ISSUE NO. 12/20- SEPTEMBER 2020

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

BIZNET WEEKLY

Fortnightly Newsletter of the COMESA Business Council

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.

ZAMBIAN SME'S ON THE RIGHT TRACK TO FOOD SAFETY AND QUALITY STANDARDS.

COMESA Business Council in partnership with the Zambia Bureau of Standards, Zambia Chamber of Commerce and Industry, Zambia National Framers Union and the Ministry of Commerce, Trade and Industry with support from EDF – RECAMP convened the Local Sourcing for Partnerships Project Training Workshop in Zambia. The online training was held from the 9th to 10th September 2020, under the theme , "Promoting Efficient and Sustainable Local Supply Chain Systems", The online training was attended by 60 SMEs and was officiated by Zambia's Ministry of Commerce, Trade and Industry Permanent Secretary Mr. Mushuma Mulenga. Post the training about 20 SMEs will be selected for the Business Counseling and Mentorship programme. The Business counsellor will provide leadership, coaching, mentoring and technical support services to the selected SMEs in developing their quality standards to meet requirements of their buyers. The business counsellor will also monitor, document and report on the SMEs' progress towards meeting the standards requirements.

During the opening ceremony Mr. Mulenga observed that the Zambian Government was cognisant of the efforts that the private sector continues to make in terms of regional integration. He further acknowledged the growing recognition of the partnership between the public and private sector in tackling issues of productivity, SME development and trade. He informed the meeting that the Ministry of Commerce, Trade and Industry is currently undertaking the review of the SME Development Policy because of the sector's critical contribution to economic growth and national development.

Mr. Mulenga noted that agriculture plays a critical role in the value chain system because all food production begins with agriculture. Therefore, the LSP programme is important as it focuses on firming up the agro – industry and enhancing MSMEs technical and productive capacities, to enable their participation in value chains at regional and global levels. This training in Food Safety Management Standards will help to address challenges of capacity and standards as these have been identified as major constraints to market access. He admitted that addressing these constraints is paramount and instrumental in unlocking their potential as drivers of domestic growth.

During the same event CBC's Chief Executive Officer Ms. Sandra Uwera highlighted that CBC has been implementing the Local Sourcing for Partnerships (LSP) Project since 2016, with the main objective of increasing local sourcing from small growth enterprises by large companies in the COMESA region in order to create jobs and economic development. The LSP project has successfully conducted similar trainings on quality and food safety standards that benefited more than 700 agro food suppliers in the following 11 countries: Kenya, Uganda, Rwanda, Ethiopia, Malawi, Egypt, Zimbabwe, Zambia, Madagascar, Tanzania and South Africa. This is the second time it is been conducted in Zambia.

The LSP Project is implemented in two phases; technical capacity building and buyer-seller linkages platforms; linking SMEs to sustainable partnerships with corporates buyers. The project will focus on the Small and Medium Enterprises (SMEs) and small holder farmers to break barriers by producing for the hospitality, retail and manufacturing industry as a steppingstone to supply to the region and beyond. Our experience has shown us that every farm, no matter how small, is a business. And that smallholder farmers and SMEs are already part of the private sector.

Zambia Chamber of Commerce and Industry (ZACCI) Chief Executive Officer Dr. Luwodzya Mwale informed the meeting that this event was held at an opportune time as they continue to encourage local sourcing in Zambia. As ZACCI they believe that local sourcing remains the key pathway for SMEs to contribute to economic development. Therefore, linking them to the right markets will yield into a lot of positive results. He was delighted to share that a notable number of Zambian products have found their way to the shelving spaces of some of the retail chain stores in Zambia, giving us a good picture that a few of Zambia's SMEs and farmers are receiving support locally and they are contributing to the economy.

Zambia Bureau of Standards representative – Director of Technical Services – Mrs. Margret Lungu appealed to the SMEs to make use of the Certified Local Supplier Scheme (CLSS) which is a program to reach out to MSMEs. The scheme was developed as an intervention to promote MSMEs so that they can upgrade the quality of their products because larger buyers have low confidence in food safety and hygiene. Further the high cost that is associated with implementing a full – fledged FSMS not affordable by MSMEs therefore, the scheme will be an answer. Once most MSMEs are on the scheme, the majority of regional and national buyers will have an active interest in local sourcing.

Top Most: Ms. Sandra Uwera CEO - CBC and LSP Zambia Training Workshop Participants

