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COMESA BUSINESS COUNCIL
Voice of the Private Sector in the Region
BUILDING REGIONAL GOING GLOBAL

BIZNET NEWSLETTER

Private Sector Development Highlights from the COMESA Region

NEWS & FEATURES

Who we Are!!

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.

WOMEN'S EMPOWERMENT CONFERENCE ON AFCFTA

The African Continental Free Trade Area (AfCFTA) presents one of the greatest opportunities for bolstering inclusive growth and sustainable development on the African continent. A significant milestone in Africa's regional integration efforts, the AfCFTA will remove 90% of tariffs of goods and services over the next five years. If managed efficiently, this newly formed market of 54 nations and 1.2 billion people will unlock historically low levels of intra-continental trade and attract long-term, stable investments from around the world. Under the Agreement, the African Union Member States explicitly seek to achieve gender equality and enhance the export capacity of women and youth. Prioritizing the inclusive participation of women stakeholders in particular will be essential for implementing the initiative within a more democratic context that can uphold women's economic rights.

The women's economic empowerment conference brought together stakeholders from across the continent to engage with each other and explore how the implementation of the AfCFTA can ensure women's economic empowerment and promote gender equality.

The COMESA Business Council (CBC) in partnership with Center for International Private Enterprise (CIPE) hosted this conference to explore ways on how the implementation of the AfCFTA will ensure women's economic empowerment. The conference on the women's economic empowerment in the implementation of AfCFTA was held on 6th October 2021 from 14.30hrs – 16.30hrs CAT with more than 600 delegates in attendance.

The meeting panelists included:
a) Ms. Emily Mburu - Director, Directorate of Trade in Services, Investment, IPR and Digital Trade, AfCFTA Secretariat
b) Ms. Temitope Iluyemi - Senior Director, Global Government Relations- Africa, Procter & Gamble
c) Ms. Maureen Sumbwe - CEO, Zambia Federation of Women in Business
d) Ms. Debra Mallowah - Vice-President East and Central Africa Franchise, Coca-Cola
e) Ms. Peninah Ngategize - CEO, Kika Farm
f) Ms. Sabine Mensah - Deputy CEO, AfricaNenda

Ms. Sandra Uwera, CEO of the COMESA Business Council welcomed delegates and highlighted the following in her opening remarks:

- Women play a significant role in trade in Africa and will be essential to the continent's success in leveraging the full potential of the AfCFTA.
- Women also comprise the vast majority of informal cross-border traders in Africa, though these female traders are disproportionately affected by non-tariff barriers (NTBs), including corruption, harassment, misinformation about customs procedures and regulations and confiscation of goods.
- The AfCFTA Agreement explicitly recognizes the importance of gender equality. Article 3(e) specifies that the AfCFTA aims to "promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation".
- Article 27(d) of the AfCFTA Protocol on Trade in Services makes explicit reference to improving the export capacity of formal and informal service suppliers, with particular attention to micro, small and medium-sized operators and "women and youth service suppliers".
- Through the AfCFTA, informal and micro and small enterprises will be integrated into the continental markets breaking the barriers these businesses constantly encounter as they try to penetrate more advanced regional and overseas markets.
- The AfCFTA is also a catalyst for women following the Declaration of the years 2020 to 2030 as the new Decade of Women's Financial and Economic Inclusion. In the Declaration, African leaders recommitted to scale up actions for the progressive gender inclusion towards sustainable development at the national, regional and continental levels.

WOMEN'S EMPOWERMENT CONFERENCE ON AFCFTA

Dr Amany Asfour, a CBC Board Director, and the President of the Africa Business Council, highlighted the following in her opening remarks:

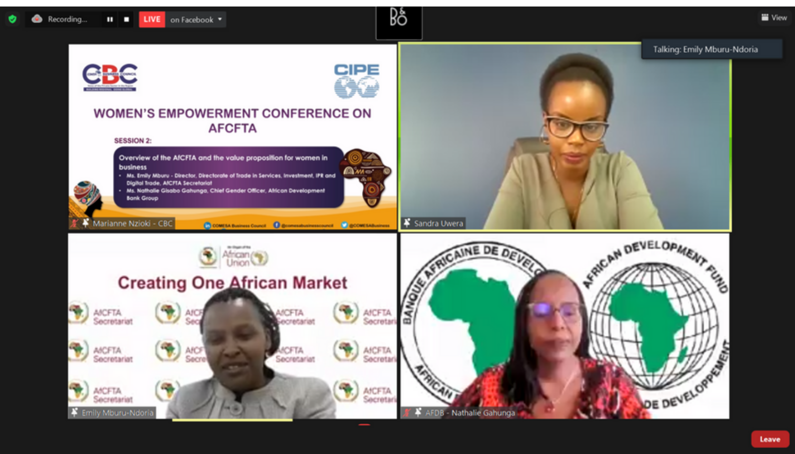
- The AfCFTA holds a huge growth potential for businesses, within and outside Africa. This is a market of 1.2 billion people and a combined GDP of over $2.5 trillion, a growing young African population, and a growing middle class whose purchasing power is increasing.
- The United Nations Economic Commission of Africa (UNECA) predicts that full implementation of AfCFTA will raise intra-Africa trade from 15% or $50 billion in 2017 to 25% or $70 billion by 2040.
- The African Business Council (AfBC) is part of the architecture of the AfCFTA, as a necessary continental platform for aggregating and articulating the views of the private sector in the continental policy formulation processes.
- The position of CBC in the Board will provide an avenue through which CBC will be able to channel the issues affecting members but relating to AfCFTA. It will also provide a platform to address to issues on Continental Free Trade Area and also not forgetting the needs and challenges the women face in their endeavor to explore regional and international markets.
- In implementing the AfCFTA, CBC takes cognizance of the requirements of industry, with a keen interest on SMEs, women traders, smallholder farmers and informal cross border traders, who represent the majority of Africa's trading community, and are crucial to driving poverty reduction efforts.

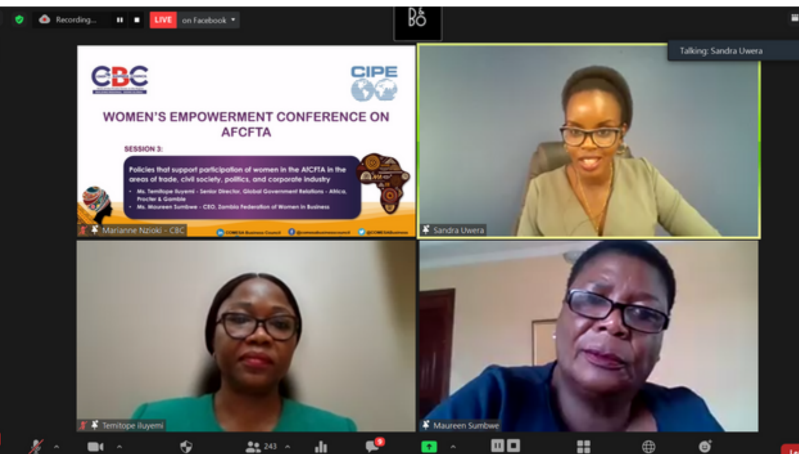
Ms. Barbara Langley, the Director of CIPE's Center for Women's Economic Empowerment (CWEE) in her opening remarks highlighted the following:

- Three years ago, CIPE established a center of excellence for women's economic empowerment to better promote its thought leadership and expertise on this critical issue and to help advance strategies piloted with proven impact from our regional teams. CIPE's projects are active in six regions of developing markets, including more than 60 countries currently with dozens of field offices and representatives ensuring that democracy and free market economies deliver for the most vulnerable populations – including women owned and led businesses.
- In Africa, CIPE has an active network of more than 540 chambers of commerce and business associations across the continent focused on trade inclusion, business leadership, business for peace, anticorruption, digital economy, and economic opportunity. We have offices in Egypt, Tunisia, Nigeria, Sudan, Ethiopia, and Kenya.

