

KENYA TRADE WEEK 2019 HOSTS *Source21*

COMESA INTERNATIONAL TRADE FAIR &
HIGH LEVEL BUSINESS SUMMIT



MEETING REPORT



HOSTED BY



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The COMESA Business Council is proud to present the Report of the Source21 COMESA High-Level Business Summit that was held from the 17th -18th July 2019 at the Kenya International Convention Centre (KICC). The Summit was on the margins of the Source 21 COMESA International Trade Fair from the 17th – 20th of July 2019. All were under the theme, “The Hallmark of Quality”.

The event was organized by the COMESA Business Council and the Kenya Association of Manufacturers, in partnership with COMESA and the Government of Kenya.

The High-Level Business Summit was led by a Presidential Dialogue to give direction on key areas and reform strategies to strengthen the sourcing of quality African products in the market and address issues of local industrial and SME competitiveness in regional trade. The summit provided a platform of engagement between business leaders and policy makers to address some of the key impediments affecting business in regional and cross border trading partnerships.

The Summit brought together over 500 stakeholders from the public sector, namely high-level government officials, Ministers, Regulators, regional and international organizations. From the private sector; industry leaders, investors, entrepreneurs, SME businesses and innovators from all sectors of the economy, i.e. manufacturing and services industries from all over Africa.

The Business Summit had the participation of Four Heads of States; H.E. Uhuru Kenyatta, President- Republic of Kenya, H.E Edgar Lungu, President, Republic of Zambia, H.E Yoweri Museveni, President, Republic of Uganda and H.E. Paramasivum Pillay Vyapoory, A/ President, Republic of Mauritius. In addition, from regional organizations; Dr. Mukhisa Kituyi- Secretary General- UNCTAD, Mrs. Chileshe Kapwepwe- Secretary General, COMESA, UNECA and others. Ministerial participation from several COMESA countries; Egypt, Kenya, Rwanda, Uganda, Burundi, Malawi, Tunisia and Djibouti.

From the Business Community, Mr. Marday Venkatasamy the Chairperson of the CBC, the CBC Board of Directors, leaders and presidents of private sector Associations, CEOs and business managers of large, medium and small businesses and others were also part of the Summit.

Objective of the Meeting

The objective of High-Level Summit was to;

- ◆ Convene the inaugural COMESA International Trade Fair and High-Level Business Summit to set the pace for promoting regional partnerships within the 21 COMESA countries. Source 21- provide a platform for sourcing and partnerships amongst all the COMESA countries.
- ◆ A platform for the Heads of State of COMESA Countries to give direction on key areas and reform strategies to strengthen the sourcing of quality African products in the market.
- ◆ Provide a platform for dialogue between policy makers and

business leaders on some of the pertinent issues affecting industrial competitiveness and the ability to develop sustainable sourcing relationships and partnerships within the region.

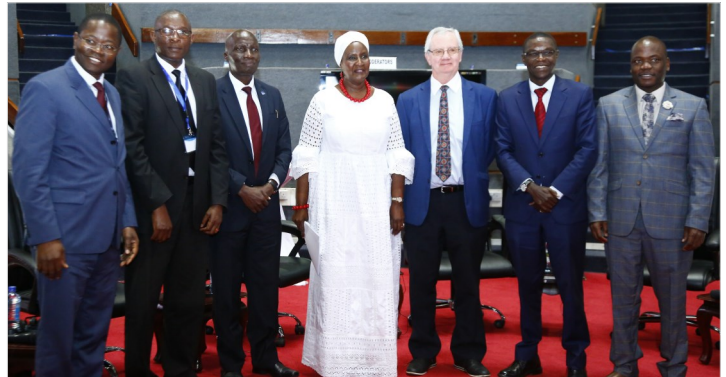
- ◆ Launch the SOURCE21COMESA Handbook; - a Business facilitation tool to inform businesses, traders, SMEs and others on the various market opportunities across the COMESA countries.

APPROACH

The meeting took the format of an “inter-participatory or dialogue” approach, whereby the Facilitator asked a series of questions to Panelists. This was followed by a discussion session where the participants were also given time to discuss and openly comment on the speakers’ presentations or issue under discussions.

The Summit opened with the Presidential Dialogue setting pace for the Sectoral roundtables which then provided a platform for engagement on sector-specify issues. Topics were centered on the following issues: Manufacturing competitiveness, Digitalization and Trade Facilitation, Digital Financial Services and Regional Payment systems, Standards and Quality Issues, the future of Agriculture – Optimizing sustainable partnerships in regional agribusiness. Smart and Sustainable Cities and Africa’s competitive advantage through the CFTA.

The recommendations from the sessions are captured as part of the Business Declaration at the end of the Report.



Official Opening Ceremony and Presidential Dialogue

The Meeting was officially opened by H.E. Uhuru Kenyatta, President of the Republic of Kenya.