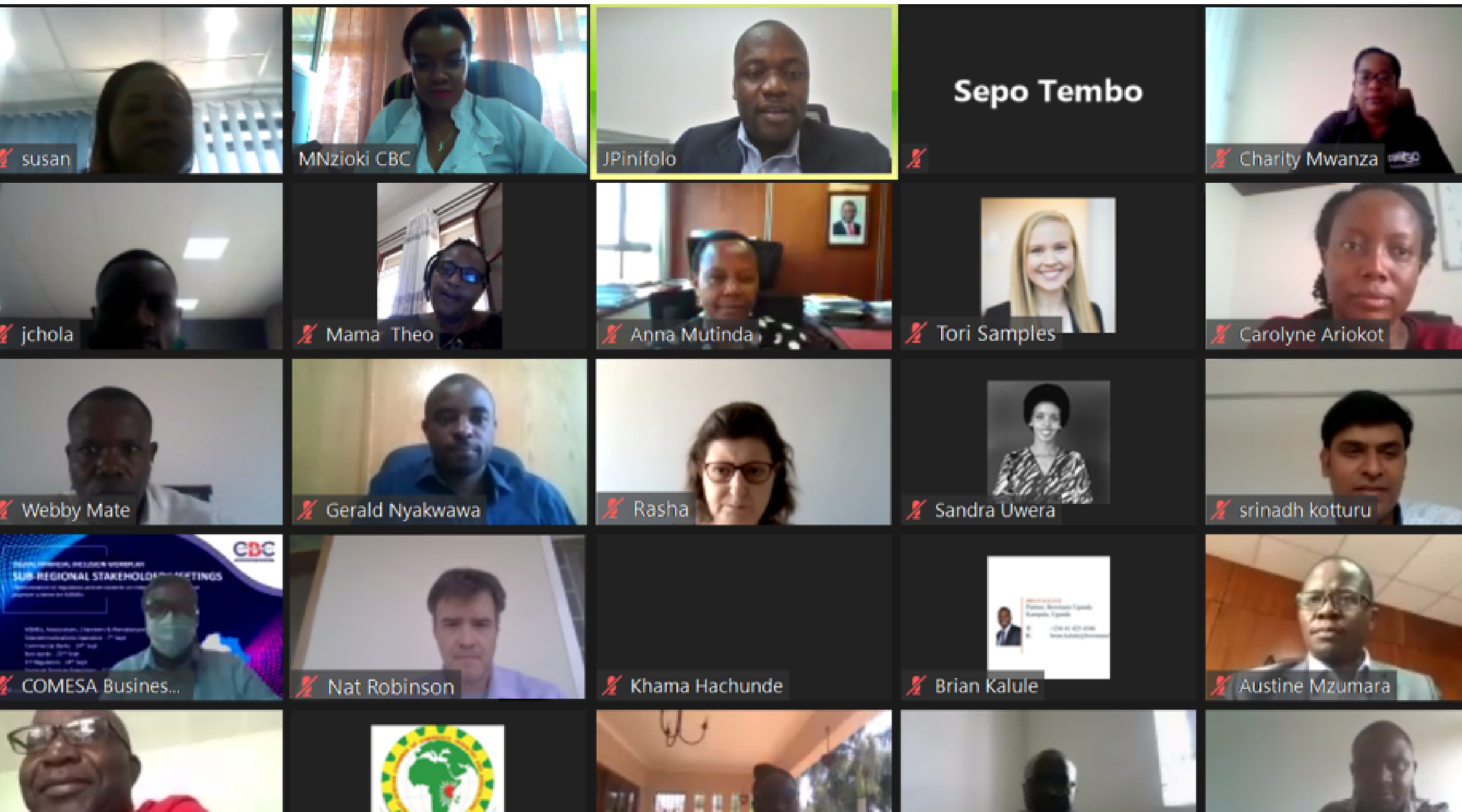
BUSINESS CASE FOCUS – HARMONISATION OF REGULATORY POLICIES TOWARDS AN INTEGRATED DIGITAL COMMON PAYMENT SCHEME FOR MICRO SMALL MEDIUM SIZED ENTERPRISES

Mr. George Odhiambo MD KCB Bank - Rwanda / CBC- DFI Advisory Committee member & Chairman of the Commercial Banks Sector

The CBC is implementing the CBC MSMEs Digital Financial Inclusion Plan, with the goal of developing a regional digital low value/retail common payment policy for Micro Small and Medium Enterprises (MSMEs). This service will to provide for an affordable, interoperable, secure, easy to use and easy to access payment scheme, that will enhance the uptake of digital financial services by MSMEs, particularly those participating in cross border trade.

CBC successfully carried out field missions across the nine pilot countries (Zambia, Malawi, Tanzania, Rwanda, Kenya, Uganda, Ethiopia, Egypt and Mauritius), and subsequent country validation meetings. Furthermore, in recent weeks, five sectoral sub-regional stakeholder engagements have also been convened with manufacturers, MSMEs, mobile network operators, banks, ICT regulators, microfinance institutions and fintech companies, across the nine pilot countries.

The next meeting in this series, scheduled for 13th October 2020, is the Financial Services Regulators Sub-regional Stakeholders Meeting, which will have the participation of the Central Bank Governors, Ministries of Finance and Economic Planning and other Financial Services regulators from the nine countries. The objective of these meetings is to validate the Business Case Report, in consideration of the key areas for policy and regulatory harmonization, to inform the development of the integrated digital common payment scheme for MSMEs.



