

Export Similarities Contributes to Low Intra-COMESA Trade

Research depicts a region that produces more or less similar products



File: Researcher Mr. Manaseh Oiro speaking during the 3rd COMESA Annual Research Forum in Kigali, Rwanda, 2017.

Export similarities in COMESA Member States is a major contributor to the low intra-COMESA trade as well as with the rest of Africa. According to findings presented at the recent COMESA Annual Research Forum, the current export structure depicts a region that produces more or less similar products in terms of their export sophistication.

The top five exports to Africa include tobacco and tobacco substitutes, ores, slag and ash, essential oils and resinoids, sugars and sugar confectionary. Mineral fuels and related products are among COMESA's top exports to the rest of the world (TradeMap, 2020).

In a research paper titled "Estimating COMESA's Trade Potential in Africa: Optimizing Export Opportunities in the AfCFTA", the Researcher Mr. Manaseh Oiro, observed that similar products are being

exported to the rest of the world in larger quantities because they are used as inputs for industrialized countries.

To address this, Mr. Oiro recommended that COMESA Member States should embark on implementation of the region's industrialization strategy, which is aimed at improving trade complementarity among the countries.

"This can be achieved through structural transformation, particularly enhancing value

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addition such that Member States trade in value added products and move away from exporting raw materials and minerals to developed countries," Mr. Oiro stated when he presented his paper at the 7th COMESA Research Forum conducted on 19 - 21 October 2020.

The study set out to establish the drivers of COMESA's trade with the rest of Africa, to provide solutions to boosting the region's share of exports within the continent. The five top exporting countries in COMESA were selected for the study and a further five non-COMESA countries used to estimate the trade potential within the African continent.

The study found that intra-COMESA exports were 112 per cent below its average exports to the rest of African countries. Based on the analysis, COMESA's exports to other African countries were worth USD 146.9 million while average exports were worth USD 69.3 million. The region's efficiency in exports was found to be low at 47.1 per cent.

Trade between the following bilateral partners was used to estimate trade potential in this study: Kenya and Nigeria; Ethiopia and South Africa; Egypt and Morocco; Zambia and Namibia; and Democratic Republic of Congo and Senegal.

It was established that the exporting country's population, market size of the trading partners as proxied by GDP, tariffs and export diversity were important in explaining COMESA countries' exports to the rest of Africa.

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The Researcher recommended for the establishment of a strong monitoring and evaluation framework at the COMESA Secretariat for implementation of the regional industrialization strategy.

"A holistic approach needs to be taken to address this, right from the curriculum in

institutions of learning to on-job training and the overall economic development policy," he said.

He added that there is need for harmonization of policies across Member States, especially the macro-economic and legal and regulatory environment to ensure

that economic growth catalyzes trade within the region. Tariff liberalization also needs to be accompanied by elimination of restrictive or discriminative non-tariff measures to have an impact.

Region Targets \$5B Worth of Seed Trade by 2025



File: National Seed Authorities and Seed Companies COMESA Regional Seed Certificates and Labels Training, Chaminuka, Zambia in July, 2019.

Regional seed trade in the COMESA countries stands at USD 2 billion but this is set to rise to USD 5 billion by 2025 with the implementation of new initiatives. One of them is the rolling out of the COMESA seed labels and certificates.

The development of the labels and certificates is part of the implementation of the COMESA Seed Harmonisation Implementation Plan (COMSHIP) aimed at facilitating regional seed trade. COMESA Agriculture Ministers endorsed the COMESA Seed Trade Harmonisation Regulations in 2015 leading to the launch of the COMSHIP programme to expedite implementation both at national and regional level.

Recently, the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) a COMESA Specialized Agency conducted a training for chief executives and technical managers of nine private seed companies on ordering, activation and purchasing of the COMESA seed labels.

This was intended to trigger the use of the labels and regional certificates and encourage participation in trading on the COMESA Harmonized Seed Trading Platform. Addressing the participants, Secretary General Chileshe Kapwepwe said the

potential of the total seed market in the region remains high at two million metric tonnes of quality improved seed. The region is currently producing and accessing less than 500,000 metric tonnes of the seeds.

"This scenario has contributed to the high levels of food insecurity and hunger as production is affected by farmers who do not use high quality and improved seeds in their fields," Ms Kapwepwe said in a speech presented by the Director of Agriculture and Industry Mrs. Providence Mavubi.

