BizNet
NEWSLETTER

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TRANSITIONING TO RENEWABLE ENERGY FOR MORE RESILIENT ECONOMIES

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COMESA Business Council Onboards New Members

The competitiveness of the private sector in regional integration depends on the strength of the business community at national level. As such, the COMESA Business Council (CBC) provides business facilitation services to its members with the objective of enhancing business participation in regional trade and investments.

In this regard, CBC has over the years partnered with the private sector organisations in the region, including the National Chambers of Commerce, Corporates, Associations and Small Medium Enterprises, towards strengthening business collaboration.

As a key step to advancing this objective, CBC is privileged and honoured to bring on board new members towards the promotion of private sector competitiveness in the region. United Bank Africa and Standard Chartered Bank are strategic partners of CBC in accelerating access to Digital Financial services in the region. The two financial institutions will be integrated into other regional corporates from the digital, telecommunication and information services towards advancing the digital and ICT services industry in terms of business networks and partnerships, advocacy capacity and engagement with regulators and policy makers to improve the performance of the sector in the COMESA region.

At the same time, CBC is delighted to forge collaboration with Copperbelt Energy Corporation (CEC), a company that engages in trading electricity within the Southern African region towards accelerating energy supply within COMESA to spur economic growth in the continent.

Trade Kings Groups is one of the largest manufacturing companies in Zambia, with existing markets in countries such as Tanzania, Zimbabwe, and Malawi. Through CBC membership, Trade Kings joins similar industries in the manufacturing sector that engage in collaboration towards mutual agenda in promoting regional integration.

Discover how you can also become a member of CBC and leverage numerous opportunities to expand your business in the COMESA Region; info@comesabusinesscouncil.org

Global Challenges: The Paradigm Shift in Business Decision-Making Process

Teddy Y. Soobramanien
CBC Chief Executive Officer

Traditionally, most businesses based their decisions on cost saving strategies, efficiency imperatives, and profit motives. This decision-making process should evolve rapidly with current global challenges that directly impact our daily lives.

Climate change, world geopolitical tensions, and rapid technological advancement in the Artificial Intelligence (AI) sector are some of the factors compelling us to re-think our approaches and processes. These factors are critical in decision-making processes of businesses.

Corporate Social Responsibility (CSR) has gradually gained prominence in recent decades. Today, CSR is widely used to promote corporate engagements and values. The changing global realities, however, compel the business and corporate world to go beyond the traditional cliché of CSR and public image building to incorporate specific environmental and societal elements into their core decision-making processes. Generally, in open economies, the state allows the business community to conduct their activities with minimal interventions, where necessary. The state sets the broad policy environment for the business community to thrive, take care of global issues, and, through diplomatic interventions, manage the byzantine complexity of geopolitics. Following the changing realities, the corporate world is directly facing global challenges and works hand-in hand with the state to mitigate these challenges. Equally, the state needs the business community to play an active role in enabling it to achieve its set goals.

We are living in a climate change era. Access to certain markets and product competitiveness are determined not solely by cost consideration, but by many other factors, including compliance with environmental regulations and social norms.

Consumers are now adapting their habits to environmentally friendly products and ecologically friendly forms of production. Recycling products and waste and engaging in a circular and green economy are steadily becoming the societal norms of good practices. The energy crises in many parts of the world have compelled firms to turn to new sources of energy that are greener and more efficient. The Schumpeterian view of development and growth still holds, especially in relation to the role of innovation in entrepreneurs' decision-making processes, but the need to factor in greater components of consumer preferences and societal aspirations is inevitable.

Technological advancement is affecting the ways of production, communication, transaction, and payment. Satellite technology is used to increase agricultural productivity, prepare for climate change conditions, and manage risks. Digitalisation is connecting the world like never before, empowering the younger generation to learn and trade online. The hitherto inaccessible remote corners of the globe are now within reach and will benefit both the business community and consumers. AI and quantum technology are breaking new ground, pushing the limits of human capabilities to greater heights. Nonetheless, as technology progresses, there is need for our social protection fabrics–consumer and data protection, regulations in the field of AI, for example. Businesses will have to adapt to new environments.

The COVID-19 pandemic and the war in Ukraine have created major disruptions in the global supply chains and highlighted the importance of building resilience in the event of such global shocks. Many businesses are now diversifying their sources of raw materials and channelling their products to new markets. Managing risks and identifying alternative sources have become key ingredients in the decision-making process. Regional proximity, building ties at all levels, economic and social stability are key considerations in business decisions.

While the COMESA Business Council continues to promote a regional trade integration agenda and advocate for its members, working in areas which will help them adapt to change, develop new ways of doing business, embrace new technologies, and build resilience are becoming key priorities for CBC leadership.

Watch this space for CBC's new initiatives and enjoy this issue of Biznet in the meantime.

Propagating Greater Financial Inclusion for Women and Youths in the COMESA Region Through Digitalization

Micro and Small Medium Enterprises (MSMEs) account for approximately 90% of Africa's economy and employ 70% of the continent's total population, a large proportion of which is not connected to and lacks the technical skills for using digital infrastructure.