COMESA BUSINESS COUNCIL FACILITATES DISCUSSIONS BETWEEN DRC AND ZAMBIA TRANSPORT AND LOGISTICS ASSOCIATIONS, ON BUSINESS IMPEDIMENTS AT THE KASUMBALESA BORDER POST

COMESA Business Council's Executive Management with COMESA ASG, COMESA Staff and the delegation from DRC

On 22nd September, 2020 the COMESA Business Council hosted the Zambia-DRC Private sector Dialogue which was chaired by the CBC"s CEO Ms. Sandra Uwera The dialogue brought together high level businesses and associations from DRC, namely the (Federations des Enterprise du Congo, Federation of the Freight Forwarders of DRC) and Zambia. The Dialogue was held on the sidelines of the second Joint Permanent Commissions (JPC) bilateral inter-governmental meetings between DRC and Zambia. The agenda addressed the challenges related to the breaking of loads, framework for the transshipment of goods and other customs management issues, with recommendations focusing on the implementation of customs integration, regional tracking systems and a One Stop Border Post to facilitate trade at the Kasumbalesa border post.

The objective of the bilateral private sector dialogue was to have a common industry position adopted by the two parties to address the challenges related to the offloading of transit cargo at the border, transshipment of goods and other customs management agendas. The meeting also discussed the status of implementation of the electronic cargo tracking systems at the national and regional level, and upcoming support from COMESA , towards the One Stop Border Post operations at the Kasumbalesa border post.

The CBC underscored the importance of private sector engagement and coordination between the two strong trading partners, urging the need for pragmatic solutions that address the policy hindrances and business practices, to improve business sustainability. The meeting recognized that continuous malpractices have resulted in market distortions and loss of revenue to both government and the private sector. The stakeholders from both parties further ascertained the need to address issues of security of drivers and transporters, as this was one of the hindrances that has led to the offloading transit goods at border. The following recommendations were submitted as common industry recommendations from both parties of Zambia and DRC. to the bilateral meeting :

- Strengthening border patrol and enforcement to ensure adherence to legal frameworks regarding the transshipment of goods and to curb customs fraud and the prohibited offloading of transit goods at the border;
- Standardization of processes and document information to enable single submission within the customs management systems along the corridors: with the exception of having the bonds administered nationally;
- Strengthening the Kasumbalesa One Stop Border Post, specifically through increased Customs interface to enable sharing of information and uniform processing across the two countries, speedier clearance and processing, and reduction of exorbitant transporter fees and charges.
- Effective management of border markets through strengthening enforcement and defining list of products permissible for small scale trade that excludes commercial goods;
- A security support framework such as border police force to strengthen the protection of drivers and transporters at and across the borders.
- Applying a regional approach in the implementation of electronic tracking systems to ensure cross border synergies, regional tracking to ensure traceability and safeguard against transit fraud and unlawful breaking of transit goods.

On the margins of the meeting a delegation from the DRC met with the COMESA Secretariat. The delegation was led by the Vice-President of Federations des Enterprise du Congo(FEC), Mr. Dieudonne Kasembo, and accompanied by the representation from the DRC President's office and the COMESA Business Council (CBC) Executive Management. The delegation was received by Dr. Dev Haman, COMESA Assistant Secretary General, representing the Secretary General, Ms. Chileshe Kapwepwe and accompanied by the Directorates of Legal Corporate Affairs and Trade and Customs Divisions respectively.

The courtesy meeting noted the importance of DRC and Zambia to COMESA regional trade integration, recognising Kasumbalesa border as one of the busiest borders and trade hubs in the region. In his remarks, Dr. Dev Haman expressed appreciation to the DRC delegation for the dialogue with Zambian high-level authorities to amicably resolve the issues and address trade facilitation at the Kasumbalesa border post. He further reiterated the importance of ensuring smoother and ntransparent operations at the border, and in line with COMESA's vision of promoting trade and economic integration. The meeting discussed some of the key programs under the COMESA EU Trade facilitation program that are set to build technical, infrastructural and social capacity at the Kasumbalesa Border. He also guided on various engagements through the COMESA treaty that commit to supporting strong trading partnerships between Zambia and DRC.

CBC will continue to monitor the considerations of the industry recommendations and practical implementation mechanisms by the government, in accordance to our mandate as the voice of business for both countries.

RWANDAN TEA PRICE BEATS KENYAN AT MOMBASA AUCTION ON QUALITY

Rwanda's tea is selling at a premium at the Mombasa Tea Auction, overshadowing price offers on Kenyan produce as international buyers focus on quality. Market data from the auction indicates the price of Rwandan tea stood at $2.71 a kilo in the sale held last week against Kenya's $2.14 for the same quantity. The Kenya Tea Development Agency (KTDA) offering emerged the second-best tea in terms of value at the auction, fetching $2.47 a kilo. At the tail end was Ugandan tea which fetched $1.35 per kilo.

Rwanda has often led when it comes to the best tea, fetching a premium price compared with others from the region. "The quality of Rwandan tea has always been high and this is the sole reason the beverage always attracts a premium price," said a tea broker at the auction. On average, all the tea at the auction fetched $2.04 per kilo. These teas comprise the ones that are processed by KTDA, multinational firms and other 10 countries that sell their beverage through the Mombasa auction.

