



***STRENGTHENING A COMESA'S ROLE
IN FACILITATING REGIONAL
AGRICULTURAL TRADE***

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OUTLINE OF PRESENTATION

- COMESA OVERVIEW : MARKET PARAMETERS
 - COMESA MARKET STRENGTHENING AND WIDENING ACTIVITIES
 - KEY SUPPLY SIDE CONSTRAINTS IN AGRICULTURE
 - OVERCOMING SUPPLY SIDE CONSTRAINTS IN COMESA'S AGRICULTURAL SECTOR
 - CONCLUSION
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COMESA OVERVIEW : KEY PARAMETERS

- FORMED IN 1994 FROM PTA
 - 19 member states
 - POPULATION : 400 million
 - Intra-COMESA trade, US\$7.5 billion (2006 est.).
 - US\$3.0 billion (about 40%) of trade is food and agricultural raw materials
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AGRICULTURE IN COMESA

- 32% of COMESA GDP
 - Agriculture: second largest category of products traded
 - Agricultural commodities are major drivers for growth in intra-COMESA trade.
 - Agriculture is basis for viable agro-processing industry and value addition across the region.
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MARKET STRENGTHENING AND **WIDENING**


Focus of COMESA is Trade and Investment Promotion in AGRICULTURE through:

- 🔥 DEEPENING REGIONAL INTEGRATION
 - 🔥 REGIONAL TRADE PROMOTION & FACILITATION
 - 🔥 INTERNATIONAL TRADE PROMOTION & FACILITATION
 - 🔥 INVESTMENT PROMOTION
 - 🔥 TARGETED AGRICULTURAL SECTOR DEVELOPMENT PROGRAMS
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REGIONAL INTEGRATION INITIATIVES

- FTA
 - CUSTOMS UNION
 - CCIA
 - AGRICULTURE – CAADP
(SYSTEMATIC &
COMPREHENSIVE APPROACH TO
AGRICULTURAL DEVELOPMENT)
 - INFRASTRUCTURE – COMPEDIUM
OF PROJECTS
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REGIONAL TRADE FACILITATION & INVESTMENT PROMOTION

- HARMONIZED ROAD TRANSIT CHARGES, COMESA CARRIER'S LICENCE, AXLE LOADING AND MAXIMUM LOADING DIMENSIONS, COMESA YELLOW CARD INSURANCE
 - STANDARDS HARMONIZATION, 300 standards
 - COMMON INVESTMENT AREA, RECOGNISES COMESA INVESTOR – REDUCED COST OF DOING BUSINESS
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INTERNATIONAL TRADE PROMOTION & FACILITATION

- WTO activities
(Market Access and development Support)
 - EPA NEGOTIATIONS (Development Support)
 - AGOA
 - New Partners: China, India, the Gulf Region
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CHALLENGES FOR AGRICULTURE

