

## CBC AND SADC BC JOINT POSITION STATEMENT

# ADDRESSING TRADE RESTRICTIVE MEASURES DURING THE COVID-19 PANDEMIC

### FACILITATING THE MOVEMENT OF GOODS DURING THE COVID- ERA

#### 1.1. Background

Africa's intra-regional trade accounts for about 17% of its global trade, suggesting a great reliance of products from outside the region. The COVID-19 pandemic has disrupted almost all global sectors, but most importantly the transport and logistics services. Transport and logistics services are at the centre of trade as they facilitate the movement of goods and services across the region.

Most governments have put in place measures that include border restrictions and limitations on the movement of cargo, thereby affecting cross border trade. Whilst the measures are important, facilitating the movement of essential goods and services remains a priority for livelihoods, industry, and economic sustainability for the region. Several countries in Tripartite region (SADC, COMESA, and EAC) are landlocked and there is great reliance on corridor networks, cross border transport and logistics services. Recent border delays and queues as a result of border restrictions and limitations on the movement of cross border cargo, not only threaten and disrupt supply chains but may also end up increasing and spreading infections amongst the truck drivers and border agencies.

Another contentious issue during the COVID-19 lock down in some countries in the tripartite region have been the ban on cigarettes. While tobacco production and manufacturing represent an important economic activity in several SADC/ Tripartite countries, the ban on the sale of cigarettes for health associated reasons has a negative effect on economic growth and employment creation in the region. It has also increased cigarette smuggling with variety of smuggling methods including the use of large trucks or petrol tankers with concealed compartments to smuggle cigarettes.

The exact scale and number of cigarettes smuggled since the ban on cigarettes was instituted in some countries in the region remains unknown, but most estimates are that the numbers are in the multi-millions.

Without doubt, COVID-19 has compromised trade flows and economic activities in the tripartite region. As a result, there is need to consider a tripartite approach to addressing trade related challenges and trade flow across the region.

#### 1.2. Key identified challenges include:

- i. Lack of information on the measures that are being applied by the countries across the corridors affecting the movement of cargo or trade flows.
- ii. Lack of harmonisation of interventions, measures, and recommendations to COVID-19 at country and regional level.
- iii. Serious delays and queues spanning for several kilometres across a number of essential border posts like the Beitbridge, Chirundu, Nakonde, Kasumbalesa, Moyale and others. Transporters have highlighted clearance periods of 2-3 weeks in some instances.
- iv. Similarly, port delays disrupting local manufacturing and trade as businesses are not able to access their raw materials or supplies in time. This has resulted in serious supply chain disruptions across the regions and high costs for businesses in demurrage costs.

## KEY RECOMMENDATIONS BY CBC AND SADC BC

Beyond individual Regional Economic Communities approaches, it is imperative that measures are dealt with from a Tripartite Approach. Considering the role of specific borders and ports in facilitating intra- Africa and intra-regional trade, Member states are urged to consider a tripartite and continental approach to the above.

### 2.1. On publication and increasing awareness of regulations:

Tripartite countries urged to publish all regulatory measures pertaining to the COVID-19 restrictions and the list of goods/essential goods being applied within the country. Furthermore, provide allowance for a grace period where permissible before implementing a regulation to ensure readiness by the private sector.

### 2.2. Measures to address border delays:

Increased customs coordination and interfaces to ensure swifter processing of goods and services at the border to reduce clearance times. This could be cemented by Tripartite/Corridor/joint border management working guidelines to ensure clearance of goods within specified and reduced timelines on each border to encourage compliance.

### 2.3. Port clearances and increasing port efficiency:

Port countries to facilitate the speedier clearance of goods, particularly transit goods at the ports and within their countries.

### 2.4. Instant border enquiry points:

- i. 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, in fact can take months or years.
- ii. To accelerate speedier resolution of barriers, all countries are urged to put in place instant border enquiry points (contact point, emails, telephone) for business to easily get information on measures and to address impediments being faced.

### 2.5. Post COVID-19 priority economic sectors:

We urge tripartite countries to consider prioritizing the following industries in the post COVID-19 period to aid quick economic recovery and job creation:

- I. Agriculture
- II. Tourism
- III. Manufacturing
- IV. Transport
- V. Mining with reference to the copper and cobalt value chains
- VI. Health Industry to produce enough health products for the region
- VII. Energy sector
- VIII. Pharmaceuticals
- IX. Construction with focus on major capital projects

Tripartite countries are also urged to lift the ban on cigarettes in a way that balances economic growth, employment creation and the effects of cigarettes on health particularly during the period of COVID-19.