The key messages from his statement included;

- The African Continental Free Trade Area (CFTA) creates a borderless market within the African continental paving way for an expanded market, access to innovation and business opportunities for growth and economic development.
- Share of African and COMESA intra-regional trade remains low at 16.7% for Africa and COMESA at 7%. The AfCFTA will facilitate product diversification and inter state linkages to remedy the above.
- Efforts should focus on youths cognizant of the increasing levels of population growth within the continent.
- The Dialogue provides a platform for public and private engagement to deal with issues to transform industrialisation and growth.
- Kenya is one of the largest economies in COMESA and amongst the leading exports of horticulture products and an advanced manufacturing economy in the COMESA region. It continues to aim at creating a free market economy and has put in place mechanisms to improve business environment, encourage Foreign direct investment and industry growth.

Session 1- Presidential Public-Private Roundtable

The Presidential Roundtable set pace and introduced the Dialogue, providing a unique platform for Heads of State and Business leaders to engage and explore practical measures and strategies that can be implemented to address competitiveness of local industries, increase regional exports and spearhead regional and continental integration.

This session had the following panelists; H.E. Uhuru Kenyatta, President- Republic of Kenya, H.E Edgar Lungu, President, Republic of Zambia, H.E Yoweri Museveni, President, Republic of Uganda and H.E. Paramasivum Pillay Vyapoory, A/ President, Republic of Mauritius. In addition, Dr. Mukhisa Kituyi- Secretary General- UNCTAD, Mrs. Chileshe Kapwepwe- Secretary General, COMESA and Mrs. Hope Murera, CEO Zep-Re. From the private sector; Mr. Marday Venkatasamy, CBC Chairman and Mr. Linus Gitahi, Chairman Tropikal Brands/ Brand Kenya.

The key messages from the Presidential Dialogue are as follows;

- Addressing the bottlenecks to business competitiveness and dealing with the drivers of high cost to doing business in the region is essential to promote regional integration and trade.
- Need to develop skills and education tailored to emerging technologies such as Industry 4.0, mobile technologies and others.
- Promoting local sourcing, identify under consumption and develop strategies to cater for it. Promoting market access for Made in Africa products.
- To accelerate the implementation of the CFTA, member states are urged to consider building upon the Rules of Origin and negotiated tariff from the TFTA.

- Promoting access to data and trade information, market opportunities from other countries to increase trade.
- Need for a balanced investment policy framework that is flexible and has scope for local procurement for both products and services including insurance to encourage growth of local industries.
- Borderless COMESA market should allow for free movement of persons and goods.
- Increased collaboration amongst businesses to create economies of scale and increase the number and scale of businesses with the regional and continental market.

Partners Statements

- ♦ Ms. Heather Schildge, A/Mission Director USAID E. AFRICA gave a brief statement on behalf of USAID. In her statement she acknowledged the relationship between Africa and the United States over the year through AGOA and Feed the Future programs. She highlighted the increase in Africa's population, particularly the youth emphasizing that Africa will need to create 18 million jobs in a year. On future collaboration, she highlighted that US is working on a Prosper Africa program that seeks to facilitate increased intra-regional trade and transform agriculture and support continental integration.
- ♦ Mr Hubert Perr, Head of Cooperation gave a brief statement on behalf of the EU Delegation. Mr. Perr gave a brief insight onto the relationship with COMESA as one of the largest partners supporting COMESA's initiatives. He mentioned a few of them including; COMESA Industrialisation strategy, Local Sourcing Policy, Small Scale Traders Project, Trade Facilitation and private sector development. He also mentioned the recently adopted European Investment Plan in Africa that looks at promoting investments in Africa. He recognized the importance of continental integration building upon the TFTA.

Launch of the Source 21 Handbook

H.E. Uhuru Kenyatta, President- Republic of Kenya led his counter paths in launching the Source 21 COMESA Handbook. The Business Handbook provides business and market information to foster potential partnerships and increase opportunities for intra-regional trade and investment. Dr. Amany Asfour, the CBC Board Director also spoke at the launch highlighting the importance of market information to inform business linkages and need to support SMEs as key to industrialisation. She also spoke of the 50 Million African Women Speak Platform as key to addressing market information challenges amongst women and youth within the continent.

Session 2- Manufacture Africa- The Value for Money

The Session was focusing on the manufacturing sector as the engine of growth in both developed and developing economies. The manufacturing sector hold the key to future growth in Africa and this sector tends to be overlooked.

This session was facilitated by Ms. Sandra Uwera and the panelists were Mr. Sachin Gudka, CEO for Skanem, Hon. Soraya Hakuziyaremye, Minister of Trade and Industry in Rwanda, Mrs. Iluyemi Temitope, Director Government Relations, and Public Policy Africa- P&G and Mrs. Hope Murera, CEO for ZEP- RE.

The key messages emanating from the discussions are as follows.