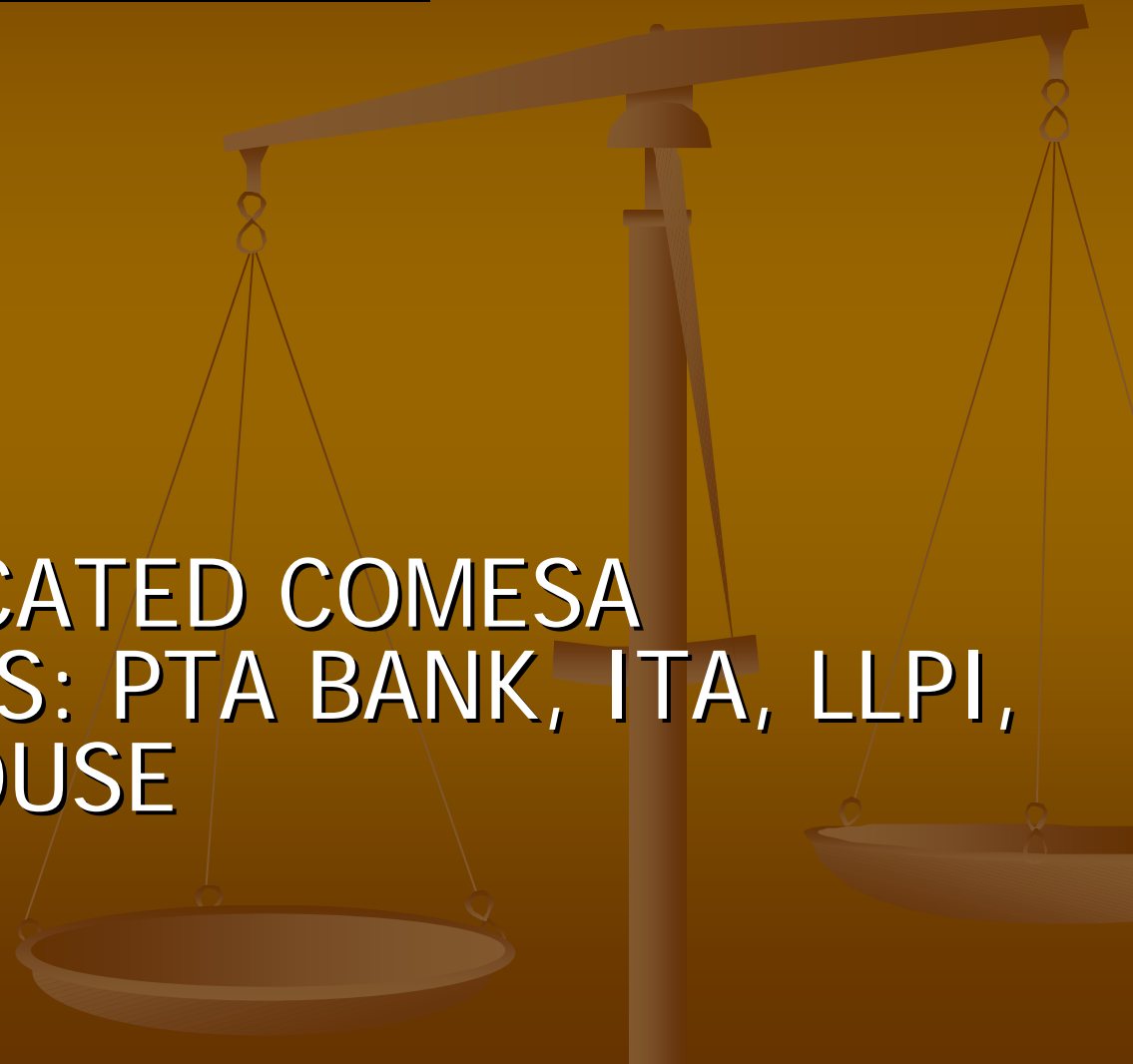
- WESTERN MARKETS: MARKET ACCESS;
SUBSIDIES
 - AGOA: NOT WTO COMPATIBLE,
UNILATERAL (UNSTABLE): NOT,
CONTRACTUAL, SPS (TIME FACTOR,
RESOURCES)
 - OTHER MARKETS: COMPETIVENESS
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COMESA INVESTMENT PROMOTION EFFORTS

☹ CCIA

☹ RIA

☹ OTHER DEDICATED COMESA
INSTITUTIONS: PTA BANK, ITA, LLPI,
CLEARING HOUSE



AGRICULTURAL SUPPLY SIDE **CONSTRAINTS**

- ⦿ Lack of capacity to manage land/water resources (only 6% cultivated land is irrigated; inconsistent agro-input policies)
- ⦿ Under developed market/trade related infrastructure (high cost of doing business)
- ⦿ Gender disparities
- ⦿ Poor capacity to disseminate technologies
- ⦿ Macroeconomic challenges/High cost of finance
- ⦿ Inconsistencies in trade/investment policies

ADDRESSING SUPPLY SIDE CONSTRAINTS (1): TARGETED AGRICULTURAL SECTOR DEVELOPMENT PROGRAMS

- RATES (COMMODITY APPROACH) – COFFEE, MAIZE, DAIRY, COTTON
- AMPRIP (SPS): GREEN PASS & REFERENCE LABORATORIES
- AMPRIP (FAMIS): MARKET INFORMATION