Limited use of quality seeds in the region is attributed to fragmented and small regional and national seed markets with each country operating its own seed policies and regulations different from other Member States.

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"...the potential of the total seed market in the region remains high at two million metric tonnes of quality improved seed."

-Chileshe Kapwepwe

Seed companies enter each of the national seed markets separately and individually, a situation which leads to high costs of operations, prolonged delays before good quality seed can find its way to the small-scale farmers.

In view of this, the COMESA Seed Trade Harmonisation Regulations were developed to enhance seed production, seed trade, reliability, and increasing competitiveness of the seed industry in the region.

The regulations are implemented through COMSHIP. So far, eight COMESA countries have completely aligned their national seed laws to the COMESA seed system.

"This means that 13 seed companies with varieties on the COMESA Variety Catalogue can now trade using the regulations in Burundi, Egypt, Malawi, Rwanda, Kenya, Uganda, Zambia and Zimbabwe," the Secretary General said.

In line with COMSHIP, the COMESA seed labels and certificates will be utilized by seed companies for large seed consignments crossing the border and in-country seed trade in smaller packages.

In most COMESA countries, pre-inspection of seed consignment shall not be necessary as long as the variety is registered on the COMESA Variety Catalogue. Once registered, the variety does not have to be tested again and can be imported, marketed and, if necessary, produced in any country in the COMESA region.

The following seed companies participated in the training: Advanta Seeds, Pannar seeds, Corteva Seeds, Solynta Seeds, mPedigree, Syngenta, Seedco, Kenya Seeds, SeedAssure, Seed Science Technology and Systems Malawi, and African Seed Trade association (AFTSA).



COMESA Media Awards -2021 Call for Entries

COMESA has announced the call for entries for the 2021 Media Awards. The award scheme is conducted every year to recognize and reward journalists who have contributed to regional integration by publishing and producing broadcast stories on the subject.

The objective of the awards is to promote reporting on COMESA regional integration programmes, thereby raising public awareness, understanding, participation and ownership. The awards are open for published and broadcasted works in the fields of print, radio,



television, and online media. Only journalists who are COMESA nationals are eligible. The entries shall be works published/broadcast by a recognised media institution between 1st January 2020 and 31 December 2020 in any of the 21 COMESA Member States.

All works entered for the competition shall be in one of the COMESA official languages, namely English, French and Arabic. Online entry forms in the three languages are available on the COMESA website www.comesa.int

Zambia Volunteers for Structural Vulnerability and Resilience Assessment

Zambia is set to become the first country in COMESA and the third in Africa, after Ghana and Ivory Coast, to undergo Country Structural Vulnerability and Resilience Assessment (CSVRA). The decision to volunteer for CSVRA, an Africa Union-led initiative, was made during a Cabinet meeting on 26 October 2020.

The decision is aligned to the 15th Meeting of the COMESA Ministers of Foreign Affairs, that required COMESA to collaborate with the AU in supporting the government of Zambia to identify structural vulnerabilities and mitigative factors to conflict. After the assessment, the country is expected to establish a National Early Warning System.

Through its Conflict Early Warning System (COMWARN), COMESA has in the past conducted national consultations with diverse stakeholders to disseminate the country's structural vulnerability reports. In addition, it has trained Zambia government officials on the key tenets of the structural vulnerability methodology and the necessary response strategies.

In July this year, Permanent Secretaries from various ministries were taken through the COMESA and the AU Structural Vulnerabilities Assessment (SVA) processes. Thereafter, the government established a National Bureau to



File: Permanent Secretaries from various government ministries during the training in Chisamba, Lusaka, July, 2020.

coordinate the dissemination of SVA outcomes and the response strategies and structures. This was in addition to providing feedback to COMESA on efforts to address vulnerabilities and the existing policy and legal frameworks in place to deal with them.

Zambia's gesture to volunteer for the process underscores its commitment to not only address root causes of conflict but also the implementation of the regional and continental SVAs and accompanying mitigation strategy.

Going forward, COMESA and AU will provide financial and technical support to ensure the country successfully completes the process, which will enable it to identify community-specific vulnerabilities and resilience factors. This will help Zambia to address structural vulnerabilities and strengthen the existing resilience factors. It will also be enabled to establish national infrastructure such as an early warning system to track both dynamic and structural factors to conflict.

