



**Statement for Ms. Chileshe Mpundu Kapwepwe, Secretary General of COMESA in  
the Opening Ceremony of the 27<sup>th</sup> Meeting of the COMESA Committee of  
Governors of Central Banks**

**10<sup>th</sup> November 2023  
VICTORIA FALLS ZIMBABWE**

**Dr. John Mangudya, the Chairman of the COMESA Committee of Governors of Central Bank and the Governor, Reserve Bank of Zimbabwe**  
**Distinguished Governors**  
**Distinguished Delegates**  
**Ladies and Gentlemen**

It is indeed an honor and a privilege for me to have been requested to read the statement of Ms. Chileshe Mpundu Kapwepwe, Secretary General of COMESA, during this 27th Meeting of the COMESA Committee of Governors of Central Banks, gathered today at this great tourist city of Victoria Falls, home to the greatest waterfall in Africa, in the mighty Zambezi. The Secretary General has, unfortunately, not been able to be present today due to unforeseen exigency of duty. She expresses her gratitude to Governor Dr. John Mangudya, for inviting COMESA to this meeting.

On my own behalf and on behalf of the Secretary General, May I express our gratitude to our hosts— **Dr. John Mangudya**; Governor, Reserve Bank of Zimbabwe, the Government, and the people of the Zimbabwe, for your wonderful hospitality since we arrived in Zimbabwe. I know most of us are looking forward for a chance after the meeting to visit the mighty Zambezi and the Victoria Falls, one of the 7 natural wonders of the world, I dare say.

**Distinguished Governors**

Your attendance of this meeting is a clear testimony of your commitment to the COMESA integration agenda and the greater good of striving to grow our economies and raise the standards of living of the people of COMESA region.

May you now allow me, to read the following statement of the Secretary General:

## **STATEMENT OF THE SECRETARY GENERAL**

**Mr. Chairman Distinguished Governors**  
**Ladies and Gentlemen**

As we are all aware, in the past three years or so, the world in general and our region, in particular, is going through a very challenging time. Starting with the COVID-19 pandemic, then the Russia Ukraine War, the economic consequence of US and advanced Countries

Monetary Tightening phase, adverse climate change, and now the conflict in Gaza, these external shocks are stretching our regional economies to almost a breaking point.

To mention but a few, the devastating effects of these shocks include substantial volatility in global financial markets, increased inflationary pressures, increased cost of capital and cost on debt servicing, and disrupted global supply chains for food and energy products. These shocks have also led to a slowdown in economic activities in Europe and China, who are COMESA region's main trading partners, which in turn have led to a decline in demand for exports from our economies.

Consequently, to contain the resultant high inflationary pressures, advanced economies have instituted interest rate increases. This has led to tightening global financial conditions and the appreciating US dollar. With most foreign debt in our economies denominated in US dollars, the two factors have increased the cost of servicing the existing debt and heightened the risk of debt distress. The tight financial conditions have also restricted access to international capital markets for new financing, greatly amplified by instability in foreign exchange markets. For most of our countries, the resultant excessive depreciation of the local currencies has led to further inflationary pressures. Increased inflation has in turn resulted in high cost of living for the majority of the population in our economies, with untold suffering, especially for the most vulnerable including the poor in the society.

### **Distinguished Governors Ladies and Gentlemen**

Worth mentioning is also the effect of adverse climate change, especially the effects of disruptive extreme weather conditions (i.e., droughts and floods) and climate-induced disasters that have been/are being experienced in our region, have disrupted production and supply chains, with the obvious consequence of increased hunger and poverty and in some extreme cases death. As we meet today, the UN's World Meteorological Organization (WMO) is warning that El Niño is currently underway and could threaten lives and devastate agriculture in some parts of the world. El Niño is associated drastic weather effects like increased rainfall and stronger storms. Governments are being asked to prepare to mitigate the adverse effects of this drastic change in whether.

