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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

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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.

CBC SUCESSFULLY ENGAGE'S WITH REGIONAL FINANCIAL SERVICES REGULATORS, TOWARDS HARMONIZATION OF POLICIES FOR AN INTEGRATEDDIGITAL COMMON PAYMENT SCHEME FOR MSMES

CBC - Chairperson - Mr. Marday Venkatasamy

The COMESA Business Council convened the Financial Services Regulators Sub-regional Stakeholder Meeting, bringing together 73 stakeholders comprising of Central Banks, Ministries of Finance, and revenue authorities, ICT regulators, mobile network operators, MSMEs, Fintechs, and microfinance institutions. The countries present were Zambia, Mauritius, Egypt, Ethiopia, Uganda, Rwanda, Malawi, Kenya, and Tanzania.

The meeting was a public private engagement towards collaborative and coordinated approaches in establishing a regional digital common payments policy for MSMEs which would inform the proposed COMESA digital integrated retail payment scheme for SMEs. The meeting was the last in the series of six sub-regional sectoral meetings which have been convened over the last month, that have brought together stakeholders comprising of MSMEs, mobile network operators, ICT regulators, commercial banks and micro finance institutions, Fintechs and non-bank operators, under the theme “Harmonisation of Regulatory Policies Towards an Integrated Digital Common Payment Policy Framework for MSMEs.”

“Making up 80% of the African economy and employing 70% of the total population in the region, MSMEs play a central role in regional value chains and we have witnessed this particularly during this period of the COVID-19 pandemic. Strengthening their participation in formal markets reinforces production pathways, and contributes to sustainable economic development,” said Ms. Sandra Uwera, the Chief Executive Officer of CBC in her opening remarks. She gave a brief background on the Digital Financial Inclusion Program, highlighting that the program’s objective was to support the design, development and deployment of an integrated digital financial services infrastructure that is low-cost, interoperable and fraud resistant, that serves micro small and medium-sized enterprises, with a focus on women and youth at the bottom of the financial pyramid.

Expounding on this, Mr. Lazarous Kamanga, Director of Banking, Currency & Payment Systems at the Bank of Zambia, and the meeting’s chairperson, noted the regional digital common payment policy for MSMEs to be a comprehensive framework that will provide oversight and strategic guidance to all stakeholders within the region, ensuring that financial sector programmes, national strategies and initiatives have broad levels of consistency and synergy. “The policy framework will safeguard the needs of all individuals, micro to large enterprises, and be instrumental in attracting a diversified, sustainable and expanding pattern of external capital flows,” he went on to add.

“The proposed digital common payment policy will leverage on the existing financial rules effectively implemented at a national level, in adherence to international laws,” said Amb. Kipyego Cheluget, COMESA’s Assistant Secretary General-Programmes, in alignment. He further explained that the purpose of the multi-sectoral stakeholder engagements was to harmonise existing policy platform at a regional level, to allow for the development of a low value regional digital payment scheme for SMEs.

The deliberations attached great importance to the need to promote SMEs’ competitiveness across the region. “This will require concerted efforts from both the public and the private sectors, with the public sector ensuring a business-friendly environment and legislation for the promotion of private sector development and investment,” said Mr. Mahmood Mansoor, Executive Secretary of the COMESA Clearing House, and an Advisory Committee member of the CBC Digital Financial Inclusion Program.

CBC SUCESSFULLY ENGAGE'S WITH REGIONAL FINANCIAL SERVICES REGULATORS, TOWARDS HARMONIZATION OF POLICIES FOR AN INTEGRATEDDIGITAL COMMON PAYMENT SCHEME FOR MSMES

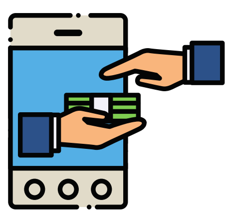
Participants for the Regional Financial Regulators

Reviewed in the meeting were national policies that have been agreed upon by five sectoral stakeholder workgroups, which will be harmonized at regional level forming the basis upon which a digital integrated regional common payment scheme for MSMEs will be developed. The meeting agreed upon eight policy areas for harmonization in the region namely, Anti-Money Laundering (AML)/Combating Financing of Terrorism (CFT), electronic transactions, interoperability, cybersecurity, consumer protection for digital financial services, settlement system operating rules, mobile money guidelines, and national financial inclusion framework.