- There is need for investment in SME and Innovation hubs where different services for SMEs and entrepreneurs are offered. SME Hub can also be vehicles of value addition and product development leading to more competitive products.
- For a robust manufacturing sector to be instituted, there is a need to develop an Industry policy that works for the private sector thereby facilitating on the ease of doing business.
- Preferential procurement should ensure local sourcing to promote local manufacturing and this helps to grow national economic indicators like employment.
- It was highlighted that there is a need to build capacity in as far as setting up of standards, standards development and compliance is concerned. In view of this development, there is a requirement to provide training to people so that the required standards and quality is maintained.
- It was also noted that Public Private Partnerships' are essential in the development of the much need infrastructure- road, rail, energy etc.
- Business environment should ensure the lowering of costs for industries. Multiplicity of regulations and high taxes drive the high cost of doing business in Africa. There is need for reform to ensure the growth of competitive industries.
- It was discussed that there are no relevant products in the Industry when it comes to Insurance. Insurance is handy in the sense that premiums are low than the cost to be incurred when there is a loss and there are a lot of risks which needs to be mitigated involved in manufacturing and transportation of goods.

Session 3 A: INDUSTRY ROUNDTABLE - Internationalizing African Brands

The session was looking at how we can develop more competitive products and be competitive in the global market by Internationalizing Africa Brands.

The discussion was led by Phyllis Wakiaga, CEO Kenya Association of Manufacturers and the Pannelists were Mr. Muluaem Syoum, African Electronic Commerce Development International (AeCDI), Dr. Kipyego Cheluget, Assistant Secretary General COMESA, Mr. Azim Curimjee, Vice Chair Economic Development Board Mauritius & CEO, Quality Beverages and Curimjee Enterprises , H.E Mr. Omar Behi, Tunisia Minister of Trade and Mrs. Floice Mukabana, CEO Brand Kenya.

The key discussions emanating from the session are below:

- The panel highlighted that Branding is very important and most companies lose a competitive advantage if the products are not branded. Once the products have been branded, it is very easy to sell them in COMESA region. It was further discussed that Technology can play its role to ensure that the branded products are easily marketed in the member countries.
- Intellectual Property is very critical to protect these brands from copyright or counterfeiting. There is need to strengthen intellectual property acquisition and protection within most of the countries.
- In respect to Brand, the discussions emphasised on the need for standards to be maintained during manufacturing and distribution. It was pointed out that Brand alone is not enough hence a need for brands to be complemented by standards and quality. It is important to have good quality products which the customer needs and this is what makes the brand successful.
- In respect to Supply Chain networks, the Panel pointed out that technology can bring a lot of opportunities for strengthening supply chain networks and can play a key role in regional supply chain networks, thereby improve regional integration.
- The panel discussion emphasised on the need to build the digital market across the region so that we can have a connected market. The digital platform can therefore be interconnected with other International digital platforms like Amazon.
- Economic Zones can offer an opportunity of developing the SMEs sectors and bringing informal traders into the formal structures. This ultimately also improves efficiency and strengthens production chains.
- The panel further noted that intra-trade in COMESA is currently low because of high taxation, NTBs. A case study of Kenya was given whereby exports are high in Europe than other African countries because of the above.

Session 3B: Effectively tackling Illicit Trade and strengthening industry sustainability

The session was focusing on Illicit Trade which undermines the ability of governments to collect important sources of revenue that help ensure the key public services in the health, safety and security of its citizenry.

The session was facilitated by Mr. George Ndirangu, BBC and the panellists were Ms. Charlotte du Closel, Anti-Illicit Trade Engagement Director, JTI, Mr. Chris Kiptoo, Permanent Secretary, State Department of Trade, Kenya, Mrs. Phyllis Wakiaga, CEO, Kenya Association of Manufacturers, Mrs. Isabel Zarza, Managing Director, Africa- DUFRI and Mrs. Philipine Mtikitiki, General Manager East and Central Africa, Coca Cola.

Below are the key discussions from the session.

- In respect to Illicit Trade, governments are working in silos and not in co-operation with other member states and this results in low level of awareness among consumers on legitimate products to be bought. Consumers end up in low prices but possessing illegal products thereby depriving governments to collect the required revenue. There is a need for International cooperation between African countries and Regional Economic Communities (RECs) to control illicit trade.
- Public sector has a role to ensure the strengthening of regulations and institutions in charge of combating illicit trade. It is our combined role, and by providing Public Private Solutions on the constraints to business in the region; we can ensure that our industries become sustainable and our economies more competitive in regional and international markets
- Intellectual Property is very important in combating Illicit Trade.
- Increased stakeholder coordination and awareness is essential in the fight against illicit trade. There is a need to coordinate with enforcement agencies like police, customs and others. This will assist in border control and enforcement.
- The Panel noted that there is a need for a coordinated strategy at Regional level to fight Illicit trade in the Region. This entails amending existing laws and lobbying for best policies. Furthermore, having a regional regulatory framework to deal with illicit trade.
- Local sourcing was also discussed to be an important intervention in strengthening Industry sustainability. The companies have several programmes that specifically target SMEs, women and youths to feed in their value chains as a measure to increase local sourcing.
- SMEs are not well coordinated, and, in some instances, lack legal structures often become an impediment for larger companies to be able to source from them. As such there is need for measures that can support the coordination and clustering of SMEs. SME Hubs could offer such support services.

