

Zimbabwe Trade Expo: COMESA's Showcase



COMESA staff engage with the public at the Zimbabwe International Trade Fair

Inquiries on trade facilitation, market access and financial support to women entrepreneurs dominated public inquiries at the COMESA booth at the ongoing 62nd Zimbabwe International Trade Fair (ZITF) in Bulawayo, 26 – 30 April 2022.

COMESA's presence at the expo is part of its stakeholders' outreach strategy to raise awareness on its regional integration programmes and encourage uptake of the opportunities that the regional bloc provides. It is also intended to showcase the impact of regional integration programmes in Member States.

"This is an exceptional opportunity to showcase COMESA as an organization, its programmes and institutions, and to address any information gaps that might be existing," Ms Netta Gichuki said.

Visitors to the COMESA stand, who represented a wide spectrum of stakeholders, ranging from businesspeople, investment seekers, policy makers, academician and students, were also keen on other general information such as cross border motor vehicle insurance.

The theme of the ZITF is "Rethink, Reimagine, Reinvent Value Chains for Economic Development" and resonates with COMESA's strategy of economic prosperity through regional integration, supporting the social economic structure of the region.

"This is an exceptional opportunity to showcase COMESA as an organization, its programmes and institutions, and to address any information gaps that might be existing," said Ms Netta Gichuki, a Trade Expert at COMESA Secretariat after the first days' public engagement with the attendees.

Zimbabwe is among Member States that implement most of the COMESA

programmes and is lately pioneering with Zambia in the establishment a joint agro industrial park. This initiative is derived from the COMESA Industrialization Strategy and has immense potential to increase the availability of industrial goods and services for the bilateral market and expand intra-regional trade in manufacturing.

A study conducted by COMESA last year titled 'Export Potentials of Intra-COMESA Trade' found that Zimbabwe has the potential to increase intra-COMESA trade by US\$ 4.1 billion. Eleven of its export products have the highest trade potential, including tar distilled from coal, fruits of the genus capsicum, avocados, glass products, and tungsten ores and concentrates.

Ethiopia, Kenya, Malawi and Zambia are some of the COMESA countries exhibiting at the Fair. Others are Angola, Botswana, Namibia, Mozambique, South Africa and Tanzania.

World Bank Scales-up Funding COMESA Programmes



The current portfolio of World Bank supported projects in the COMESA region is close to five billion dollars and set to rise as other programmes are set to come on board. The largest project is the Regional Infrastructure Finance Facility (RIFF) of US\$ 425 million whose objective is to promote access to long-term finance and improve the enabling environment for investment in infrastructure. The bulk of this funding is under the Trade Development Bank, a COMESA institution.

The review of the ongoing programmes and discussion on new areas of collaboration formed part of the agenda of a virtual bilateral meeting between COMESA and the World Bank Group (WBG) Tuesday, April 26, 2022. It was led by the World Bank Regional Director for Africa and the Middle East Dr. Bouthenia Gueremazi and COMESA Secretary General, Chileshe Kapwepwe.

COMESA SG highlighted key areas where the Bank's support would be crucial including the implementation of smart border initiative, which leverage on technology to improve

efficiency at border points. The other is the scaling up of climate smart agriculture focusing on small scale growers to link them to markets.

"Given that not all our Member States have the capacity to have big industries, we are looking at agro-processing value chains which can benefit all," she said.

The WBG team disclosed that discussions were underway to support a livestock insurance programme to be managed by yet another COMESA institution the ZEP-RE (PTA Reinsurance Company). In addition, a second phase of the Great Lakes Trade Facilitation programme would soon be rolled out focusing on Burundi and D R Congo. The first phase covered the border points of eastern D R Congo with Rwanda and Uganda. The two parties agreed to continue with the engagement on programmes relating to food security and digitalization.

Zambia's Policy Trade Think Tank Seeks Collaboration

Zambia Institute of Trade Policy (ZITP) has expressed interest to collaborate with the COMESA Secretariat in trade policy analysis and advocacy, and thereby contribute to the socio-economic development of the region. In a meeting with the Secretary General of COMESA, Chileshe Kapwepwe last week, ZITP President Mr Edwin Makuya, stated that working with the leading regional economic bloc, will help shape the local and regional trade policies through engagement with governments, the private sector, key stakeholders and multilateral trade organizations.

Ms Kapwepwe welcomed ZITP interest to collaborate, assuring that COMESA's pool of experts will be available to work together to enable the region achieve enhanced trade policy harmonization.



Recording

You are viewing Yashini Mahaling's screen

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Key Regional Instruments

- African Union Convention on Cyber Security and Personal Data Protection on enabling free movement of data within regions (Malabo Convention)
- e-commerce protocol to the African Continental Free Trade Area (AfCFTA)
- Competition Protocol in the Phase 2 AfCFTA negotiations
- African Union Digital Transformation Strategy (2020-2030)
- SADC e-Commerce Strategy & SADC FTA : Electronic certificate of origin (eCoO) pilot
- COMESA Digital Free Trade Area: E-regulation, E-logistics, E-trade, eCoO, regional IP Rights Policy
- EAC: Consumer protection issues strictly related to competition
- ECOWAS Regional Data Protection Agreement: ECOWAS Free Trade Area

Building Capacity for Digitally Enabled Trading System

Implementing digital trade facilitation reforms have positive impacts on intra-COMESA exports. It is estimated that an increase of 10 percent in the adoption of digital trade technologies would result in a 5.5 percent increase in intra-COMESA exports.

