

KENYA TRADE WEEK 2019 HOSTS

Source21

COMESA INTERNATIONAL TRADE FAIR &
HIGH LEVEL BUSINESS SUMMIT



BUSINESS SUMMIT DECLARATION



HOSTED BY



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.

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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.

On Access to Finance

- Member states are urged to increase collaboration amongst Regional Economic Communities- EAC, COMESA and SADC to develop regional payment system
- 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.