Session 4. Showcasing Africa's Trendsetters - The Young Minds of Business

The session explored the various journeys for some young entrepreneurs across all sectors, their challenges, opportunities and some of the innovations they have developed for the continent.

The session was facilitated by Mr. George Ndirangu from BBC and the following companies attended the Session; Organic Honey and Zola Foods which are companies in Agriculture, Biogen Kenya which is a company in Renewable Energy and Uzi Collections which is a company in Ethical Fashions. Other panelists were Ms. Hope Murera, CEO, ZEP-RE, Mr. Eric Bureau, Regional Head of Business Development-BAYER and Mr. David M. Bamlango, General Counsel at the Trade Development Bank.

- Presentations were done by all the young Entrepreneurs present in respect to what they are currently doing. Key questions focused on their future plans for growth, source of funding, mentorship and challenges faced.
- Organic honey has a composition of seven employees, and they buy their honey from farmers thereby improving the farmer's livelihoods. They make value addition by producing other products like Honey Wine, Body Butter and others. Their future plan is to expand into various geographical locations but have funding constraints. It was noted that for them to export their products, testing and accreditation is done in South Africa and they cannot afford to do that. TDB advised Organic honey to explore on Joint Ventures as part of funding strategy where risks are usually shared.
- Biojen collects used cooking oil which is converted into Bio-diesel which can then be used to run diesel fuel engines like Scheme Boilers. Through this recycling process of cooking oil, Biojen are able to produce 400 litres of Bio-diesel in a day. They currently have strategic partnerships with 70 restaurants, and they are targeting for more companies across the border to Uganda for cross border partnerships.
- Zola foods is a Social Enterprise which utilizes underutilized Indigenous species like Moringa and Baobab. They make value addition by buying such species from farmers and produce powders and seed oil. They assist in creating employment and have an impact on farmers where they buy their raw materials.
- Uzi Collection was started out of passion and they make clothes which are sold through various digital channels like WhatsApp, Facebook, Instagram and others. They have got a team of 9 employees and they now focus more on planning of their operations. Their future plan is to go fully fledged online with their marketing processes.
- Most of the entrepreneurs had mentors to advise and guide them, also quite key for growth of entrepreneurs as mentors can assist with business advice, market linkages, connections and even facilitate access to finance. Most of the young Entrepreneurs had challenges with funding and they were advised to explore venture capital and angel funds where there is risk sharing between the Funder and the companies.
- Young Entrepreneurs were advised to set up Governance, Legal and Financing Structures to ensure a good standing in business operations.

Session 5: How attractive are you to your financial partner?

The session was focusing on digital common payments systems and aspects to do with bankability, credit worthiness, investment readiness and digital finance for enterprises and economies.

The session was facilitated by Jonathan Pinifolo and Panel members were Hon. Amelia Kyambadde, Minister of Trade, Industry and Cooperatives, Mr. Arthur Cousins, Payments Projects Coordinator of SADC Bankers Association, Mr. George Odhiambo, Managing Director of KCB Bank Rwanda Limited, Mr. Jared Osoro, Director of Research and Policy and Mr. David M. Bamlango, General Counsel and Senior Executive of Legal Services.

The key messages from the session are as follows:

- To access finance from banks there is a need for the businesses to have good business plans, track records, Cash flow, collateral of which most starter ups don't have.
- SMEs can be funded through share Venture Capital Fund where risks are shared between the Funder and SME.
- SMEs lack access to information and this is very critical for them to make informed decisions. There is a need for digital platforms which can facilitate access to Information. Various Technologies and channels can offer such platforms that can be used in as far as information dissemination is concerned.
- Capacity building of SMEs is very critical in addressing access to finance. SMEs needs training on several issues including filing tax returns, market and trade processes in cross border trade.
- There is need for regulators of banks to assist commercial banks to share infrastructure like data centres. This will assist in lowering capital and operational expenditures of data centres and this cannot eventually be passed on to the end consumers.
- In terms of Digital Financial Inclusion, there is a need for collaboration of all regional communities (SADC, COMESA and EAC) so that there can be proper integration and harmonisation of regional payments within the Africa.

Session 6- Bridging the Gap – Digitalization Links Borders

The session examined a number of issues related to digitalization including; Africa's readiness to go digital, barriers and opportunities for digitalization of economies and businesses in the region.