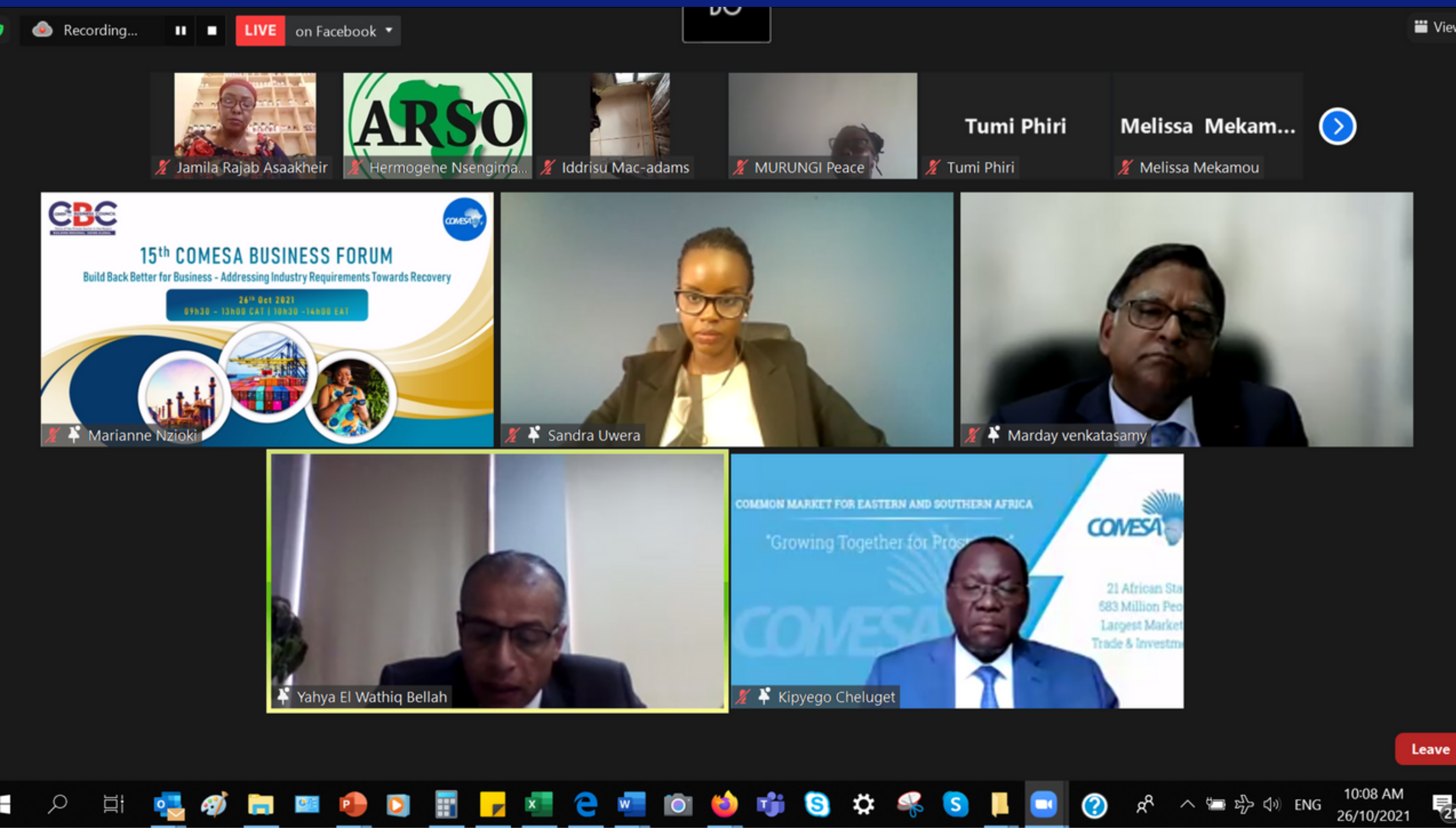
Overall Meeting recommendations:

- There is need to include specific measures in the protocol on women and youth like simplified trade regime etc
- Women need to engage actively in policy space to ensure representation at the highest policy level. This will include participatingin formulation and implementation of policies
- There is need for women to strengthen value chain at the level of the RECs first before going to continental level. Companies to work with local suppliers to build capacity.
- There's need to align to the African Union's Agenda 2063 – Make it inclusive for women in Trade.
- There's need for interventions that support young people andwomen-run small, and medium-sized enterprises.
- There's need for more public-private sector dialogue and sensitization on women in trade.
- There's need to create more champions to advocate for women in trade at all levels of influence.
- Harmonization of standards, capacity building, and local sourcing of manufacturing inputs is key for strengthened value chains within the AfCFTA.
- Giving women equal opportunities to pursue and thrive in STEM careers enhances women's economic security and ensures a diverse and talented STEM workforce for the benefit of Africa's manufacturing industry.
- Digital technologies are enablers to access to markets and finance within the AfCFTA. Continued investment in financial literacy and digital literacy is key in the drive for more equitable access to financial services for women.
- Digital financial inclusion of women provides security and ensures access to key resources mitigating external shocks.





BUILD BACK BETTER, FOR BUSINESS- ADDRESSING INDUSTRY CONSTRAINTS TOWARDS RECOVERY



CBC in partnership with the COMESA Secretariat, the Government of Egypt, and CBC's membership Associations hosted the virtual Forum, under the theme Build Back Better for Business - Addressing Industry Constraints Towards Recovery.

The objective of the 15th COMESA Business Forum was to discuss key areas that will support industry recovery as the region grapples with the impact of COVID-19. The event drew over 150 participants from the private sector, business associations, regulators in trade, industry, agriculture and financial services, COMESA officials and cooperating partners.

“We are glad to see markets slowly opening up with improved protocols that are allowing movement of persons and business travel. Additional measures however are needed to accelerate this recovery process,” said Ms. Sandra Uwera, Chief Executive Office of the COMESA Business Council in her opening remarks.

