

Africa's trading blocs seek new partnership to boost exports

NAIROBI: Africa's regional trading blocs have developed a new strategic partnership to boost the continent's exports.

The three of Africa's regional economic communities, Common Market of East and Southern Africa (COMESA), Economic Community of West African States (ECOWAS) and the Economic Community of Central Africa States (ECCAS), have forged a new strategic partnership with the Geneva-based International Trade Centre (ITC) to boost the ability of African firms to compete in global markets.

Kenyan Trade Permanent Secretary Cyrus Njiru said on Monday, 22 June 2009, that one of the objectives of the Program for Building African Capacity (PACT II) is to provide support to regional and national institutions so as to enhance export competitiveness and market linkages for Small and Medium Enterprises in high potential sectors.

"It is from this perspective that I consider this event crucial for laying the foundation for the successful implementation of the activities associated with this program," the permanent secretary said in a speech read on his behalf by deputy chief economist at the Ministry, Richard Sindiga.

The new venture will be launched this week by the three communities at a series of events starting with the COMESA in Nairobi on Monday.

The continent's share of world trade has fallen to around 3% from 4% in the 1970s.

The dramatic contraction in global and regional trade as a result of the current international financial crisis makes regional cooperation and integration on trade even more important.

Funded by the Canadian International Development Agency, the 20 million Canadian dollars (US\$17.3 million) PACT will act as a springboard for exporters by developing trade information networks, strengthening cooperation between trade support institutions, such as chambers of commerce.

The PACT program, which runs until 2012, aims to involve and support the private sector and develop its capacity to trade enhancing public-private partnerships, fostering a better understanding of export markets, strengthening regional supply chains and encouraging moves to improve the quality of goods.

It will give particular emphasis to sectors offering high growth potential in Africa.

The 42 countries comprising the three African communities have done much to integrate their economies, establish free trade areas and harmonising tariffs, but this progress has yet to yield significant dividends in terms of greater trade flows both between them and with other regions and countries.

"ITC will partner with the regional economic communities (REC) to foster stronger and deeper trade integration, which is ultimately aimed at raising living standards and meeting the Millennium Development Goals," said ITC executive director Patricia Francis.

"Building the capacity of RECs to respond to private sector needs in trade development is the primary aim of PACT II. This is the focus of the new program," she added.

The ECCAS will present the project at a meeting of senior officials in Libreville on 1 to 2 July, with the ECOWAS having its high-level launch in Abuja on 8 - 9 July 2009.

ITC is the joint agency of the World Trade Organisation and the UN, with a mandate to help businesses in developing countries become more competitive in global markets in order to speed economic progress and meet the UN's development goals.

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