

THE COMESA BUSINESS POSITION STATEMENT

FACILITATING THE MOVEMENT OF ESSENTIAL GOODS AND SERVICES ACROSS BORDERS
DURING THE PERIOD OF COVID-19 PANDEMIC



PREAMBLE

WE the Regional Business Community, under the umbrella of the COMESA Business Council, representing regional and national sectoral, national apex associations, companies, Small and Medium Enterprises and Interest Groups that are present within the COMESA region, present our Business position to adopt strategic efforts and actions that directly address issues for ensuring the smooth and timely movement of essential goods and services in the region.

EXPRESSING our utmost appreciation of 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.

CONSIDERING the role of cross border trade in promoting livelihoods, industry and economic sustainability for COMESA and the increased importance of cross border and intra-regional trade and partnerships in the face of global trade and supply chain disruptions.

NOTING the need for increasing cooperation, engagement and private sector participation on matters and measures to advance public health in line with Article 110 of the COMESA Treaty as necessary to ensure health protection of all COMESA citizens.

RECOGNIZING the various measures, guidelines and initiatives at national and regional levels to curb the continued transmissions of COVID -19 and at the same time continue to facilitate business and cross border trade.

FURTHER RECOGNISING the need for government and private sector to take immediate, proactive concerted measures to address and mitigate the drastic effects on businesses and the economy at large.

UNDERSCORING the need to ensure continued trade to the greatest extent possible thereby limiting the grave losses to business and the economy at large which the World Bank has estimated will be between \$37 billion and \$79 billion in output losses for 2020 from trade and value chain disruptions.

WE HEREBY ASSERT THE IMPORTANCE OF TRANSPORT AND LOGISTICS SERVICES IN TRADE

Africa and COMESA's intra-regional trade accounts for about 10% of the global trade, suggesting a great reliance of products from outside the region. The COVID-19 pandemic has disrupted almost all global sectors, but most importantly the transport and logistics services. Transport and logistics services are at the center of trade as they facilitate the movement of goods and services across the region.

Several countries in COMESA are landlocked and there is great reliance on corridor networks, cross border transport and logistics services. Some of the busiest borders include Beitbridge, Chirundu and Malaba providing linkages across the North-South Corridors and Northern Corridors covering more than ten countries. Most governments have put in place measures that include border restrictions and limitations on the movement of cargo, thereby affecting cross border trade. Whilst the measures are important, facilitating the movement of essential goods and services remains a priority for livelihoods, industry and economic sustainability for COMESA.

WE HEREBY PRESENT IMPEDIMENTS FACED BY BUSINESSES DUE TO MEASURES TO CURB COVID-19 ACROSS THE BORDERS

In engaging the business community to understand and collate the trade restrictive measures being faced as a result of the pandemic, some of the preliminary cases/ impediments identified are as follows:

Regulations pertaining to the movement of essential goods and services across the borders

- ➔ Selected Member states have put in place measures restricting the movement of goods and services, except for essential products. Essential products have been broadly categorized as food and beverages, agriculture inputs, medical supplies, etc. There has been no clear categorization in terms of HS classifications of the essential products resulting in uncertainty for most businesses, and increased discretion for border officials which often leads to arbitrary decision making and corruption.
- ➔ Furthermore, the lack of harmonization on the definition or classification of essential goods along transport corridors leads to differences in the measures taken, resulting in disruption or denial of entry, thus affecting the movement of transit goods and services.

Regulations pertaining to the quarantine of truck drivers

- ➔ Selected Member states have introduced a 14-day quarantine for truck drivers upon entry, without a risk assessment mechanism, or consideration of the goods being carried. This leads to delays at the borders and increased costs and risks for the drivers.

Movement of Transit Cargo challenges

- ➔ Exporters and importers have highlighted various challenges including delays or denial of entry for transit cargo whilst

transiting across the region. For example: Cargo of essential goods moving from South Africa through Zambia destined for Democratic Republic of Congo having challenges in getting clearance to pass through Zambia.

Clearance through Border Posts

- ➔ At the Kasumbalesa border post, Truckers Association, FESARTA have highlighted serious delays and queues spanning for more than 50km. The delays are also affecting delivery of products or inputs for essential supply chains. Furthermore, drivers are held up for several days without facilities causing a health risk.
- ➔ There have been additional reports of delays at the Chirundu and Livingstone border posts in Zambia, and at the Moyale and Galafi border posts of Ethiopia.