The session had the following panelists; Mr. Anand Mohan - Managing Director, Digital Business Technobrain, Dr. Mukhisa Kituyi- Secretary General- UNCTAD, Mr. Chris Mugaga, CEO, Zimbabwe National Chamber of Commerce, Mr. Richard Were- Liquid Telecom and Mr. Dick Muriangi Kenya Airways. The Session Facilitator was Mr. Bonney Tunya.

- Digitalization is also linked to adequate infrastructure; telecommunications, transport, energy etc. It is important to start promoting investments in alternative energy to deal with the challenges in cost and availability of electricity. For instance, a number of telecommunications solutions are now aligned with using solar technologies increasing rural access to technology.
- There is increased uptake of mobile technology in most countries highlighting Africa's readiness to embrace customized technologies to deal with industry challenges.
- Investment is now greatly aligned to technology readiness rather than the cost of labour. The leading global companies are in technology related industries. African countries need to adopt policies that promote digitization to encourage investments and industry growth.
- It is important to have an end to end digitalization and to ensure regional adoption of digitalization to ensure that all countries adopt similar processes and methods in the customs clearance and logistics processes.
- Increasing intra-regional trade and human mobility is essential in driving the cost of regional travel and cargo transportation down.
- Political will is essential in dealing with most of the barriers to trade and competitiveness in the region. As a region, political leaders need to be more united and work towards the regional good.
- Digitalization can help support governments fight against illicit trade.
- The need to develop e-commerce platforms that speak to regional products and focus on promoting intra COMESA linkages.

Session 7: The Future of Agriculture- Optimizing Sustainable Partnerships in the Region

The session focused on transforming African agriculture through digitalization and measures for supporting the growth of small-scale farmers and regional commodity markets as key to increasing intra-regional trade.

The panelists included Dr. Rueben Gisore, Technical Director ARSO, Mr. Eric Bureau, Regional Head of Business Development, BAYER, Mr. Samir Ibrahim, CEO- Sunculture, Mr. Prince Kapondamgaga, CEO, Farmers Union of Malawi, Ms. Martha Byanyima, Coordinator, Sanitary and Phyto Sanitary Unit, COMESA with facilitation by- Ms. Kudzai Madzivanyika, Business Policy and Programs Manager at the CBC. The key issues from the discussions are as below:

- Capacity Building is essential in supporting SMEs or small farmers ability to meet regional and international standards. The CBC Local Sourcing for Partnerships project is one key example that should be duplicated.
- The ECOMARK label is an example of a locally driven standard which is being offered at a reasonable cost and will facilitate increase regional trade.
- Businesses should invest in acquiring knowledge and standards compliance as it boost their competitiveness and allows them greater market access in regional and global markets.
- Building capacity alongside harmonizing standards in the region should be a focus area. We should have one standard for 55 countries and not 55 standards for 55 countries.
- Technology has become a major driving force in industry and agriculture for increasing productivity, markets and agribusiness development. This includes series of measures from crop protection, input application, irrigation, harvesting and post harvesting methods. Also leading to increased productivity and climate change mitigation.
- There is need for governments investment in technology for instance, technology subsidization in a country's annual budget.
- Technology for farmers needs to be bundled with value added services and financing for farmers for it to be beneficial and more sustainable.
- Increased partnerships where businesses can leverage on each other's technologies and inventions without re-inventing the wheel.
- Storage of facilities. A lot of food produced is lost after harvesting due to lack of storage and technologies. There are technologies available to reduce this. What is required to address many of these challenges is partnerships and collaborations from all of us from different companies and cooperation's. This support can be provided from a diverse group of corporate with different resources and experiences.

Session 8: Smart Cities – Consumer trends towards sustainability

The session explored the concept of smart cities and Mauritius experience in the development of smart cities and how such technology can also advance business and industry competitiveness. Mr. Vinay Guddye, head, Logistics and Africa Strategic Business unit at Economic Development Bank was the panelist for this session.

Mr. Guddye gave an insight into smart cities in Mauritius highlighting that smart cities have become a significant development global issue, yet largely remains unexplored in Africa. Smart cities put technology at the center of driving urban systems and service delivery. Mauritius has put in place a number of cities with centralized hard and soft infrastructure to support business operations.

Smart cities have been more important with rapid urbanization and allows for the development of more efficient cities. Results included limited time lost in traffic, services under one roof also ensure timeous logistics and operations contribution to more efficient production. There is need for Africa to adapt and develop smart cities around its industries to promote for business efficiency.

Session 9: Africa's competitive advantage- One large market and Free Trade Agreements

The Session mainly focused on understanding the benefits of the CFTA and COMESA trade regime to improve Business to Business spending across the region. The session also covered the role of COMESA in the Africa Continental Free Trade Area.