Additional recommendations put forward included the need to have:

(i) a common regulatory framework for cross border mobile payments;
(ii) a data protection and privacy law which is in harmony with the General Data Protection Regulation (GDPR) of EU;
(iii) initiatives for migrating MSMEs from informal onto the formal sector through interventions such as digital IDs;
(iv) affordable pricing so that MSMEs can easily participate in cross-border trade;
(v) more innovations that will drive the cost of cross-border transactions down;
(vi) balance between government revenue requirements and MSMEs' requirements for the sustainability of their businesses;
(vii) multi-stakeholder involvement which will also play a role in reducing the cost of cross-border transactions;
(viii) Value Added Services (VAS) such as eGov Payment Services for example for taxes;
(ix) provision for an entity to handle disputes;
(x) proper mechanisms in place to mitigate foreign exchange risks;
(xi) consideration of different authentication options such as digital signatures, biometrics and Artificial Intelligence;
(xii) harmonization of digital payment systems in terms of interoperability to avoid reinventing the wheel;
(xiii) a Universal ICT Access Policy for ICT regulators to ensure seamless digital connectivity for facilitation of transactions.

CBC will be furthering these advocacy efforts at the COMESA Central Banks Governors' Meeting and the Ministers of Finance Meeting.



ONE STOP BORDER POSTS TO ENHANCE BUSINESS - CHAKWERA

Malawi's State President Dr. Lazarus McCarthy Chakwera has disclosed that government plans to establish one stop border posts in the country's borders to ensure smooth running of businesses with neighbouring countries. Speaking soon after holding bilateral talks with his Tanzanian counterpart, John Pombe Magufuli, at State House in Dar es Salaam, Tanzania where was on a two-day state visit, the President said the one stop border posts will help facilitate movement of people and services much faster, besides increased revenue collection.

"The one border posts will help to eradicate bureaucracy that sometimes only fuels corruption and enable Malawians and other people from neighboring countries do their businesses in a more transparent manner," he said. He added that there is need to learn from best practices on how Tanzania and other countries are managing their one stop border centres. The president said it was his wish to have Malawian and Tanzanian business - people partnering more than they are doing now and fully utilize the port of Dar es Salaam and the Mtwala port which is currently being rehabilitated and will be ready by December this year.

"We need to utilize the natural resources that God has endowed upon us to develop our countries. Time has come for Africa to tell its own story, define its own destiny and move according to its own speed rather than waiting for others to tell the story for u," said the President. He said Malawi has lost a lot of natural resources unlike Tanzania through people who have come to get minerals and other precious stones without the country getting anything in return.

Tanzania President John Pombe Magufuli assured the Malawi President of the country's continued good working relationship to ensure smooth running of businesses. Magufuli said he has instructed the Tanzania Port Authority (TPA) to open an office in Lilongwe to enable people clear, pay and collect their cargo right in Lilongwe. "Tanzania too has a lot of people doing businesses in Malawi and we need to create an enabling environment for business people from the two countries," said Magufuli. He appealed to the joint permanent commission to do its work quickly on mining, fisheries, trade and immigration in the two countries.

Malawi's Minister of Foreign Affairs and International Cooperation Eisenhower Mkaka has since described the visit as very important considering the strategic nature of Tanzania which apart from sharing borders with Malawi, is also the main route which is used to transport both liquid and dry cargo. The President was further, expected to visit the Malawi Cargo Centre, the port of Dar es Salaam and also inaugurate the Mbezi Luis Upcountry Bus Terminal before departing for Malawi.

Read more on: https://allafrica.com/stories/202010080968.html

EGYPT RECEIVED 300,000 TOURISTS SINCE JULY; SUBSTANTIAL NUMBER AMID COVID-19 CRISIS

The head of EJB's tourism and aviation committee Mohamed Kaoud said that Egypt's travel industry is in dire need of an urgent and tailored support package to enable its survival amid the ongoing crisis Despite the ongoing coronavirus crisis, Egypt is witnessing a substantial number of tourist arrivals, as approximately 300,000 tourists have visited the country since July at a rate of 6,000 tourists a day until the end of August, according to the Egyptian Junior Business Association (EJB). Egypt resumed international travel on 1 July after a four-months suspension due to the pandemic.

