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BIZnet
CBC - Your Market Hub

BIZNET WEEKLY

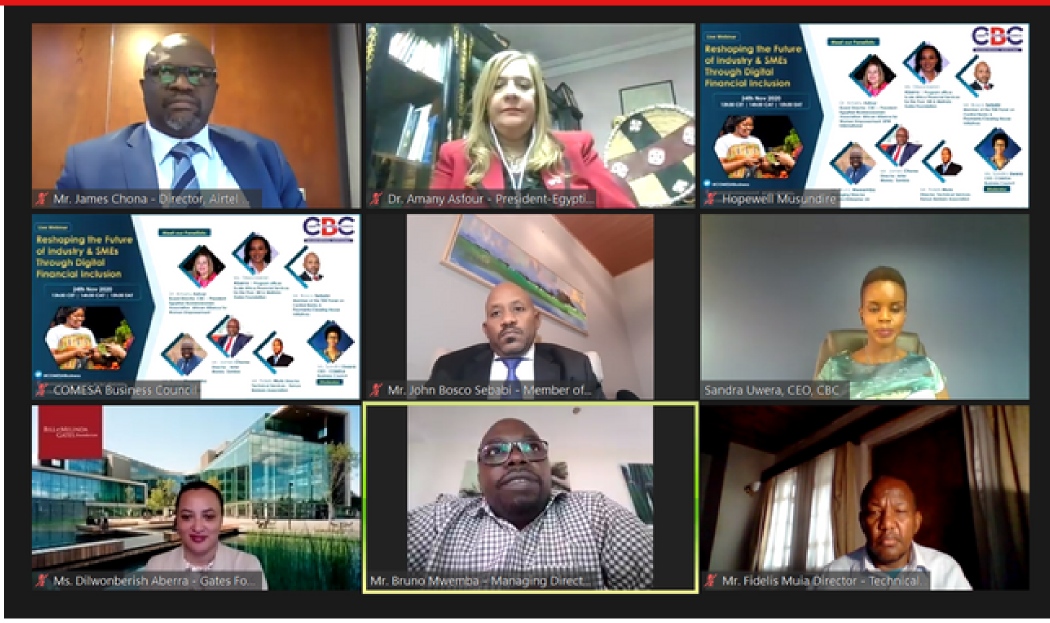
Fortnightly Newsletter of the COMESA Business Council

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.

RESHAPING THE FUTURE OF INDUSTRY AND SME'S THROUGH DIGITAL FINANCIAL INCLUSION



An inclusive digital economy needs to connect poor and newly banked households to the merchants, schools, clinics, governments, and employers that they interact with. This is central to building the value proposition for low income market segments to be open to the use of digital accounts, which renders digital money a convenient financial management tool in activities of daily life. Small to Medium sized Enterprises (SMEs) account for approximately 50% of GDP of African economies and 60-70% of total employment worldwide. Furthermore, in developing countries they tend to employ the poorer, more vulnerable segments of society such as young people and women (ITC, 2018). Thus, investing in SMEs is a long-term and smart strategy, with sustainable returns that multiply across societies, regions, and countries.

A large number of SMEs rely on cross-border trading relationships but transact using inefficient and risky cash and cash-like methods, as they are in different points of the digital journey. While some may make payments electronically, they use sub-optimal processes that leave value on the table.

SMEs have traditionally been served by retail banks, which are not meeting their cross-border payment needs. The said cross-border payments are by definition more complex than domestic payments, involving multiple players, different time zones, jurisdictions and regulations. SMEs are now demanding real-time, low-cost and fully trackable payments on a global scale. But today's system of moving money around the world means high costs for SMEs.

The COMESA region has recognised the importance of adopting digital technologies to reduce the administrative burden on industries. Digitising payments is a necessary part of that story. New technologies and processes that can reduce overhead costs and lag-time are key to tapping the growing cross-border SME B2B payments market hence digitalising the cross-border payments.

For cross-border payments to reach their full potential in COMESA region, the public and private sector must establish efficient regulatory frameworks and implement well-designed pilot programs to gain more insight into cross-border payments. This requires a multi-stakeholder approach in defining the needs, identifying gaps and finding solutions to these challenges. Extensive engagement with all relevant private and public sector stakeholders will be needed to make progress in enhancing cross-border payments.