This session had the following panelists; Dr. Andrew Mold, Director, Sub-Regional Office for Eastern Africa- UNECA; Mr. Thierry Kalonji, Director of Industry and Agriculture, COMESA; H.E (Eng) Adel Nassar, Ministry of Trade, Egypt; Geir Ullé, International Trade Director, JTI and Mr. Frank Mugenyi, Industry Advisor, African Union.

The deliberations highlighted the following key issues:

- African countries should take advantage of capabilities that are available to facilitate internal trade and also export to other continents i.e. use synergies to spur production.
- African countries should flex the rules of origin to enable regional cumulation and the promotion of regional value chains Rules of origin should be kept as simple as possible yet ensuring local manufacturing. Having strict rules of origin might in a way promote illicit trade and corruption within the continent. Customs administration should be transformed from a control based to a risk-based system. This will liberate resources to combat crime and ease operations for legitimate businesses.
- The African continent should promote free movement of factors of production i.e. finance, capital and labour among others. This will facilitate and increase production within the continent thus enabling them to be competitive and able to produce for exports. Real regional integration will require free movement of factors of production e.g. land, labour, capital etc.
- There is low intra-Africa trade mainly because of lack of harmonization of standards and trade (export/import) procedures. Lack of harmonization contribute to high non-tariff barriers – it is noted that about 70% of obstacles in Africa are non-tariff barriers.
- COMESA is one of the major contributors to the African Continental Free Trade Area and should spearhead its implementation.
- African governments should look at practical initiatives to set up productive start-up/SMEs/institutions; this should include equipment and capital.
- Bottlenecks along the corridors need to be removed in order to facilitate regional integration
- Free Trade Agreements need to take away red tape in order to be effective – easy rules, easy communication, easy procedures and the removal of bottlenecks along the trade corridors.
- Regional integration needs to be anchored with proper transport infrastructure - railway, roads and energy. Africa integration also needs the right type of financing to support the integration processes.
- The AfCFTA must contain meaningful and substantial trade liberalization. - goals set for tariff dismantling must be met in relation to both the volume of trade and the percentage of tariff lines.

CLOSING CEREMONY

- **Ms. Sandra Uwera CEO, COMESA Business Council and KAM, CEO, Mrs Phyllis Wakiaga** expressed their appreciation to the stakeholders- public and private sector for taking time to be part of this event. And to the COMESA and the Government of Kenya and all partners for their support in making the event a success.
- **Mr. Marday Venkatasamy, CBC Chairperson presented the Declaration** which captured the recommendations of all the sessions for the adoption. The Declaration is part of this report as number 6 below. All recommendations were adopted. He advised that the recommendations will be handed over to the COMESA Secretariat and also presented through the COMESA policy organs and Heads of State.
- **Ambassador Kipyego Cheluget.** In his closing remarks, Ambassador Cheluget expressed sincere appreciation to the support that was provided by the Government of Kenya and the partnership through the State Department of Trade. Recognising COMESA's 25th anniversary and leadership, he emphasized the need for COMESA to spearhead and take leadership within the continental agenda building from its leadership with the TFTA agendas.
- **Mrs. Beatrice Hamusonde, Director of Gender at the COMESA Secretariat** was also given an opportunity to provide a brief insight of the 50 Million African Women Speak Project (50MAWSP). She advised the platform seeks to contribute to the economic and social empowerment of women across 38 African countries through the provision of a networking platform to access information on financial and non-financial services. It is funded by the African Development Bank and will be implanted in COMESA, EAC and ECOWAS.
- **Dr. Chris Kiptoo, Principal Secretary, State Department of Trade, Kenya.** In his closing remarks he referred to the partnership for the Source 21 as part of the Kenya Trade Week. The Kenya Trade week is a yearly event which seeks to look at a number of issues to promote export competitiveness of Kenya in regional and global markets. He emphasized the need for the implementation of the recommendations and practical solutions on market access, skills development, industry competitiveness and others. Finally, he appreciated the drive within COMESA on regional integration and echoed Kenya's commitment to take leadership in some of the interventions including the TFTA and CFTA. He also congratulated CBC and KAM for all their work and commitment towards the Source 21 event.
- **Hon. Amelia Kyambadde, Minister of Trade, Industry and Tourism** gave the vote of thanks. She recognized COMESA's journey on regional integration over the years. She recommended the need to document, publicize and implement the recommendations coming from the event. She reiterated the need for regional harmonization of policies and partnerships across the region to ensure the growth of SME businesses. In closing, she welcomed the Source 21 as a great platform for public and private engagement and practical solutions to develop and grow the African continent.

We the COMESA Business Council, herein present our Source 21 Business Summit Declaration to adopt strategic efforts and actions that directly address issues for enhancing the capacities of local industries, local sourcing and intra-regional trade.

EXPRESSING our utmost appreciation to the Heads of States that have been part of this Summit providing a platform for direct engagement and to set the pace for strategic actions to propel the growth of our local economies and drive towards regional integration.