Egypt has witnessed a 26 percent rise in searches regarding domestic tourism during the 2020 summers and a 53 percent rise for searches related to domestic flights, according to EJB. EJB also asserted the importance of the tourism sector for the Egyptian economy, which constitutes 11.9 percent of the country's income. Talking to Ahram Online, head of EJB's tourism and aviation committee Mohamed Kaoud said that Egypt's travel industry is in dire need of an urgent and tailored support package to enable its survival amid the ongoing crisis. He added that working in collaboration with Egypt's partner organisations creates a combined voice which the government can consider and act upon. "We are strategically thinking of saving the future of the travel industry and achieving sustainable tourism and hospitality growth that will save jobs and businesses, and add further opportunities for recruitment that goes with the Egypt 2030 vision", said Kaoud.

Kaoud told Ahram Online that Egypt's infection rate is quite low, its hygiene standards are being constantly improved; and its health infrastructure is getting better and better every day with the newly developed roads, clinics and hospitals, adding that, as a result, the country has an opportunity to increase tourism arrivals. He also expounded that The World Travel & Tourism Council and the United Nations World Tourism Organisation (UNWTO) have introduced new applications that can help governments and the private sector observe the changes in the tourism industry and act according to their benefits. Kaoud said that over 150 million travel and tourism jobs have been lost globally since the onset of COVID-19 outbreak, which is a serious situation that requires solutions to address the challenges faced by businesses, of which many are small and medium-sized enterprises with limited resources.

In this regard, Kaoud told Ahram Online that the government, in collaboration with the private sector, should synergize with neighbouring and leading countries in the region for organising combined travel packages and marketing campaigns to further strengthen relationships and provide sustainable growth for each party. Kaoud noted in this regard Saudi Arabia's plan, which aims to open 38 tourist sites in seven tourist destinations by 2022, and to provide 260,000 jobs during the next three years.

Saudi Arabia is working on a number of major projects to achieve its tourism goals and raise the level of quality of infrastructure and services, including NEOM, the Red Sea, Qiddiya, and Al-Diriyah Gate, which were inaugurated recently. "Foreign direct investments, partnerships, and combined packages would benefit both destinations and flourish their economies", he added. He stressed that a successful tourism sector will only be built by the private sector, which adopts the concepts of supply, demand, and competitiveness.

Read more on: http://english.ahram.org.eg/NewsContent/3/12/388085/Business/Economy/Egypt-received-,-tourists-since-July;-substantial-.aspx

SHIPPERS CALL FOR SCRAPPING OF CASH DEPOSITS FOR CONTAINERS AS SECURITY

Cash deposits charged by shipping lines as a guarantee for the return of cargo containers by importers could soon be scrapped. The Intergovernmental Standing Committee on Shipping (Iscos) has stepped up the push for the elimination of cash deposits. Iscos Secretary General Daniel Kiange said it is a trade barrier at both the Mombasa and Dar es Salaam ports.

"We have had a number of meetings. The Tuesday virtual meeting with industry players was fruitful. We have suggested doing away with cash deposits as a container guarantee and moving to either the use of insurance or signing a guarantee form between the traders and shipping agents," he said. In 2016, presidents Uhuru Kenyatta (Kenya), Paul Kagame (Rwanda) and Yoweri Museveni of Uganda way asked stakeholders to find a solution between shipping lines and insurers to end the costly and inconvenient bonds.

Due to a shortage and high cost of containers, shipping lines routinely demand cash deposits before the cargo leaves the port as a guarantee for the return of the empty container. The shipping agents charge $500 and $1,000 for a 20-foot and 40-foot container respectively, for cargo destined for Kenya: Those in transit are charged between $1,000 and $5,000 for a 20-foot and 40-foot container respectively. The cost is determined by geographical location, market demand and the size of the container. An estimate of a new standard 20-foot container can be above $3,000, while a standard 40-foot may cost more than $4,000. Shippers Council of Eastern Africa executive officer Gilbert Lagat said the cost of container bonds affect final consumer prices.

High Charges

"We can no longer afford to import large quantities since each container is subjected to about $500 in charges, and the amount doubles for a 40-foot container, hence making it very expensive to traders who import millions of units. The cost is directly passed on to the consumers," said Mr Lagat in the recent interview. "Mombasa Port container cash charges have negative effects on regional trade and business since the port could increase its transshipment as it will encourage bulk importation. Most consider $500 per unit small money, but this has a ripple effect whenever we import millions of units," said Haji Mwinyi, one of the traders.

