha gave the key note address and shared insights on how to operationalize the Community Levy.

Speaking at the same event, Assistant Secretary General (Administration and Finance) Dr Dev Haman noted the need for exploring alternative financing mechanism for COMESA programmes. He added that COMESA has continued to face challenges having a sustainable financial base to finance its flagship programmes.

He therefore emphasized that it is time that COMESA member States find a sustainable way to fund the COMESA Regional Integration Agenda. He said one

possibility is to operationalize Article 168 of the COMESA Treaty on the Common Market Levy for the purpose of generating resources for financing Common market activities.

The meeting was attended by representatives from twelve Member States namely: Burundi, Djibouti, DR Congo, Egypt, Eswatini, Kenya, Madagascar, Malawi, Seychelles, Sudan, Uganda and Zimbabwe. The revised report will be considered by Ministers of Finance and Governors of Central Banks on 16th October, 2019, in Washington DC on the sideline of the 2019 IMF/World Bank Annual Meetings.

This Committee is a technical arm of the Convergence Council comprising Ministries of Finance and Central Bank Governors. It was created to spearhead the COMESA Financial Integration Programme.

# Four National Content Developers get Training on 50 Million Women Project



National Content Developers with ASG Programmes Amb. Cheluget (seated 4th from left) and staff from the 50Million African Women Speak Project

National content developers from four COMESA Member States have been trained on the use of the 50 Million African Women Speak platform (50MAWSP) at the COMESA headquarters in Lusaka, Zambia. The 9-11 September 2019 induction workshop brought together national content developers from Comoros, Democratic Republic of Congo, Madagascar and Tunisia. Also taking part were gender focal points from DR Congo and Mauritius.

The workshop was the second this year after one held in May where 10 national content developers were trained. The induction workshops were designed to introduce the 50 Million African Women Speak Project and platform to the national content developers and give them a comprehensive understanding of the 50MAWSP operations, goals and objectives.

In addition, the workshop sought to explain the features of the platform and train the national content developers on how to update the platform as the primary content managers, guide them on content needs and share content generation and publishing guidelines.

Speaking at the official opening of the

workshop, Assistant Secretary General, Programmes, Amb. Kipyego Cheluget said the platform would help to address challenges that women entrepreneurs face, including gender-specific barriers such as limited access to information and networking opportunities, lower levels of education and business training.

He urged the content developers to ensure they create useful and up to date content and to vigorously market the platform in order for it to be a success.

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**-Asst. SG, Programmes, Amb. Kipyego**

On her part, the Officer in Charge of the Gender and Social Affairs Division Mrs Mekia Redi welcomed the content developers to the 50MAWSP team and noted that the inclusion of the gender focal points from Member States was

critical in enhancing ownership of the platform at national level and ensuring its sustainability.

A total of 17 national content developers will support the project at the COMESA Member State level by generating relevant content to meet the information needs of women entrepreneurs. Of these, 14 have commenced work.

The 50 Million African Women Speak Project (50MAWSP) is contributing to the economic and social empowerment of women across 38 African countries through the provision of a networking platform to access information on financial and non-financial services.

Funded by the African Development Bank (AfDB), the project targets 50 Million women in business and is implemented by the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Economic Community for Western African States (ECOWAS).





# Central Banks Trained in “Modeling Expected Credit Losses Under IFRS9”



Participants at the IFRS9 Training

Representatives from twelve Central Banks from Member States have been trained in “Modelling Expected Credit Losses Under International Financial Reporting Standard – (IFRS9)”. The training was organised by the COMESA Monetary Institute (CMI) in Nairobi, Kenya from 26th to 30th August, 2019.

CMI Director Mr Ibrahim Zeidy underscored the importance for Central Banks in the COMESA region to keep up pace with requirements of important international standards that have important implications on the operations of institutions in the region.

Key objectives of the training were to equip

participants with practical knowledge on financial modeling, quantitative risk assessment and management, financial stability analysis, and enable participants to independently model Expected Credit Losses.

Some of the activities during the training included model-building using forward-looking scenarios, estimation, validation (both quantitative and qualitative), implementation, and governance. The workshop also provided a platform for sharing knowledge and experience on modeling expected credit losses under IFRS9.

Governors from Central Banks in COMESA have in the past noted that IFRS9 requires

that financial reporting take into account historic, current and forward-looking information (including macro-economic data), in credit risk management, marking a shift from previous approach based on incurred losses. IFRS9 emphasizes on early recognition of credit losses as it will no longer be appropriate for entities to wait for an incurred loss event to have occurred before credit losses are recognized.

The training was attended by delegates from twelve (12) Central Banks of COMESA Member States namely: Burundi, D R Congo, Egypt, Eswatini, Kenya, Malawi, Mauritius, Rwanda, Sudan, Uganda, Zambia, and Zimbabwe.



# COMESA Mourns President Mugabe- SG Signs Book of Condolences



COMESA SG Signs Book of Condolences for President Mugabe

Secretary General (SG) Chileshe Mpundu Kapwepwe on Thursday 12 September visited the Embassy of Zimbabwe in Lusaka and signed the book of condolences opened for the former President H.E Robert Gabriel Mugabe. She was accompanied by the Assistant Secretary General, Administration and Finance Dr Dev Haman.

The two were met by Zimbabwe's Ambassador to Zambia Ms. Gertrude Takawira.

"COMESA joins the nation of Zimbabwe in mourning the passing of a fearless son of Africa. His contribution to COMESA as a founding father and leader in promoting regional Integration will remain a lasting legacy. We offer our sincere condolences to H.E. President Mnangagwa, the Mugabe family and the people of Zimbabwe at this difficult time..." Ms Kapwepwe wrote in the condolences book.

After the signing, the SG said "We should not forget where we have come from,

our founding fathers and their great messages kept reminding us of who we are. The late President stood up fearlessly for the African people, we shall remember him for that,".

## COMESA DIARY

Meeting	Dates	Venue
Inaugural meeting of the project steering committee for EDF funded COMESA small scale cross border trade initiative and trade facilitation programme	30 September – 02 October 2019	Lusaka
Trade and Customs meetings	14 – 25 October 2019	Livingstone
Retreat for COMESA Institutions	24th November 2019	Lusaka
Intergovernmental Committee - Institutions	25th November 2019	Lusaka
Intergovernmental Committee-Secretariat	26th to 27th November 2019	Lusaka
Celebrating 25 years of COMESA	28th November 2019	Lusaka
COMESA Council of Ministers	29th November 2019	Lusaka