RECOGNISING the mandate and the platform that has been given to the COMESA Business Council, giving direct interface to the COMESA Policy makers, affirming the indomitable partnership between the public and private sector in regional economic development.

COMPLEMENTING the direction and efforts of Africa's continental integration through the Agenda 2063 and recently ratified Continental Free Trade Area.

FURTHER RECOGNISING that for meaningful trade and industrialization the focus should be on integrating SMEs into the global and regional value chains and strengthening development of regional chains. At the center of, also the issues of increasing appetite, preference, consumption of local products and strengthening growth of local industries as key for ensuring growth in intra-regional trade.

UNDERSCORING the need to develop and implement policies, regulations and strategies for the growth of sustainable businesses, particularly SMEs that can effectively participate in national, regional and global markets. Thereby, develop a private sector that can effectively participate within the COMESA, TFTA and AfCFTA integration and contribute effectively to job creation, poverty alleviation, trade, economic and sustainable development.

WE HEREBY DECLARE AS FOLLOWS:

ON PRESIDENTIAL DIALOGUE

- To ensure increased local sourcing within the region, promote industrial competitiveness and advance our regional integration there is need for the following:
- Addressing the bottlenecks to business competitiveness and dealing with the drivers of high cost to doing business in the region.
- Need to develop skills and education tailored to emerging technologies such as Industry 4.0, mobile technologies and others to improve our industrial competitiveness.
- Governments need to put in place specific strategies for promoting local sourcing, identify under consumption and develop strategies to cater for it. Promoting market access for Made in Africa products.
- To accelerate the implementation of the CFTA member states are urged to consider building upon the Rules of Origin and negotiated tariff from the TFTA.
- Promoting access to data and trade information, market opportunities from other countries to increase trade.

- Need for a balanced investment policy framework that is flexible and has scope for local procurement for both products and services including insurance to encourage growth of local industries.
 - Borderless COMESA market should allow for free movement of persons and goods.
 - Increased collaboration amongst businesses to create economies of scale and increase the number and scale of businesses with the regional and continental market.

On Promoting Manufacturing Competitiveness

- Member states are urged to address the cost of regulatory compliance to reduce the cost of production for local products and promote competitiveness of local manufacturing industry.
- Member States are urged to harmonize regulatory frameworks on standards in the region including adopting equivalence measures within COMESA.
- Member states are called upon to put in place a mechanism for trade remedies to deal with dumping within the markets.
- COMESA is encouraged to work on the development of regional value chains, focusing on the strengths and competitiveness of each country.
- There is need to develop regional e-commerce platforms/systems to provide businesses with market information for linkages across the COMESA and African market.
- Member states are urged to review their taxation policies to improve the competitiveness of local industries.
- There is need for increased investment in research and development and other policies to stimulate investment for industry growth.

On Curbing Illicit Trade

- Member States are urged to strengthen coordination and develop regional strategy to address the illicit trade situation in COMESA Member States. It should in particular focus on: reinforcement of the cooperation (operational and administrative) between countries and law enforcement agencies, increased empowerment and training of the authorities, recommendations on minimal legislative/regulatory framework (incl. on deterrent sanctions), coordinated development and implementation of supply chain security solutions across the region, enhanced partnerships between private and public sectors. This should be anchored by a structured public- private engagement to ensure effectiveness.
- Digitalization can support the fight against illicit trade. There is need for increasing investment in digital technologies to counter illicit trade.
- There is need for increased consumer awareness on Illicit trade and its impact on growth, health and industry development.
- There is need to improve IP enforcement to promote authentic production and consumption of products within the region.

SOURCE 2I BUSINESS SUMMIT DECLARATION

On Access to Finance

- Member states are urged to increase collaboration amongst Regional Economic Communities- EAC, COMESA and SADC to develop regional payment systems.
- Member states are urged to develop alternative affordable, specialized SME's financial mechanism/ venture funds through partnerships with multilateral investments for SME's access to finance; the implementation of a COMESA Fund.
- SMEs are encouraged to formalize into legal entities with governance frameworks so that they can improve their credit worthiness.
- On Bridging the Digitalization Gap
- There is need to increasing trade across countries and human mobility to reduce the cost of transportation, particularly airport cargo transportation.
- Member States are urged to ensure the sharing of infrastructure in terms of data centers to allow for integration and reduction in the costs.
- Members are urged to increase investment in road, rail, energy infrastructure to reduce the cost of doing business. Furthermore, to ensure interconnectedness of the infrastructure within the region.
- Member States are urged to harmonize regional regulatory frameworks for mobile money payments within the COMESA Region.

On Improving agriculture competitiveness

- There is need for increased uptake of technologies to improve production and efficiency in agriculture production. Member states support initiatives should include technology subsidies, value added services and financing for farmers.
- Member States are urged to increase investment in regional conformity infrastructure to improve standardization.
- There is need for investment by both private and public to improve skills, quality and standards compliance by businesses. Farmers should be encouraged to invest into farming as a business.
- On smart cities there is need for structured planning of cities that allows for infrastructure sharing, automation of processes and building more efficient business processes.