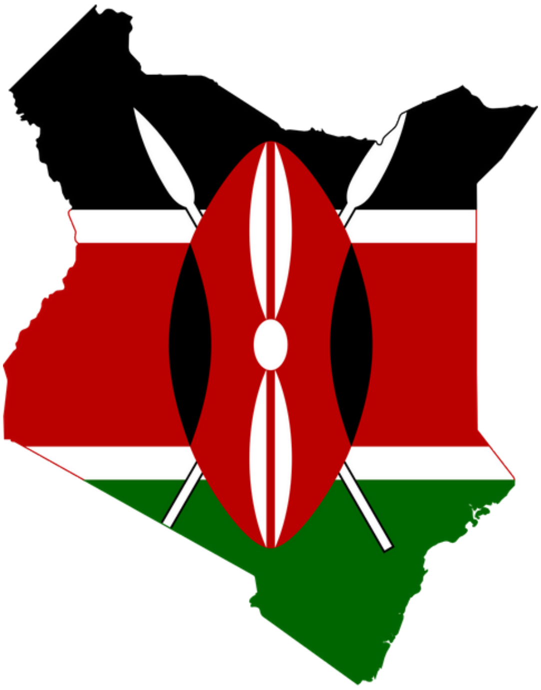
The container cash charge is added to the containerised imported cargo to cater for its cost in case of its loss among other risks which include damage, abandonment or detention for prolonged periods. The importer is refunded the deposit in full only when the container is returned to the freight station in Kenya, less any accrued demurrages and damages.

Kenya Ships Agents Association chief executive Juma Tellah said lack of ethics among individual traders has remained a major barrier in the implementation of written or insurance agreements. "We piloted the use of insurance, but traders failed to honour promises forcing insurance companies to suspend the process. It is easier to implement the new arrangement if clearing and forwarding associations in the EAC member states give assurance to shippers," he said.

Mr Tellah added that the association is open for any workable propositions without hurting shipping lines. Importing companies say it currently takes three to five months for refunds to be processed. This affects business cash flow and adds financial burdens, particularly to small freight forwarders.

Read more on: https://www.theeastafrican.co.ke/tea/business/shippers-call-for-scrapping-of-cash-deposits-for-containers-as-security-2370292