The regional organization is therefore scaling-up the Free Trade Area (FTA) to a Digital Free Trade Area (DFTA), to empower traders to apply ICT tools particularly on cross border trade. This will not only enhance efficiency but also cut costs and minimize physical-related barriers to trade.

Pursuant to this objective, COMESA and the Commonwealth Secretariat partnered to host a training on digital trade on 25 – 27 April 2022 to build the necessary capacity within the region on how thrive in a fully digitally enabled trading system. The training targeted policy makers, trade officials and technocrats as well as legal reform officers involved in the digital trade process.

The training covered, among other topics, paperless trade facilitation, removal of barriers to facilitate digital trade in services sectors, creating an enabling regulatory environment for trade in services with a special focus on digital trade, developing services specific regulatory frameworks/

leveraging FTA chapters for different services sectors.

The COMESA DFTA was adopted by the Council of Ministers way back in 2018 and constitutes three thrusts, namely eTrade, eLogistics and eLegislation. These are implemented through instruments such as the Electronic Certificate of Origin (eCO), development of the COMESA Online Trade Portal, and the Electronic Single Window system.

However, there has been a slow pace in the implementation of the DFTA instruments despite their potential to improve business performance in order to create the much-

“One of the important lessons from the experiences of the COVID-19 pandemic is that as digital trade becomes increasingly critical in enhancing transactions and accessing markets globally, those lacking the ability to trade digitally risk falling further behind, economically,” Dr Christopher Onyango noted

needed jobs in COMESA region amid the devastating effects of the COVID-19 pandemic.

“One of the important lessons from the experiences of the COVID-19 pandemic is that as digital trade becomes increasingly critical in enhancing transactions and accessing markets globally, those lacking the ability to trade digitally risk falling further behind, economically,” COMESA Director of Trade, Dr Christopher Onyango noted when he addressed the participants.

He added that less digitalized countries are at a disadvantage in leveraging on e-commerce. They are also less able to benefit from the resilience of digitally deliverable services trade in response to internal/external shocks and therefore likely to experience more extreme declines in export earnings and economic growth.

In his remarks, the Director - Trade, Oceans and Natural Resources Division at the Commonwealth Secretariat, Mr Paulo Kautoke appreciated the collaboration with COMESA, in building resilient digital economies.

Coming Soon: A Regional Blue Economy Strategy



Dr Kipyego Cheluget (5th left) Ms. Linda Oje Etta (5th right) Dr Admore Chakandenga (3rd right) and other participants

COMESA has developed a draft strategy to harness the benefits of the Blue Economy for its 21 Member States. The draft strategy was presented to delegates from the Member States on 26-27 April 2022 in Lusaka, Zambia, where it was reviewed and validated.

The concept of the Blue Economy has been embraced by the COMESA Member States as a mechanism to realize sustainable ocean-based economic development. Currently, there is limited information on the Blue Economy as the focus has been primarily on land-based economic development or on conservation rather than on the sustainable use of the investment in an ocean-based economy, for national benefit.

"An integrated approach to ocean-based and inland water development, which brings together economy, environment and society is crucial," said the COMESA Assistant Secretary General, Dr Kipyego Cheluget when he addressed the delegates.

He added that COMESA Member States had recognized that regional integration without a deliberate targeting of interventions on the Blue Economy would not yield an all-inclusive developmental result.

Under the Blue Economy initiative, the regional bloc will support its Member States towards improving production and trade of fish and fisheries products; increasing contribution of tourism to economic growth in COMESA; improving shipping/transportation, trade, ports; sustainable energy and mineral resources and innovative industries; and enhanced management of natural resources.

Director for Sustainable Environment and Blue Economy at the African Union Commission Mr. Harsen Nyambe Nyambe stated that despite the recognition that Africa's oceans are some of the richest environmental resources in the world, there remains a low consideration of their importance as a source of income towards the growth of African economies.

"There is an urgent need to invest in the management of African oceans if the momentum of a blue or ocean economy is to be harnessed in a sustainable manner to contribute to national economies and the conservation of ecosystems and the marine environment," he said in a speech presented by Ms. Linda Oje Etta.

According to the AU, two thirds of Africa are

coastal and island states, with jurisdiction over 13 million square km of marine territory including approximately 6.5 million square km of continental shelf. Further, 65% of the African continent is covered with a network of rivers, lakes, aquifers and other freshwater sources.

The Blue Economy seeks to protect these fragile aquatic resources, while advancing the sustainable development of sectors which hinge upon them. Thus, the development of Blue Economy strategy will guide the implementation of an appropriate intervention to maximize the benefit from marine, inland and underground water resources.

