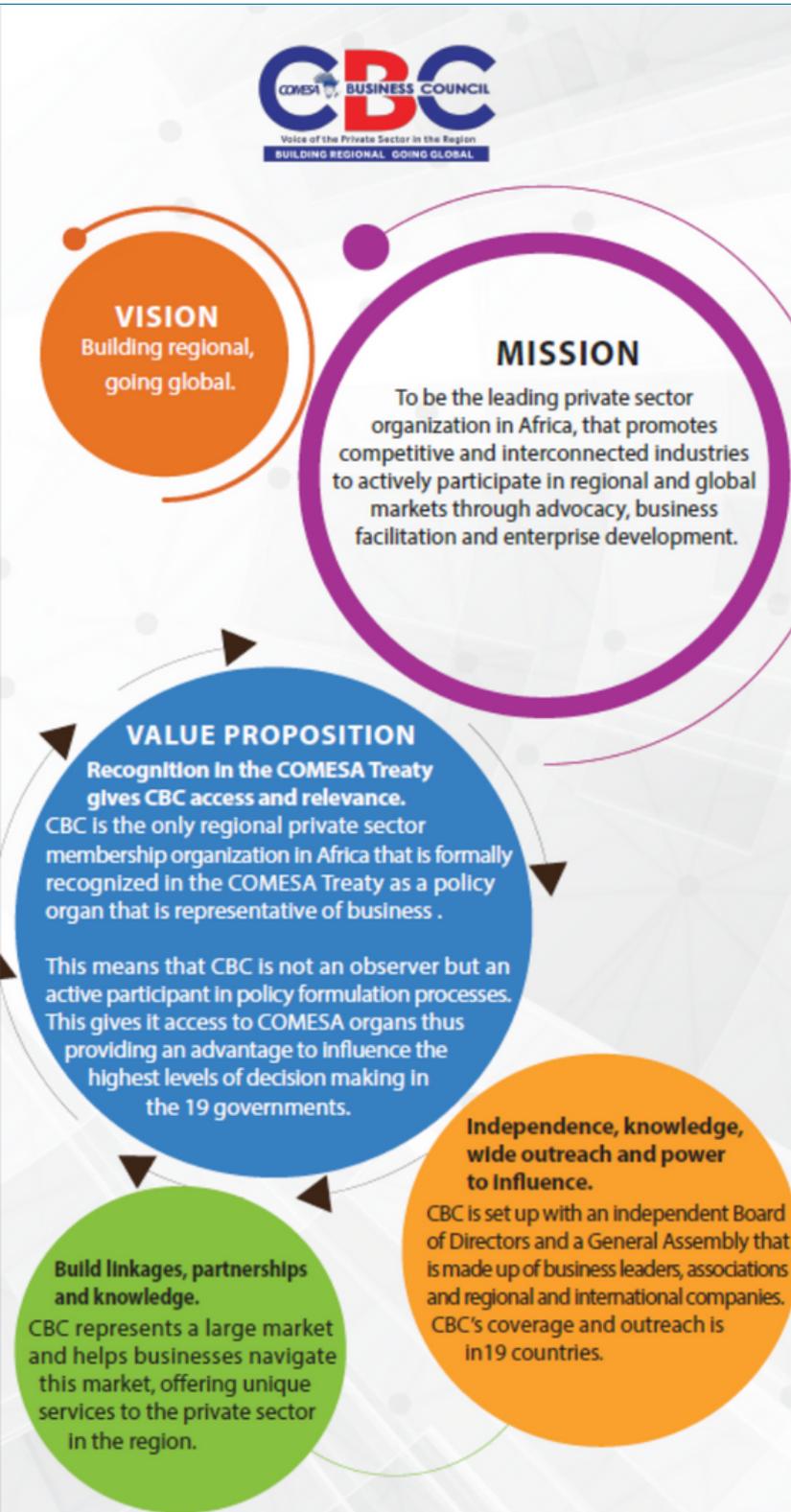


News Updates from the COMESA Business Council - 21 October, 2019.



About CBC

CBC is the recognized Business Member Organization, established as a private sector institution of COMESA. We represent the interests of businesses sectors at a regional level. The services provided go beyond advocacy, to actively promote business participation in regional integration, investment and global trade. This is done by facilitating the growth of strong business synergies, the development of business opportunities, business alliances, legislative and strategic advocacy. We provide custom tailored services that are driven by both industry and enterprise interests.