On 24th November, 2020, CBC hosted the *"Reshaping the Future of Industry and SME's Through Digital Financial Inclusion"* webinar. The webinar brought together regulators, policymakers, telecommunication companies, commercial banks, microfinance institutions, manufacturers, agro-industry players, industry associations and Fintechs to deliberate on opportunities, risks and challenges within the digital cross-border payments ecosystem for SMEs in COMESA, and proposed practical solutions to highlighted impediments. Areas of discussion included:

- Cross-border payments and the regulatory system
- SMEs and finance - digital inclusion for sustainability
- Cooperation over competition - multi-stakeholder engagements in the sector
- Digitisation forges the future of industry - is your business e-competitive?
- Financial inclusion and innovation in the digital space - where are we now?
- Digital transformation in COVID-19

Policy areas needed for digital common payment policy in COMESA: financial integrity, consumer protection, foreign exchange interests, data protection and cyber security, transparency. The webinar provided for dialogue amongst the speakers and an opportunity for the audience to engage and ask questions.

Member states were urged to develop good infrastructure that drives DFI which includes cooperation between MNOs and Banks. Financial infrastructure improvements reduce the information asymmetry that constrains access to credit and raises the costs and risk of financial intermediation.

COVID-19 AND COMMONWEALTH FDI: IMMEDIATE IMPACTS AND FUTURE PROSPECTS

COVID-19 is affecting all aspects of foreign direct investment (FDI). The pandemic has led to a slowdown in the implementation of existing investment projects, resulting in delayed FDI flows; and many firms have deferred investment decisions amid heightened uncertainty, significant income losses and, in certain cases, factory closures and supply disruptions. As a result, FDI inflows into all Commonwealth countries are expected to fall by 50 per cent to US$178 billion in 2020. A significant loss of FDI will undermine economic growth and transformation in Commonwealth countries and could constrain Commonwealth trade in the medium- and long-term.

To this effect the Commonwealth Secretariat hosted a webinar that discussed the findings of a recent study by the Commonwealth Secretariat and UNCTAD, including:

- Emerging and projected impacts of COVID-19 on global FDI flows.
- COVID-19 impacts on FDI inflows into Commonwealth countries and effects on greenfield FDI in the Commonwealth.
- Prospects for post-COVID-19 recovery in Commonwealth FDI flows.

Among the speakers were CBC's Chief Executive Officer Ms. Sandra Uwera who observed that:

- The COVID-19 crisis has arrived at a time when FDI was already in decline, with the African continent having experienced a 10% drop in inflows in 2019 to $45 billion. UNCTAD's World Investment Report 2020
- The World Investment Report 2020 projects that global foreign direct investment (FDI) will decrease up to 40 percent in 2020, bringing FDI below USD 1 trillion for the first time since 2005.
- Economic disruptions brought about by COVID-19 have resulted in tightening of global financing conditions, unprecedented capital outflow and sharp decline in remittances and tourism receipts.
- According to the CMI report, Covid -19 mitigation measures including travel restrictions, quarantines, lockdowns, border closures among other measures has not only disrupted economic activities but also led to decline in investments, mass unemployment and loss of livelihoods especially in the informal sector.
- The COMESA private sector was mostly affected by the first wave coming from China through weakened trade channels and lower foreign direct investment (FDI). Some countries do not have alternatives to China as a buyer, nor do they have viable alternatives to their commodities for sources of growth.
- Private foreign investment will be affected by economic conditions in both COMESA, and in investor countries. If COVID-19 continues to act as a drag on high-income countries, fewer funds will be available for investment in Africa and COMESA, while persistent - real or perceived – risk and lower growth prospects in COMESA will reduce its FDI attractiveness.
- Steep declines in foreign direct investment (FDI) were noted with delays in approved development projects linked to external financing mechanisms, and an increasingly high risk of financial sector contagion due to the decreased ability of businesses and individuals to meet their financial obligations

KCB SIGNS DEAL TO BUY TWO BANKS IN RWANDA, TANZANIA

KCB Group has signed a deal with London-listed financial services firm Atlas Mara Limited to buy stakes in it's banking units in Rwanda and Tanzania, its chief executive Joshua Oigara announced on Thursday. The proposed transaction will see Kenya's biggest lender by assets acquire Banque Populaire du Rwanda Plc (BPR) and the African Banking Corporation Tanzania (BancABC), strengthening its business in the two countries.

