

## Construction of Modern Trade Hub in Eswatini set to Begin



Seated from left: Minister of Finance of Eswatini Hon. Neal Rijkenberg, SG Kapwepwe, Minister of Commerce Hon. Manqoba Khumalo, EU Head of Cooperation Ms Ariane Labat

The construction of a modern multi-purpose Trade Hub in Manzini town in Eswatini is set to begin following the signing of a 1.2 million euros financing agreement with the government, the European Union and COMESA, on March 15, 2019 in Ezulwini. The funds will also be used to provide private sector support to the country.

Minister of Finance Hon. Neal Rijkenberg and the Minister of Commerce, Trade and Industry Hon. Manqoba Khumalo signed the document on behalf of the Government while COMESA Secretary General Chileshe Mpundu Kapwepwe signed for COMESA. The Head of Cooperation at the European Union Office in Eswatini Ariane Labat signed for the EU.

The Project will enhance the performance

of the leather value chain, improve quality infrastructure services to support production and trade, and raise the capacities for investment promotion in the country.

Ministers Rijkenberg and Khumalo said the support will help develop the micro, small and medium trade by improving the quality of products, marketing skills and find bigger markets. The Project will also help the country attain the required economic transformation for the betterment of the people of Eswatini.

"The construction of the Trade hub locally known as 'INHLANGANISELA YABOMAKE' will bring relief to majority of handcrafts most of whom are women and youth. They currently operate in the open in back yards spread across the country," Minister Khumalo said.

The Trade Hub is expected to accommodate 300 traders and impact over 400 businesses focusing on women and youths; both young and old. The new facility will also protect the artisans from unfavourable weather conditions which makes it difficult for them to operate.

"Bringing them under one roof will enhance the capacity of government to offer support services, improve collaboration in procurement, production and marketing," Minister Khumalo added. The cost of extension support is expected to decline significantly as technical support officers will meet the critical mass of handcrafts in one place.

The project is consistent with COMESA Market Integration Strategy, which is anchored on trade and investment

## IGAD Early Warning team in COMESA for Benchmarking



COMESA and the Intergovernmental Authority on Development (IGAD) have begun sharing collaborating on areas of commonalities through joint activities to advance the conflict early warning in the region.

The two Regional Economic Communities (RECs) separately conduct conflict early warning and response systems on their member States, majority of which belong to both organizations. IGADs has the Conflict Early Warning and Response Mechanism (CEWARN) while COMESA has the COMESA Conflict Early Warning System (COMWARN).

The need for deeper collaboration through experience sharing and best practices is therefore informed by the overlapping of country membership to the two RECs with six out of the seven members of IGAD belonging to COMESA.

The collaboration is further reinforced by a Memorandum of Understanding signed between African Union (AU) and Regional Economic Communities (RECs) in 2008.

On 4 – 8 March 2019, a team from IGAD's CEWARN Unit conducted a benchmarking visit to COMESA Secretariat for benchmarking with COMWARN team in the Governance, Peace and Security (GPS) Unit.

During the four days of interactions, the two teams shared experiences on data collection, analysis and reporting using various tools that are being used by both institutions.

COMESA team shared its experience on Structural Vulnerability Assessment methodology which includes data collection, analysis, report writing and dissemination.

On the other hand, IGAD team took

their COMESA counterparts through its indicator module-based application which relies on dynamic data collected by field monitors based across their Member States.

Receiving the IGAD team, the Head of GPS Elizabeth Mutunga said collaboration and partnership in early warning provides the two RECs with the opportunity to leverage on each other strength.

"This is more critical in conducting and disseminating structural vulnerability results to stakeholders. Let us therefore strengthen such initiatives to maximize on our individual capabilities," she said.





## Construction of Modern Trade Hub in Eswatini ..

realize structural transformation. The strategy provides for market integration, infrastructure development, industrialization, science, technology and innovation pillars.

Secretary General Kapwepwe commended the Kingdom of Eswatini for consistently participating in regional integration frameworks as a way of enhancing its trade performance in the COMESA region.