MARKET FOCUS - KENYA

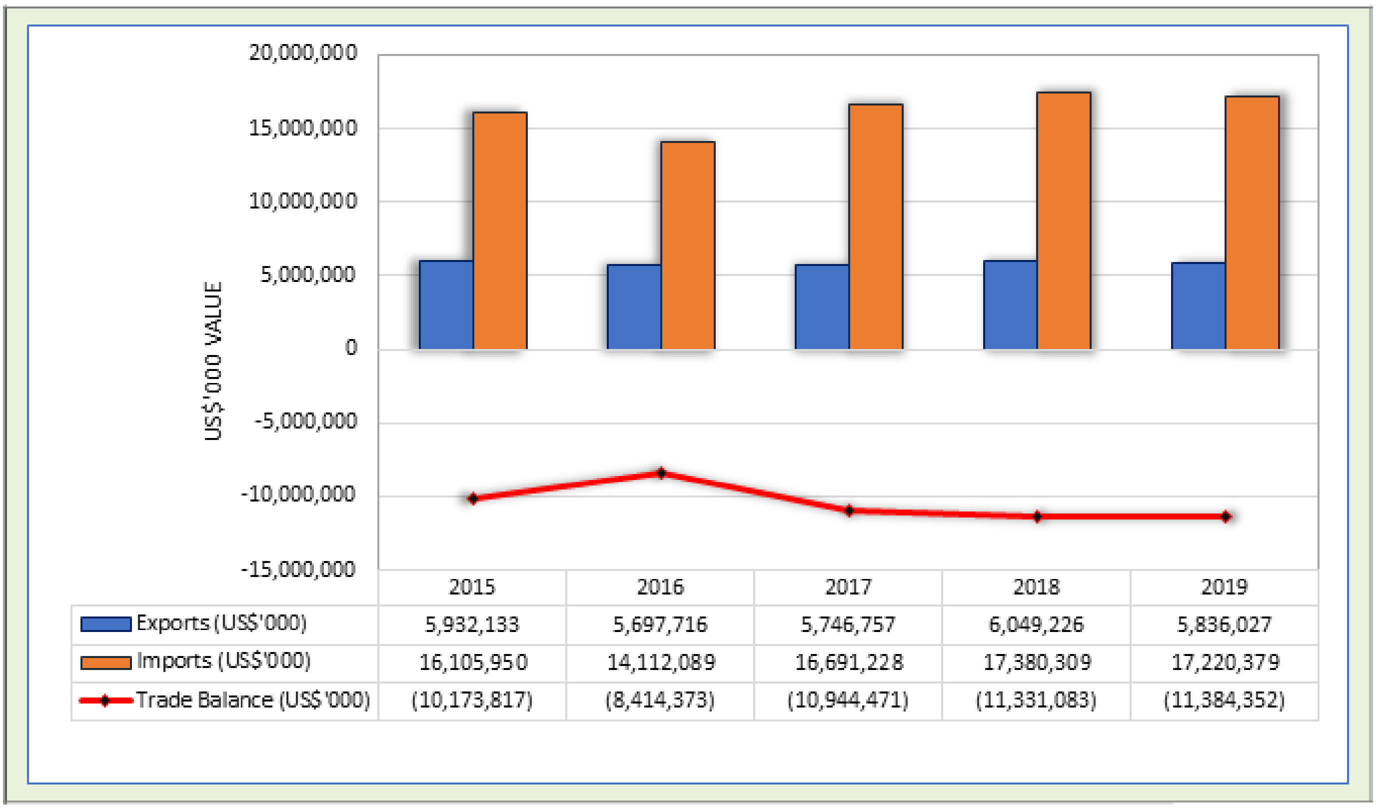


Facts and Figures

Total Population	51,393,010
Area	580,367 km²
Time Zone	(GMT+3)
Capital City	Nairobi
International Telephone Code	+254
Currency	Shilling (KES)
Exchange Rate	1 USD = 108.497 KES
GDP	US$ 87.9 Billion
GDP per capita	US$ 1,710.51
GDP Growth Rate	6.3%
Ease of Doing Business *(World Bank 2020)*	56/190
Inflation Rate	5.1%
Language	English and Swahili. Other regional tribes are Kikuyu, Luhya, Luo, Meru, Kalenjin and Kamba
International Participation	Common Market for Eastern and Southern Africa (COMESA), African Union, World Trade Organisation (WTO), East African community (EAC), International Conference on the Great Lakes Region (ICGLR), Intergovernmental Authority on Development (IGAD) and Indian Ocean Rim Association (IORA).

The Republic of Kenya is located in East Africa and bordered by South Sudan to the northwest, Ethiopia to the north, Somalia to the east, Uganda to the west, Tanzania to the south, and the Indian Ocean to the southeast.

Kenya's Trade with the World.



