



# BIZNET WEEKLY

The Weekly newsletter of the  
COMESA Business Council

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CBC Membership Benefits



### VISION

Building regional,  
going global.

### MISSION

To be the leading private sector organization in Africa, that promotes competitive and interconnected industries to actively participate in regional and global markets through advocacy, business facilitation and enterprise development.

### VALUE PROPOSITION

Recognition in the COMESA Treaty gives CBC access and relevance. CBC is the only regional private sector membership organization in Africa that is formally recognized in the COMESA Treaty as a policy organ that is representative of business.

This means that CBC is not an observer but an active participant in policy formulation processes. This gives it access to COMESA organs thus providing an advantage to influence the highest levels of decision making in the 19 governments.

### Independence, knowledge, wide outreach and power to influence.

CBC is set up with an independent Board of Directors and a General Assembly that is made up of business leaders, associations and regional and international companies. CBC's coverage and outreach is in 19 countries.

### Build linkages, partnerships and knowledge.

CBC represents a large market and helps businesses navigate this market, offering unique services to the private sector in the region.

# Source21

— COMESA International Trade Fair & High Level Business Summit —

“The Hallmark of Quality”

17th - 21st July, 2019

Venue: Kenyatta International Conference Center, Nairobi, Kenya

Visit: <http://comesabusinesscouncil.org/source21/> to register!



The COMESA Business Council and Kenya Manufacturers Association in partnership with COMESA and the Government of Kenya are proud to host the SOURCE 21 COMESA International Trade Fair and High-Level Business Summit. The event will be held under the theme “The Hallmark of Quality”. It will be hosted within the Kenya Trade Week which is led by the Ministry of Industry, Trade and Cooperatives.

The Source21 COMESA High Level Business Summit will be held on the margins of the Trade fair. The event will provide a platform for the public-private engagement on some of the constraint’s businesses face when trading across the region. The event will be graced by His excellency the president of Kenya Mr. Uhuru Kenyatta.

The Source 21 COMESA International Trade Fair has attracted more than three hundred exhibitors from across the region and the globe. During the fair more than five thousand show goers are expected to visit the exhibition stands and have a 1 on 1 with industry players. Highlights of the week include:

- The Presidential Roundtable – Regional heads of state will engage and share best practices and knowledge and to address critical issues in Agriculture, manufacturing sectors
- Launch of the Source21 COMESA Handbook – The handbook is a business facilitation tool to inform businesses, traders, SMEs investors and other the various market opportunities across the COMESA countries.
- Sectoral Roundtables- Industry positions from the various sectors will be drawn during the dialogue to inform policy.

Register today and join great business leaders from the COMESA Region and beyond.

visit <https://source21.cbc-events.com/> and register.

# Source21

— COMESA International Trade Fair —

“Hallmark of Quality”

# Source21 High Level Business Summit Speakers



Mr. Marday Venketasamy -  
Chairperson CBC/ Mauritius Chamber of  
Commerce and Industry



Dr. Amany Asfour  
Immediate Past Chairperson CBC /  
Chairperson EBWA



Mr. Sanchen Gudka -  
2nd Vice Chairperson CBC / President  
KAM



Ms. Phyllis Wakiaga  
CEO- KAM



Mr. Oliver Bastienne- CBC Board Member/  
Seychelles Chamber of Commerce and  
Industry



Mr. Arthur Cousins  
Payments Project Coordinator of the  
SADC



Dr. Sherif Elgabaly  
Chairman - Federation of Egyptian  
Industry



Ms. Isabel Zarza  
MD - Dufry - Africa and Europe



Mr. George Odhiambo  
MD- KCB- Rwanda

# *LSP ZIMBABWE, GREAT SUCCESS!!*



The COMESA Business Council in partnership with the Zimbabwe National Chamber of Commerce (ZNCC) successfully hosted the Local Sourcing for partnerships (LSP) training and capacity building workshops for SMEs on food safety and Standards. The three day capacity building workshop for SMEs ran from 15th to 17th May, 2019 in Harare Zimbabwe. More than 50 local SMEs were part of this impactful training. A number of business linkages were formed with improved sourcing from amongst themselves.

The Ministry of Trade and Industry in Zimbabwe was represented by Director Quality Assurance, Mrs Angelina Katuruza. In her opening statement she emphasized that Encouraging local and regional sourcing in Zimbabwe will contribute to the growth of trade volumes between Zimbabwe and other COMESA member states which is still small. Zimbabwe's total trade with COMESA in 2017 was approximately 330 million US\$, with 220 million US\$ being exports and 172 US\$ Million as imports. She further highlighted that the LSP was a important positive step forward in strengthening the capacity of suppliers on quality standards, that will ensure that our local suppliers are integrated into the supply chains of larger retailers, manufacturers and hotel chains in Zimbabwe and beyond.