I must applaud you Governors for remaining largely supportive during these unprecedented times—including implementing measures to address these challenges. I particular note that squarely within your mandate is to ensure price stability. Price stability is key for revamping economic growth and protecting people, especially the poor. It is therefore important that your fight against inflation remains paramount. It is also important to safeguard financial stability. The effects of monetary tightening cycles could hit markets, banks, and non-banks, and lead to financial system instability. This means that Central Banks have a critical role to play by ensuring strong supervision to forestall any hidden weaknesses in the financial system. I also think that you, Governors of central Banks need to continue pursuing regional financial integration by among others, ensuring elimination of barriers to financial restrictions. This would lead to increased capital flow and investment across the region. Regional financial integration results in increased cross border capital flows, remove barriers that impede cross-border investment and promote intra- regional trade and ultimately lead to economic development across the region.

In summary, we look up to you Honorable Governors to turn the tide around and continue to institute measures that will revive the economies of our region. These measures may include fast tracking resumption of national, regional, and global trade and investments, addressing the high cost of living, and dealing with the adverse effects of climate change.

**Distinguished Governors  
Ladies and Gentlemen**

Let me reiterate that COMESA as a REC is in the forefront of promoting Regional Integration Agenda. COMESA provides leadership in facilitating negotiations leading to the launch of the Continental Free Trade Area and consolidating the Tripartite FTA. The African Continental Free Trade Area (AfCFTA) that is already in force presents an excellent opportunity for the continent to increase intra-regional trade and investment. Regional integration can play a critical role in meeting the supply and demand needs for goods and services, increasing economic exchanges between our member countries and leading to economic growth and development of our region. In particular, the AfCFTA will benefit our region in several ways including, providing a larger market for goods and services, serving as a catalyst for increased investment in cross- border infrastructure that will spur industrial development, economic growth, and development. Similarly, the COMESA-EAC-SADC Tripartite Free Trade Area ratification and negotiations are work in progress and will also complement continental efforts going forward.

**Distinguished Governors  
Ladies and Gentlemen**

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Turning to the main agenda items of this meeting, I am informed that you will consider the progress report on the activities of the COMESA Regional Payment and Settlement System (REPSS) and COMESA Monetary Institute in 2023. You will also review the work done under the Monetary and Exchange Rates Policies and Financial System Development and Stability Sub-Committees, among other activities undertaken in 2023 by the two sub-committees.

On REPSS, although about 9 member countries are live on the system and the value of transactions processed are slowly increasing, I still urge you Governors to encourage other central banks not live on the system to join. This will ensure that the real benefits of implementation of REPSS are realized including but not limited to guaranteeing prompt payment for exports as well as other transfers and eliminating mistrust among traders as there is Central Bank involvement. This in turn increases trade within the region and reduces collateral requirements as Central Banks are directly involved in the system and trade is mainly amongst members.

**Distinguished Governors  
Ladies and Gentlemen**

On programs implemented by COMESA Monetary Institute (CMI), I am pleased to note that CMI continued capacity development through various research and capacity building activities. CMI also managed to produce various special reports related to Macroeconomic management in the region. Those research and capacity building activities, by impacting analytical skills to staff of member Central Banks, assists our member countries to provide empirical and evidence-based policy advice and decisions. Let us continue supporting these initiatives and resolve to forge forward with dedication and commitment to ensure that we accelerate the pace of monetary and financial integration.

**Distinguished Governors  
Ladies and Gentlemen**

We will continue to call upon your wise guidance and support to enhance the implementation of the COMESA Monetary Integration Agenda. Consistent implementation of the COMESA Monetary Integration agenda will lead to making the COMESA region a zone of macroeconomic and financial stability required for facilitating

economic integration efforts and provision for sustained economic growth and development.. I am compelled to say this, because moving towards regional financial and monetary integration is within your mandate.

**Distinguished Governors  
Ladies and Gentlemen**

In conclusion, let me remind you that together and working hard, we can surmount all the challenges that our economies are currently facing. I look to the future with great hope and know that COMESA will define the course of our next trajectory, of economic growth and development for our region. It is through your dedication and commitment to the COMESA program of integrating the region that has seen COMESA grow from strength to strength. Through financial and monetary integration, your meeting is making COMESA move closer to becoming a zone of macroeconomic and financial stability, a key prerequisite for increasing regional trade and investment. I have no doubt that your meeting is equal to the task before it and will come up with concrete decisions that will ensure we achieve and reap benefits of Monetary and financial Integration in the region. I look forward to fruitful deliberations and wish you a successful meeting.

**I thank you for your attention.  
God bless you.**