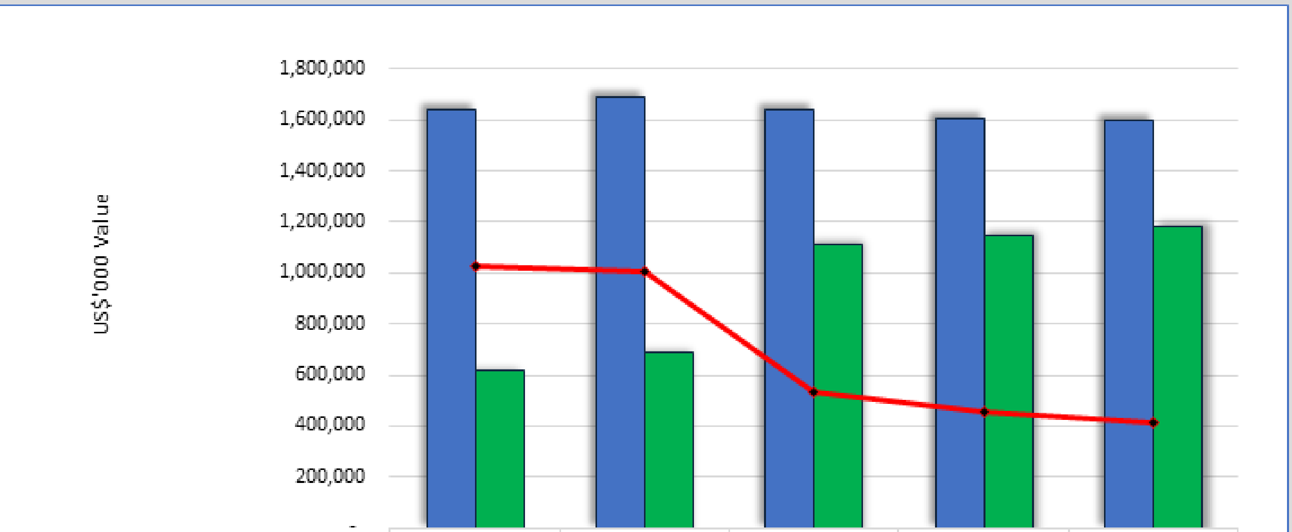
	2015	2016	2017	2018	2019
Exports (US$'000)	5,932,133	5,697,716	5,746,757	6,049,226	5,836,027
Imports (US$'000)	16,105,950	14,112,089	16,691,228	17,380,309	17,220,379
Trade Balance (US$'000)	(10,173,817)	(8,414,373)	(10,944,471)	(11,331,083)	(11,384,352)

Source: Trademap

MARKET FOCUS - KENYA

Major Export Products of Kenya	Major Import Products of Kenya
• Black fermented tea • Fresh cut roses • Medium oils and preparations, of petroleum • Coffee (excluding roasted and decaffeinated) • Titanium ores and concentrates • Fresh or dried avocados • Medicaments • Fresh cut flowers • Fresh or dried macadamia nuts, shelled • Men's or boys' trousers • Cigarettes, containing tobacco • Disodium carbonate • Pineapples • Crude palm oil • Unrooted cuttings and slips • Flat products of iron or non-alloy steel • Fresh or chilled vegetables • Fresh, chilled or frozen meat of goats • Soap • Zirconium ores and concentrates • Fresh or chilled beans	• Medium oils • Light oils and preparations, of petroleum • Wheat and meslin • Crude palm oil • Medicaments • Flat-rolled products of iron or non-alloy steel • Motor cars and other motor vehicles principally designed for the transport of persons ... • Semi-milled or wholly milled rice • Semi-finished products of iron or non-alloy steel • Worn clothing and clothing accessories, blankets • Dredgers • Butanes, liquefied • Raw cane sugar, in solid form • Motorcycles • Cane or beet sugar

COMESA - Kenya Trade



	2015	2016	2017	2018	2019
Kenya Exports to COMESA (US$'000)	1,641,266	1,693,356	1,640,378	1,602,598	1,595,534
Kenya Exports to COMESA (US$'000)	617,039	686,613	1,109,695	1,149,285	1,180,374
Trade Balance (US$ '000)	1,024,227	1,006,743	530,683	453,313	415,160

Source: Trademap

MARKET FOCUS - KENYA

Kenya's Exports to COMESA Countries

- Tea
- whether or not flavoured Palm oil and its fractions
- Cigarettes of tobacco
- Flat-rolled roducts of iron or non-alloy steel
- Medicaments
- Petroleum oils (excluding crude)
- Sugar confectionery
- Packaging materials - plastic and paper
- Salts, incl. table salt and denatured salt
- Food preparations
- Soap

Kenya's Imports from COMESA Countries

- Cane or beet sugar
- Milk and cream, not concentrated
- Mixtures of odoriferous substances and mixtures, incl. alcoholic solutions
- Unmanufactured tobacco
- Toilet or facial tissue stock, towel or napkin stock
- Sanitary towels (pads) and tampons
- Grain sorghum
- Monitors and projectors
- Milk and cream, concentrated or containing added sugar
- Petroleum oils (excluding crude)
- Organic
- surface-active agents (excluding soap)
- Oilcake and other solid residues

International Markets Kenya can Target and Supply Products

According to Export Potential Map, the markets with greatest potential for Kenya's exports of all products are Netherlands, United States of America and Pakistan.