According to the 2021 Business Case for a Regional Digital Retail Payments Platform, about 400 million adults in Africa, 60% of whom are women, remain financially excluded. Failing to provide financial services to millions of African adults limits their opportunities to escape from poverty and increases their vulnerability to economic shocks. As a result of this, MSME's are constrained, since they need access to buyers, information on products, pricing knowledge, standards requirements, buyer-seller relationships that are sustainable, and professional online interface with potential buyers.

The COMESA Business Council (CBC) is making efforts to address this challenge by implementing a Digital Financial Inclusion (DFI) program that supports the design, development, and deployment of a low-cost, interoperable, and fraud resistant integrated regional digital financial services infrastructure. The program, whose main focus is women and young people, serves MSMEs and enables customers to transact at the bottom of the financial pyramid.

As a key step towards actualising the objectives of this project, CBC recently launched an e-Academy, an online learning portal aimed at stimulating the entrepreneurial efficiencies and enterprise competitiveness of MSMEs in the region, to drive more intra-COMESA trade.

The e-Academy platform provides numerous opportunities that MSME's can harness to: enhance financial literacy, skills in sales, and negotiation; product e-marketing; business plan development; and also support their participation in e-Commerce.

The platform seeks to address challenges experienced by informal cross-border traders including: little or no knowledge, lack of transparent digital transactions, and affordable, secure, and accessible formal working capital.

It is anticipated that the DFI project will result in the growth in volume of cross-border transactions, financial inclusion, increased visibility of African products within regional markets, and the participation of MSMEs in regional trade, thus reducing the level of deficit in intra-trade in the region (quote).

Unlock your trade potential by getting in touch with us and discovering more about how you can optimise and leverage the opportunities of our e-academy platform.

Access the e-Academy Portal on https://elearning.comesabusinesscouncil.org/

Building Resilience and Sustainable Economies Crucial in the COMESA Region Post Covid-19 Era – 16th COMESA Business Forum

CBC President, Marday Venkatasamy, presenting a Business Declaration during the COMESA Heads of State Summit in Lusaka, Zambia.

There is need to address the main bottlenecks to trade, investment and industrialisation through the development of regional value chains and digitally delivered services.

During the 16th COMESA Business Forum, the Common Market for Eastern and Southern Africa (COMESA), the Government of Zambia and the European Union, in collaboration with the COMESA Business Council agreed on the importance of developing strategic domestic policy actions, towards ensuring prosperous and resilient economies. The Forum, themed "Economic Integration for A Thriving COMESA Anchored on Green Investment, Value Addition and Tourism", engaged the public and private stakeholders in developing solutions aimed at propelling and transforming Member States into competitive and sustainable economies. This will be done towards the post COVID-19 era expansion of regional and global trade and investment.

COMESA Member States were given the opportunity to explore ways of accelerating their recovery post COVID-19 through green investment, value addition, tourism, and the implementation of the AfCFTA.

The emergence of Coronavirus at the end of 2019 dealt a major blow to the global economy, resulting in an economic recession in 2020, when the real GDP declined by 1.8% for the first time in over 25 years. Recent FAO estimations show that the continent witnessed its worst economic downturn that left many people in extreme poverty, increased the new poor by 55 million, and added 46 million people onto those at risk of hunger and undernourishment. Furthermore, the war in Ukraine has worsened the food and nutrition security situation of several African countries.

Notwithstanding the global shocks, Africa's real GDP growth rebounded in 2021. According to the African Development Bank's 2023 African Economic outlook for, despite the convergence of multiple shocks, growth across all the five African regions was positive in 2022, while the 2023/24 outlook for is projected to be stable.

The report suggests that the continent performed better than most world regions in 2022, with five of the six pre-pandemic top performing economies projected to reclaim their position among the world's 10 fastest growing economies in 2023/24.

While this rebound is reassuring, indications are that the external environment remains precarious and may remain this way for some time given the evolving geopolitical tensions.

A key output of the Forum deliberations was the COMESA Business Declaration, which made the following strategic recommendations:

Member States to develop national policy frameworks for the green economy that support low carbon development, with strategies that build resilience, promote green investment, and enhance social inclusion and sustainable livelihoods.

Member States to support the ongoing efforts on the implementation of the Regional Digital Retail Payment Platform for Micro, Small and Medium Enterprises (MSMEs) in COMESA.

Member States to establish the COMESA Medicine Agency to improve access to quality healthcare services and affordable, safe, and quality medicines and vaccines.

Member States to fast track the ratification process of the Tripartite Free Trade Area Agreement (EAC, SADC and COMESA). More Member States to implement the COMESA Simplified Trade Regime (STR) to promote cross-border trade for small-scale cross-border traders, including women and young people, in order to drive their formalisation and enable them to benefit from the regional preferential treatment when importing or exporting goods within the region.

During the COMESA Heads of State Summit, President of the Republic of Zambia H.E. Mr. Hakainde Hichilema, took over chairmanship of COMESA from the President of the Arab Republic of Egypt Mr. Abdel Fattah El-Sisi.

Follow this link for a full report highlighting the deliberations of the 16th COMESA Business Forum.

Transitioning to Renewable Energy for More Resilient Economies

Sub-Saharan Africa has 66% of the 600 million people who have no access to electricity. The region has an abundance of renewable energy resources, with Africa constituting 16% of the world's population.