Tripartite or Continental approach to facilitating transit cargo

- ➔ There is great reliance on corridor networks to facilitate cross border trade in COMESA. Due to port locations products destined for most countries in Southern Africa have to pass through one of South Africa, Mozambique, Namibia and Botswana who are not part of COMESA. In East Africa, besides the Mombasa port, there is also reliance on Dar es Salaam port in Tanzania.
- ➔ Businesses have cited cases where goods shipped from outside the continent or transiting through port countries have been denied clearance and movement across the said countries. This has resulted in serious supply chain disruptions across the regions and high costs for businesses in demurrage costs.

WE HEREBY RECOMMEND AS FOLLOWS

1. On the establishment of common framework for the facilitation of movement of essential goods and services along the border corridors while implementing the measures against COVID-19:

Member states are urged to urgently put in place a common framework on the movement of essential goods and services across borders specifically addressing the following:

- Classification of essential goods and services by HS Code to ensure uniformity and harmonization across the countries. Essential goods should be clearly specified.
- In specifications, categorizing agriculture goods as essential by highlighting HS Chapters 1 to 24 for agricultural goods instead of food and agriculture products.
- A clear guideline for testing and quarantine of truck drivers across the borders, this includes a risk-based quarantine approach that does not exceed 24 hours period for providing tests results.
- Increased customs coordination and interfaces to ensure swifter processing of goods and services at the border to reduce clearance times.

2. On Measures related to truck drivers and movement of cargo across the region:

Member states are urged to consider alternative and practical measures for the movement of cargo across the region such as:

- Allow cargo to be transported by a limited number of persons (two) in alignment to the EAC.
- Put in place regulations for truck drivers to have limited interactions with people.

3. On facilitating the movement of transit cargo across the region:

- Member states are urged to facilitate and expedite the movement of transit essential cargo across the region through pre-clearance and/or prompter clearance to facilitate trade and reduce the risk of infections at the border posts.
- Member states are urged to put in place priority processing channels for goods and services classified as essential. The channels should also accelerate the clearance and movement of transit goods across the countries.

4. On increasing awareness of regulations and measures to ensure readiness:

- Member states are urged to publish all regulatory measures pertaining to the COVID-19 restrictions and the list of goods/ essential goods being applied within the country. Furthermore, provide allowance for a grace period where permissible before implementing a regulation to ensure readiness by the private sector.

5. On the development of an instant enquiry, monitoring and resolution of barriers platform:

- Member states are urged to implement an instant border measures enquiry, reporting and monitoring platform consisting of border management authorities from each member state to facilitate the speedier resolution of impediments and barriers to the movement of essential goods and services in COMESA.
- Cognizant of the role of specific borders and ports in facilitating intra- Africa and intra-regional trade, Member States are urged to consider a tripartite and continental approach to the above.

IMPORTANT CONSIDERATION: FACILITATING THE MOVEMENT OF ALL GOODS IN RECOGNITION OF THE ADVERSE ECONOMIC IMPACT OF RESTRICTIONS

Whilst the focus has been on essential goods as related to food, beverages and health, there is also need to consider that the movement of all goods is essential to the livelihood and economies of COMESA Member states. Lockdowns are likely to be sustained for prolonged periods and will adversely affect industries, livelihoods, employment and economies.

- A blanket approach to classification may lead to the elimination of the raw materials that are necessary for the manufacture of essential goods. Strict application may lead to denial of entry for such products as most essential products lists focus on finished products.
- Member States are urged to note that all industries have immense contributions within the COMESA economies, and ensure they are still able to operate to sustain employment, and livelihoods. Therefore, a blanket prohibition of the movement of all goods will have severe adverse effects.
- In the event of prohibition, Member States are urged to consider an approach for exceptions to facilitate the movement of select goods / services of high economic significance not covered under essential goods.

Please see Annexure 1 showing how countries and regions in Africa and globally have listed "essential goods and services".

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Please visit our website for more information on CBC: www.comesabusinesscouncil.org*

ANNEXURE 1: DEFINING ESSENTIAL GOODS/CARGO

This Annex provides some guidance on how other countries or regions have defined the essential cargo/ essential goods and services. This can be used to inform the COMESA regional list.