During the same event, the CBC CEO Ms. Sandra Uwera added that since the inception of the project more than 620 SMEs were trained in the past five years. Ms. Uwera added on that infrastructural constraints, market access, standards and quality issues and structural constraints such participation is dented by the fragmentation of production cycles particularly in the hands of a large number of fragmented SME's. This should be viewed within the background that Africa at large and COMESA in particular, is pre-dominantly Agricultural based, with 80% of the employment base made up of Small and Medium Enterprises

# LSP ZIMBABWE IN PICTURES



# GERMAN DELEGATION LAUNCHES DUAL VOCATIONAL TRAINING SYSTEM



The Delegation of German Industry and Commerce in Kenya (AHK), through its Skills Expert Project launched the AHK Kenya German Dual Vocational Training System in the Private Sector in Kenya. AHK Kenya a German private sector's connection to strong and positive bilateral business relationships abroad, offering both German companies and Kenyan companies services aimed at fostering and supporting smooth business relations. As of the AHK World Business Outlook Survey (Kenya) results released in fall 2018, a quarter of the German companies operating in Kenya who responded to the survey, ranked a lack of skilled labor as a relevant hurdle to investment and business growth in Kenya operations.

In addition, the Kenya Association of Manufacturers (KAM) Q1 Barometer, 2019, indicates that 63% of the respondent manufacturers intend to increase their labor force in the blue-collar sector. The German dual approach to Technical and Vocational Education and Training (TVET) has grown and proven itself to be successful over the last century in Germany, having made a huge impact of the German economic success.

It is placed to bridge the gap between the increasing need for theoretical and practical knowledge and real world application of these skills in Kenya by providing young people with the right skill set to start a successful career and provides companies with the trained employees needed to prosper and grow. "As AHK Kenya we do not only tell about the success story and relevance of the German Dual Vocational Training to our partners here in Kenya", emphasizes AHK's Country Director Maren Diale-Schellschmidt. "Instead we use a hands-on approach and establish pilot projects with German and Kenyan companies and offer trainings for companies and partners who wish to follow the idea. I am very proud that we can present some our initiatives here today at this launch. I thank those who already started with us in the pilot activities and we hope to inspire more partners to join in," he added. The German unemployment rate stands at below 6%, which is supported by the reality that 50% of school leavers enroll in vocational training provided by companies. Nearly 70% of these apprentices stay to become full time paid staff who work for the organization for most of their career and specialize in their craft. The results are high transferable skill levels and long-term stability. The dual system encourages the direct involvement and ownership of the industry in the educational process as well as institutional stakeholders and partners.

# ***KENYA SETS PACE WITH LAUNCH OF BLUEPRINT FOR DIGITAL ECONOMY***

## Digital Economy



President Uhuru Kenyatta launched Kenya's Digital Economy Blueprint on Tuesday as the second Transform Africa Summit held in Kigali, Rwanda, picked up. According to President Kenyatta, this would serve as an important guide for powering Kenya's economic transformation by technology. "It is intended as a framework to guide us as we accelerate the adoption of digital technologies. I hope all countries will find value in contextualising this framework to their specific ecosystems so as to realise the full potential of our digital transformation," President Kenyatta said.

"In Kenya, the number of active Internet and data subscriptions stood at 42.2 million in 2018, broadband covers more than 45 per cent of the total population and virtually the entire country is linked to the national optic fibre," he added. This move is significant for Africa, considering that Kenya was last month appointed to develop a blueprint for a digital economy on the continent by the Smart Africa Initiative, a continental body in charge of advancing a single digital market in Africa. By launching its own blueprint, the first on the continent, Kenya indicated its potential to meet the objective of being a pacesetter for African countries that are embarking on this digital transformation journey.

The five key pillars of this digital blueprint focus on are: Transforming government service delivery through digitisation, as well as empowering businesses, entrepreneurship, innovation and skills through technology.

### Infrastructure for technology

During the same event, President Paul Kagame stressed that the continent needs to invest more in infrastructure for technology as well as enhance co-operation among African countries to navigate the complex global dynamics that have affected the continent.