Although over the past decade, the world has experienced a boom in renewable energy investment, Africa has only managed to attract 2% of the global renewable energy investment, a report on the Needs and Market Assessment Off-grid Renewable Energy in the COMESA and the Eastern and Southern African Trade and Development Bank region states.

World Bank Senior Managing Director, Axel Van Trotsenburghe, mentions that the world is on the edge of a monumental transition to clean energy that will fundamentally change lives for the better. "However, barriers are paralysing the developing world's access to renewables because they cannot afford high up-front costs nor obtain enough low-cost financing," he notes.

Trotsenburghe further opines that currently, low and middle income countries receive only a fifth of global energy investment despite accounting for two-thirds of the global population. Without the means to fund an energy transition, developing countries often pay more for electricity; cannot access clean energy projects; and are locked into fossil fuel projects with high and volatile variable costs, a triple penalty for energy transition. In essence, the poverty trap is becoming an energy trap that is becoming a climate trap.

"With an estimated $1 trillion a year in energy investments needed throughout the developing world to meet climate goals, the effective mobilisation of private capital is essential. As part of the World Bank's new approach to mobilising private capital, global efforts to marshal private investment for the clean energy transition are being accelerated. The World Bank Group evolution roadmap will allow us to take a larger role in global climate goals. Clean energy transition is at the heart of the solution," The Senior Managing Director asserts

Trotsenburghe is of the view that African countries need to have a strong framework for the transition of the power sector. Coal can only phase down if access to energy is secured through other sources. For this to happen, countries must be ready to integrate more renewables, increase energy efficiency, and direct private and public capital towards a pipeline of clean energy projects. Without this solid foundation, capital can be squandered, and investors will continue being hesitant.

"Developing countries cannot overcome the hurdles to energy transition alone. The world needs to come together to catalyse affordable finances to unleash the power of renewable energy to reduce emissions, strengthen economies and unlock clean energy for all," he stressed.

The high-risk perception of investors plays a fundamental role in preventing investments into COMESA's electricity markets. It is also acknowledged that a lack of stable, predictable, and fit-for-purpose policy and regulatory environments plays a fundamental role in the investors' perception of risks.

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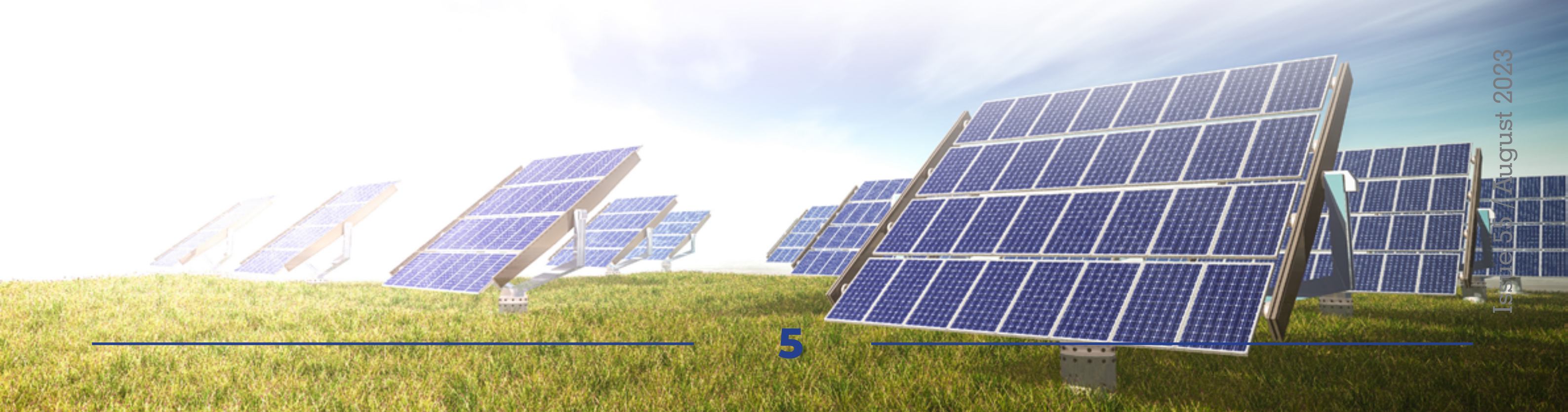

Enhancing Trade Investment Opportunities and Partnerships Between ECOWAS and COMESA Regions

The COMESA Business Council (CBC) is working closely with the International Trade Centre and the COMESA Regional Investment Authority, to promote trade and investments between the Economic Community of West African States (ECOWAS) and the Common Market for Eastern and Southern Africa (COMESA) regions.

A joint networking event was held on 7th June, in Lusaka, Zambia, as part of the West Africa Competitiveness Programme (WACOMP) implemented by ITC to establish the investment opportunities in targeted sectors and value chains, while fostering stronger partnerships between the two regions. The event, which was attended by investment promotion agencies from the ECOWAS region and regional business associations, served as a knowledge-exchange platform, with delegates expressing their commitment to working together to enhance cooperation and forge mutually beneficial partnerships between the ECOWAS and COMESA business communities.