Under the proposed deal KCB will the acquire a 62.06 per cent stake in Banque Populaire du Rwanda Plc and a 100 per cent stake in African Banking Corporation Tanzania. The transaction is subject to obtaining shareholder and regulatory approvals in Rwanda and Tanzania. In a statement, Mr Oigara said the transaction is part of KCB's "ongoing strategy to explore opportunities for new growth while investing in and maximising returns from the Group's existing businesses." The acquisition, he added, will buttress the Group's leadership position and give it a stronger edge to play a bigger role in driving the financial inclusion agenda in the East African region while building a robust and financially sustainable organization.

“The transaction fits within the Group's expansion strategy and will see us increase our market share and distribution network across Rwanda and Tanzania and improve our operating leverage by enabling us to deliver our existing product offerings to a wider base of customers while positioning the bank for sustainable growth in the long-term,” Mr Oigara said. “Once the transaction is completed, the Group's Rwanda and Tanzania businesses are expected to have stronger financial credentials to support business growth in the post Covid-19 macroeconomic recovery.”

In Rwanda the acquisition is expected to see KCB double its market share to become the second largest bank in the country and solidify KCB Group's leadership position. In Tanzania, the subsequent merger of BancABC with KCB Bank Tanzania, a subsidiary of KCB Group, will integrate KCB Tanzania's strong retail and corporate banking franchise with BancABC's retail and commercial banking operations.

The merged entity is expected to rank as a top ten bank in the industry. “Our growth strategy is premised on both organic and inorganic plans and we shall continue to seek opportunities that increase our shareholder's value,” said Oigara. KCB currently has operations in six countries — Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan— and a representative office in Ethiopia.

The KCB deal comes months after Equity Bank Group called off its plan to acquire four banking subsidiaries from Atlas Mara Limited in a move aimed at preserving its capital in the wake of the Covid-19 pandemic. The parties had initiated talks in April last year, but the negotiationsm targeting Atlas Mara's units in Rwanda, Zambia, Tanzania and Mozambique dragged on until the pandemic hit. The London-listed firm had said then it would seek another buyer for the four banks after the Equity deal collapsed.

Read more: https://www.theeastafrican.co.ke/tea/business/kcb-signs-deal-to-buy-two-banks-in-rwanda-tanzania-3210588

AGRICULTURE, NOT TOURISM OR OIL, IS KEY TO ECONOMIC RECOVERY IN AFRICA

African countries that heavily depend on the tourism industry face a difficult recovery period after Covid-19, which continues to wreak havoc on global economies. Economists at the International Monetary Fund (IMF) and Renaissance Capital are projecting that countries with sizeable agriculture sectors and low exposure to tourism will recover quicker from the economic crisis fuelled by the pandemic.

According to the IMF, the largest impact of the Covid-19 crisis on economic growth has been for tourism-dependent economies such as Mauritius, Seychelles, Cabo Verde, Comoros and the Gambia although commodity-exporting countries have also been hit hard as well. For tourism-dependent economies, the sector represents about 18 percent of gross domestic product (GDP) on average and plays a crucial role in supporting livelihoods, and makes up about 25 per cent of total employment.

Tourism is also an important source of fiscal revenue, making up 18 per cent of income in the Seychelles; while foreign exchange averaged more than 46 per cent of export receipts. Despite a global recovery across many sectors, tourist inflows are not expected to return to 2019 levels until 2023. “Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020,” the IMF said in its Economic Outlook report for sub-Saharan Africa released in October.

“Oil exporting countries have also been hit hard, with an average contraction in 2020 projected at negative four per cent, while non-oil commodity exporters are expected to contract by negative 4.6 percent.” Lockdown Re-imposition Growth in more diversified economies such as Côte d’Ivoire and Rwanda will slow significantly, but will still be positive in 2020. “We think the Kenyan economy remains on track to grow by 1.5 percent in 2020 due to agriculture’s strong growth and the easing of Covid-19 restrictions in the second half of the year. We believe significantly lighter restrictions and the unlikely re-imposition of lockdown will support a pickup in growth to 4.2 percent in 2021,” economists at Renaissance Capital said through their Macroeconomic update report for sub-Saharan Africa dated November 2020.

