

Region Adopts Common Guidelines for Safe Trade During Covid-19



File photo/ Minister of Industry and Commerce of Madagascar Madame Lantsoa Rakotomalala during the Council meeting in November last year

Ministers responsible for commerce, trade and industry in the COMESA region have agreed on a set of guidelines, which are expected to play a key role in facilitating coordination and uniform application of measures across the borders while ensuring public safety and safe trade.

The decision was made during the 8th Extraordinary Virtual Council of Ministers meeting held on Thursday 14 May 2020. The Ministers also agreed that the guidelines will be applicable during the COVID-19 pandemic period and will be reviewed as and when necessary.

Developed by COMESA Secretariat, the guidelines provide common measures and practices to be applied across the region covering a broad sector range of sectors.

These include facilitation of cross-border movement of relief and essential supplies, transportation of goods and cross-border freight transport operation, air transport and movement of goods on transit/inland deliveries.

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Other areas covered are regulation and control of trucks/vehicles, aircraft and vessels carrying essential goods and services, customs/revenue authorities support to the economy and sustaining of supply chain continuity among others.

Secretary General Chileshe Kapwepwe told the Ministers that the meeting was necessitated by the prevailing Coronavirus pandemic, which has continued to spread and disrupt trade in the region.

"We need these set of guidelines to ensure that trade and movement of goods continues because even after the region manages to contain this pandemic," Ms Kapwepwe added.

Under the guidelines, Member States will electronically publish any newly introduced trade and customs- related measures in response to the pandemic and share it periodically with the COMESA Secretariat. Indicative list of essential goods based on the latest edition of the World Customs Organization (WCO) Harmonized System (HS) classifications will also be published to facilitate clearance of customs and border requirements.

The Ministers stressed the urgent need for the Secretariat to develop an online platform for exchanging information on availability of essential products within COMESA as part of the response measures to the pandemic. This is consistent with the COMESA Digital Trade Facilitation programme, which the organization is encouraging member States to embrace.

In addition, the ministers approved a reduction of 10% of the Secretariat budget given the scaling down of activities as a result of the COVID-19 pandemic, and confer the benefit to the Member States in their

annual contributions. COMESA organs and institutions were asked to reprioritize and refocus the COMESA work programme based on the impact of the pandemic on implementation of its programmes.

The meeting was chaired by the Minister of Industry and Commerce of Madagascar Madame Lantoso Rakotomalala, who is the current Chair of COMESA Council of Ministers.

COMESA States Want a Socioeconomic Study on the Impact on COVID-19



COMESA Member States have asked the Secretariat to conduct a socioeconomic study on the effects of the Coronavirus to inform ongoing containment measures and recovery strategies.

The request was made by Permanent/Principal Secretaries (PSs) from ministries that coordinate COMESA regional integration programmes, during a virtual meeting of the COMESA Intergovernmental Committee (IC) Tuesday, May 12, 2020.

The IC meeting was called to consider a raft of regional guidelines that would enable a coordinated approach in responding to COVID-19. Currently, Intra and Extra-COMESA trade has been negatively affected by the measures that countries in the region have put in place, which differ in extent and severity.

The PSs acknowledged that some of the measures are not coordinated at a regional

level thus limiting regional trade which involves essential commodities that are in critically demand. Hence, the need for a coordinated approach that will ensure that measures individual countries put in place are harmonized across the region to facilitate the flow of essential goods and services.

Given the multiple membership of countries to regional economic blocs including COMESA, the East African Community and the Southern Africa Development Community, the delegates endorsed the development of guidelines to provide a coordinated approach across the region.

Draft set of guidelines, which was developed by trade and customs experts from member States was discussed by the PSs for their endorsement before they are presented to the Council of Ministers on Thursday, May 14, 2020 for adoption and subsequent implementation.

In her statement to the meeting, the Secretary General of COMESA Chileshe Kapwepwe said a cooperative effort on the part of all countries was needed as the world has become interconnected through technology, production and travel.

“In addition to coordinated efforts, a uniform application of measures is paramount at a regional level to ensure continued trade and supply of goods and services while attending to the imperatives of public health,” the Secretary General said.