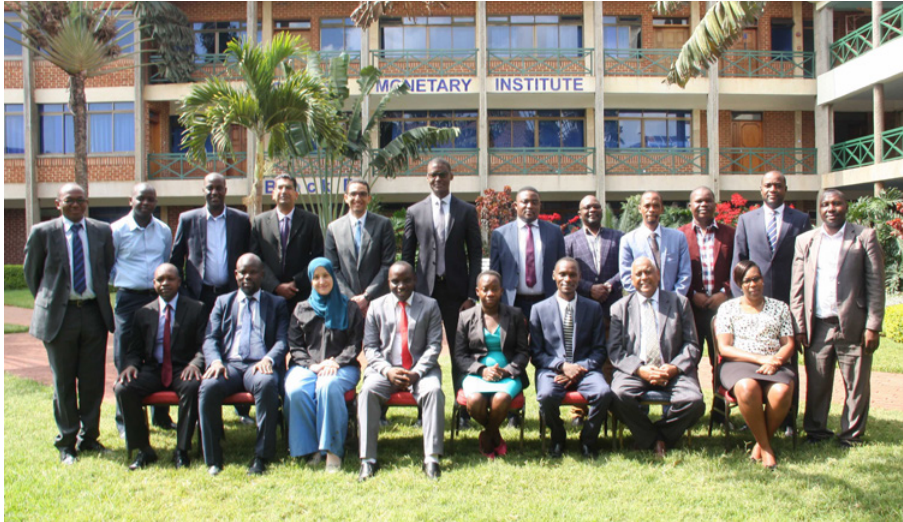
"This project preserves the Kingdom's unique culture by pulling on the knowledge of the gatekeepers of Eswatini traditions while applying modern technologies and designs that are attractive to an international market," Ms Kapwepwe added.

EU Head of Cooperation Ms Ariane Labat assured his organization's commitment to continue supporting regional integration programmes and commended the Government of Eswatini for its decision to establish modern infrastructure for small-scale traders.

"The Trade Hub is a significant Project for Eswatini. It will improve the environment for MSME production and trade capacities for creation of jobs and growth,"

COMESA has provided Eswatini with over three million Euros from 2013 – 2018 under the COMESA Adjustment Facility (CAF) and with support of the EU through the Regional Integration Support Mechanism (RISM).

Programmes supported under RISM include the free trade area, the customs union, resolution of non-tariff barriers, harmonization of standards, trade in services, investment, competition policies transport and trade facilitation policies.



## Building the Capacity of Monetary Authorities to Forecast Inflation

With a number of countries in the COMESA region gradually moving to inflation targeting monetary policy framework, the need to upgrade the skills of monetary authorities to forecast inflation with a high degree of accuracy becoming critical.

Contemporary monetary policy formulation requires information and forecasts on the interaction between sectors and variables in the economy which can be better understood through Dynamic Stochastic General Equilibrium (DSGE) Model which have richer micro-foundation that captures economic relationships than other comparable models. DSG model is a method in macroeconomics that attempts to explain economic experiences, such as economic growth and business cycles and the effects of economic policy through econometric models based on applied general equilibrium theory and microeconomic principles.

Based on the instruction by the 39th Meeting of the Bureau of the COMESA Committee of Governors of Central Banks that was held on 4th December 2018 in Djibouti, the COMESA Monetary Institute (CMI) organized a training titled "DSGE Modelling and Time Series Analysis" from 4th – 8th March 2019 Nairobi,

Kenya.

The objectives of the training were to enhance the capacity for monetary policy formulation and implementation using DSGE models in member Central Banks. It was also intended to enable COMESA Monetary Institute (CMI) to fulfill its mandate of monetary policy coordination at a regional level, which is a prerequisite for higher degree of monetary integration.

Delegates from nine Central Banks of COMESA Member States namely: Burundi, D R Congo, Egypt, Eswatini, Kenya, Mauritius, Uganda, Zambia, and Zimbabwe attended the training. Addressing the delegates, the Director of the CMI, Mr. Ibrahim Zeidy, emphasized the importance of the DSGE model as a toolkit for designing appropriate monetary policy.

"The results obtained from DSGE modeling can be easily interpreted since they take into account consumers' and firms' behavior," he said. "The training will therefore help Member States share knowledge and network on issues related with macroeconomic modelling and forecasting."

## Eswatini has so far Received Three Million Euros for Integration Support



From 2013 to date, the Kingdom of Eswatini has received a total of three million Euros from the European Union through the COMESA Adjustment facility (CAF) to support the implementation of regional integration programmes.