According to Renaissance, countries with sizeable agriculture sectors, low exposure to tourism and those with fiscal and household buffers will be quick to recover from their economic crises, though downside risks such as political risks in Ethiopia and Zambia and debt sustainability challenges in Angola could dampen short-term economic recovery in these countries. According to Renaissance, the agriculture sector, particularly with smallholder farmers not are growing cash crops — cocoa, coffee, cotton, sugar cane or tobacco — will be one of the sectors most insulated from the economic impact of the Covid-19 crisis largely due to the fact that it is not highly integrated with global supply chains and the banking system.

“If a country has good rains and agriculture is a sizeable sector, that economy should see growth in 2020 despite the Covid-19 pandemic,” they said. The IMF projects that the economy for sub-Saharan Africa could contract by negative three per cent in 2020 and pick up modestly by 3.1 percent in 2021 buoyed by improvements in exports and commodity prices as the world economy recovers, along with a recovery in both private consumption and investment.

According to the IMF, the resurgence of new coronavirus cases in many advanced economies and the spectre of repeated outbreaks across the African region suggest that the pandemic will likely remain a very real concern for some time to come. “Nonetheless, amid high economic and social costs, countries are now cautiously starting to reopen their economies and are looking for policies to restart growth,” said the IMF. “With the imposition of lockdowns,

regional activity dropped sharply during the second quarter of 2020, but with a loosening of containment measures, higher commodity prices, and easing financial conditions, there have been some tentative signs of a recovery in the second half of the year.” The current outlook is subject to greater-than-usual uncertainty and hinges on both the persistence of the Covid-19 shock, the availability of external financial support, and the availability of an effective, affordable, and trusted vaccine. Other risks include political instability or the return of climate-related shocks, such as floods or droughts.

According to the IMF, limited resources will mean that policymakers aiming to rekindle their economies will face some difficult choices as both fiscal and monetary policies will have to balance the need to boost the economy against the need for debt sustainability, external stability, and longer-term credibility.

Read more; https://www.theeastafrican.co.ke/tea/business/agriculture-not-tourism-or-oil-is-key-to-economic-recovery-in-africa-3208420

AUSTERITY SLOWS DEALS AT UGANDAN BOURSE

The total market capitalisation of firms listed at the Uganda Securities Exchange fell to Ush4.27 trillion ($1.15 billion) in 2019/20, from Ush4.91 trillion ($1.32 billion) in 2018/19. According to Capital Markets Authority report, the drop was driven by substantial declines in share prices of locally listed companies, a trend that was escalated by the Covid-19 outbreak. Cost-cutting and a fast growing digital wave to containing spread of Covid-19 currently sweeping through many sectors are also weighing down on the capital markets.

Data indicates that share prices of Uganda Clays Ltd, Cipla Quality Chemicals Industries Ltd, NIC Holdings Ltd and Stanbic Holdings Ltd fell by 40.55 per cent, 37.5 per cent, 30.77 per cent and 17.24 per cent respectively, between July 2019 and June 2020. Consequently, the USE's All Share Index declined from 1,614.82 points in 2018/19 to 1,369.84 points in 2019/20, the recent data shows.

The capital markets industry's consolidated profit after tax dropped to Ush1.2 billion ($322,939) in 2019/20, from Ush1.6 billion ($430,585) in 2018/19. Total costs incurred by capital markets industry players rose to Ush14.5 billion ($3.9 million) in 2019/20 from Ush13.7 billion ($3.69 million) in 2018/19.

In contrast, total assets held by Collective Investment Schemes (CIS) also referred to as unit trust funds grew to Ush388.5 billion ($104.6 million) in 2019/20, from Ush173.5 billion ($46.7 million) in 2018/19. Total revenues generated by capital markets industry players increased to Ush16.4 billion ($4.4 million) in 2019/20, from Ush14.2 billion ($3.8 million) in 2018/19 the report says.

Fund managers accounted for 43 per cent of overall industry revenue followed by stockbrokers and dealers with a 38 per cent share. The USE registered an 18 per cent share of total industry revenues while investment advisors recorded a share of 0.8 per cent during the period under review.