	Market	Products with potential
1)	Netherlands	• Cut flowers & buds, fresh • Avocados, fresh or dried • Unrooted cuttings & slips
1)	United States of America	• Black tea, packings • Cut flowers & buds, fresh • Coffee, not roasted, not decaffeinated.
1)	Pakistan	• Black tea, packings • Nuts • Palm oil (excl crude) & fractions
1)	Uganda	• Portland cement, • Flat products of iron or non-alloy steel • Flat-rolled products of iron or non-alloy steel.

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GREENER AFRICA: TIME FOR 'FREE TRADE BUT ALSO FAIR TRADE WITH EUROPE'

Africa's summit meeting with the European Union (EU) in 2021 is a critical opportunity to assert that the relationship is mutually beneficial only if Africa produces what it consumes. Europe should in turn practice the solidarity it preaches in principle, by supporting capacity building in Africa for self-sufficiency. Africa needs to stand firm, with a clear, long-term vision, in order to forge with the EU a common and equitable path to prosperity. The COVID-19 pandemic and the climate emergency have exposed afresh Africa's various shortcomings, notably in the health and education sectors that are the foundation for capacity building. Yet, the crises also set the stage for Africa to put unprecedented emphasis on human development, which is one of the pillars for the structural transformation discussed for the past 60 years.

Fundamental Change Needed Another pillar is economic diversification. Africa has long been merely a supplier of raw materials and recipient of finished products. This role has been codified in the Lomé and Cotonou conventions and the EU/African, Caribbean and Pacific framework such that African raw materials get EU customs exemptions but processed African exports are greeted with heavy taxes. An equitable partnership requires a fundamental change in this relationship. This is why the African Continental Free Trade Agreement (AfCFTA) is an excellent platform for genuinely African products to feed African markets based on strict rules of origin and local content.

"Africa's far Smaller Margin for Monetary Manoeuvre"

Negotiations are on-going between Africa's 33 least developed countries (LDCs) and the remaining low and middle-income countries which are more interested in a common African position. Currently, the latter have relatively limited access to EU markets under the Standard Generalized System of Preferences (GSP) while the LDCs have largely free access under the GSP Everything but Arms initiative. Such differences also have repercussions on AfCFTA discussions on tariffs among economies that range in size from tiny to giant. Given Africa's greater vulnerability to global warming and its need for international support, better coordination is also needed for a collective response to climate effects that do not respect borders.

In terms of policy space, Africa's injection of about 5% of GDP in response to the economic impact of COVID-19 seems timid when the rest of the world injected about 20% of GDP. The reason is Africa's far smaller margin for monetary manoeuvre; another indicator of our need to reconquer economic sovereignty in terms of currency and budget. A related problem is the tendency to think at the macro level in the wake of our Bretton Woods partners. One example is the call for almost $100bn in international COVID support by Africa's finance ministers which is more a macro-level than a sectoral response when Africa needs to come down to the micro level of the vast majority of our economic actors in order to build their capacity and responsiveness to current crises and emerging frameworks.

"Quality of Governance"

Another constraint is the quality of governance, which plays an important role in what may be called "the dictatorship of emergencies", or constant fire-fighting. Besides reflecting the presence or absence of a capable state providing amenities and economic prospects for citizens, political instability and insecurity also discourage foreign direct investment. ECOWAS leaders in October 2019 decided, problematically, to classify military spending as public investment expenditure, meaning that all types of resources including development aid could be diverted to military spending at the expense of schools, clinics, feeder roads and potable water. This illustrates the short-term thinking that for 60 years has exposed Africa to many supposedly exogenous shocks that in fact only reveal our failed approach to structural transformation.

Time is Right for Africa to Deploy Pragmatic and Long-Term Vision Local processing begins with choosing the appropriate product and working out the factors for success. The frequent mistake is one of scale, aiming too high to start with. If we identify the target market and use small-scale hydro and solar energy, we can create successful enterprises and then work on upscaling, with no need for big dams or fossil fuel.

- Developing a textile industry would clearly be easier and more broadly and immediately beneficial than processing uranium.
- African cotton is already highly prized abroad. With a market of 400 million people in West Africa alone, and further cooperation among nations and regional institutions, textile industries could take off and Africa could establish its own international brand.