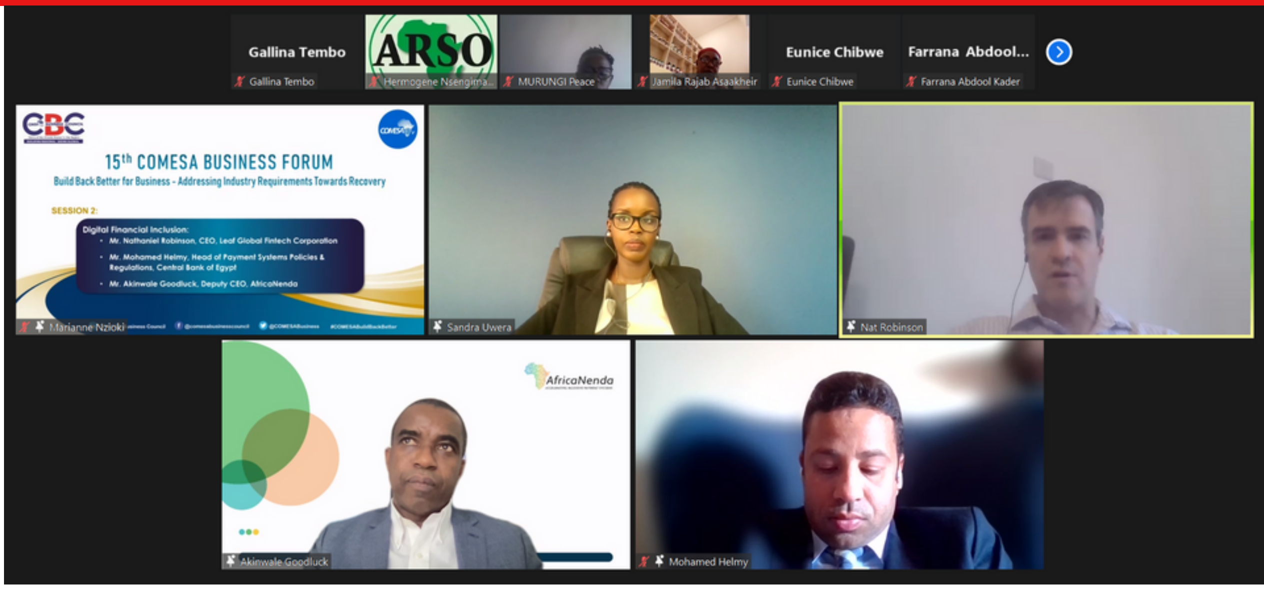
Amb. Dr Kipyego Cheluget, Assistant Secretary General-Programs, COMESA Secretariat affirmed this stating, “COMESA's response strategy is developed on the key pillars of strengthening market integration, industrialization and infrastructure development also focus on the same; recognizing the development of practical measures to enhance regional value chains, industrialization, promote trade facilitation; and ensuring private sector development.”

The Forum was lauded as an opportunity to not only deliberate on a number of critical issues impacting business performance in the region, but also learn about the proposals put forward by the COMESA private sector, to tackle the challenges impeding intra-trade and investment in the region.

“Egypt's assumption of the Chairmanship of COMESA takes place at a critical time due to the challenges brought on by COVID-19. While the pandemic poses many challenges to the integration process of the regional economy, it presents a chance to reshape regional and international value chains, linking the regional value of the industrial sector to the comparative advantages available to COMESA Member States,” said the Forum's Guest of Honour, Hon. Mr. Yahya El Wathiq Bellah, Minister Plenipotentiary, Head of African Countries and COMESA Department, Egyptian Commercial Service, Ministry of Trade and Industry of the Arab Republic of Egypt, in his opening statement.

The CBC Regional Advocacy Agenda 2021 was presented by Dr. Eng. Sherif El Gabaly, Chairperson of the CBC Industry Board Committee, who is also Chairperson of the Africa Cooperation Committee, Federation of Egyptian Industries (FEI). “It is my hope that the CBC Regional Advocacy Agenda will enhance our focus, continue give us guidance and bring about commitments towards effective implementation of CBC Strategy 2018-2022,” said Dr El-Gabaly.

BUILD BACK BETTER, FOR BUSINESS- ADDRESSING INDUSTRY CONSTRAINTS TOWARDS RECOVERY



The Forum's deliberations centered on the thematic areas of digital financial inclusion for trade; industrial competitiveness and illicit trade; implementation of product standards and SPS regulations in the COMESA; and promoting business linkages.