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KAGAME LAUNCHES PHONE FACTORY IN RWANDA

Rwandan President Paul Kagame officiate the launch of Mara Phones manufacturing plant, which will make smartphones in the country.

The first ‘made in Rwanda’ phones rolled off the assembly line last week, the presidency said, through a partnership with Mara Group.

“The Mara Phone joins a growing list of high-quality products that are made in our country. It is another milestone on our journey to high-tech, ‘made-in-Rwanda’ industry,” President Kagame said.

In a series of tweets from the presidency, Kagame was quoted saying: “The introduction of Mara Phones will put smartphone ownership within reach of more Rwandans.”

Read more on <https://www.theeastafrican.co.ke/business/phone-factory-in-Rwanda/2560-5302266-j2nkkw/index.html>;



CII-EXIM BANK REGIONAL CONCLAVE ON INDIA AND SOUTHERN AFRICA.



The Confederation of Indian Industry partnered with the COMESA Business Council and other organisations in hosting the CII-EXIM Bank Regional Conclave on India – Southern Africa Project Partnership. The meeting was held at the Taj Pamodzi Hotel, Lusaka on the 14th to the 15th October, 2019.

The main objective of the gathering was to strengthen India – Southern Africa Developmental Partnership and to identify special projects for countries in Southern Africa and establish stronger links with the region’s business community.

The Conclave targeted participants from various sectors in Zambia and the region.

The event held various rounds of interactions with government officials from partner countries, multilateral institutions, business community, exporters, banks, Indian business diaspora and other stakeholders with a view to identifying business, trade and investment opportunities for Indian entrepreneurs.

During the panel session, CBC CEO Ms. Sandra Uwera introduced COMESA as trading a bloc with 21 member states covering a total area of 11, 74 million square kilometres, with a total population of 557 million people as at 2018. COMESA’s global exports were at 113 billion US\$ and global imports were 196 billion US\$. Intra COMESA exports were at 10.28 billion US\$.

She further highlighted that Africa and India have social and economic relations dating back many centuries. The Deepening relations have been reflected in the patterns of trade and investment, as well as people-to-people interactions, cultural exchanges and cooperation at the continental and at the regional and bilateral levels. Trade and investment relations have witnessed strong growth in the recent past, reflecting expanding economic opportunities in both Africa and India.

During the event the COMESA Business Council and the Confederation of Indian Industry signed an MoU that will enable the two parties to work together in areas of trade investment promotion.

Visit: www.indiasdaconclave.com for more details.



RUSSIA COURTS KENYA FOR NEW BUSINESS, TRADE DEALS



President Uhuru Kenyatta with Russia's Senate Speaker, Valentina Matviyenko, when she paid him a visit at State House, Nairobi last year. Russian President Vladimir Putin is set to meet again with President Uhuru Kenyatta this October as Moscow woos Kenya, which it deems a strategically important bilateral partner in the East African trading bloc. Mr Kenyatta has been invited for the Russia-Africa political summit and the accompanying Russia-Africa Economic Forum on October 23-24 2019 in Sochi, Russia. Top ranking foreign affairs officials in Nairobi confirmed the attendance following Mr Putin's invitation.

"Yes Kenya will be going," Foreign Affairs Principal Secretary Macharia Kamau told the Business Daily. Mr Kamau said Kenya will be eyeing deals across various sectors, including medicine, blue economy, aeronautical and space engineering. Mr Putin is expected to engage Mr Kenyatta and other African leaders to beef up trade and investment deals with Kenya and African states during the meeting. International relations experts say that Moscow is keen to re-establish its old Soviet ties with African states and buy influence in the continent as it presents itself as the alternative to perceived "self-interested" colonial powers such as the United Kingdom and the United States.

"Russian President Vladimir Putin seems to have new aspirations in Africa to restore his country to strong power status, spurred by concerns that China, India, Brazil and especially the United States are intensifying their involvement in Africa," says Aruuke Uran Kyzy, a researcher at the TRT World Research Centre, a global policy institute.

Russian Arms

Oil-rich Russia's banks and firms have invested billions of dollars abroad since the fall of the Iron Curtain. Kenya purchases a significant amount of Russian arms and has been exploring its market for its bulk tea. Moscow says it wants to scale up the level of trade with Nairobi. It is, however, contending with huge gaps in data on Africa and near entrenched influence from new players like China as well as its traditional rival, the US.