All the regional teas are marketed at the Mombasa auction by the East African Tea Traders Association before they are shipped out of the country. Kenya, which is the leading tea exporter in the world, leads the auction in terms of volumes with more than three quarter of the produce traded coming from the country. Prices have remained low at the auction in recent months in what has been attributed to high volumes of the commodity.

However, the prices have picked up in the last two sales, hitting a five-month high in the latest trading. Kenya's Tea Directorate said production, which had already started declining in the last three months, will remain depressed for the remainder of the year because of the cold season witnessed in June and July and cessation of rain. Last week's volumes dropped by 1.4 million kilos to mark one of the highest declines since the beginning of the year. The volumes have been declining in the last five sales occasioned by low volumes coming in from the factories.

Read more on: https://www.theeastafrican.co.ke/tea/business/rwandan-tea-price-beats-kenyan-at-auction-on-quality-1930546

SHOPRITE ENDS KENYA EXPANSION, PLANS CLOSURE OF STORES

Africa's largest retailer Shoprite Holdings said on Tuesday it expected to close or dispose of its remaining two stores in Kenya in the year ahead, leaving the country after opening its first store there more than two years ago. The supermarket chain has been reviewing its long-term options in Africa as currency devaluations, supply issues and low consumer spending in Angola, Nigeria and Zambia have weighed on earnings. "Kenya has continued to underperform relative to our return requirements," the retailer said, adding its decision to leave had been confirmed by the economic impact of Covid-19.

Shoprite opened its first supermarket in Kenya at the Westgate Mall, Nairobi, in December 2018, hoping to take advantage of disarray in Kenya's grocery sector after the collapse of Uchumi Supermarkets and Nakumatt, two of the country's top three retailers. The decision to leave comes a month after Shoprite said it was considering reducing or selling all of its stake in its Nigerian subsidiary.

In Kenya, Shoprite had targeted opening seven more stores, including six in Nairobi. But in April, it closed its Nairobi's Karen branch, shedding 104 jobs and triggering a court battle with the billionaire owners of Waterfront Mall where it was the anchor tenant. A month later, the supermarket chain announced it would lay off 115 workers and close its second branch at City Mall in Nyali, Mombasa, citing reduced flow of shoppers.

The South African retailer is now left with two stores in Nairobi -- at Garden City and Westgate malls -- which it plans to close, exiting the Kenyan market. Shoprite, with more than 2,300 stores across Africa, reported a 6.4 percent rise in sales for the year ended June 28, with like-for-like sales up by 4.4 percent as customers spent more on groceries at its discount Usave and mid-to-upper end Checkers stores.

Read more on: https://www.theeastafrican.co.ke/tea/business/shoprite-ends-kenya-expansion-plans-closure-of-stores--1934778

TANZANIA, RWANDA AND UGANDA RACE AHEAD TO FORGE A SINGLE STOCK MARKET

Three East African countries have joined forces to implement a World Bank-funded financial project that aims to connect regional stock markets electronically. This means they can operate as a single market with a view of reducing the cost and time of trading in shares of companies listed on markets across the borders. Uganda, Rwanda and Tanzania are set to start trading as a single market before the end of this year (2020) after interconnecting their trading systems and hooking to the EAC Capital Markets Infrastructure (CMI) Information Technology platform. Investors in the three countries will buy and sell shares of companies listed in any of the countries without going through different stockbrokers.

Currently, Ugandan stockbrokers take the largest share of stock trading commission at 3.28 per cent of the value of the transactions, not only within East Africa but in the entire African continent. In Rwanda and Tanzania brokerage commission on equity trading are regulated at 1.5 per cent while in Kenya the applicable commission is limited to Ksh100 (1$) for odd lot transactions up to Ksh3,000 ($30) and 1.8 per cent for odd lot transactions in excess of $30. The East Africa Securities Exchange Association (EASEA) said the project that has dragged for more than five years largely due to payment dispute with the software provider and lack of integration between CMI software and the trading systems of the participating states — Uganda, Tanzania and Rwanda — will remove obstacles on stock trading in regional markets, spur activities and boost liquidity in underperforming markets once operational.

“We are doing the final testing on our system for the CMI project. We are ready psychologically and technically we are working on those technicalities that are remaining. On the other hand Tanzania and Uganda are technically ready,” Celestin Rwabukumba, the association’s chairman and Rwanda Stock Exchange CEO told The EastAfrican. “Everything should be ready by the end of this month and then we agree on the time of the launch because 95 per cent of the work has been done. The launch cannot go beyond December because we cannot afford to go beyond that time,” he added.

Pakistan-based InfoTech Private Ltd had been contracted to provide the software connecting the trading platforms of the Uganda Securities Exchange, Dar es Salaam Securities Exchange and Rwanda Stock Exchange to enable them to run as a single market in real time. Kenya, which runs the largest stock market in the region in terms of market capitalisation and number of listed companies pulled out of the project in 2015 after expressing dissatisfaction on how the Pakistan firm was awarded the contracting citing procurement irregularities.