“Going digital in the Covid-19 era has helped us cut electricity bills and office printing costs. Though we still come to office, most of our meetings are held virtually needing less printed documents. Some services have been outsourced to the Nairobi office reduced the workload on our side. We have digitised almost 90 per cent of our operations to date, but the idea of shared work platform that interconnects us and our service providers is not feasible because some players have divergent digitisation benchmarks in their systems.

We have experienced less austerity pressures during lockdown because we run a lean operation,” said Mubbale Kabandamawa Mugalya, Investment Manager at Sanlam Investments East Africa Ltd, a pension scheme and unit trust fund manager. “Equity markets are likely to come under pressure from muted participation by domestic and offshore investors due to the economic uncertainty generated by the Covid-19 pandemic,” he added.

Read more: https://www.theeastafrican.co.ke/tea/business/austerity-slows-deals-at-ugandan-bourse-3207604

SAVE THE DATE!! CBC - TDB HIGH LEVEL PUBLIC - PRIVATE DIALOGUE

CBC-TDB HIGH LEVEL PUBLIC-PRIVATE DIALOGUE

Towards the COMESA Digital Integrated Common Payment Policy for Micro Small and Medium Enterprises (MSMEs)

20th – 21st January 2021
Kigali, Rwanda

COMESA in collaboration with its institutions, COMESA Business Council (CBC) and the Trade Development Bank (TDB) are proud to host the COMESA Digital Financial Inclusion High Level Public-Private Dialogue from the 20th to 21st January 2021 in Kigali, Rwanda.

The event will bring together Central Bank Governors, Ministers of Finance, ICT Regulators on the one hand, and the Private sector-Manufacturers, MNOs, Commercial Banks and SMEs , to validate and adopt the draft model COMESA digital integrated common payment policy and Implementation Framework for Micro Small and Medium Enterprises(MSMEs). This important policy will inform the foundation for a digital integrated regional common payment scheme for Micro Small and Medium sized enterprises (MSMEs).

This scheme is intended to create affordable, transparent low value services that will boost intra-trade in COMESA and the larger Africa. The event will be a high-level closed-door dialogue, with a targeted physical and virtual participation of 100 delegates from nine COMESA countries.

The Overall Objectives Include:

- Development of a harmonised digital common payment policy for MSMEs in Africa with a specific focus on the COMESA region;
- Increased intra-regional trade through the formalization of MSMEs, particularly cross-border traders, small-scale farmers and women entrepreneurs, by way of their uptake of digital financial services;
- Increased sustainability of MSMEs through efficient and competitive platforms that promote volumes of products and services across borders at minimal costs to informal industry. This in turn creates increased demand, larger market shares for MSMEs and job creation.

The Overall Expected Results:

- A harmonized digital integrated common payment policy for MSMEs Africa, with a specific focus on the COMESA region.
- Establishment of a business model for a digital integrated common payment scheme for MSMEs, that goes beyond facilitating affordable, and real time transactions for MSMEs to include strengthening the visibility and promotion of products and services for this market segment within the COMESA region.

Overall Impact:

Increased intra- regional trade through the formalization of MSMEs in particular cross border traders, Small scale farmers, women entrepreneurs into digital financial services. There is a projection of a 10% annual increase in Intra-Africa trade. The outcomes of the meeting will underpin the development of a business model and infrastructure for a low-cost/retail digital payment scheme. The meeting will be officially opened by the Central Bank Governor of Rwanda.