Igor Ivanovich Shuvalov, the chairman of Russian State Development Corporation (VEB.RF), says Kenya could tap Russia's demand for horticulture and its tourism market. "This is a big opportunity Kenya can take advantage of," Mr Shuvalov says. Total exports from Russia to Kenya jumped 8.16 per cent to Sh22.37 billion in 2018, up from Sh20.68 billion in 2017, according to the Russian Export Centre. Conversely, Kenya's exports to Russia stood at Sh12.85 billion last year.

The director of the Russian Export Centre, Andrey Slepnev, says the centre will support expanding trade between Nairobi and Moscow. He says Kenya can benefit from Russian expertise in drilling equipment, medicine, food, as well as infrastructure projects. The centre says it supported the import into Kenya of Russian goods valued at Sh14.2 billion.

Mr Kenyatta has in the past said Kenya wants to strengthen ties with and "to grow new markets that focus on the East." "It could also be a source of non-debt creating investments in key areas, such as rail, aviation, healthcare, and petrochemicals," Dr Oramah says. Russian Prime Minister Dmitry Medvedev challenged African leaders gathered for the annual meeting of the Afreximbank to take advantage of opportunities for trade with his country. Russia became a shareholder of Afreximbank two years ago. "The Government of the Russian Federation will do everything in our power to make our partnership a success," said Mr Medvedev.

<https://www.businessdailyafrica.com/economy/Russia-courts-Kenya-for-new-business--trade-deals/3946234-5304344-njw0b3/index.html>

BANK OF UGANDA CUTS POLICY RATE TO 9 PER CENT FOR OCTOBER 2019



Uganda's Central Bank has cut its policy rate by 100 basis points to nine per cent after keeping it at 10 per cent since October last year. The action signals the Bank of Uganda's intentions to stimulate growth by making credit more affordable. This rate cut is expected to be of relief to businesses facing a cash crunch in funding operations or expansion. Businesses are also struggling with low sales and reduced household spending, which can also get a fillip from the rate cut through consumer lending.

"This policy move is expected to boost already high liquidity levels in the banking sector and this will eventually accelerate credit growth and real economic activity," said Adam Mugume, Executive Director for Research at Bank of Uganda (BoU). The cut deviated from the soft monetary policy adapted since last year which led to slight reductions in interest rates and increased liquidity levels in the local interbank market, a window used by commercial banks to fix temporary cash flow problems.

However, growth in lending to the private sector is still below the peak 20 per cent of 2009 and 2011. "The economy continues to grow but at a slowing rate. Economic activity seems to have slackened in the first half of 2019 compared to the second half of 2018," the Bank of Uganda said in the latest monetary policy statement. Besides the signal from the lower CBR, more lending could be unlocked as banks cut borrowing rates on the back of reduced funding costs in their operations.

A drop in the key policy rate usually leads to declines in benchmark interest rates incurred by banks seeking short term funds for their operations and this in turn, yields discounted borrowing rates charged by lenders. However, it carries the risks of capital flight among offshore investors discouraged by lower interest rates and depreciation of the local shilling against the US dollar.

"We do not expect the rate cut to affect the exchange rate negatively due to offshore investor actions. "Besides, the yields on Uganda government debt remain more attractive compared to other African markets except for Nigeria and Ghana that also bear some currency risks," said Dr Mugume.

The proportion of offshore debt holdings has dropped to about Ush1 trillion (\$269.6 million) out of Ush17 trillion (\$4.58 billion) in outstanding treasury bills and bonds. However, sector players were more cautious.

"I feel the Central Bank wants to compel commercial banks to increase their lending levels despite significant liquidity seen in the interbank market. I also feel the exchange rate may suffer for some time due to the policy rate cut," noted Phillip Sendawula, Chief Finance Officer at Exim Bank Uganda Limited.