Key recommendations, which are expected to feed into the COMESA Policy Organs to be held in November 2021, were put forward; Member States are urged to:

i. Collaborate in tackling illicit trade towards enhanced intra-COMESA trade and industrial competitiveness.
ii. Enhance public-private sector collaboration to improve industrial competitiveness and tackle illicit trade.
iii. Adopt mutual recognition framework to reduce technical barriers to trade that result from multiplicity of compliance requirements with respect to standards.
iv. Align Africa quality policy to national quality policies to allow for creation of one stop shops with respects to standards.
v. Establish implementation framework for African regional standards.
vi. Develop initiatives to provide support to SMEs within the agroindustry value chain, to enable them gain access to quality information and affordable finance, thereby becoming competitive in the regional market.
vii. Smartly deploy subsidies from focus on production to the other parts of value chains.
viii. Develop capacity building initiatives for enterprises that will enable them to meet the export readiness requirements.

TRADE AND INDUSTRY COMMITTEE MEETING

The virtual meeting of the CBC Industry Committee was held on 20th October 2021. The meeting was attended by 65 members of COMESA Business Council (CBC) from various workgroups. The objective of the meeting was to discuss the issues that have been generated by the workgroups and agree on the consolidated CBC Regional Advocacy Agenda. The workgroups covered were agro industry, pharmaceutical, manufacturers, digital financial services, trade facilitation and duty-free retail.

Ms. Sandra Uwera, Chief Executive, COMESA Business Council, indicated that the meeting was the first annual meeting of the committee in 2021 and that CBC Secretariat would work to ensure that meetings of the committee are held more than once in a year. On other hand, Dr. Eng. Sherif El Gabaly, chairperson, CBC Industry Committee, commended all members of the workgroups for active participation and chairpersons of the workgroups for their leadership in shaping the CBC regional advocacy agenda.

The CBC Industry Committee agreed on the following:

- Adopted the CBC Regional Advocacy Agenda 2021, which is compilation of issues/recommendations from various CBC workgroups;
- The CBC Regional Advocacy Agenda to be forwarded to 15th COMESA Business Forum (Public-Private Dialogue) for further deliberation in order to incorporate the input from public sector on the Agenda.

TURKEY'S ERDOGAN PIVOTS TO AFRICA FOR TRADE

Turkish President Recep Tayyip Erdogan enters this weekend's G20 summit in Rome fresh off an African tour aimed at cementing lucrative partnerships during another spell of tensions with the West. From mining to health, energy to infrastructure, Turkish businesses are popping up across the resource-rich continent and signing deals hailed as a "win-win". This pivot away from traditional European markets has already seen Turkey's trade with Africa balloon from $5.4 billion when Erdogan came to power in 2003 to $25.4 billion last year. Back from a visit to Angola, Togo and Nigeria and in the middle of another diplomatic spat with the West. Erdogan told an African business forum last week that Turkey wanted to see trade triple in the coming years.

One of the most strategic and controversial areas of this cooperation is defence, where Turkey has been flaunting the game-changing successes of its military drones on the battlefields of countries such as Libya. "Defence industry products offer a new opportunity," said associate professor Mursel Bayram of Ankara's Social Sciences University.

"Afro-Eurasian' Nation"

Erdogan once described Turkey as an "Afro-Eurasian" nation and has visited the most African countries 30 out of 54 of any non-African head of state. The number of Turkish embassies in Africa has grown from 12 to 43 since 2002 while the national flag carrier, Turkish Airlines, flies to over 60 African destinations.

"The main reason for our increased interest in Africa is that we saw the potential there," Foreign Economic Relations Board chief Nail Olpak told AFP. Olpak pointed to the young, fast-growing continent's huge need for infrastructure, from electricity to bridges, drinking water to waste disposal, where Turkish companies excel.

Turkish firms have already built a mosque in Ghana, an indoor stadium in Rwanda, an Olympic swimming pool in Senegal, and are working on an airport in Sudan. Algeria, meanwhile, is one of Turkey's main suppliers of liquefied petroleum gas, offering Ankara a chance to "reduce our dependence on Russia and Iran", said Bayram.

Like a Soaring Arrow

For African officials, Turkish companies offer jobs and reasonably priced goods the quality of which often compares favourably to those from China one of the continent's most aggressive investors. "We see Turkey as a serious friend who wants to invest in Africa," Tanzania Industry and Trade Minister Kitila Mkumbo told the Africa business forum in Istanbul, attended by more than 40 African and Turkish ministers.

"Africa is no longer interested in aid, Africa is interested in investment," Mkumbo said in a speech which received rapturous applause. Uganda Investment Authority board chairman Morrison Rwakakamba was among those drumming up trade, expressing hope for Turkish interest in agriculture and agro-processing in his east African country. "With Turkey, the relationship is very much based on mutuality and win-win, and that is a very good starting point," Rwakakamba told AFP.
The bid to expand African trade comes with the Turkish lira steadily sinking to new lows, which makes exports even more competitive. "It is like a soaring arrow," said Muzaffer Suat Utku, executive vice president in charge of international banking at Turkey's Aktif Bank, which brands itself as the "bank of the African foreign trade". "Our exporters and investors are constantly having meetings in Africa. I believe relations will reach a much more substantial level," Utku said.