SADC Classification

- a. Food
- b. Medical equipment and medicines, including medical supplies and personal and Personal Protection Equipment;
- c. Fuel including coal;
- d. Agriculture inputs and supplies;
- e. Chemicals, packaging equipment, spares, maintenance materials and ancillary products used in the production and processing of food products;
- f. Security, emergency and humanitarian relief services; and
- g. Other goods and products as may be agreed among and between Member States.

Comment: Whereas SADC has defined seven sectors, there lack of specificity where HS classifications are not provided provides scope for arbitrary interpretation.

Nigeria

List of essential goods

- ➔ Food and beverage items including imported items
 - Rice
 - Sugar
 - Vegetable and animal oils and fats
 - Flour and All Grain Mill Products
 - Bread
 - Water
 - Dairy products - milk, infant formula
 - Condiments and Spices
 - Dry food such as instant noodles, etc
 - Coffee and tea
 - Canned food
 - Meat
 - Chicken
 - Animal feed
 - Processing of fruits and vegetable
- ➔ Agriculture and fisheries including imports
 - Fish and Seafood
 - Fruits
 - Vegetables
- ➔ Household products
 - Detergents
 - Disinfectants
 - Sanitisers
 - Personal care items
 - Toilet paper and tissue paper
- ➔ Personal Protective Equipment (PPE) including Fire Safety Equipment and Medical Attire including face mask, rubber gloves, etc.
- ➔ Pharmaceutical – all chemicals and drugs production.
- ➔ Packaging materials and printing including ink. Medical and surgical devices.
- ➔ Parts for medical devices e.g. parts for ventilators.

List of Products that are Part of the Supply Chain of Essential Goods Supply Chain for Exemption from the Restriction of Movement

- ➔ Oil & Gas
- ➔ Chemical and Chemical Products - Fertilizer and Pesticide
- ➔ Electrical & Electronics (E&E) including semiconductors
- ➔ Petrochemicals
 - PTA & PET RESINS
 - Polyester fibres & filaments
 - Polypropylene & polyethylene
 - ABS & MABS resin
 - Maleic Anhydride
 - Expanded EPE
 - Impact modifiers & processing aids
 - Styrene Monomer
 - Styrene Butadiene Latex
 - Polystyrene

Comment: The list has a more detailed aggregation, but the HS Classification will still be important as some may be input for the manufacture of essential products.

South Africa

The Regulation through the Disaster Management Act provides for lock down of business with exception to those operating in essential services. The following products are then cited, suggesting they are recognized as the essential services/products:

- ➔ Any food product, including:
 - non-alcoholic beverages;
 - animal food; and
 - chemicals, packaging and ancillary products used in the production of any food product.
- ➔ Cleaning and hygiene products:
 - Toilet Paper, sanitary pads, sanitary tampons, condoms; hand sanitiser, disinfectants, soap, alcohol for industrial use, household cleaning products, and personal protective equipment; and
 - Chemicals, packaging and ancillary products used in the production of any of the above.
 - Products for care of babies and toddlers
 - Personal toiletries, including haircare, body and face wash, roll-ons, deodorants, toothpaste
- ➔ Medical:
 - Medical and hospital supplies, equipment and personal protective equipment; and
 - Chemicals, packaging and ancillary products used in the production of any of the above.
- ➔ Fuel, including coal and gas
- ➔ Basic goods, including airtime and electricity.

Comment: Whilst a list has been provided above, it is not clear whether the above would also be the same list for cross border trade.

EU Classification

- Member States should preserve the free circulation of all goods. In particular, they should guarantee the supply chain of essential products such as medicines, medical equipment, essential and perishable food products and livestock.
- No restriction should be imposed on the circulation of goods in the Single Market, especially (but not limited to) essential, health-related and perishable goods, notably foodstuffs, unless duly justified.
- Member States should designate priority freight transport (e.g. via 'green lanes') and consider waiving existing weekend bans lanes.
- Specific transport nodes (e.g. ports, airports, logistics hubs) should be reinforced as needed.
- List of health HS codes to be given priority at borders:

HS CODE	PRODUCT NAME
COVID-19 TEST KITS/ INSTRUMENTS AND APPARATUS USED IN DIAGNOSTIC TEST	
3822.00	Diagnostic reagents based on polymerase chain reaction (PCR) nucleic acid test.
6307.90	Textile facemasks, without a replaceable filter or mechanical parts, including surgical masks and disposable facemasks made of non-woven textiles.
9027.80	Instruments used in clinical laboratories for In Vitro Diagnosis
PROTECTIVE GARMENTS	
6307.90	Textile facemasks, without a replaceable filter or mechanical parts, including surgical masks and disposable facemasks made of non-woven textiles.
9020.00	Gas masks with mechanical parts or replaceable filters for protection against biological agents. Also includes such masks incorporating eye protection or facial shields.
9004.90	Protective spectacles and goggles
3926.20	Plastic face shields (covering more than the eye area)
3926.20	Plastic gloves
4015.11	Surgical rubber gloves
4015.19	Other rubber gloves.
6116.10	Knitted or crocheted gloves which have been impregnated or covered with plastics or rubber
6216.00	Textile gloves that are not knitted or crocheted
6505.00	Disposable hair nets
6210.10	Protective garments for surgical/medical use made up of felt or nonwovens whether or not impregnated, coated, covered or laminated (fabrics of heading 56.02 or 56.03). This includes spun-bonded garments.
6210.20 6210.30 6210.40 6210.50	Other protective garments of textiles of rubberised textile fabrics or woven fabrics that are impregnated, coated, covered or laminated (fabrics of headings 59.03, 59.06 or 59.07). Actual classification will depend on type of garment and if for males or females. Example: a unisex full body woven suit impregnated with plastics would be classified under 6210.50 - Other women's or girls' garments.
3926.20	Protective garments made from plastic sheeting
THERMOMETERS	
9025.11	Liquid filled thermometer for direct reading: Includes standard "Mercury-in-glass" clinical thermometer.
9025.19	Other thermometers
DISINFECTANTS/ STERILISATION PRODUCTS	
2207.10	Undenatured, containing by volume 80% or more ethyl alcohol
2208.90	Undenatured, 75% ethyl alcohol

3808.94	Hand sanitizer: A liquid or gel generally used to decrease infectious agents on the hands, alcohol-based type.
3808.94	Other disinfectant preparations: Put up in forms or packings for retail sale such as rubs, and wipes impregnated with alcohol or other disinfectants.
8419.20	Medical, surgical or laboratory sterilisers: Function by steam or boiling water.
2847.00	Hydrogen peroxide in bulk: Bulk H ₂ O ₂ whether or not with solidified with urea.
3004.90	Hydrogen peroxide presented as a medicament: H ₂ O ₂ put up for internal or external use as a medicine, including as an antiseptic for the skin. Only covered here if in measured doses or in forms or packings for retail sale (including directly to hospitals) for such use.
3808.94	Hydrogen peroxide put up in disinfectant preparations for cleaning surfaces: H ₂ O ₂ put up as cleaning solutions for surfaces or apparatus.
3808.94	Other chemical disinfectants: Put up in forms or packings for retail sale as disinfectants or as disinfectant preparations, containing alcohol, benzalkonium chloride solution or peroxyacids, or other disinfectants.
OTHER MEDICAL DEVICES	
9022.12	Computed tomography (CT) scanners: Uses a rotating X-ray machine to image thin slices of the body to diagnose diseases such as pneumonia.
9018.90	Extracorporeal membrane oxygenation (ECMO): Provides prolonged cardiac and respiratory support by removing blood from the person's body and artificially removing the carbon dioxide and oxygenating red blood cells.
9019.20	Medical ventilators (artificial respiration apparatus): Provides mechanical ventilation by moving breathable air into and out of the lungs.
9019.20	Other oxygen therapy apparatus including oxygen tents: As well as complete oxygen therapy apparatus, this subheading also covers recognisable parts of such systems.
9018.19	Patient monitoring devices - Electro-diagnostic apparatus - Electrical or electronic equipment for the observation of a disease, condition or one or several medical parameters over time. This includes such devices as pulse oximeters or bedside monitoring stations used for continuous monitoring of various vital signs. (Note: this does not include devices more specifically covered elsewhere e.g. electro-cardiographs (9018.11) or electronic thermometers (9025.19).)
MEDICAL CONSUMABLES	
3005.90	Wadding, gauze, bandages, cotton sticks and similar articles: Impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical use.
9018.31	Syringes, with or without needles
9018.32	Tubular metal needles and needles for sutures
9018.39	Needles, catheters, cannulae and the like
9018.90	Intubation kits
4818.90	Paper bed sheets

Comment: It is important to note for the EU there are no prohibitions on the movement of cargo. In fact, a priority list was developed where limited taxes are applied on essential goods to ensure they are readily available within the European Union, especially on medical equipment.