Key stakeholders, including the CBC and the COMESA Regional Investment Agency, underscored their dedication to foster economic growth and development in both regions.

"In the face of increased competition to attract international businesses, West African countries arguably have a strong card to play. To the extent that investors are well aware of all of these positive developments, international businesses ready to settle in the region will undoubtedly enjoy great returns, while being part of a collective journey towards greater economic and social vibrancy and the emergence of a dominant economic player in Africa and beyond."

Akadiri Aminou
CEO, Federation of West Africa Chambers of Commerce and Industry (FEWACCI)

"It is expected that at the end of the forum, there will be better knowledge and increased awareness among business actors from the COMESA region of the investment opportunities in ECOWAS and we also expect the establishment of linkages and connections that will lay the groundwork/ facilitate potential investment partnerships between relevant ECOWAS region actors and COMESA investors."

Teddy Soobramanien
COMESA Business Council (CBC) Chief Executive Officer

"Businesses are the drivers of sustainable economic development, not just between these two regional blocs, but across Africa as a whole. Through this stronger partnership between the ECOWAS and COMESA business communities, we are going to see trade-led growth led by small businesses – and we at ITC look forward to continuing to support these efforts,"

Ms Dorothy Tembo
ITC Deputy Director.

Transitioning to Renewable Energy for More Resilient Economies

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The COMESA Secretariat, through the Regional Infrastructure Finance Facility (RIFF) Project, which is financed by the World Bank, is de-risking the COMESA energy market through facilitating the development, adoption and harmonisation of Energy Policy and Regulatory Frameworks.

The COMESA Business Council (CBC) is working closely with the RIFF Project, towards the promotion of economic transformation and regional integration in Eastern and Southern Africa. This is through the extension of long-term development capital to catalyse private sector investment into infrastructure and social sectors using an approach that maximises finance for development (MFD).

As part of the project, efforts are made towards mobilisation of private investment by availing long-term finance to the infrastructure and social sectors. Infrastructure sectors include: Energy, Logistics, Water and Sanitation, ICT/digital, while the social sectors are health, education, and housing.

Besides the foregoing, the COMESA Region can also invest in the production of renewable energy at a competitive price. This will assist in the competitive production of the manufacturing sector in the region.

Get in touch with us and find out more about how we are propelling Off-Grid renewable energy initiatives in the COMESA region; | +260 761 228754| info@comesabusinesscouncil.org

EU Supply Chain Act Set to Affect SMEs Operations

The European Commission has proposed a European Union Supply Chain law on corporate sustainability obligations, which will facilitate the Corporate Sustainability Due Diligence Directive (CSDD).

The law, agreed upon by the European countries, will be operationalised as soon as the European Parliament and the Council of Ministers agree on a common position.

The draft European Supply Chain Act requires the EU companies to manage the social and environmental impacts along their entire value chain, including the direct and indirect suppliers, their own operations, as well as products and services.

The EU Supply Chain Act is aimed at ensuring compliance with the applicable human rights standards and environmental protection in order to promote a fair and more sustainable global economy, as well as responsible corporate governance.

The business community in the COMESA Region will not be exempted from this law, since they will be required to ensure compliance with the legal requirements of their companies, subsidiaries, and suppliers along the entire value chain. This includes all activities related to the production of goods and the provision of services, including all upstream and downstream business.

Interestingly, Small and Medium-sized Enterprises (SMEs) are indirectly affected by the EU Supply Chain Act, owing to the fact that large companies will also oblige their suppliers to comply with due diligence obligations in the medium term.

However, the EU Supply Chain Act could present an opportunity for SMEs, because organisations that will position and prepare themselves at an early stage will benefit from competitive advantages over their business rivals. Nevertheless, this requires resources and extensive know-how. Therefore, SMEs, should rely on holistic solutions that digitally map their processes and support them in complying with all requirements. In order to relieve the burden on SMEs, the law includes various support measures.

Both European companies and third world companies operating in the EU with 250 or more employees, with a turnover of over €40 million worldwide are covered by the European law.

> The draft European Supply Chain Act requires the EU companies to manage the social and environmental impacts along their entire value chain, including the direct and indirect suppliers...

It might be argued that the private sector in the COMESA region falls far below the threshold value and will not be affected by the regulation. However, the goal is to prepare the business community for future business requirements, towards ensuring strategic positioning to leverage international trade and investment opportunities. This calls for the private sector within the COMESA region to proactively engage in steps aimed at fulfilling their corporate due diligence obligations along the supply chain with regard to human rights and the environment.

Sources:
EQS group; Press release from the European Commission; BMZ; Initiative Lieferkettengesetz; Haufe.de; DIHK; Business Human Rights.

Pharmaceutical Sector Key to Building Resilient Health Systems and Enhanced Opportunities for Industrialisation in COMESA Region

The COMESA region recorded an increase in trade, globally with the value of its total exports significantly growing by 56% from US$ 100 billion recorded in 2020 to US$ 156 billion in 2021. The value of Intra-COMESA total exports increased by 28% from US$ 10 billion in 2020 to US$ 13 billion in 2021 (COMSTAT, 2022).