Read more: <https://www.theeastafrican.co.ke/business/Bank-of-uganda-cuts-policy-rate-for-october-2019/2560-5303032-s04c77/index.html>

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ABIY AHMED, ETHIOPIA'S PRIME MINISTER, WINS 2019 NOBEL PEACE PRIZE



The Prime Minister of Ethiopia, Abiy Ahmed, who forged a peace deal with Eritrea last year, has won the 2019 Nobel Peace Prize. The award recognised Abiy's "efforts to achieve peace and international cooperation, and in particular his decisive initiative to resolve the border conflict with neighbouring Eritrea", said Berit Reiss-Andersen, the Norwegian Nobel committee's chair. One of Abiy's biggest achievements since coming to power in April last year was the peace deal signed three months later, which ended a nearly 20-year military stalemate with Eritrea following their 1998-2000 border war.

Abiy has also pushed through reforms at home, dramatically changing the atmosphere in what was regarded as a repressive state. His public renunciation of past abuses drew a line between his administration and those of his predecessors, as did the appointment of former dissidents and large numbers of women to senior roles. Abiy said: "I am so humbled and thrilled ... thank you very much. It is a prize given to Africa, given to Ethiopia, and I can imagine how the rest of Africa's leaders will take it positively to work on the peace-building process in our continent."

Other figures who were considered in the running for this year's prize included the 16-year-old Swedish climate activist Greta Thunberg, Angela Merkel, the German chancellor, and Hong Kong pro-democracy activists. Ninety-nine Nobel peace prizes have been awarded since 1901, to individuals and 24 organisations. While the other Nobel prize laureates are announced in Stockholm, the peace prize is awarded in the Norwegian capital, Oslo. Abiy, 43, a former military officer specialising in cyber intelligence, has forged a reputation as a daring leader prepared to take risks to tackle decades-old problems.

The peace deal with Eritrea surprised and delighted tens of millions of people across East Africa. The conflict had cost both countries dearly in lives and scarce resources, and was a brake on development across much of the volatile region. The Nobel committee acknowledged that "peace does not arise from the actions of one party alone". It said that when Abiy "reached out his hand, President Afwerki [of Eritrea] grasped it, and helped to formalise the peace process between the two countries".

More recently Abiy played a key role in brokering a political deal in neighbouring Sudan that halted a slide into violence after the fall of Omar al-Bashir, while retaining many of the gains made by pro-democracy protesters.

"This milestone has opened up new opportunities for the region to enjoy security and stability, and Prime Minister Ahmed's leadership has set a wonderful example for others in and beyond Africa looking to overcome resistance from the past and put people first," Guterres said. Abiy, who often relies on bold personal initiatives and charisma to drive change instead of working through government institutions, is the country's first leader from its largest ethnic community, the Oromo, who have long complained of economic, cultural and political marginalisation.

Domestic reforms have included lifting bans on political parties, releasing imprisoned journalists and sacking a number of previously untouchable officials, some of them accused of torture. Abiy also appointed women to half the ministerial posts in his cabinet

KENYA TO HOST US- EAST AFRICA BUSINESS SUMMIT AS US MOVES TO TAP INTO AFRICA'S SINGLE MARKET



The American Chamber of Commerce (AmCham) Kenya annual Business Summit will be held in Nairobi on November 4 - 5, 2019. The Summit, now in its second year is held in partnership with the Kenya and U.S. governments as well as the U.S. Chamber of Commerce and serves as an engagement platform for the U.S. and the greater East Africa region to focus on strengthening two-way, enterprise driven, trade and investment, forging long-term economic ties and mutual prosperity.

“The Summit is an opportunity to present and discuss realistic, feasible, collaborative measures and ways in which American and local businesses can leverage the numerous opportunities available in the various sectors of the economies of the region and the U.S. for mutual benefit.” AmCham Kenya Board President Phillipine Mtikitiki said. The focus on East Africa in this year’s Summit is based on growing interest in the region as a single market and will see the participation of not only the host country, Kenya, but will also include representation from Tanzania, Rwanda, Uganda and Ethiopia. The program will feature doing business in-country forums, in addition to in depth sector forums on manufacturing, agribusiness, infrastructure, energy, health and the digital economy. Match making sessions within the program will also offer businesses opportunity to engage, transact, initiate and close deals.

Speaking on this and the importance of the U.S. – East Africa commercial engagement in driving growth and prosperity, the AmCham Kenya Chief Executive Officer, Maxwell Okello, noted, “The Summit provides a platform for direct business to business engagement. This enables partnerships to develop and transactions to take place, expanding markets and catalysing business growth which is the key to job creation and economic prosperity”. Kenya continues to attract American enterprises looking to access the region with the latest entrants being: Cigna, a leading American health services organization that has set up its regional offices in Nairobi; Abbott Laboratories, also an American health giant that has set up regional offices in Nairobi; Corteva, a major American agricultural chemical and seed company now with regional offices in Nairobi and the American Tower Corporation poised to become the biggest private tower operator in Kenya apart from Safaricom.