The formulation of COMESA Blue Economy Strategy was financially supported by the the Kingdom of Norway through the African Union Inter-African Bureau for Animal Resources (AU-IBAR).

The AU-IBAR Director Dr. Nick Nwankpa noted that COMESA was one of the first beneficiary institutions of this support among regional economic communities. He was represented by Dr Admore Chakandenga.



Keeping an Eye on Businesses as they Recover from COVID-19 Effects



Hon Felix Mutati (front middle) SG Chileshe Kapwepwe (3rd right), PS Chawe Chuulu (3rd left) Dr Willard Mwemba (2nd left), Mr. Chilufya Sampa (2nd right) Mr George Lipimile (R)

As businesses recover from the effect of the COVID-19 pandemic, COMESA Competition Commission (CCC) is keen to ensure that they adhere to the regional competition law, and resist temptation to engage in conduct likely to affect consumer welfare negatively.

Pursuant to this goal, the CCC is conducting sensitization programmes targeted at business communities in the region on the role of competition and consumer protection laws in post COVID-19 business recovery. The latest was conducted in Zambia, last week in collaboration with the Zambia Chamber of Commerce and Industry, National Competition and Consumer Protection Commission and Ministry of Commerce, Trade and Industry, Zambia.

Competition regulation seeks to ensure that trade liberalization in the Common Market thrives under competitive conditions that enhance the welfare of consumers, and this is enshrined in the COMESA Treaty. Thus, COMESA Competition Regulations try to regulate competition and protect consumers from offensive business to ensure that

regional integration agenda, which the Common Market continues to implement, remains relevant and beneficial to the businesses and consumers in the Common Market.

Addressing the participants, Secretary General of COMESA, Chileshe Kapwepwe noted that the difficulties brought about by COVID-19 have the potential to incentivise businesses to engage in anti-competitive conduct which may result in other businesses exiting the market, high prices and poor quality of goods and services, difficulties to access markets in other Member States among others.

"The enforcement of competition laws at both regional and national markets is therefore very important to create a level playing field and thereby ensure that companies compete on innovative ideas which benefits our economies and citizens at large," she said.

Under Article 55 of the COMESA Treaty, Member States agreed to prohibit any business practices which negate the objective of free and liberalised trade,

and which have the objective or effect of preventing, restricting or distorting competition in the Common Market.

Speakers at event included the Zambia Minister of Technology and Science Hon Felix Mutati, Permanent Secretary Ms Chawe Chuulu, Director COMESA Competition Commission, Dr. Willard Mwemba and Executive Director of the Competition Consumer Protection Commission, Mr. Chilufya Sampa and former CCC Director George Lipimile.

"The enforcement of competition laws at both regional and national markets is therefore very important to create a level playing field and thereby ensure that companies compete on innovative ideas which benefits our economies and citizens at large," Chileshe Kapwepwe



Public-Private Dialogue to Address Small Scale Cross- Border Trade Constraints

In a move aimed at addressing challenges facing small-scale cross border traders at Chirundu One Stop Border Post, on the Zambia, Zimbabwe border, COMESA hosted public-private dialogue on 25-26 April 2022 in Harare.

The discussions centred on the position paper that was developed following in-depth consultations with the Chirundu border chapters of the Zambia and Zimbabwe Cross Border Traders' Associations (CBTA). The objective of the dialogue was to come up with actions and solutions to the constraints that consistently face small-scale cross border traders, which were exacerbated with the onset of the COVID-19 pandemic. Key among them is the difficulty of meeting statutory requirements, which tends to push small scale trade into informality.

"The rapid expansion of informal trade is largely driven by business environment stringencies characterized by weaknesses in institutional areas, excessive domestic taxations, complicated business registration, licensing and inspection requirements among others," according to the COMESA Secretary General Chileshe Kapwepwe.

In a statement presented by the Manager, European Development Fund Programme, Ms. Mshuka Kamwela at the forum, the SG also cited limited business skills and training, poor infrastructure, lack of awareness and technological hindrances and contributing factors.

COMESA estimates that small scale cross border trade constitutes over 40% of total trade and therefore an important source of livelihoods for majority of people who live in border areas, especially women, hence the need to formalize it.

In this effort, COMESA is implementing a 15 million Euros Cross-Border Trade Initiative, financed by the European Union under the 11th European Development Fund (EDF). Its objective is to facilitate small scale cross border trade among the targeted countries

through effective policy and governance reforms, institutional capacity building, improved border infrastructures and better data collection and monitoring.

The facility is supporting the implementation of the COMESA Simplified Trade Regime (STR), which is designed to assist small-scale cross border traders, to access the privileges of the COMESA Free Trade Area and reducing the time spent at borders through simplification of border procedures and ultimately formalize cross border trade.

The dialogue was initiated and facilitated by the International Trade Center. Its outcomes are expected to build mutual trust between small-scale traders and the other key stakeholders at the Chirundu border point which will be replicated in others facing similar constraints.

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COMESA SECRETARIAT
COMESA Center
Ben Bella Road
P.O. Box 30051



+260 211 229 725



www.comesa.int



info@comesa.int



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