ADDRESSING LONG TERM AGRICULTURAL DEVELOPMENT & SUPPLY SIDE CONSTRAINTS

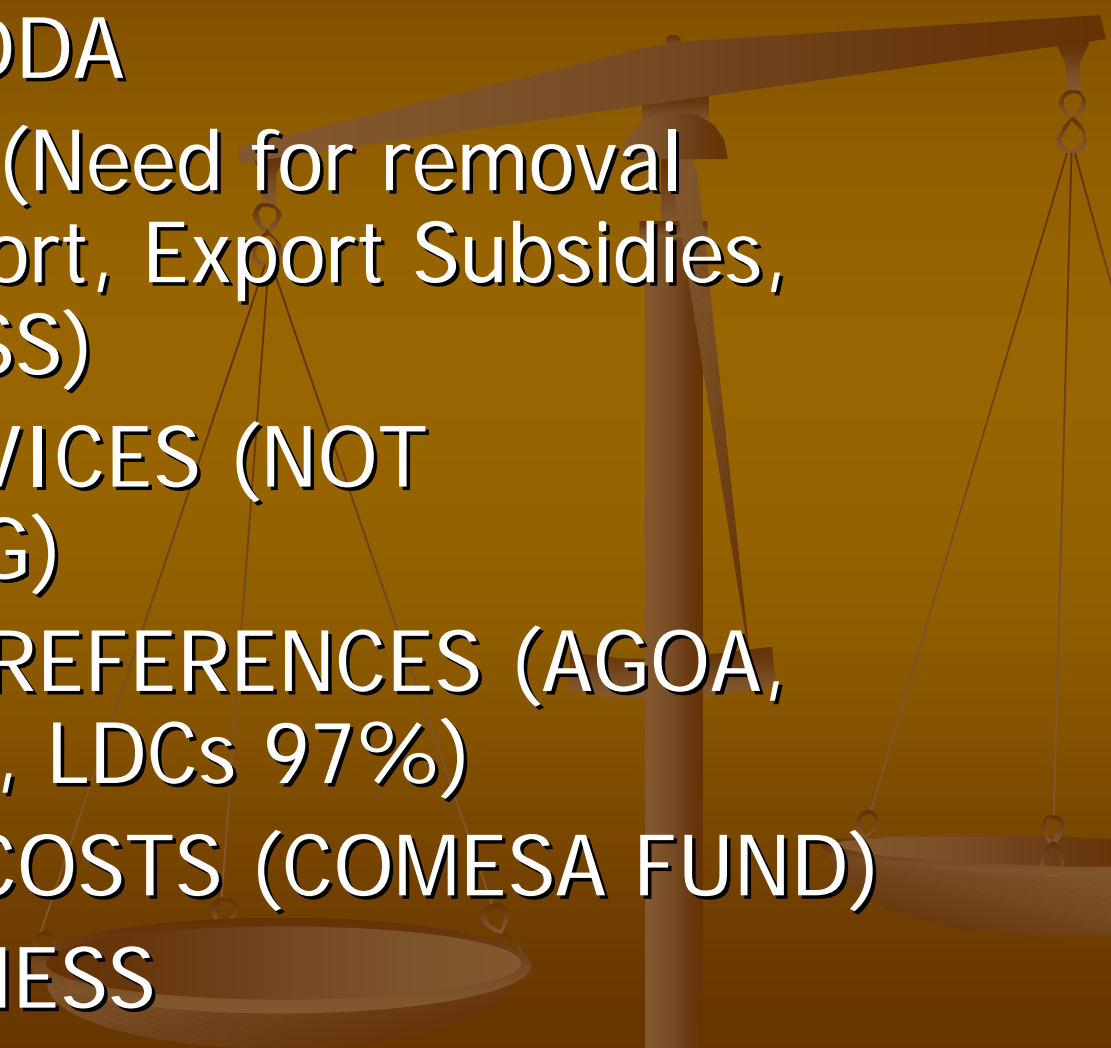
(2)

- CAADP IMPLEMENTATION, FOCUSING ON WHOLISTIC APPROACH TO AGRICULTURAL DEVELOPMENT. ONE (1) REGIONAL COMPACT AND 19 NATIONAL COMPACTS TO BE PREPARED. RWANDA HAS COMPLETED COMPACT PREPARATION
- RELATED CHALLENGES: DEVELOPMENT MATRIX, INCLUDED IN EPAs, TO DEAL WITH SUPPLY SIDE CONSTRAINTS - TRANSPORTATION, COSTLY AND UNRELIABLE ENERGY, POOR TELECOMMUNICATIONS, LACK OF CAPACITY TO SUPPORT PRIVATE SECTOR
- STRONG PARTNERSHIPS WITH FARMERS, AGRIBUSINESS, CIVIL SOCIETY

KEY ACHIEVEMENTS IN TRADE STRENGTHENING

- TRADE INCREASE FROM \$3 Billion in 2001 to \$7.5 billion in 2006
 - INVESTMENT
 - TRADE FACILITATION INSTRUMENTS
 - GLOBAL TRADE NEGOTIATIONS
 - HARMONIZED RULES & DOCUMENTATION
 - HARMONIZED STANDARDS
 - CET STRUCTURE
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OPPORTUNITIES/CHALLENGES

- DDA (WTO) – AID FOR TRADE?
 - COMPLETING DDA
 - AGRICULTURE (Need for removal Domestic Support, Export Subsidies, MARKET ACCESS)
 - TRADE IN SERVICES (NOT PARTICIPATING)
 - EROSION OF PREFERENCES (AGOA, COTONOU/EPA, LDCs 97%)
 - ADJUSTMENT COSTS (COMESA FUND)
 - COMPETITIVENESS
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CONCLUSION

KEY FACTORS IN PROMOTING AGRICULTURAL TRADE:

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- (i) REGIONAL INTEGRATION / HARMONIZATION
 - (ii) TRADE LIBERALIZATION
 - (iii) INVESTMENT PROMOTION
 - (iv) DEDICATED INSTITUTIONS
 - (v) COMPREHENSIVE SECTOR APPROACH TO ADDRESSING SUPPLY SIDE CHALLENGES
 - (vi) SMART PARTNERSHIPS IN PROGRAM IMPLEMENTATION



THANK YOU