Available data indicates that Africa imports close to US$10 billion (2019) worth of pharmaceutical products. The African Continental Free Trade Area (AfCFTA) presents enormous opportunities to facilitate intra-African trade in pharmaceutical products and medical sundries made in Africa. This can potentially transition Africa to a more sustainable and reliable hub for pharmaceutical products.

COMESA is a net importer of pharmaceutical products. About 97% of the region's pharmaceutical products are imported from outside COMESA. According to market research conducted to identify and analyse supply and demand in the COVID-19 era study, the region imported pharmaceutical products worth USD 5.6 billion and exported USD 457 million (ITC, 2022). The intra COMESA imports were reported at USD 178 million, indicating an overreliance on imports from outside the region. (COMSTAT, 2022).

A similar trend was observed in other medical supplies where the imports were several times higher than the intra-regional trade and exports respectively. In addition, the total exports were more than those of intra-regional trade for all categories of products except laboratory reagents. This indicates that the region is trading more with markets outside than within COMESA.

Top 5 Supplier Countries in Intra-COMESA Trade in Pharmaceuticals in 2020.

Kenya	Egypt	Uganda	Mauritius	Ethiopia
47%	16%	14%	9%	1%

Top 5 Importers of Pharmaceuticals in COMESA (2020)

Egypt	Kenya	Ethiopia	Libya	Uganda
40%	12%	10%	7%	6%

An assessment of the pharmaceutical industry in the region demonstrates a nascent but growing sector with increasing complexity. The industry varies from country to country with some COMESA Member Sates being relatively well developed and diversified.

The intra-COMESA exports of pharmaceutical products constituted 32% of the total exports. This shows that pharmaceutical products form a major part of intra-COMESA-export, hence, the need to facilitate cross-border trade. However, to unlock this potential, a number of measures will need to be put in place by Member States, including: taking a regional coordinated approach in diversifying markets for COMESA imports and exports to reduce dependency on developed countries; and identifying and providing incentives to manufacturing companies in the region.

Pharmaceutical production in COMESA is not only imperative to guaranteeing access to affordable drugs and commodities for HIV/AIDS and other health challenges on the continent. It also presents an opportunity for COMESA to industrialise and join the global value chains.

Local production of pharmaceuticals can advance industrial development, reduce external dependency, facilitate stronger regulatory oversight to curtail counterfeit products, improve the balance of payments through savings on foreign exchange, and create jobs. Some member states have some form of pharmaceutical production, although companies vary in product quality and the ability of the regulatory authorities to enforce standards. Manufacturers largely rely on imports for most inputs.

The value chains for the other medical supplies in the region are not as developed as those of pharmaceuticals. This is because of: lack of access to technology and know-how; unavailability of raw materials and other support industries; and a poorly developed regulatory environment which discourages investment from global players owing to reputational risk. There is limited capacity in the region to produce rapid diagnostics in the region, with countries such as Kenya, Uganda, Egypt and Mauritius having packaging plants. The production of medical devices requires a multi-disciplinary approach involving medical, biotechnology and engineering professionals.

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Pharmaceutical Sector Key to Building Resilient Health Systems and Enhanced Opportunities for Industrialisation in COMESA Region

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Skill gaps and product development expertise with poor linkages between the academia and industry still exist across the region.

The challenges that prevent the industry from scaling-up production include: steep investment requirements; the need for expertise and skilled workers; stringent quality standards as a prerequisite to access to donor-funded prequalified markets; cross border regulatory harmonisation for regional markets; an uneven playing field for locally produced drugs against finished product; imports that are exempted from value added tax or duty; and insufficient access to supportive industries. Member States should enhance the capacity for local production of essential medicines to supply safe, efficacious, and affordable medicines. Strengthening local production requires governments to offer fiscal and non-fiscal incentives and coordinate policies so as to strengthen the industry and to support regulatory authorities.

The COMESA Secretariat with the support of the African Development Bank is set to commence the iimplementation of AU's Pharmaceutical Manufacturing Plan for Africa (PMPA) and the African Medicines Regulatory Harmonization (AMRH) in the context of the COMESA region. Africa Union's Pharmaceutical Manufacturing Plan for Africa (PMPA) calls for mapping out of productive capacities on the continent to inform a manufacturing agenda. It identifies the barriers and bottlenecks to domestic production of medicine and notes that there is over reliance on importation of medicines from other regions of the world. This support is in-line with the objective of advancing the region's industrialisation agenda, as well as fulfilling one of the key objectives of the AfCFTA and the AU's Agenda 2063. The main goal of this initiative is to provide institutional support for the development of the pharmaceutical industry through strengthened capacities of the region's pharmaceutical regulatory bodies, quality control and management systems, research, and development institutions for effective manufacturing of safe and quality pharmaceutical products in response to the COVID-19 pandemic as well other diseases in the region.

CBC, through its policy advocacy work is supporting advancement in the pharmceutical sector in the COMESA regoin. For more on this write to us on info@comesabusinesscouncil.com

Kenya: National Strategy on Elimination of NTBs to Enhance Intra-COMESA Trade

Mwangi Gakunga

Intra-COMESA trade accounts for about 29% of Non-Tariff Barriers (NTBs) reported through the tripartite online reporting, monitoring, and eliminating mechanism, out of which, 82% emanate from operational issues including Rules of Origin, while18% are policies/measures.