In Africa, South Africa ranks first, followed by Kenya, Nigeria and then Ethiopia in digitisation, according to the 2017 Maturity Report by Siemens. Kenya, Rwanda and Uganda as well as Mozambique, Malawi and Senegal have been classified as the strongest innovation achievers in Africa at least five times in the last six years, according to American think-tank Brookings Institution.

<https://www.theeastafrican.co.ke/business/Kenya-sets-pace-with-launch-of-blueprint-for-digital-economy/2560-5121056-clnfeb/index.html>

# ***DROUGHT FORCES ZAMBIA TO START POWER CUTS***



Zambia will start electricity-supply restrictions immediately after one of the worst droughts on record caused plunging water levels at the hydropower dams it relies on for almost all its supplies, the state-owned power utility said.

“In view of the power deficit, Zesco Ltd. intends to commence load management to restrict supply,” the company said in a notice dated May 17. It didn’t provide details as to how severe the shortage is, and will meet stakeholders from Wednesday to brief them on the deficit, according to the notice.

The electricity shortage will deal another blow to the economy of Africa’s second-biggest copper producer that’s already forecast to expand at the slowest pace in 21 years in 2019. Zambia is grappling with a mounting debt burden, a currency that’s the world’s second-worst performer this year, and tensions with the mining sector it relies on for more than 70% of its foreign exchange earnings. Copper producers including Vedanta Resources Ltd. and First Quantum Minerals Ltd. use more than half of Zambia’s electricity supply.

Water levels at the Kariba hydropower dam that straddles Zambia and Zimbabwe receded to 32% by May 20. At the same time last year, it was 77% full and still rising. Flows of the Zambezi river that feeds it are less than a quarter of what they were a year ago, and comparable to those in 1995–96, which were the lowest in 50 years of records, according to data from the two governments.

Zimbabwe also deepened power rationing this month partly because of the dropping water levels at Kariba, the biggest source of electricity for each of the neighboring countries.

<https://www.bloomberg.com/news/articles/2019-05-22/zambia-to-start-power-cuts-as-hydropower-dam-levels-plunge>

# *UGANDA BANS SMALL CARGO IMPORT BROKERS*



Uganda has banned brokers from handling consolidated cargo to shield small traders from exploitation and seal tax evasion leaks. Consolidated cargo is small quantities of products and parcels belonging to several traders who pool together to ship their goods in one consignment. The Uganda Revenue Authority said small traders have become victims of exploitation and some have even lost their cargo to unscrupulous middlemen. The taxman has also lost out on revenue due to under-declaration and concealment while Uganda has witnessed a surge in counterfeits and contraband goods.

By introducing these tough measures on importation and clearance of consolidated goods, Uganda is following in the footsteps of Kenya, which last year issued directives on importers of consolidated cargo who must now be registered and the cargo inspected at the country of origin. The policy seeks to weed out smugglers and cartels who use the port of Mombasa as an entry point for contraband goods.

East Africa has become a hotbed of illicit trade, with Uganda and Tanzania estimated to lose \$1.4 billion and \$1.5 billion respectively while Kenya loses over \$350 million through illicit trade. Kenyan manufacturers lose \$500 million in revenues and about 40 per cent of their market share to counterfeits. Uganda's Commissioner of Customs Dicksons Kateshumbwa said the new directives will also see shipping charges stated clearly and transparently to protect traders from exorbitant charges. He said a joint industrial average study showed shipping charges from port of entry to the final destination in Uganda should range between \$100 and \$150 and any variation should be disclosed to the importers. The rules also prohibit consolidation of cargo in one container for importers from different countries.

<https://www.theeastafrican.co.ke/business/Uganda-bans-small-cargo-import-brokers/2560-5120828-degy5/index.html>

# ***EGYPT TAKES FURTHER STEPS TOWARD INCLUDING INFORMAL BUSINESSES IN ITS ECONOMY***



Serious and swift actions to integrate the shadow economy in the official one are being made in Egypt. Prominent officials at the Ministry of Finance revealed May 6 that during its May 6-20 visit to Egypt the International Monetary Fund mission revises the reports on the performance of the Egyptian economy, including the government's plan to integrate the informal sector into the formal economy.

Minister of Finance Mohamed Maait said during a May 7 press conference at the ministry's headquarters that the Egyptian government has finalized the drafting of a bill regulating micro, small and medium-sized enterprises to ensure the integration of the informal economy into Egypt's official one. A well-informed source at the Ministry of Finance, who declined to be named, told Al-Monitor that the government will submit the bill to parliament soon to allow the latter to discuss and ratify the bill, whether as is or after adding amendments. The source refrained from giving further information.