She told the PSs that regional countries were experiencing mixed fortunes in COVID-19 infections. Some have managed to flatten the curve; others have maintained low rates of infections while the majority are still recording increased numbers.

“Even if the world will eventually succeed to contain this pandemic, tremendous amounts of resources will have been deployed for this purpose and economies will have shrunk owing to subdued activity as countries try to halt the spread of the virus,” the SG said adding that the Secretariat will be coordinating efforts by Member States to develop recovery plans to ensure the gains already made in regional integration are not totally eroded.

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-Ms. Chileshe Kapwepwe



Plans Underway to Assess the Impact of Data Collection on Consumer Price Indices

COMESA Secretariat has embarked on the assessment of the impact of the outbreak of COVID-19 on the CPI data collection. This follows a disruption of the surveys on Consumer Price Index (CPI), which require interactive and wide coverage methods to collect data.

The slowdown has been occasioned by the Coronavirus pandemic and subsequent measures put in place by Member States to prevent further spread of the disease. These have collectively impacted negatively on the collection of statistical information.

The Statistics Unit at COMESA Secretariat states that the partial, full lockdown, social distancing and in some cases, curfews invoked by Member States have not helped the situation.

"The CPI has been affected because data collection has become increasingly difficult as most outlets and other data collection points are either closed or access is limited or is being controlled," Mr. Themba Munalula, Head of the Statistics Unit states told eComesa.

This data is used for the compilation of the regional Harmonised Consumer Price Index (HCPI). For the month of March, almost all countries that regularly submit data for the COMESA HCPI compilation were able to undertake the CPI surveys.

A few such as Tunisia reported that due to the general containment decree, only 68.9% of the prices collected in the field for the month of March 2020. Eswatini could not make estimates for non-food items following international recommendations. Seychelles reported of challenges in data collection for the month of April adding that it would use imputation techniques based on the CPI manual recommendations.

The CPI is a key economic indicator that policymakers in Member States use on a monthly basis to monitor economic conditions at country level as it reflects the general levels of prices of goods, services and inflation.

COVID-19 a Setback to Intra-Regional Trade

But fiscal policies will play a leading role in mitigating the shock

Due to its openness to international trade and migration, COMESA region should brace for the adverse effects of COVID-19, which are both exogenous and endogenous, according to a report by the COMESA Monetary Institute.

According to the report prepared by the Director of the COMESA Monetary Institute (CMI) Mr. Ibrahim Zeidy, the exogenous effects arise from policy actions directed towards containing the spread of COVID-19 by the rest of the world.

"The slowdown in major economies will see global demand fall," says the CMI Director.

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He further notes that COMESA countries are likely to experience delays in getting investment or development projects off the ground. Some of the exogenous effects expected are declined remittances from African Diaspora; less foreign direct investment and official development assistance; illicit financing flows and domestic financial market tightening.

With regard to the endogenous effects, that is, those occurring as a result of the rapid spread of the virus in many COMESA countries, Mr. Zeidy observes that the very measures that are crucial to slowing the spread of the virus have a direct cost on all the affected economies.

"The fact that most people in many of the affected economies have been restricted through various forms of lockdowns, imply that



Mr. Ibrahim Zeidy

daily economic activities necessary to sustain livelihoods are affected," he says. "This mean less paid work, less income, less spending, and fewer jobs."

Accordingly, the slowdown in economic activities as the result of the two shocks will cause a decrease in domestic demand and a fall in tax revenue collection at a time when there is considerable pressure to increase public expenditure to safeguard human health and support economic activities.

From the foregoing, coupled with the direct and indirect effects of the crisis including supply and demand shocks, commodity slump, fall in tourism arrivals, the global economy may enter a recession at least in the first half of the year 2020, Mr Zeidy observes.

However, fiscal policy will play a leading role in mitigating the shock with countries adjusting their fiscal positions by especially, reallocating resources previously planned for development to tackle the immediate concerns of supporting livelihoods.

Going forward and where feasible, Mr. Zeidy says governments should consider targeted and temporary support for sectors such as tourism and air transport which are some of the worst hit by the effects of the Coronavirus pandemic.



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