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OFFICIAL COMMUNIQUÉ

FROM PRIVATE SECTOR AND BUSINESS ASSOCIATIONS IN THE SOUTHERN AFRICA DEVELOPMENT COMMUNITY (SADC) ON COVID-19 TRADE CHALLENGES AND POST RECOVERY STRATEGIES COORDINATED BY THE SADC BUSINESS COUNCIL (SADC BC) ON THE 10th OF JUNE 2020.

BACKGROUND

The Directors of National Private Sector Apex Body and Regional Business Body Associations in the SADC region held an online meeting on 10 June 2020 to discuss the post COVID-19 recovery strategies. The directors **acknowledge** the paramount importance of protecting the health, and safety of the Southern African people and, as the regional private sector, we commit and join hands with the Governments to ensure that the business community complies with the measures to protect the lives of SADC citizens and the global community. The meeting discussed:

- The COVID-19 induced regional trade challenges in SADC Member States
- Priority sectors to be prioritized in the post COVID-19 period to stimulate quick economic recovery.
- Recommendations for required interventions as economies gradually re-open.

The ongoing Covid-19 presents a significant challenge to SADC economies by disrupting global and regional value chains. It will lead to a global recession and global trade contraction. It is also expected that cyclical unemployment will increase because of COVID-19. Navigating the COVID-19 challenges will take well-coordinated interventions at national, regional and at the global level.

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COVID-19 INDUCED REGIONAL TRADE CHALLENGES

The meeting noted that the COVID-19 outbreak in SADC has brought the following challenges on trade:

- Lack of information on the measures that are being applied by the countries across the corridors affecting the movement of cargo or trade flows.
- Lack of harmonisation of interventions, measures, and recommendations to COVID-19 at country and regional level.
- Cargo blockages caused by temporary shutdown of inland ports and seaports. This problem continues despite efforts by different stakeholders to find a permanent solution.
- Varying and non-standardised COVID-19 testing procedures across different member states resulting in slower processes at border posts.
- Lack of clear strategy towards movement of essential cargo and the repatriation of citizens with member states in the region.
- Challenges in the classification of essential commodities i.e. different countries have different classifications.
- Whilst the NTB reporting and monitoring mechanism is recording some of the challenges being faced by the business during this time, the process of monitoring and resolution usually takes time.

PRIVATE SECTOR INTERVENTIONS TO COVID-19

As SADC member states responds to the COVID-19 outbreak, the region is urged to balance managing the infections with funding/prioritising key economic sectors to stimulate the economy and, in the process, create the needed jobs in the post COVID-19 period. To improve employment, job security and food security, member states are urged to prioritize on the following labor-intensive economic sectors post COVID-19:

- Agriculture
- Tourism
- Manufacturing
- Transport
- Mining with reference to the copper and cobalt value chains
- Health Industry to produce enough health products for the region
- Energy sector
- Pharmaceuticals
- Construction with focus on major capital projects

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PRIVATE SECTOR RECOMMENDATIONS TO GOVERNMENT

Furthermore, to aid the quick economic recovery to COVID-19 as lockdowns are phased out gradually, governments are urged to implement the following measures and interventions:

Financial Interventions

- Provide cheaper loans to SMMEs at special lending rates since many of the small businesses which many African livelihoods depend on are threatened by COVID-19.
- Provide loan facilities and other incentives at special rates to businesses to fund the resuscitation of key economic industries such as Manufacturing, Agriculture, Tourism, Health and Transport.
- Promote import substitution measures to replace previously imported commodities.
- Promote the use of the SADC Integrated Regional Electronic Payment System (SIRESS) to reduce corresponding banking charges in regional trade.

Cross border logistics

- Harmonize border protocols including strategies on movement of people and repatriations.
- Enhance the capacity of border authorities at entry points so that most goods and services are cleared in real time.
- Create integrated digital interface between neighboring / corridor countries to reduce paperwork delays at entry points and reduce driver idle time at borders
- Promote use of rail for long-distance bulk commodities.
- To accelerate speedier resolution of reported Non-Tariff barriers.

COVID-19 support

- Standardise regionally COVID-19 tests and have them done in real time.
- Establish regional controlled test centers at points of entry and exit as part of the harmonization process.
- Support local companies to increase their capacity to produce COVID-19 products and equipment.
- Share national and international best practices from other regions in managing COVID-19.

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CONCLUSION

We, the SADC Business Council, and our member federations, reiterate our full commitment to supporting our respective governments and international institutions. On-going dialogue with business, employees and their representatives on the scope, content and implementation of extraordinary measures is essential to mitigating the negative impact of COVID-19 on employment and business.

END