However, for at least 20 years the World Bank and International Monetary Fund have forced us to allow second-hand clothes imports to swamp our markets. We need enlightened protectionism to build competitive industries. This entails radical policy changes to end the colonial structure of dependence that privileges raw material exports for foreign revenue while discouraging bank finance for local processing and extended local markets. It implies avoiding the resource curse, boosting local content, transforming value chains and attaining agricultural self-sufficiency. The pandemic revealed the responsiveness of local production and distribution networks linking urban, peri-urban and rural areas to meet demand as food imports shrank. Promoting these local networks boosts rural and urban incomes, with a very small carbon footprint. Such promotion also shortens the linkages from local to continental value chains,

illustrating the importance of the AfCFTA and genuinely free movement of people, goods, services and capital across Africa. Africa must reduce transport and energy costs which discourage rural producers as well as industrialists. Better roads and active development of solar and small-scale hydroelectricity can rapidly improve production and marketing prospects. The final requirement is high-quality governance and management at both national and firm level, such that capital is never mistaken for profit.

"Bottom Line"

Europe has launched a "Green Deal" which aims to halve its carbon emissions by 2030 and achieve net-zero emissions by 2050. It has also committed to a new Africa strategy which recognises respective and mutual interests and responsibilities and promotes green growth. mAfrica must therefore meet Europe with its own strong vision of a green and industrialised future. It aims to change the continent's role as a reservoir of raw materials and recipient of manufactured goods. It rejects the neo-liberalism that protects European markets and forces African markets open. Africa wants free trade but also fair trade and well-targeted support for a win-win partnership with Europe.

Read more on: https://www.theafricareport.com/44897/greener-africa-time-for-free-trade-but-also-fair-trade-with-europe/

SEYCHELLES TO AMEND FINANCIAL SECTOR LAWS THAT PUT IT ON THE EU'S TAXATION BLACKLIST

Seychelles will soon send to the National Assembly for approval amended laws governing the financial sector with the aim to have the island nation removed from the European Union (EU) taxation blacklist, said a top government official. The Secretary of State for Finance, Patrick Payet, told a press conference on Friday that Seychelles anticipated being removed from the taxation blacklist by February.

"However, a report from the Organisation for Economic Co-operation and Development (OECD) was released in April and it downgraded Seychelles from being largely compliant to partially compliant on four subjects," said Payet. He said that the authorities "have spoken to OECD and we made them aware that we have been told by EU that as long as we are a partially compliant country, Seychelles will not be removed on its taxation blacklist as the two organisations are working together." Seychelles has asked OECD to conduct a supplementary review on the reform done in its financial sector before the end of the year to get a new placement.

The archipelago in the western Indian Ocean was included on the EU list of non-cooperative jurisdictions among 12 nations because of concern that its policy environment supports tax fraud or evasion, tax avoidance and money laundering. The list was first established in December 2017 and offers guidance on European investment and funding in other countries.

Payet said that Seychelles has already corrected some of the existing deficiencies following the enactment of the new Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 and Beneficial Ownership (BO) Act, 2020 in March. "There were still two issues that remained to be addressed and this had to do with the cooperativeness to share our tax and accounting information to other tax offices requesting it," he added.

The island nation did not have a unit set up specifically within the Seychelles Revenue Commission (SRC) to share the information in a timely manner and since 2016, requests for information by other tax institutions have increased. Subsequently, the Seychelles' government decided to amend the laws governing the financial sector, which include the Limited Partnership Act, the Foundations Act, the International Business Companies Act and a new Trust Bill.

"Under the new amendments, the tax information should be kept in Seychelles and should be readily available when requested. Secondly, we have added a provision that will allow the financial service authority to monitor and prevent companies which have been removed or dissolved to operate under the name Seychelles," said Payet. The EU decision follows that of France, which recently added Seychelles to its own list for not providing adequate information on some French offshore entities operating in the island nation's jurisdiction. That provoked alarm among financial authorities in the island. The inclusion of Seychelles registered companies on the US sanctions list due to links with Iran has also raised alarms.

"We see the new amendments as a positive step in addressing the issues raised by our colleagues and as an instrument that will allow us to take a comprehensive and unified approach to positively address our deficiencies," Payet said. The new regulations will be presented before the Seychelles National Assembly for approval when it resumes after the legislative election in October.

Read more on:
http://www.seychellesnewsagency.com/articles/13613/Seychelles+to+amend+financial+sector+laws+that+put+it+on+the+EU%27s+taxation+blacklist

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

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 and 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).

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