

**SPEECH DELIVERED BY THE RIGHT HONOURABLE PRIME MINISTER OF
THE REPUBLIC OF ZIMBABWE MR. MORGAN TSVANGIRAI TO THE
COMESA BUSINESS FORUM ON THURSDAY 4 JUNE 2009.**

**Chairperson of COMESA Council of Ministers and Zimbabwe Minister of
Industry and Commerce Professor Welshman Ncube;**

Honourable Ministers;

COMESA Secretary General, Mr. Sindiso Ngwenya;

Members of the Diplomatic Corps;

The Business Community;

Potential Investors and Partners from outside the Region;

Invited Guests;

Ladies and Gentlemen

It is always an honour to address gatherings of distinction like this one. Thank you for inviting me. In turn I wish to welcome to Zimbabwe our COMESA colleagues as well as those coming from beyond the boundaries of the common market.

We are here in Victoria Falls, a tourist resource whose benefits are shared not only by Zambia and Zimbabwe but by a few other countries in the Southern African region. This is the spirit of cooperation and integration that COMESA seeks to promote, harmonisation and consolidation for the benefit of regional operators.

Our governments have realised the strength in cooperation as opposed to working in silos. The focus today is towards an integrated and viable market of

around 400 million people within COMESA and over 570 million for the three emerging Regional Economic Communities namely COMESA, EAC and SADC.

The COMESA Free Trade Area has fared well and our governments are now moving towards establishing a Customs Union and a free trade area for the three RECs in the region.

Mr Chairman, Ladies and Gentlemen, our governments have established a COMESA Common Investment Area, to make it easier to harness investment across our countries and between our region and the rest of the world. Clearly we are moving in the right direction more so in light of the global economic meltdown whose negative repercussions we must hedge against.

However, we still face challenges of low income levels for the majority of our people, poor and inadequate infrastructure like inaccessible roads, poor communication systems as well as energy and power shortfalls.

All these setbacks cannot be addressed by governments alone; neither can they be addressed by the Private Sector on its own. In this regard, the business sector is called upon to exercise their entrepreneurial class by taking advantage of the various incentives and enabling policy frameworks that COMESA has put in place in order to overturn the challenges into bankable opportunities for the benefit of all.

Mr. Chairman, the vision of COMESA is to become a vibrant common market. Its agreed program of regional integration has had the organisation transform itself from a preferential trade area to a free trade area in the year 2000, a customs union in the next few days, to a monetary union in the year 2016 and finally a common market by the year 2018. Intra- COMESA trade has grown from US\$3, 2 billion in the year 2000 when the FTA was launched to US\$15, 2 billion in the year 2008.

Although there is an existence of non tariff barriers within the region, an online reporting system to eliminate these has been developed. The reporting system has since been extended to SADC and EAC countries in an effort to harmonise the programs within the context of the tripartite forum. Consultations are underway in the three regional groupings to develop strategies for the eventual elimination of all non tariff barriers. Business people should take advantage of this system to report any form of non tariff barrier that they may encounter when doing business within the region.

The impending launch of the customs union is a key milestone in the development of the region and will give greater impetus to enhancing our intra regional trade. It will offer a more predicatble economic environment for both investors and traders across the COMESA Region, since regionally administered tariff rates tend to be stable. I am told the customs union will also assist to level the playing field for the region's producers since it imposes uniform customs

procedures and external tariffs on goods imported from third countries. The Customs Union will therefore enable us to grow beyond the free movement of goods and establish the foundations of a single market, where production and marketing decisions at company level are based on commercial reasons and not country boundaries.

I am reliably informed that The One Stop Border Post concept has been introduced in the region in an effort to ease congestion at border posts as well as reduce transit times for traders and transporters. I am also informed that the launch of this concept at Chirundu Border post between Zimbabwe and Zambia is projected for the 1st of September 2009.

With regard to transport and communication, COMESA has operationalized some beneficial instruments like Harmonised Road Transit Charges, Carriers' Licence, and Insurance scheme commonly known as the **Yellow Card**, Customs Bond Guarantee Scheme as well as The Harmonised Axle Loading and Maximum Vehicle Dimensions, among others.

It is also worth noting that the COMESA clearing house which is a payments and settlements system reduces the cost of transaction for private sector.

Of interest may be the African Trade Insurance scheme against political risk. This scheme hedges business against political instability.

While this is good for business, it is an indictment and a statement to African leaders to bring to an end political bickering, unnecessary and avoidable conflict.

This Mr. Chairman brings me to the reality of the Zimbabwean situation that in the past ten years, the country declined from being a manufacturer to being a consumer of finished products. This decay, in the second biggest economy in the Southern African Region, with its obvious downstream effects, will set the region back in the industrial and manufacturing value chain. The country would right now be talking about processing and not resuscitation of basic backbone infrastructure which is way down in the value chain.

In conclusion, I would like to call upon the business community to match government effort by maximising use of all the available policy frameworks and turn around the fortune of not only their individual countries but of the region and Africa as a whole.

The new thrust is for government is to come up with policy frameworks that enable business to partner us in the form of Public Private Partnerships PPPs.

As a new leader with a fresh vision, Public Private Partnership in infrastructure development is what I cherish to see.

With those few remarks Mr. Chairman if you can call them that, I wish to congratulate you and the COMESA Secretariat for organising this Business Summit at a time when we must respond positively to the world economic downturn.

I would also like to wish a successful Heads of State and Government Summit meeting in the next few days and congratulate Zimbabwe who will take over the Chairmanship from the able stewardship of Kenya.

It is my singular honour and privilege to declare this Business Forum officially open.

I THANK YOU