In 2018, over 500 delegates representing a mix of 140 U.S. and Kenyan companies participated in the AmCham Summit. In attendance were also 70 U.S. government representatives and business leaders including members of the President’s Advisory Council on Doing Business in Africa (PAC-DBIA) who were visiting Kenya on a fact-finding mission. Six commercial deals between Kenya and the U.S. worth Kshs 10.3 billion (US\$100million) were signed during the Summit witnessed by His Excellency the President of the Republic of Kenya, Uhuru Kenyatta and the former Under Secretary of Commerce for International Trade, U.S. Department of Commerce, Gilbert Kaplan.

<https://www.pulselive.co.ke/bi/politics/kenya-to-host-us-east-africa-business-summit-in-november/nyjmx0>

BURUNDI NEW FOREX LAWS HURT TRADERS



As Burundi's central bank cracks down on forex bureaus that have been selling dollars at twice the official rate, small scale traders are finding it difficult to find the foreign currency. When the political crisis erupted in 2015, the forex rate almost doubled, with the dollar exchanging at Bfi3,050 (\$1.65) against an official rate of between Bfi1,700 (\$0.92) and Bfi1,800 (\$0.97). "We don't mind the high rates, but the issue is getting the dollars so that we can travel to keep our businesses afloat," said a trader in Bujumbura.

Scarcity

According to the trader, the central bank's move means that forex bureaus will not be readily selling dollars, thus creating scarcity and an even higher black market rate. The Bank of the Republic of Burundi (BRB) does not have enough foreign currency to satisfy the market despite imposing tough measures on private forex bureaus "If I was to walk into the central bank today to buy dollars, they won't have enough. So how are we expected to import goods?" the trader asked. The regulations had been in place since June 2010.

In September, BRB asked all forex bureau operators to purchase software worth Bfi2 million (\$1,081) "that will help the central bank to follow closely the bureau's activities in efforts to comply with the central bank's exchange rate," said Jean Ciza, the central bank governor. The government also announced that forex bureaus will have to increase their capital to Bfi100 million (\$54,054) from Bfi50 million (\$81,081). The operators are also expected to provide receipts for all exchange transactions, and must be registered with an association of forex bureaus.

"The daily withdrawal of foreign currencies has also been reduced from \$3,000 to \$500 per day, so whoever exceeds the amount will have to justify it and get permission to do so," said Mr Ciza in his announcement. The amount changed should not exceed \$3,000 per month. The bureaus were given one year to comply with the new regulations.

<https://www.theeastafrikan.co.ke/business/Burundi-new-forex-laws-hurt-traders/2560-5304690-72t92iz/index.html>

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Contact Person: Lukas PACHE
Products to sell: Essential oils

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Email: sales@twineandcordage.co.zw ;
Web: www.twineandcordage.co.zw
Contact person: Mr Salie Khan
(salie@twineandcordage.co.zw)
Products: Twines, ropes, cordage and nets

UPCOMING TRADE FAIRS IN COMESA

DRC

DRC Mining Week
June 2020
Tel: (+27) 21 700 3500/ (+27) 21 700 3588
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Focus: Mining sector

ETHIOPIA

Pan African Trade & Investment Expo
19 – 22 March 2020
Email: exhibit@panafricanexpo.com
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Focus: Multisectoral

ZAMBIA

Agritech
2-4 April 2020
Tel: +27 21 001 3865
E-mail: Dominique.Lauwere@spintelligent.com
Website: www.agritech-expo.com
Focus: Agricultural inputs, implements and produce

KENYA

Kenya International Trade Exhibition
18 – 20 November 2020
E-mail: info@kicc.co.ke
Website: /
<https://www.expogr.com/expokenya/>
Focus: Multisectoral

ZIMBABWE

Zimbabwe International Trade Fair - Bulawayo
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Website: www.zitf.net
Focus: Multisectoral

ZAMBIA

Zambia Agricultural & Commercial Show
July/August 2020
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Focus: Multisectoral

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