MARKET FOCUS - EGYPT

Facts and Figures

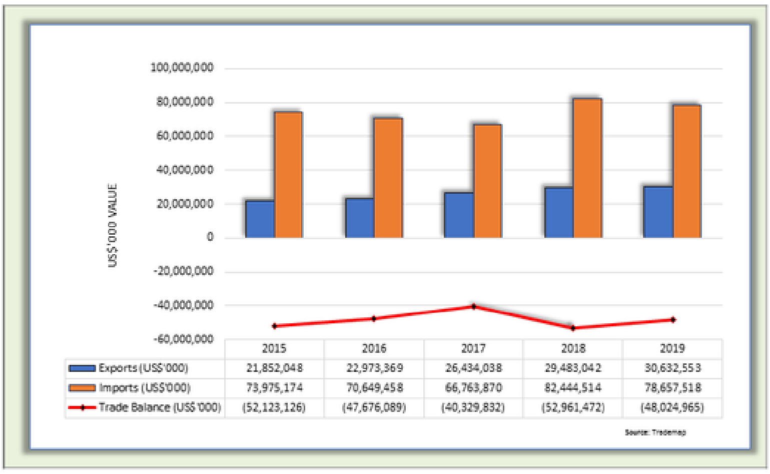
Total Population	98,423,595
Area	1.01 million km2
Time Zone	CAT (UTC+2)
Capital City	Cairo
International Telephone Code	+20
Currency	Egyptian pound (EGP)
Exchange Rate	1 USD = 15.9408 EGP
GDP (2015 est.)	USD 250.9 Billion
GDP per capita	USD 3,020.031
GDP Growth Rate	5.8%
Ease of Doing Business *(World Bank 2020)*	114/190
Inflation Rate	13.6%
Official Language(s)	Arabic
Other Languages	English and French
Important International Participation	Common Market for Eastern and Southern Africa (COMESA), African Union (AU), World Trade Organisation (WTO), European Union – Egypt Free Trade Agreement (Association Agreement), Turkey – Egypt Free Trade Agreement, Pan Arab Free Trade Area (PAFTA) Arab League and Egyptian – European Mediterranean Partnership Agreement (Euromed) Agadir Free Trade Agreement, Egypt-EFTA Free Trade Agreement, Qualified Industrial Zones (QIZ), Egypt-MERCOSUR Free Trade Agreement.

The Arab Republic of Egypt is located in the northeastern corner of the African continent. It is bordered to the north by the Mediterranean Sea with a coastline of 995 km. It is bordered to the east by the Red Sea with a coastline of 194 km. It is bordered in the northeast by Palestine and Israel, to the west by Libya, and to the south by Sudan.

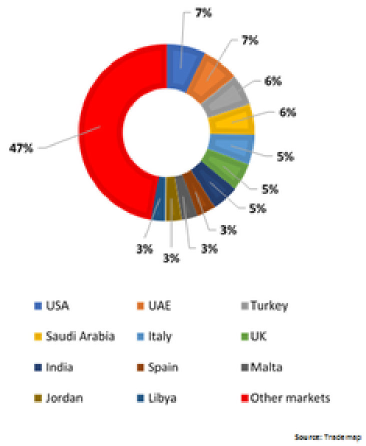
Egpyt's Cities and Population

City	Population
Cairo	7,734,614
Alexandria	3,811,516
Al Jizah	2,443,203
Port Said	538,378
Suez	488,125
Al Mahallah al Kubra	431,052
Luxor	422,407
Asyut	420,585
Al Mansurah	420,195
Tanda	404,901