On Continental Integration

- Rules of Origin should be simplified enough to allow movement of goods and services across borders. Rules should enable regional cumulation and the promotion of regional value chains and ensure the growth local manufacturing. Customs administration should be transformed from a control based to a risk-based system to be more effective.
- There is need to take cluster approach (amongst businesses and industries) as this will improve efficiency and ensure the development of economies of scale.
- There is need for a continental and regional database of businesses (manufacturers, buyers, sellers) and each country's capabilities and areas/ sectors of competitive edge to promote more business and trade amongst countries.
- Private sector inclusion and participation within the processes for continental integration is essential for its success and effective implementation.

Introduction

- The COMESA Business Council is proud to present the Source 21 COMESA International Trade Fair report. The Fair as held from the 17th - 20th July 2019 at the Kenya International Convention Centre (KICC). The exhibition was outlaid concurrently with the High-Level Business Summit from the 17th – 18th of July 2019. All were under the theme, “The Hallmark of Quality”.
- The event was organized by the COMESA Business Council and the Kenya Association of Manufacturers, in partnership with COMESA and the Government of Kenya.
- The exhibition promoted African made, assembled, and/or value added and distributed products and services from various industries operating within the African markets, ranging from Small and Medium Enterprises to Corporate companies. It provided an opportunity to source cutting edge products and services, as well as, provide a platform of understanding the COMESA market and the relative instruments that can be engaged to facilitate trading in the region. The trade fair brought together fifty-one (51) exhibitors from the COMESA Region and visitors from more than 56 countries from across the globe.

Objective of the trade fair/exhibition

The objective of the Exhibition was to; promote quality African products and services under one umbrella, facilitating the learning, sampling, sourcing and buying experience for traders and services providers across the globe.

Opportunities which were presented by the Exhibition

- Promotion of goods and services within the vibrant industries in COMESA;
- Provide opportunities for potential and new entrants to raise their visibility in African markets;
- Sourcing opportunities for buyers, suppliers in COMESA;
- Establish business linkages and platforms for partnerships within the COMESA region;
- Increase awareness on the COMESA market and business opportunities to promote trade;
- Initiate core business to business seminars on a sector demand basis;
- Initiate joint ventures, partnerships, contracts and strengthen distribution channels within the region.

Exhibitors

The Trade fair was featured fifty-one (51) exhibitors occupying seventy booths. The exhibitors were from various sectors; art & crafts, food & beverages, household products, clothing & textiles, and services.

The countries which were represented include Zambia, Kenya, Mauritius, Zimbabwe, Ethiopia, Uganda, Rwanda, Burundi, Indian Ocean Islands, Democratic Republic of Congo, Tunisia, Egypt, Madagascar and Comoros. The exhibitors show cased different products in both good and services as highlighted in Annex 1.

Visitors

Approximately 2000 people visited the exhibition stands during the period. Exhibitors managed to collect important contacts and have business deals.

Business to Business Meetings/Business Leads

As a way of meeting the one of the event objectives, a Business to Business session was organized within the exhibition arena where exhibitors were given a table display their products and were accorded an opportunity to meet with potential buyers. All the exhibiting countries were present in the B2B session. Business interactions took place during the sessions and most companies went into bilateral. Companies who managed to clinch favourable enquiries include Organic Honey, Swiss Garments, African Trade Vision, and EDB companies. CBC is making a follow up to the exhibitors to get the value of deals and orders that materialized.

Country presentations

The Economic Development Board (EDB) of Mauritius was given an opportunity to make presentations on trade and investment opportunities that existed in Mauritius. Mr. Guddye made the presentation on behalf of the delegation.

Capacity Building for Women trading in COMESA

- The session was about encouraging women who are in business, trading in the COMESA region. This was chaired by Dr Armany Asfour (the immediate past chair of CBC).
- Fifty (50) business people attended the training. Dr. Asfour highlighted some of the challenges that women traders are faced within the region and further appealed to countries to embrace the African Continental Free Trade Area which is currently being implemented as this has a bearing on competitiveness and production efficiencies. She further appealed to COMESA Member countries to reduce on the barriers that are impediments to trade in the region.
- The meeting was graced by Hon. Amelia Kyambadde, Minister of Trade, Industry and Cooperatives – Uganda. The Hon. Encouraged traders to be hard workers, planners, credit worthy, work in partnership with other businesses as recipes for business growth. She further highlighted that businesses need to add value to their products.
- During the meeting the Director of Gender at COMESA also encouraged women traders to register on the online platform that COMESA has developed to reach the number of 50 Million African Women Speak. The portal will provide market and business information to women and will also allow them to trade online.





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