

## **Statement by the COMESA Secretary General, Mr. Erastus J. O. Mwencha at the Opening of the 14th Council of Ministers Meeting**

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It is an honour and a privilege for me to welcome you all to the COMESA Centre for COMESA's 14<sup>th</sup> Council of Ministers meeting. May join you Madam Chairperson in expressing our gratitude to His Excellency Levy Patrick Mwanawasa, President of the Republic of Zambia, for gracing the opening session of Council. Permit me also, Madam Chairperson, to express our sincere and heartfelt condolences to His Excellency the President, and his family, for the tragic loss of the close family members he has had to endure in the last few days. Please accept Mr President our deepest sympathies and prayers.

### **Madam Chairperson; Honourable Ministers; Your Excellencies, Ladies and Gentlemen**

Our meeting is an opportune occasion for us to take stock and to review the implementation of the regional programmes we are undertaking:

- to reduce the levels of poverty through sustainable growth brought about by economic integration;
- to make decisions on how we can improve the pace of economic growth and development of our region; and
- to decide on how we can strengthen our involvement in the multilateral bodies so that our requirements are well articulated and well presented.

It is, for all of us, a priority to reduce poverty. And to achieve this, economic growth in our region needs to be significantly higher than it currently is. However, economic growth needs to take place at a time when the world economy is experiencing a general slowdown. Growth in trade has undergone a severe deceleration and developing countries are confronting a ten percent drop in the growth of demand for their exports. This is coupled with a decline in net direct investment to Africa from US\$22.3 billion in 2000 to US\$11.8 billion in 2001.

World economic recovery will be partly influenced by oil prices, interest rates and consumer demand in industrialised countries. This, in turn, will be heavily influenced by how the disarmament programme in Iraq progresses and how other potential crises in the world develop. These are events that we in COMESA have no control over. We can only hope that these issues will be solved quickly and peacefully and that we will be able to take advantage of a stable world environment in 2003 so that we can make every effort to increase the economic growth rate of COMESA to above the 3.1% achieved during 2001, and projected for 2002, to levels needed to attain internationally agreed targets for millennium development goals, including poverty reduction.

### **Madam Chairperson; Honourable Ministers; Ladies and Gentlemen**

Over the last year we have seen encouraging moves by the group of developed countries to improve access into their markets. The European Union has recently proposed, in the WTO, a mechanism to eliminate tariff peaks and high tariffs and

reduce tariff escalation, for all non-agricultural products. The Everything-but-Arms agreement has been in operation for two years and has provided new market access opportunities, such as in sugar.

Under the African Growth and Opportunities Act the United States has provided new market opportunities, which our private sector has quickly taken advantage of, especially in the textiles sector. Other countries, including Canada and Japan, have also improved market opportunities for developing countries.

However, although the trend is welcome, there is much more that needs to be done. Improved market access is a necessary but not sufficient condition as our exporters still face stringent sanitary and phyto-sanitary regulations and standards, as and when they want to export into developed countries. Although there is no doubt that there is need to implement measures to protect consumers, the use of unnecessary stringent requirements, and long delays in granting a clean bill of health, to imports should be avoided. I sincerely hope that our developed country partners will not resort to non-tariff barriers and technical barriers to trade to restrict our market access. If they do this then all the benefits of tariff reduction will be undone and the World Trade Organisation itself will lose credibility.

We also hope that the European Union and other OECD countries will reduce their levels of domestic support and subsidies in the agricultural sector in the near future. Under the WTO there are a number of issues of great importance to COMESA countries being discussed, such as access to medicines, Special and Differential Treatment, Trade in Services and market access. We are aware that there was an informal meeting of WTO Trade Ministers in Sydney earlier this month in which some of these issues were discussed and I hope we can use the occasion of our meeting to obtain a briefing on the outcome of that meeting from those fortunate enough to have been invited and to have attended.

We should also not forget that there is also much that we need to do ourselves to take advantage of improved market access. In particular we need to improve the competitiveness of our industries and of our productive sector in general. This will involve a comprehensive programme:

1. of improving the use of existing infrastructure;
2. of developing new infrastructure;
3. of removing the bureaucratic delays imposed on the private sector;
4. of reducing the direct fiscal burden on the private sector; and
5. of improving the regulatory environment.

**Madam Chairperson; Honourable Ministers; Ladies and Gentlemen**

Since you last met in Addis Ababa in May of this year, COMESA has made significant progress in the dialogue with our Co-operating Partners. COMESA has been working with IGAD, with EAC and with the IOC to develop a single Regional Strategy Paper (RSP) and Regional Indicative Programme (RIP) to be financed under the Ninth European Development Fund. I am happy to announce that this Programme,

which commits 223 million Euro to regional projects in economic integration, natural resource management and transport and communication infrastructure, was signed last Tuesday, 19<sup>th</sup> November 2002, by the four regional organisations and the European Commission. The challenge is now to implement the RIP in a timely manner so that it complements the Economic Partnership Agreement negotiations and adds the much needed development dimension to EPAs by assisting to remove supply-side constraints.

I have mentioned AGOA already but I should also stress that AGOA has been a tremendous success for COMESA eligible countries, with countries such as Madagascar, Kenya, Malawi, Mauritius and Swaziland benefiting from new market access opportunities. The Secretariat is also involved in ensuring that the AGOA Forum in Mauritius in January 2002 is a success and is actively supporting the full participation of the private sector.

Detailed discussions have taken place with the World Bank on support for a number of programmes in COMESA and USAID have continued to provide valuable support to the COMESA Secretariat in a number of areas, including capacity building;

- The Commonwealth Secretariat will, in the near future, provide technical assistance to help member States to take a more active part in WTO negotiations.
- The Africa Capacity Building Foundation is working with the Secretariat to implement a trade capacity building programme.
- A further new development has been a commitment by the French Government to assist COMESA in capacity building.

These are all new programmes that complement the on-going programmes financed by our Co-operating Partners. Although they are too numerous for me to mention individually, we are deeply indebted to them for their assistance in helping to implement such a comprehensive programme in economic regional integration.

I should also like to mention that the Secretariat has undertaken successful workshops in a number of countries dealing with the regional and multilateral trading environment. Plans are underway to step up our programme of dissemination and advocacy and to concentrate on the actual beneficiaries of economic liberalisation programmes, these being the private sector non-state actors.

### **Madam Chairperson; Honourable Ministers; Ladies and Gentlemen**

To further maximise the benefits of liberalisation and globalisation, we need to further develop and expand on the gains we have already achieved under COMESA. The report of IC that is before you identifies the following priority areas:

First expanding the Free Trade Area;

Second, implementing the Customs Union;

Third, strengthening trade facilitation measures such competition policy, public procurement, air transport liberalisation,

telecommunications liberalisation and cross-border transport facilitation;

Fourth, we need to more adequately address the issue of food security in the region;

Fifth, to implement the Common Investment Area, to improve the level of infrastructure to ensure economic growth can take place;

Sixth and finally, to further improve our trade negotiating and analytical capacity at all levels and to address gender issues.

There are, therefore, many challenges and opportunities that lie ahead. I am confident that, by working together to tackle these issues, we are in a position to make a positive difference in our region and Africa.