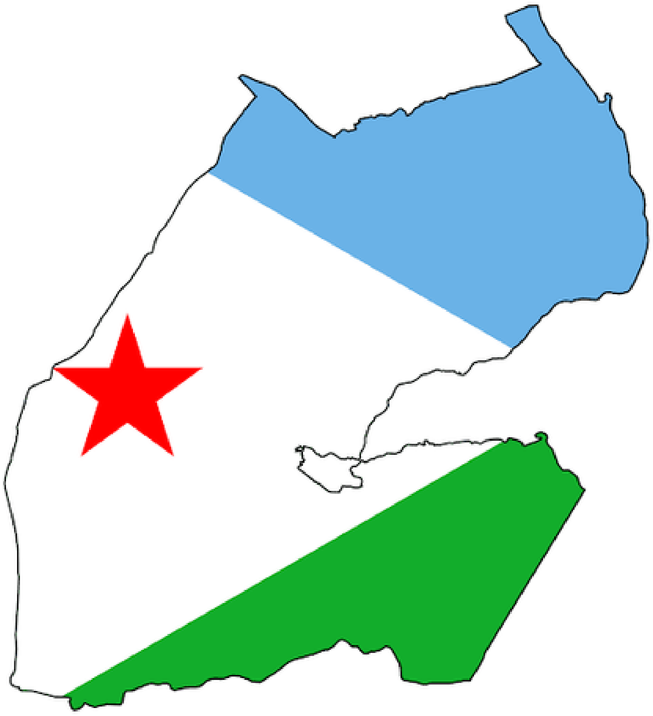
“We have not yet reconsidered our position in terms of our participation in this project but we have had a discussion with EASEA in terms of the progress of the project and how far they are. They mentioned to us that they have set the infrastructure and they are ready to go. They are supposed to share with us some information including the efficiency and the expected outcomes of the project for us to be able to make a proper assessment of the current status of the project before we can make any further decisions,” said Geoffrey Odundo, chief executive, Nairobi Securities Exchange (NSE). “But right now we have not made any decision to go back to the project,” added Mr Odundo.

The market capitalisation of the Nairobi Securities Exchange (NSE) for the six months period to June 16, 2020 stood at $22.1 billion compared with DSE, USE and RSE whose value of listed shares stood at $6.5 billion, $5.1 billion and $3.52 billion respectively. The EAC Capital Markets Infrastructure project is part of the World Bank’s $26.18 million project which was approved in March 2011 to lay a foundation for the financial sector integration among the EAC member states ahead of the implementation of a single currency regime whose initial 2024 deadline is a subject of review. The nine-year project referred to as Financial Sector Development and Regionalisation Project (EAC-FSRDP) 1, which is coming to an end on December 31, 2020 after the EAC Secretariat requested for the extension of the programme by 6 more months to complete activities whose implementation was disrupted by Covid-19 pandemic. The project consists of six components including integration of market infrastructure ($3.75 million), development of regional bond market Institution Building ($12.1 million) and Project Management ($1.1 million).

Others are financial inclusion and strengthening of market participants ($4.3 million), harmonisation of financial laws and regulations ($4.23 million) and Mutual recognition of supervisory agencies ($7 million). Across the continent managers of African stock exchanges have also started the process of procuring a software that will link seven stock markets with a combined market capitalisation of $1.25 trillion electronically as part of the initial phase of the African Exchanges Linkage Project. The project, a joint initiative of the African Securities Exchanges Association (ASEA) and the African Development Bank (AfDB), seeks to promote cross-border trading and liquidity in African stock exchanges. In November 2018, ASEA received a grant of $980,000 from the Korea-Africa Economic Cooperation fund via AfDB to facilitate implementation of the project. The initial phase of the project involves connecting seven exchanges that control over 90 per cent ($1.25 trillion) of the entire continent’s market capitalisation. These exchanges include Bourse Régionale des Valeurs Mobilières (Benin, Burkina Faso, Côte d’Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo), Casablanca Stock Exchange (Morocco), Johannesburg Stock Exchange (South Africa), Nairobi Securities Exchange (Kenya), Nigerian Stock Exchange (Nigeria), Stock Exchange of Mauritius (Mauritius) and Egyptian Exchange (Egypt).

Read more: https://www.theeastafrican.co.ke/tea/business/tanzania-rwanda-and-uganda-race-ahead-to-forge-a-single-stock-market-2219156

MARKET FOCUS - DJIBOUTI



The Republic of Djibouti is situated on the northeast coast of the Horn of Africa at the intersection of the Red Sea and the Gulf of Aden, with a strategic location as a deep-water port. It is bordered by Eritrea in the north, Ethiopia in the west and south, and Somalia in the southeast.

According to The World Bank, the country has a total population of 1 million, a Gross Domestic Product (GDP) of US$1.97 billion translating to a GDP per capita of US$2,787 and a growth of 2.8%.

Djibouti's strength lies in its strategic location at the southern entrance to the Red Sea, forming a bridge between Africa and the Middle East. It provides services as a regional and international shipping port and refueling centre. In addition to shipping, transport and logistics, other key sectors include financial services, tourism, fishing, natural resources, and telecoms.