Currently, the tripartite NTBs system, which is a joint initiative of the regional economic blocs COMESA, the EAC, and SADC - is used to maintain vigilance on the NTBs since they pose the greatest hindrance to intra-regional trade.

Hence, COMESA Member States are obligated to establish recommended institutional and regulatory frameworks by strengthening the NTB implementation framework at national level, including setting timelines for their elimination.

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Space Technology in Africa: Myth or Reality?

Space technology has often been associated with advanced economies and high-end technology. What does the future hold for the space industry in Africa?

A farmer utilises technology to maximise and monitor crop yeald.

According to the annual African Space Industry Report, the African space industry was valued at USD 19.49 billion in 2021 and is expected to grow by 16.16% to USD 22.64 billion by 2026.

The African space economy has a workforce of over 19,000 people, the majority (11,000) of whom are employed by the government. A total of 53 satellites have been launched to date by 15 African countries (Algeria, Angola, Ethiopia, Gabon, Ghana, Libya, Mauritius, Morocco, Nigeria, Kenya, Rwanda, South Africa, Tunisia, Uganda, and Zimbabwe).

Space technology also holds promising opportunities for the continent's food security, sustainability, and economic growth. This has been evidenced by the ability of space technologies to provide real-time weather data, track weather patterns, and facilitate early warning systems for severe weather events including droughts, floods, and storms. This information helps farmers make informed decisions, such as adjusting planting and harvesting schedules, and taking preventive measures to protect crops from adverse weather conditions.

With space technologies, weather forecasting and unforeseen disasters can be mitigated through accurate weather forecasting, which is crucial for agricultural planning and risk management.

Additionally, satellites can assist in improving market access and supply chain management for agricultural products. By tracking transportation routes, logistics, and market demand, satellite technologies could enhance efficiency, reduce post-harvest losses, and facilitate timely and effective delivery of agricultural produce to markets.

With the help of satellite data, land use practices and changes can be monitored, aiding in sustainable land management. This includes tracking deforestation, land degradation, and illegal encroachments. Such information can inform policymakers and land managers, support efforts to protect forests, conserve biodiversity, and promote sustainable agricultural practices.

The potential of satellite technologies in transforming the African continent is enormous. According to CAB International Kenya, space-based technology is helping maize farmers in Kenya to increase their harvests. The Pest Risk Information Service (PRISE), a project that uses data to help farmers manage pests in sub-Saharan Africa, is helping farmers to tackle fall armyworm. Predicting the timing of the most effective and efficient control against pests using a novel combination of earth observation technology, real-time field observations and plant-pest lifecycle modelling, PRISE has delivered a pest alert service with over 60% of participants reporting a change in farming practices as a result.

Pest outbreaks can be devastating for food security in Africa. Insects, mites and plant pathogens can quickly spread across borders, destroying crops. Pests and diseases are estimated to cause around 40% of crop losses. Worryingly, pest movements are becoming increasingly unpredictable as a result of climate change.

Ministries of Agriculture, through their extension, experts in Ghana, Kenya, Malawi and Zambia are actively involved in PRISE. The system now collects and combines disparate datasets, manipulates data using computational and modelling expertise, and draws on well-established international development networks.

In-country data collected from the field is fed into the model. Risk messages and mitigation measures are communicated to users through bulletins and SMS, helping them to take the right pest management action at the most appropriate time.

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Kenya: National Strategy on Elimination of NTBs to Enhance Intra-COMESA Trade

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"Some member States lack the capacity to report, monitor and resolve such trading disputes Besides, multiple membership to various Regional Economic Communities also pose a challenge to the harmonisation of various mechanisms for resolving trade disputes across regional and international markets," COMESA's Director of Trade and Customs, Dr Christopher Onyango stated. He was addressing delegates during the Kenya National Workshop on the Development of the National Strategy on Elimination of NTBs conducted in Mombasa, Kenya on 3rd-7th July 2023.

The strategy is expected to facilitate the reduction of NTBs affecting Kenya's trade through systematic identification, and efforts to eliminate stringent non-tariff measures regulating imports and exports, and expounding policy interventions for resolving policies related to these barriers.

The workshop is part of COMESA's technical support to Member States to establish appropriate institutional and regulatory frameworks for dealing with NTBs. The COMESA regulations on elimination of NTBs provide the basis for the development of national NTBs elimination strategies at national and regional levels.

The strategy is expected to set out the general policy framework for Kenya's engagement with regional trading partners, as well as the AfCFTA and World Trade Organisation frameworks, while effectively addressing some of the long standing NTBs between the country and its key trading partners. Similar support has been completed for Zambia, Zimbabwe, Madagascar, and Malawi. Plans are underway to undertake the same for Comoros, Egypt and Tunisia.

Kenya is among the Member States complying with the legal provisions of the NTB's regulations. This includes the formal establishment of the NTB's institutional arrangements, specifically the National NTB's Focal Points, and formal establishment and notification of its National Monitoring Committees.