TURKEY'S ERDOGAN PIVOTS TO AFRICA FOR TRADE

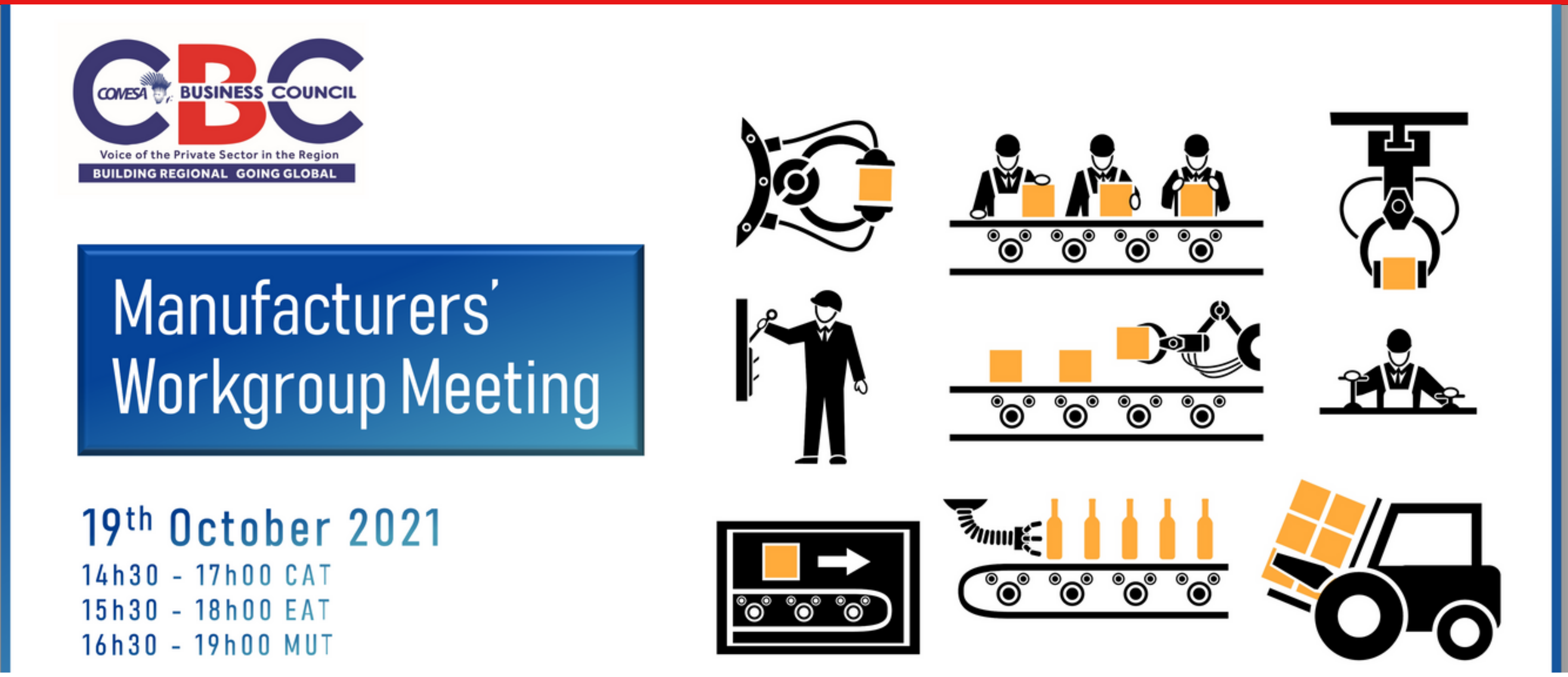
Different from China

Some analysts believe Ankara has developed more goodwill in Africa than has Beijing, whose projects have been known to put developing countries into heavy debt. "If we compare Turkey with China, we can see that on the ground there are different outcomes for the local people," said Federico Donelli, international relations researcher at the University of Genoa.

"There is more involvement of local peoples and in some cases, there is also an exchange of know-how between Turkey and the local population," Donelli told AFP. Erdogan's assertive foreign policy has been a source of rising tension with the West, with critics accusing the Turkish leader lacking a strategy. But in Africa, experts say Turkey is following a more considered approach. "There is a long-term plan, it's not a short-term plan," Bayram said, pointing to investments in healthcare, education, training, and the role of women.