The languages spoken are; French (official), Arabic (official), Somali and Afar. Djibouti is a member of World Trade Organisation (WTO), Africa Union (AU), Common Market for Eastern and Southern Africa (COMESA), the Organisation Internationale de la Francophonie and the Arab League.

Trade Opportunities

1. International Markets which Djibouti can target in COMESA and supply products

The markets with greatest potential for Djibouti's exports are Saudi Arabia, USA, India and China, among others.

	Market	**Products with potential**
1)	Saudi Arabia	Live camels and other camelids [Camelidae], Live sheep, Live goats, Wood charcoal, Containers, incl. containers for the transport of fluids, Coffee (excluding roasted and decaffeinated), Groats and meal of cereals (excluding wheat and maize), Soap, Line telephone sets with cordless handsets Parts suitable for reception apparatus.
2)	United States of America	Turbo-propellers, Coffee, Electrical machines and apparatus, Machines and mechanical appliances, Dried shelled beans, Footwear with outer soles of rubber, Live ornamental fish (excluding freshwater), Cereal flours (excluding wheat, meslin and maize), Electronic integrated circuits, Parts of valves and similar articles for pipes, Audio-frequency electric amplifiers, Jerseys, Input or output units for automatic data-processing machines, Steering wheels, Live ornamental freshwater fish, Instruments and apparatus for physical or chemical analysis using UV.
3)	India	Dried shelled kidney beans, Dried shelled chickpeas, Soya beans, Waste and scrap of primary cells, Containers of iron or steel, Coffee, Oil seeds and oleaginous fruits, Medium oils and preparations of petroleum, Polyethylene terephthalate in primary forms, Plants used primarily in perfumery, Leather, Turmeric.
4)	China	Bromides of sodium or of potassium, Copper unrefined, Ores and concentrates, Polyethylene terephthalate", in primary forms, Marble and travertine, Optical media for the recording of sound.

Source: Trademap/Export Potential Map

ii. Djibouti's Exports to COMESA Countries

- Live camels
- Parts of aeroplanes or helicopters
- Motor vehicles for the transport of goods,
- Woven fabrics of yarn,
- Lac; natural gums,
- Articles and equipment for general physical exercise, gymnastics or athletics
- Articles and equipment for sport and outdoor games
- Wooden furniture
- Worn clothing and clothing accessories, blankets and travelling rugs
- Motor cars and other motor vehicles principally designed for the transport of persons
- Carpet tiles of vegetable textile materials
- Tableware and kitchenware

iii. COMESA Countries can Supply the Following Products to Djibouti

- Petroleum oils and oils obtained from bituminous minerals (excluding crude)
- Wheat or meslin flour
- Mixtures of odoriferous substances and mixtures.
- Organic surface-active agents (excluding soap)
- Tea, whether or not flavoured
- Yeasts, active or inactive
- Soap
- Citrus fruit
- Sacks and bags- packing of goods, of all types of textile materials
- Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass
- Mineral or chemical nitrogenous fertilisers
- Cane or beet sugar
- Fixed vegetable fats and oils.
- Manufactured tobacco..
- Toilet or facial tissue stock, towel or napkin
- Refrigerators, freezers and other refrigerating or freezing equipment
- Soups and broths
- Cheese and curd

Djibouti Chamber of Commerce and Industry (CCD)
Place Lagarde Djibouti
Tel: + (253) 21 35 10 70
Web: www.ccd.dj

Banque Centrale de Djibouti
Avenue St. Laurent du Var
B.P. 2118 Djibouti
République de Djibouti
Tel: +253 21 35 27 51
Fax: +253 21 35 12 09
https://banque-centrale.dj/

Ministère de l'Economie, des Finances chargé de l'Industrie
et de la Planification (MEFIP) BP: 13 Djibouti
Tél: +(253) 21 32 51 05
Fax +(253)21 35 65 01
smibrathu@mefip.gov.dj

Mr Aboubaker Abdoulkader Guedi
E-mail: aboubaker.guedi@intnet.dj

HIGH COSTS, DELAYS AS RWANDA TRUCKERS STOPPED OVER COVID-19

Rwandan cross-border transporters are bleeding money as the impasse over Covid-19 testing of drivers continues to drag the movement of goods from the port of Dar es salaam. At the centre of the impasse is Tanzanian authorities' decision not to accept Covid-19 certificates from Rwanda, preferring to carry out their own tests. This would be fine but the results take between four to seven days, delaying delivery and increasing costs. Now Rwanda-bound trucks are queuing for days as Tanzanian authorities carry out Covid-19 tests. Rwanda too does not accept Tanzanian Covid-19 certificates presented by Tanzanian truck drivers.

Transporters and the Rwanda Private Sector Federation (PSF) read retaliation in the rejection of Rwandan Covid-19 certificates by Tanzanian authorities, which other countries like Uganda and Kenya are accepting, because of the measures Rwanda has put in place. At the height of the cross border Covid-19 infections attributed to truckers, Rwanda established the Kiyanzi logistics platform to conduct Covid-19 tests for all truckers coming into the country, and introduced the driver swap system, which Tanzania was not happy about.