"The importance of eliminating NTBs cannot be overemphasised. The NTBs have become an unfortunate trade policy tool to protect domestic economies worldwide," Dr Onyango stressed. Most of these measures, including sanitary and Phyto Sanitary and Technical Barriers to Trade, are hardly reported, although they significantly hinder the intra-regional flow of goods and services in the region.

He observed that the use of NTBs increased steadily after the 2007– 2008 financial crisis and escalated after the COVID-19 pandemic outbreak. Some NTB's have remained unresolved for periods ranging from one year to more than a decade.

Participants at the workshop included members of the national monitoring committee, members of the Kenya crossborder trader's association, representatives of the transporters association, and the private sector. It was funded by the European Union through the European Development Fund 11 under the COMESA Trade Facilitation Programme.

Space Technology in Africa:
Myth or Reality?

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During the short rain season in Kenya (2019-20), PRISE carried out a pilot in collaboration with partner Precision Agriculture for Development (PAD), sending SMS information about the crop pest, fall armyworm.

A phone survey taken at the end of the season revealed that 86% of the maize farmers questioned said fall armyworm was the biggest problem they faced, and well over half – 60% reported changing their farming practices based on recommendations made in the SMS messages. The most common outcomes of these changes were a reduction in fall armyworm and an increase in maize harvest.

By harnessing the potential of satellite technologies in agriculture, Africa can enhance productivity, reduce vulnerability to climate change, improve livelihoods for farmers, and contribute to sustainable and inclusive agricultural development.

Developing space technology to its full potential, requires the African continent to develop long-term cooperation and development programs that facilitate the use of new technologies.

Access to finance has been identified as one of the key bottlenecks for African start-ups and companies in the space sector. This calls for the fostering of sustainable private-public partnerships that enable African start-ups to leverage the endless capabilities of space technologies.

Realizing the enormous potential of space technologies in transforming the African continent, COMESA Business Council, in collaboration with its corporate partner, the Federation of German Industries (BDI), is exploring potential initiatives in the space sector that can transform social and economic aspects of the sustainability agenda for the business community, and the African continent as a whole.

Watch the space for more to come!

Monetary Tightening Cycle and its Implication on COMESA Region Economies

Dr. Lucas Njoroge

The global economy has gone through a phase of persistent disruption in global supply chains, increased volatility in global financial markets, and the current tightening of financing conditions. This has put considerable pressure on exchange rates in developing countries, which in turn has heightened debt vulnerability and increased domestic inflation.

There is therefore a need to strike a balance between policy rate hikes to control inflation and the easing of monetary policy to boost economic growth and support employment creation. The Central Banks must adapt to policies and frameworks that effectively force them to commit to staying accommodative for longer, which allows smoother transition and precipitates orderly regime change. On the contrary, during periods of persistent inflation, the Central Banks have to commit to slow and gradual incremental monetary policy tightening for longer periods, which allows an orderly regime to change with less disruptive implications on financial markets and economies.

This gradual approach gives Central Banks the power of commitment and ensures they continue being credible. However, aggressive tightening of monetary policies to anchor inflation expectations cannot be ruled out in jurisdictions where the second-round effects have set-in as a result of increased wages, or where the domestic currency is experiencing excessive deprecation and volatility.

However, for countries where policy hikes have yielded minimal or no gains in terms of containing inflation, there is a need to come up with more innovative instruments to deal with non-demand shocks. This may include structural measures to increase food production, which will in turn tackle imported food inflation.

In the short run, for some countries, especially those where inflation pressures remain moderate and inflation expectations are well anchored, doing nothing may be the optimal policy. Such Central Banks should pay more attention to supporting economic growth. For countries with moderate or low inflation, a cautious approach will be necessary to ensure inflation remains low or moderate. Interest rate measures should not discourage investment through increased cost of credit, but instead promote growth going forward.

An Extract from a Special Report By: Dr. Lucas Njoroge Director - COMESA Monetary Institute

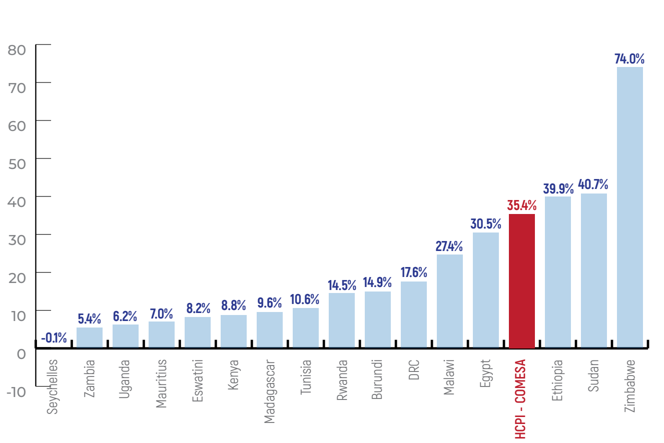
Download the full report to read more.