Read more on https://www.theeastafrican.co.ke/tea/business/turkey-s-erdogan-pivots-to-africa-for-trade-3599272

CBC MANUFACTURERS' WORKGROUP MEETING



The virtual meeting of the Manufacturers Workgroup was held on 19th October 2021. The objective of the meeting was to validate the two draft position papers and also discuss proposed terms of reference for the development of mutual recognition framework for pre-packaged food products and also anti –illicit trade framework for COMESA region.

The meeting was addressed by Ms. Sandra Uwera, the Chief Executive of COMESA Business Council and the interim chairperson of the workgroup, Mr. Allan Ssenyondwa. In her welcoming remarks, the Chief Executive pointed out that the workgroup will help in drafting of position paper to be presented to the COMESA Policy Organs while the interim chairperson said that the workgroup will bring together the manufacturers associations and companies within COMESA under a common platform.

The workgroup agreed on the following:

1. Adopted the following recommendations from the two position papers:

- Develop Simplified Trade Regime which will allow movement of goods based on low value of consignment to support small cross border traders especially women and youth;
- Prioritise harmonisation of Rules of Origin within Regional Economic Communities;
- Develop efficient administrative procedures through digitalization of trade and e-Certification of Origin;
- Capacity building for relevant stakeholders on Rules of Origin under Africa Continental Free Trade Area (AfCFTA);
- Development of a framework to facilitate implementation of product standards within the COMESA region;
- Enhancing the scope of harmonised standards to cover testing, sampling methods, and labelling.

1. In addition to the above, the workgroup agreed on the need to:

- Use process standards in addition to product standards;
- Harmonise procedure for pre- market approvals in COMESA region;
- Harmonise import - export documentation requirements in COMESA region;
- Build capacity of Small and Medium Enterprises (SME) to comply with Technical Barrier to Trade (TBT) and Sanitary and Phyto Sanitary (SPS) requirements .

BRITISH BANKS EXIT AFRICA AS UNSTABLE CURRENCIES AND 'RISKS' RAISE COSTS OF OPERATIONS

Britain's top banks are pulling out of Africa and casting doubt on the economic growth prospects of a continent that has been riding on the narrative of "Africa Rising" for more than a decade. UK's financial conglomerate Atlas Mara Ltd (Atma), which had acquired banks in seven African countries, is at the tail end of exiting the continent. It has termed its African investments "risky" and the sub-Saharan African macroeconomic environment as "challenging". The bank's holding company, which is listed on the London Stock Exchange, says currency volatility and drying up of liquidity in African markets adversely impacted its operations prompting the board to reconsider divestiture and new funding options to shore up the Group's balance sheet.

Low Liquidity Support

According to Atma's annual financial statements for the 14 months to February 28 this year, the difficult operating environment on the continent has been exacerbated by the Covid-19 pandemic with many African central banks struggling to provide liquidity support for local banks impacted by the crisis. "At the same time political pressures led to the imposition of regulatory restrictions on interest rate increases, imposition of fees and other actions that would ordinarily be available to defend liquidity and capital, if not profitability," the company says. According to the report the equity market decline in Africa last year was 60 percent worse than in other emerging markets, reflecting a particular "riskoff" view of Africa investment.

"With already constrained fiscal environments and relatively limited assistance from central banks, African markets have been unable to mount eco - nomic responses as impactful as those in the US or the EU, and local currencies, debt and capital markets remain under considerable pressure," said Michael Wilkerson, the Group's chairman.

From September 2020 to date, Atma has completed divestment in Mozambique, Rwanda, Tanzania and Botswana, and discussions are ongoing for the sale of its Zambian subsidiary. The company, which was formed in 2013, had planned to acquire banks and sustain its operations in 15 African countries. According to the report, major currency depreciations across the African markets in which the company operates resulted in a more than $145 million reduction in the dollar value of the company's assets, and a decrease in the company's debt capacity.

Barclays Plc, whose operations on the continent span more than 100 years, marked its complete exit from the region in December 2017 by reducing its shareholding in South Africa's Barclays Africa Group from 62.3 percent to a non-controlling stake of 14.9 percent. In 2016, the lender announced its plans to exit the African market by selling off its entire 62.3 percent shareholding in Barclays Africa Group, the holding company of its African subsidiaries, or reducing it to a non-controlling interest over a two-three-year period.

Barclays Plc sold off business units it did not consider core operations and shifted attention to consumer, corporate and investment banking in Europe and the US. Following the exit of Barclays Plc, Barclays Africa group, which is currently 40 percent majority owned by South African investors, rebranded all African operations to Absa Barclays Africa Group, now Absa Group Ltd, is listed on the Johannesburg stock exchange and owns stakes in 14 countries across the continent including Kenya, Uganda, Tanzania, Mauritius, Namibia, Zambia, Seychelles, Ghana, Nigeria, Mozambique, Botswana and South Africa.

