



## PRESS RELEASE

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### About \$905m Worth of Intra-COMESA Exports Lost to COVID-19

*Researcher recommends implementation of the electronic digital integration systems by exporting countries.*

**Thursday, September 16, 2021:** An estimated USD 905 million intra-COMESA exports were lost last year due to the response measures that member states applied to mitigate the Covid-19 pandemic. This is according to research carried out by Mr Adam Willie, Principal Economist, Ministry of Commerce, Industry and Enterprise Development of Zimbabwe.

The research paper titled: *Digitalizing Trade in the wake of Covid-19 pandemic in COMESA*, was presented to the 8<sup>th</sup> Annual COMESA Research Forum, which begun on Monday to Thursday this week through virtual platform.

*Mr Willie observed: "The losses vary from one country to another. Egypt and Kenya had losses in excess of US\$100 million. DR Congo, Ethiopia, Sudan, Tunisia, Uganda and Zambia had losses in the range of US\$60m to less than US\$100 million. The rest of COMESA Member States had losses of below US\$20 million."*

Overall, the high level of stringency on Covid-19 in government response policies in the region was found to harm regional intra-exports in 2020. Government policy response stringency index for COMESA member states averaged 53.18, with a minimum of 9 and maximum 82.3.

Mr Willie established that enhanced e-commerce would mitigate this loss if applied regionally. However, the region is still low in the use of internet and implementation of information communication technology infrastructure needed for digitalizing trade. It is below the critical mass required to mitigate the adverse effects of Covid-19, according to the research.

*"A 10% increase in the interaction variable of the Covid-19 proxy and exporter internet use would increase intra-COMESA exports by 0.021%," Mr Willie noted. "Again a 10% increase in the interaction of the Covid-19 proxy and exporter EDI systems would increase intra-COMESA trade by 0.12%."*

The researcher pointed at the need for a robust legal framework that supports digitalizing trade which the region was found wanting. Hence, Member States should consider digitalization as a critical policy direction.

The findings of this study imply that the new norm of Covid-19 will continue to harm intra-COMESA trade. But this can be minimized through increasing internet use and implementation of the electronic digital integration (EDI) systems by exporting countries.

*“COMESA Member States should implement the Covid-19 response measures together with trade digitalization in order to neutralize the pandemic’s adverse effect on intra-regional trade,” the researcher recommended. They should implement EDI systems such as ASYCUDA World and Electronic Single Window systems.”*

Digitalization enables application of modern customs procedures such as electronic risk management; pre-arrival electronic submission of customs declarations; application and issuance of e-licences and digital certificates of origin and sanitary and phytosanitary; use of non-intrusive inspection, electronic tracing and tracking of cargo.

Eight research papers were presented at the forum for peer review. Their policy implications will be presented to the COMESA policy organs to inform decision-making. The research forum was attended by over 200 delegates comprising of academicians, policy thinktanks, government and private sector from within the COMESA region and across the globe.

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