The shadow economy refers to all business activities and enterprises — mostly micro, small and medium-sized enterprises — that operate under the state's radar, contrary to the laws in force and without declared profits calculated in the gross domestic product (GDP). Thus, they are neither subjected to quality control nor tax supervision. A shadow economy is common in developing countries such as Egypt, and mostly includes restaurants, street food carts, street vendors, vendors in informal markets and unlicensed factories.

here are different estimations as to the volume of Egypt's shadow economy. Tarek Tawfik, chairman of the Federation of Egyptian Industries, noted April 15 that the shadow economy makes up 50% of the total Egyptian official economy. Former Prime Minister Sherif Ismail said at a press conference in November 2017 that the informal economy consists of 22% of Egypt's official economy worth 8.2 trillion Egyptian pounds (roughly \$481 billion). The state is giving special attention to the integration of the shadow economy enterprises into the official economy system. President Abdel Fattah Al- Sisi called on May 16, 2018, all parts of the informal economy to join the formal one by legalizing their statuses, offering them a five-year exemption from all taxes and tariffs in return.

Read more: <https://www.al-monitor.com/pulse/originals/2019/05/imf-reviews-reports-reforms-include-shadow-economy-official.html#ixzz5oYwiWRNI>

# ***ITC PARTNERS WITH STATE AGENCIES TO TRANSFORM RWANDAN E-COMMERCE***



E-commerce firm operating in Rwanda stand to benefit from improved skills and solutions following an intervention by Rwanda Information Communication Technology (ICT) Chamber, the Ministry of Information Communication Technology and Innovation, the Ministry of Trade and Industry, and the International Trade Centre. The four entities signed an agreement on the side-lines of the Transform Africa Summit aiming at sustainable solutions for doing business through e-commerce.

Among other impacts the intervention seeks to ensure sustainability by training small firms through the Digital Business Institute, an initiative of the Rwanda ICT Chamber. According to the agreement, the Chamber will manage ITC-trained coaches under their umbrella and deploy their services to vendors in need for e-commerce expertise. The initiative also seeks to build the confidence of e-commerce players through certification as trusted eCommerce vendors, therefore opening more sales opportunities for them.

In order to best support businesses in their e-commerce journey and to create a sustainable environment for them, IT companies will be trained on advanced software solutions for e-commerce website development and online promotion. Further support is through the partnership of the Ministry of Trade and Industry, in partnership with GIZ and the International Trade Centre, to market goods and services online as well as technical expertise.

Statistics show that only a small number of Small and Medium Enterprises (SMEs) in Rwanda have adopted online business practices as majority continue to struggle. While businesses in Rwanda are reported to have online access, which presents enormous opportunities for e-Commerce, E-Commerce transactions are still very low. This has among other reasons been attributed to low skillsets among a majority of e-commerce operators in Rwanda. The United Nations Conference on Trade and Development (UNCTAD)'s 2017 Information Economy Report indicates that the value of global e-commerce increased to an estimated \$25 trillion in 2015, up from \$16 trillion in 2013.

Meanwhile, McKinsey, an American worldwide management consulting firm that conducts qualitative and quantitative analysis to evaluate management decisions across public and private sectors, estimates that e-Commerce will account for \$75 billion in Africa by 2025 from \$16 billion in 2017. However, the prospects are quite promising, given the rapid rise in internet penetration and a raft of initiatives by government to boost e-Commerce. Read more: <https://allafrica.com/stories/201905170126.html>

# MEMBERSHIP BENEFITS

1

Advocacy excellence in the region – influence decisions at the highest levels of policy decision makers in COMESA.

2

Regional brand recognition as a business through CBC

3

Market intelligence and analysis to inform trade, investment and joint venture decisions.

4

Increased partnerships in regional and global markets.

5

Business facilitation in regional and global markets through trade promotion, linkages and advisory services

6

Industry collaboration through CBC memberships for efficiency and sustainability of enterprises and associations.



## Our Important Links

- <http://comesabusinesscouncil.org/>
- <http://comesabusinesscouncil.org/Account/Login>
- [http://comesabusinesscouncil.org/Content/web/documents/news-media/2016\\_CBC\\_Inst\\_Report.pdf](http://comesabusinesscouncil.org/Content/web/documents/news-media/2016_CBC_Inst_Report.pdf)
- <http://comesabusinesscouncil.org/Home/AboutUs/Membership>

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**Building Regional Going Global.**