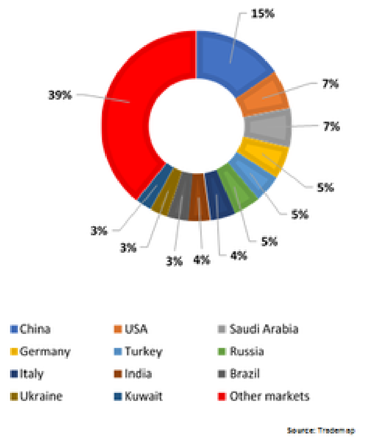
Egpyt's Trade



Major export destinations of Egypt



Major import sources of Egypt



Source: Trademap

MARKET FOCUS - EGYPT

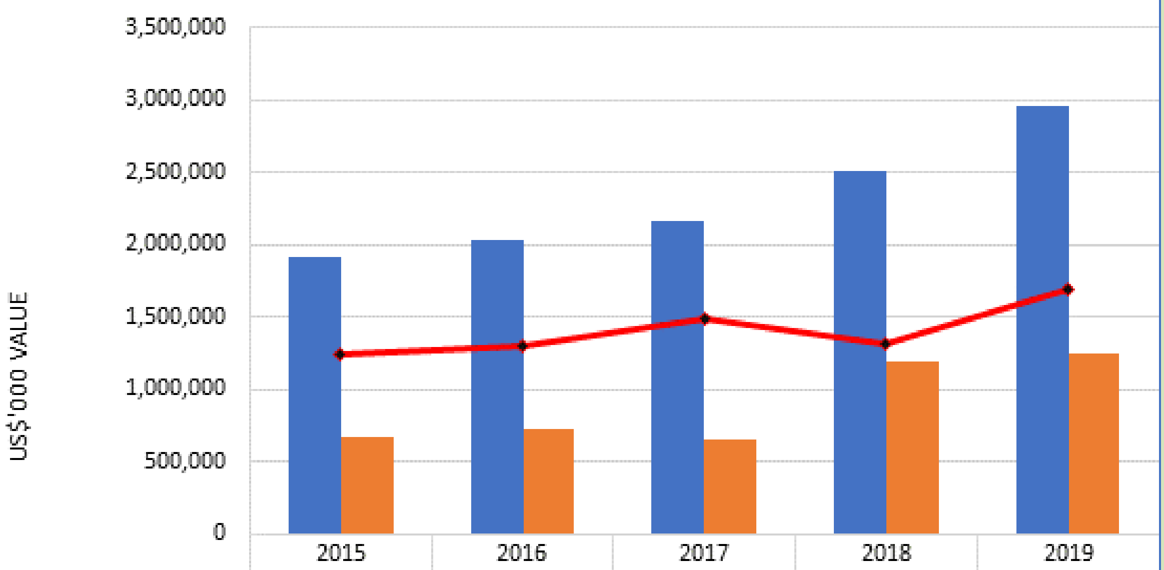
Major Export Products of Egypt's

- Light oils and preparations, of petroleum
- Gold
- Petroleum oils and oils obtained from bituminous minerals, crude
- Medium oils and preparations, of petroleum
- Natural gas, liquefied
- Urea
- Reception apparatus for television
- Fresh or dried oranges
- Polypropylene, in primary forms
- Flat-rolled products of iron or non-alloy steel
- T-shirts, singlets and other vests of textile materials
- Polyethylene
- Polyethylene terephthalate", in primary forms
- Fresh or chilled potatoes (excluding seed)
- Coaxial cable
- Fresh or chilled onions and shallots
- Fresh grapes
- Mixtures of odoriferous substances
- Sanitary towels (pads) and tampons, napkins and napkin liners for babies
- Wheat or meslin flour
- Medicaments

Major Import Products of Egypt's

- Light oils and preparations, of petroleum
- Durum wheat (excluding seed for sowing)
- Petroleum oils and oils obtained from bituminous minerals, crude
- Maize (excluding seed for sowing)
- Medicaments
- Motor cars and other motor vehicles principally designed for the transport of persons
- Mobile telephones
- Frozen, boneless meat of bovine animals
- Butanes, liquefied
- Semi-finished products of iron or non-alloy steel
- Articles of iron or steel, n.e.s. (excluding cast articles or articles of iron or steel wire)
- Agglomerated iron ores and concentrates
- Coniferous wood sawn or chipped lengthwise
- Waste and scrap of iron or steel
- Parts for reception apparatus
- Palm oil and its fractions
- Copper, refined, in the form of cathodes

COMESA - Egpyt Trade



	2015	2016	2017	2018	2019
Egypt Exports to COMESA (US$'000)	1,925,462	2,039,808	2,158,679	2,514,271	2,959,385
Egypt Imports from COMESA (US$'000)	673,138	735,468	661,349	1,192,819	1,259,459
Trade Balance (US$'000)	1,252,324	1,304,340	1,497,330	1,321,452	1,699,926

Source: Trademap

MARKET FOCUS - EGYPT

Egypt's Exports to COMESA Countries

- Light oils and preparations, of petroleum
- Wheat or meslin flour
- Portland cement
- Urea
- Sanitary towels (pads) and tampons, napkins and napkin
- liners for babies
- Mixtures of odoriferous substances and mixtures
- Surface-active preparations, washing preparations
- Unglazed ceramic flags and paving, hearth or wall
- Tiles
- Reception apparatus for television
- Medicaments
- Marble, travertine and alabaster articles
- Uncooked pasta
- Medium oils and preparations, of petroleum
- Electrical energy
- Cane or beet sugar
- Processed cheese, not grated or powdered
- Flat-rolled products of iron or non-alloy steel
- Sacks and bags, for the packing of goods
- Mixtures of odoriferous substances and mixtures