Whiff of Retaliation

Permanent Secretary at the Ministry of Trade and Industry Michel Sebera, said they are aware of the difficulties Rwandan truck drivers are facing in Tanzania, where the delays to clear Rwandan cargo has attracted high demurrages and other costs. "We continue to negotiate with both Tanzanian and Kenyan authorities to release the containers and waive charges. "We have written to them officially but we are yet to hear from Tanzania. We have even sent our representatives there," he said.

Regarding the accusations of sabotage and retaliation, Mr Sebera said, "It is clear they are using a number of delaying techniques, and they are retaliating to the measures Rwanda took including Kiyanzi which were meant to control the spread of Covid-19, but they have to know that the decisions Rwanda took were endorsed at the EAC level."

"Testing on the Tanzanian side is taking between four and seven days, there's a slight movement now but things are still bad," said Joseph Akumuntu, the director of Rwanda Chamber of Commerce at PSF and head of the petroleum sector. He said although the issue of the costly delays of Rwandan trucks to and from Kenya also still persists on the Kenya-Ugandan border of Malaba, partly because Uganda introduced testing fees, at least Rwandan certificates are accepted. "The testing of Rwandan truckers in Tanzania is not so much about safety, it is to push the government to remove the Kiyanzi stop," he noted.

Mr Akumuntu said for the delays at Malaba, Rwanda asked to be given two queues, one for those with certificates and the other for those without, but this has not yet been granted, hence the persistent delays. Abdul Ndaru, a logistics operator and president of the Rwanda Transporters Association, shares similar sentiments, and says the issues they are facing now are beyond Covid-19. He says some measures by neighbouring countries were instituted to settle scores for some of Rwanda's political and logistical decisions. "For Tanzanian trucks coming from Dar es Salaam to Rwanda there is no problem at all, they are loaded quickly and are fast, importers are now even choosing Tanzanian or Kenyan trucks," he said.

Boycott The stalemate has morphed into a multi-country boycott of Rwandan trucks and transporting of Rwanda destined goods. Kenyan truck owners are said to be avoiding goods destined for Rwanda, for fear of delays and high costs, leaving Rwandan importers and truck owners suffering losses. At the beginning of the pandemic, Joseph Mudenge opted for the Kenya route for his imports. He received at least four trucks of goods in a month, but now he only receives one truck.

"The costly delays forced me to abandon Tanzania and I decided to get my goods from Kenya, but many truckers in Kenya are now refusing to handle cargo destined for Rwanda. We don't know what to do" he said. Most affected are cement traders. With expensive imports from Kenya or no imports at all, there has been a sharp cement scarcity in the country with a 50-kilogram bag now retailing at Rwf13,000 ($13.6), the highest.

Read more on: https://www.theeastafrican.co.ke/tea/business/high-costs-delays-as-rwanda-truckers-stopped-over-covid-19-2370286

PRODUCT FOCUS- PINEAPPLES - HS CODE 08043000

The pineapple (Ananas comosus) is a herbaceous and
tropical plant with edible fruit spanning from 1.0 to 1.50 metres in both height and circumference. It is a member of the Bromeliaceae family. Pineapples are cultivated from a crown cutting of the fruit of the plant.

The main imported variety is the sweet MD2 pineapple.

Pineapples have well-studied anti-inflammatory properties, which makes them a powerful ally in fighting the cause of many health woes, from gum disease and sore throats to gout and arthritis.

OPPORTUNITIES

The global import of pineapples increased by 13% in the period 2015 to 2019 from US$2.4 billion to US$2.7 billion. The table below highlights major importers regionally and internationally.

International Markets		Regional Markets	
✓ United States of America ✓ Netherlands ✓ China ✓ Spain ✓ United Kingdom ✓ Germany ✓ France ✓ Japan ✓ Belgium ✓ Italy	✓ Canada ✓ Korea, Republic of ✓ Portugal ✓ Russian Federation ✓ United Arab Emirates ✓ Saudi Arabia ✓ Switzerland ✓ Poland	✓ Morocco ✓ Egypt ✓ Seychelles ✓ Cabo Verde ✓ Namibia ✓ Botswana ✓ Tunisia ✓ Togo ✓ South Africa ✓ Mali	✓ Ethiopia ✓ Ghana

Source:ITC Trademap and ExportPotentialMap

According to ITC - Trademap, in 2019, USA, Netherlands, China, Spain, United Kingdom, and Germany are the biggest importers of pineapples in the world. On the other hand, the biggest suppliers are Costa Rica and Philippines.