Some of the projects that have successfully been implemented with the funds includes the Automated System for Customs Data World (ASYCUDA), Climate Change programme and the upcoming construction of a modern trade hub and private sector support project.

ASYCUDA is a computerized system designed by the United Nations Conference on Trade and Development (UNCTAD) to administer a country's customs. In Eswatini,

ASYCUDA project was implemented with 950,000 Euros provided by the European Development Fund Union through the COMESA Adjustment facility.

"This is a clear success story for us because it has helped modernize the customs systems in the Kingdom, decongest the borders and enhanced trade facilitation by reducing the time spent on clearing goods," Commissioner General of Eswatini Revenue Authority Mr Dumisani Masilela said. He was speaking when he received in his office, a COMESA mission led by Secretary General Chileshe Kapwepwe.

He added that the cost of doing business has also reduced as the number of documents to be processed are fewer.

The system has helped the Kingdom to automate customs processes relating to imports and export of goods border points, and compilation of accurate trade statistics.

The Commissioner added that the local telecommunications company has provided support to his office to ensure that the system is always working, and this has led to increased revenue collection.

Since its launch in 2016, ASYCUDA has been rolled out in all the 13 commercial borders and six non-commercial borders in Eswatini. To make the project fully acceptable, the United Nations Trade and Development (UNCTAD) provided technical training to the revenue authority and government Agencies.





## COMESA Deploys Team to Observe Elections in Comoros

The Secretary General said COMESA was focusing on use of technology to speed up the border processes to make them more efficient.

"Borders must work for both the government and the importers and exporters. We need to continuously leverage on technology to achieve this," Ms Kapwepwe added.

During the mission, the SG visited the Ngwenya border post between Eswatini and South Africa and witnessed the inspection and clearing processes for cargo trucks.

The COMESA Climate Change programme is another success story. Launched in 2017, the programme is a partnership with Cooperating Partners and the Ministry of Agriculture of Eswatini. It was implemented through a grant to Empatheni vegetable farmers for Climate Smart Farming.

Through this grant, the farmers are now irrigating their farm produce, have built cold rooms, to store their harvest, and have two new tractors. The farmers have not only increased their vegetable production, but also the quality of the produce while minimizing post-harvest losses.

In 2018, COMESA provided video conferencing equipment to Eswatini through the Ministry of Commerce, Industry and Trade. This has enabled the

Government to conduct virtual meetings and conferences thus enhancing efficiency in business processes and making economic savings by cutting travel expenses.

Meanwhile, the Prime Minister of Eswatini the Right Honourable Ambrose Mandvulo Dlamini Hon. Dlamini has underscored his country's commitment to regional integration to strengthen its position and become an export-based economy. He said COMESA was a key market for Eswatini's products particularly sugar which contributes about 16% to the Gross Domestic Products (GDP).

He was speaking when he hosted COMESA Secretariat team led by Secretary General Chileshe Kapwepwe. The team was in the country from 14 – 16 March 2019 to assess the implementation of COMESA led programmes.

The meeting took place at the Royal Villas in the city of Ezulwini on Thursday 14 March 2019. This was the Secretary General's maiden mission to the Kingdom.

The COMESA team later visited the satellite bus rank market where Micro, Small and Medium Entrepreneurs (MSME) dealing in assorted handicrafts and traditional wear operate.

COMESA has deployed a team of election observers to Comoros ahead of the Presidential elections set for March 24, 2019. Led by Madam Hope Kivengere, a member of the COMESA Committee of elders from Uganda, the election observers arrived in Moroni on Sunday, March 17, 2019.

This deployment is in line with the Decision of the 16th Meeting of the COMESA Ministers of Foreign Affairs in July 2018 in Lusaka that called on the Secretariat to support Member States planning to hold elections.

Through the Governance Peace and Security Unit (GPS), COMESA has prioritized elections observation mission as a means of promoting and enhancing the consolidation of democracy in the region. In 2018 for instance, the election observer mission was deployed to support the Zimbabwean elections.

As part of its mission to Comoros, mission team members will be deployed in different parts of the Island to monitor how the campaigns and voting process will be conducted.

A pre-election observation mission was also in Comoros from 10 - 16 February 2019 for the prior assessment which has now informed the deployed of the current mission.