Egypt's Imports from COMESA Countries

- Copper, refined
- Black fermented tea
- Tobacco, unstemmed or unstripped
- Petroleum oils and oils obtained from bituminous minerals, crude
- Sesamum seeds, whether or not broken
- Live bovine animals (excluding cattle and buffalo)
- Cotton, neither carded nor combed
- Fluoride of aluminium
- Butanes, liquefied
- Fresh or chilled bovine cuts, with bone
- Phosphates of calcium
- Chewing tobacco, snuff
- Dried, shelled broad beans
- Light oils and preparations, of petroleum
- Flat-rolled products of iron or non-alloy steel
- Sulphur of all kinds
- Melon seeds
- Medium oils and preparations, of petroleum
- Paper and paperboard
- Live camels and other camelids [Camelidae]

International Markets Egypt can Target and Supply Products

According to ITC, Export Potential Map, the markets with greatest potential for Egypt's exports of all products are Saudi Arabia, Turkey and United States of America. United States of America shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports.

	Market	Products with potential
1)	Saudi Arabia	• Oranges, fresh or dried • Onions & shallots, fresh • Processed cheese
2)	Turkey	• Urea, Polypropylene, in primary forms • Mixed alkylbenzenes • Mixed alkylnaphthalenes
3)	United States of America	• Urea • Reception apparatus for television • Men's trousers & shorts of cotton.

Important Contacts

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Email: mfti@mfti.gov.eg
Website: www.mti.gov.eg

HOME DELIVERY AN INCREASING PART OF BUSINESS IN SEYCHELLES DURING COVID-19

With COVID-19 affecting so many businesses in Seychelles, local entrepreneurs are taking a new look at delivering products to clients. In the agricultural sector, farmer Jacques Matombe is delivering a variety basket of vegetables to clients at SCR 250 ($13) each. Matombe told SNA that he decided to start providing this service because people do not really want to go out into large crowds such as the market- place.

"Sales have gone down everywhere, and hence you need to be a little bit more innovative to get products to customers, ensuring that our products are sold at the same time limiting the number of people coming together in one place," he added. As with other businesses in Seychelles, Matombe has seen a decrease in sales of his products due to the fall in tourism arrivals.

"Hotels are not taking many products from us. People aren't going out as they did. Some takeaways are not opening until late, and at the market, sales are not the same as before. There has been a direct impact on the agricultural sector in general," he said. The Seychelles Postal Services was given a nudge by the pandemic outbreak to start providing more delivery.The deputy chief executive, Alex Etienne, explained that although the post office was already providing this service, after having noticed the increasing number of companies selling their products online, the Seychelles Postal Services wanted to fill in the delivery gap.

"We realised that some companies will have difficulties with the delivery part. As our mail volume is going down, this was part of our strategy to diversify our services. We thought about partnering with as many companies as possible to offer delivery services for their products," said Etienne. The postal services offer different packages for delivery which can be done within 24 hours or up to five days, all depending on the package that the client chooses. The prices range from SCR15 ($0.80) to SCR100 ($5).

"The post office is also working on an e-commerce platform, where people can display what is on sale for which we will also be providing the delivery service. One of the reasons why we are coming forth with the website is to encourage local entrepreneurs to export items through the post office. Just like we are getting a lot of incoming small packages, we are hoping that small packets will also be leaving the country. There are a lot of Seychellois living abroad and they would like to be able to buy local items and products," said Etienne.

Another company providing delivery services is Manzaii – Seychelles' first online food delivery App Company. It was created with the aim of ensuring that food outlets remain profitable and customers can adapt their lifestyle to the new normal. The company, owned by Seychellois - Wolfgang Germain – is passionate about bringing great tasting food from an array of food choices to people. Seychelles has a variety of incredible food outlets in the form of take-aways and restaurants that should easily be accessible to everyone.

Germain explained that the lockdown was a stimulus for him and his team to invest in this kind of business. Usually around the town area, the delivery costs R20 – R25. He is calling upon the different food outlets to experience the system and see if it works for them. Manzaii partners with food outlets to ensure that anytime a person feels like eating their food or craves for a particular cuisine, a quick search and placing your order through the company is all it takes.

Read more on: http://www.seychellesnewsagency.com/articles/13868/Home+delivery+an+increasing+part+of+business+in+Seychelles+during+COVID-

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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