Meanwhile, Standard Chartered Bank Plc said in April this year that it plans to close half its branches and reduce global office space by a third, as it seeks to save costs by permanently adopting changes to working practices and retail banking that were adopted due to the coronavirus pandemic.

According to the UK's business publication Financial Times, the emerging markets-focused lender would take a provision of $500 million this year to cut its network to 400 from 776 branches after they experienced reduced usage during worldwide lockdowns in 2020. The lender's physical footprint has been declining over the past five years.

It operated 1,068 branches across Asia, the Middle East and Africa in 2016, but coronavirus has led to an increase in online and mobile banking. In 2014, Standard Chartered also hinted at plans to close up to 100 bank branches in Asia, Africa and the Middle East in an attempt to improve its profitability by cutting about eight percent of its global network of the then more than 1,200 branches, to save $400 million a year.

Read more on: https://www.theeastafrican.co.ke/tea/business/british-banks-exit-africa-over-risky-investments-3598880

UP- COMING CBC EVENTS

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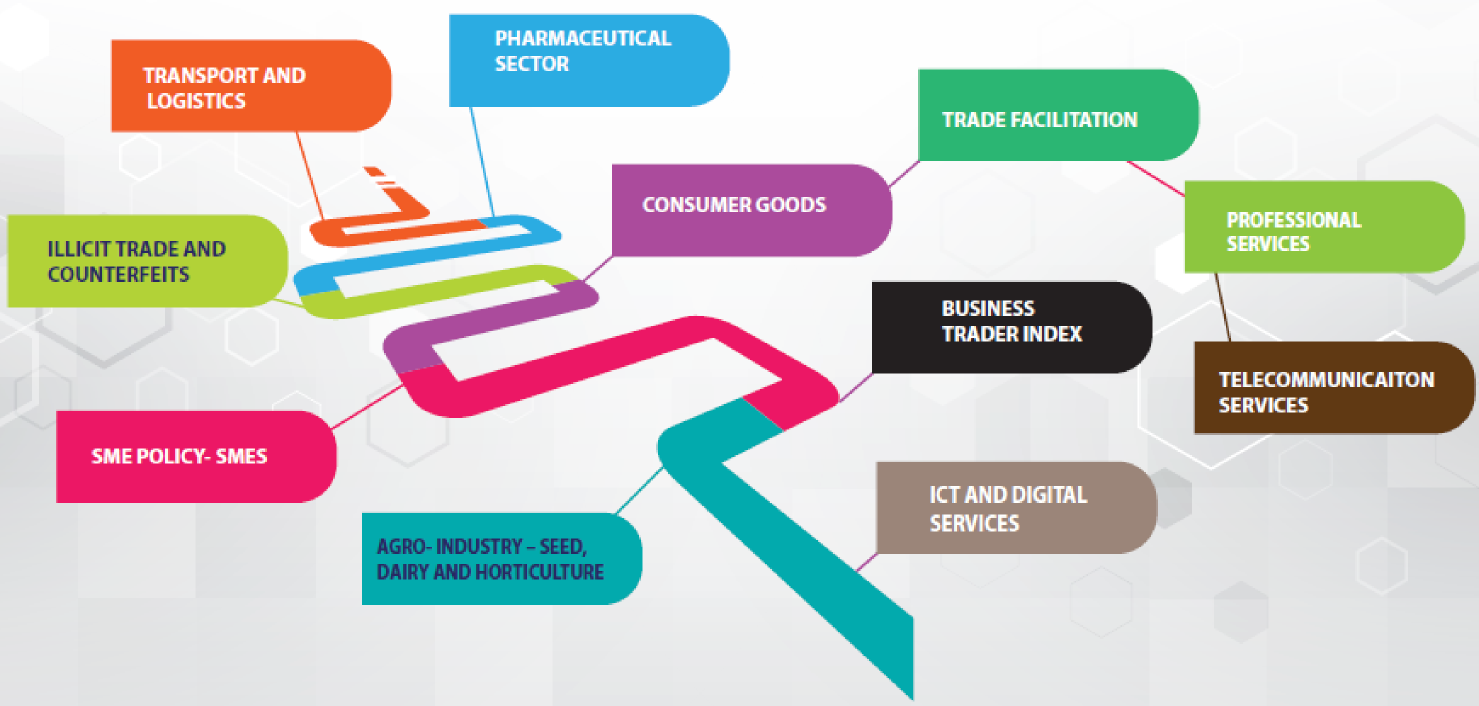
BUSINESS AND POLICY ADVOCACY



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