Common Market for Eastern and Southern Africa (COMESA)
Macroeconomic Indicators

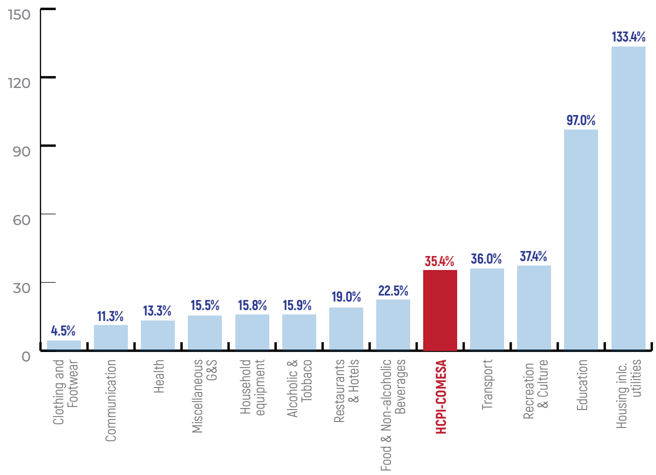
The year on year, inflation rate (annual percentage change) in the COMESA region as measured by the Harmonized Consumer Price Index (HCPI-COMESA) stood at **35.4%** for the month of May 2023, down from 45.1% registered in April 2023. A year earlier, the rate was 142.6%.

HCPI-COMESA comprises of twelve divisions of expenditure. These divisions registered the following average price changes during the month of May 2023 compared with May 2022.

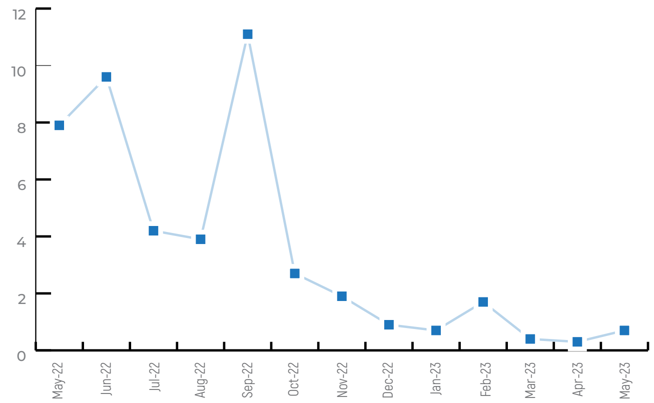
Year on Year Inflation Rates (%) in the COMESA Region and in the Individual Member States as of May 2023.



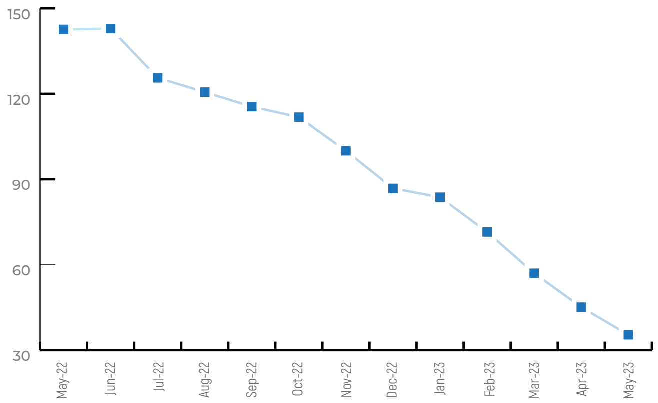
Average HCPI-COMESA and Main Components of Expenditure (Divisions) year on year inflation rates as of May 2023.



HCPI-COMESA Month-on-Month Inflation Rates, 2022-2023



HCPI-COMESA year on year inflation rates; 2022-2023



Source: COMStat

Upcoming Events

1. Business Forum - Cairo, Egypt
2. Capacity Building of the private sector community on AfCFTA
3. Workgroup Meetings: Manufacturing, Tobacco and Digital Financial Inclusion Workgroup Meetings
4. Proof of Concept - Validation of the COMESA Digital Retail Payments Scheme
5. Training of MSMEs on Digital Financial Inclusion – Egypt, Mauritius, Uganda, Kenya and Malawi
6. Launch of Prepaid Cards for MSME's
7. Launch of a Study Report on Illicit Trade

Upcoming Publications

1. Illicit Trade Report
2. CBC Business Advocacy Agenda
3. Proof of Concept for the COMESA Digital Retail Payments Scheme
4. Public Private Dialogue on DFI
5. Position papers on New Space and Energy Sustainability in the COMESA Region
6. Harmonised Consumer Price Index for COMESA

BizNet NEWSLETTER

BiZnet is a quarterly publication of the COMESA Business Council which provides insights on business, trade and investment trends and highlights in the COMESA region. The BiZnet is prepared by the CBC Communication Specialist, Ms Christabel Iliamupu with the support of the CBC editorial team. Produced by the COMESA Business Council.

For further information or to contribute to the series, please email info@comesabusinesscouncil.org

CBC is a business member organization bringing together a diverse group of businesses and associations in the region from 34 sectors in 21 countries of COMESA. CBC is the recognized regional apex body of the private sector in the region. CBC as the key advocacy driver for business, provides a link between the private sector and organs of the Common market. We seek to improve the competitiveness and deepen the participation of the private sector in regional and global trade, through advocacy, business facilitation and enterprise development. This includes prioritizing and taking specific advocacy strategies to address key business impediments and measures that affect our industries and have a direct bearing on the participation of our businesses in trading in the COMESA region.

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