COMESA to Construct Border Export Zones for Small Scale Traders



A small scale crossborder trader at Nakonde border

Plans to construct at least six border export zones for Small Scale Cross Border Traders (SSCBTI) are at an advanced stage in the selected sites between Zambia on one hand and Malawi, Zimbabwe, DR Congo and Tanzania. The identified sites are Mwami/Mchinji, Kasumbalesa, Chirundu and Tunduma/Nakonde border posts respectively.

The project is being implemented by COMESA with funding from the European Union under the 2nd European Development Fund (EDF 11). To this effect the COMESA Secretariat has been conducting consultative meetings with

stakeholders at the select borders to develop border concept designs for the markets and assessing their specific needs.

Last month, 5 - 17 October 2020, a team comprising of infrastructure experts from COMESA and the government of Zambia visited the project sites to consult with the respective counterparts in the local authorities. Key issues discussed included the local authorities' regulations and construction by-laws. These will shape the development of the concept design and

bestow ownership of the projects to the Member States and form the basis of feasibility studies.

The projects' needs assessments was concluded in November 2019. It came up with border specific recommendations of the infrastructure to be developed and delivered for both sides of the Chirundu border, Mwami//Mchinji, Kasumbalesa, and Nakonde on the Zambian side.

So far, requirements for the site sketches / preliminary designs have been established based on the stakeholders' needs. This is in addition to identification of products being traded and the size of land acquired. Once completed, the infrastructure will support small scale cross border traders to conduct their business with ease.

The lack of market infrastructure near borders has been a major stumbling block for business interactions between traders and customers. Coupled with poor quality, or absence of storage facilities, this often results in losses especially for perishable stock affecting mainly the women traders who deal primarily with low value products.

The team was led by infrastructure expert at the COMESA Secretariat Ms. Moreblessings Barker and a Senior engineer from the Ministry of Local Government (Zambia), Mr. Orbert Kasemuka.

The COMESA Diary

16-18
Nov 2020

41st Meeting of the Administrative & Budgetary Committee
Organised by: Secretariat Venue: Virtual

17
Nov 2020

Extra-ordinary meeting of the COMESA-EAC-SADC Tripartite Council of Ministers
Organised by: SADC Secretariat Venue: Virtual

23-24
Nov 2020

41st Meeting of the Intergovernmental Committee
Organised by: Secretariat Venue: Virtual

26-27
Nov 2020

41st Meeting of the COMESA Council of Ministers
Organised by: Secretariat Venue: Virtual



Differently Abled Persons find Livelihood in Textile Cluster



Students at the Gellophina Skills Academy

Despite the many challenges being faced in the textile and garment sector in Zambia, differently abled persons in Ndola District in the Copperbelt Province have found their livelihoods in production of garments. This has been made possible through a capacity building programme supported under the COMESA Regional Integration Support Mechanism (RISM).

Gellophina Skills Academy for Persons with Disabilities, is one of the institutions that is now producing garments for sale to the local market. According to the Director, Mrs. Jessy Banda Kapato, people with disabilities are often left out of economic activities hence the formation of the Academy to provide them with alternative means of livelihood.

She was speaking during a visit by a joint team from COMESA and the Zambia Ministry of Commerce, Trade and Industry, the Zambia Leather Industries Association and the Cotton Association of Zambia on 26th October 2020.

Mrs. Kapato, who is a Master Weaver, trained through the RISM Support, said once the facility is fully completed, it will provide training as well as accommodation for the learners on one side and a full-fledged textile production value chain which shall ensure its sustainability.

“The training is effective in empowering learners with disabilities for their self-sufficiency and contribute to the economy,” she said adding that



Jessy Banda Kapato (in blue T-shirt) conducts COMESA team on a tour of the facility

her organization has started building a center of excellence which shall accommodate some of those with disabilities.

RISM Coordinator Mrs. Hope Situmbeko said it was important to bring onboard persons with disabilities to identify themselves among keys players in the textile value chain. She urged the Ndola Textile Cluster to create structures that builds confidence among its members and allows for expansion of capacity to develop products that are attractive to the regional and global markets.

Further, she urged the cluster to create partnerships with other sector players to establish joint production and supply to meet market demand through a value chain approach.

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