MARKET ANALYSIS

According to UN COMTRADE - Trademap statistics, COMESA's exports of Pineapples to the world increased by 183% over the past five years, US$3.8 million in 2015 to US$10.8 million in 2019. The major export markets for COMESA include United Arab Emirates,
France, Netherlands, Kuwait, Qatar, Oman and Germany

EXPORT POTENTIAL

In the past years COMESA countries who have been producing and exporting
Pineapples include:

PRODUCT FOCUS- PINEAPPLES - HS CODE 08043000

	Country	Potential & Existing Export Markets	
1.	Kenya	✓ Saudi Arabia ✓ United Arab Emirates ✓ Kuwait ✓ Qatar ✓ Oman ✓ France ✓ Jordan ✓ Lebanon	✓ Switzerland ✓ Egypt ✓ Spain ✓ Netherlands ✓ Somalia ✓ Turkey ✓ Germany
2.	Mauritius	✓ France ✓ Netherlands ✓ Russian Federation ✓ Germany ✓ Switzerland ✓ Belgium ✓ Slovakia ✓ Poland ✓ Spain ✓ Singapore	✓ Czech Republic ✓ Italy ✓ United Kingdom ✓ Armenia ✓ Hong Kong, China ✓ Saudi Arabia ✓ Serbia ✓ Canada
3.	Uganda	✓ Kenya ✓ United Kingdom ✓ Rwanda ✓ Sudan ✓ Belgium	✓ South Sudan ✓ Germany ✓ Netherlands ✓ Seychelles ✓ United States of America

Source:ITC Trademap and ExportPotentialMap

QUALITY

Pineapples are divided into three classes: Extra Class, Class I and Class II. Most pineapples sold in the Developed Countries are Class I or Extra Class.

At the very least, pineapples should be:

- Intact, with or without crown, which if present may be reduced or trimmed
- Sound, i.e. produce affected by rotting or deterioration, such as to make it unfit for consumption, is excluded
- Clean, practically free of any visible foreign matter
- Practically free from pests
- Free from damage caused by pests affecting the flesh
- Fresh in appearance
- Free of abnormal external moisture
- Free of any foreign smell and/or taste.

The development and condition of the pineapples must be such as to enable them to withstand transportation and handling.

SIZE & PACKAGING

Fresh pineapples are classified according to Size Codes A-H, with average weights (including the crown) ranging from 2750 grams (Size A) to 800 grams (Size H). The minimum weight for a pineapple is 700 grams, except for some small-size varieties, which may weigh less.

PRODUCT FOCUS- PINEAPPLES - HS CODE 08043000

Packaging requirements differ by customer and market segment. Buyers require new, clean, high-quality packaging that ensures proper protection for the produce. Talk to your customers about their requirements and preferences concerning packaging. General characteristics include the following features:

Wholesale packaging in carton boxes or crates which can vary in size.
Most fresh pineapples are packed in boxes containing 5-10 pineapples, with approximately 12 kilo net weight.

LABELLING

If the nature of the produce is not visible from the outside, the package must be labelled with the name of the product, and possibly the name of the variety and/or commercial name. Labels for pre-packed or other fresh fruits should provide the following information:

- Name under which the product is sold
- Product's commercial identification, i.e. class, size (code), number of units, net weight
- Name and address of the producer
- Place/country of origin
- Traceability code.

In addition, the label should include any certification logo (if applicable) and/or retailer logo (in the case of private-label products).

REQUIREMENTS

Pesticide residues constitute a crucial issue for suppliers of fruits and vegetables. With the aim of avoiding health and environmental damage, the European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed are withdrawn from the European market.

Note that buyers in several countries such as the United Kingdom, Germany, the Netherlands and Austria set MRLs that are stricter than those specified in European legislation

CERTIFICATION/STANDARDS

The most commonly requested certification for fresh pineapples is GLOBAL G.A.P, a pre-farm-gate standard that covers the whole agricultural production process, from before the plant is in the ground to the non-processed product (processing is not covered). Whether GLOBAL G.A.P. is required also depends on the destination country, market conditions and market channel.

Examples of other food safety management systems that can be required are:
i. British Retail Consortium (BRC)
ii. International Food Standard (IFS)
iii. Food Safety System Certification (FSS22000)
iv. Safe Quality Food Programme (SQF).

Wishing to Buy or Sell?

Become a CBC Member and Enjoy

1. Business and Policy Advocacy; Influencing policy is at the heart of what we do.
2. Business Facilitation Services; Business support services that are regional in nature.
3. Membership development; We partner with our members-towards strengthened business collaboration.

www.comesabusinesscouncil.org

OUR SERVICES

1. BUSINESS POLICY AND ADVOCACY
Influencing policy is at the heart of what we do

2. BUSINESS FACILITATION SERVICES
Business support services that are regional in nature.

3. MEMBERSHIP DEVELOPMENT
We are our members -towards strengthened business collaboration

Our Important Links

- *http://comesabusinesscouncil.org/*
- *http://comesabusinesscouncil.org/Account/Login*
- *http://comesabusinesscouncil.org/Content/web/documents/news-media/*
- *http://comesabusinesscouncil.org/Home/AboutUs/Membership*

For media enquiries please contact:
COMESA Business Council
COMESA Building
Ben Bella Road, P.O. Box 30051, Lusaka, Zambia
Phone: +260 211 229725/32
Fax: +260 211 225107
Email: info@comesabusinesscouncil.org