

Analysis of the 11th COMESA Summit:

I. Introduction:

1. The Summit of Heads of States and Government was held in Djibouti, Republic of Djibouti on the 15th and 16th November 2006. The outgoing COMESA Authority Chairmanship, President Paul Kagame, handed over Chairmanship of the COMESA to President Ismael Omar Guelleh of Djibouti. The Summit theme was 'Deepening Regional Integration through COMESA Customs Union'. The purpose of this paper is to observe the progress of the COMESA report to the 11th Summit. It also underscores the main areas that the AU can assist the COMESA in its efforts for regional integration.

II. Progress in COMESA integration:

2. Economic Integration: It can be noted that COMESA had played a leading role in fostering economic activities in the member states. This helped progress in the area of economic integration, especially economic growth within COMESA members and Trade partners. The physical integration of the region, the progress in the development of COMESA Institutions and the cooperation with development partners were other areas that the COMESA had scored successes.

3. Economic growth: what can be noted in this area in the economic performance of the COMESA region has been remarkable. In 2005, COMESA region recorded an overall GDP growth rate of 5.8% in 2005 buoyed by high prices for petroleum and metal products. During the same period, the average growth rate for the African continent was 4.9%. Total COMESA exports increased by 54% in 2005 while imports surged by 46%, primarily due to higher fuel prices. It is expected that economic growth in the COMESA region in 2006 would increase by 5.8%.

4. Trade: In this regard, provisional estimates show that intra-COMESA trade increased with COMESA main trading partners by 40% in 2005, to US\$6.3 billion.

COMESA Main Trading Partners:

- The European Union remains a major trading partner accounting for about 30% of total trade.
- U.S.A. in 2005 was 126% over the 2004 levels by 21% and 3%, respectively, in 2005, albeit from small bases.
- INDIA TRADE
COMESA exports to India grew by 22% to US\$664 in 2005. COMESA exports constitute about 27% of total trade with India.
- CHINA TRADE
The 2005 COMESA-China trade figures show a better balance with COMESA exports representing about 40% of total trade.
- South Africa Trade COMESA exports to South Africa declined by 70% in 2005 compared to 2004 and now constitute only 21% of the total trade.

5. Private Sector: establishment of regional Investment Agency (RIA) to promote Cross-border and foreign direct investment (FDI) and development of regional business intelligence strategies.

6. Infrastructure Development: Two main projects can be mentioned in this regard Progress on the implementation of the Shire-Zambezi waterway. Noted progress in the project with respect to the implementation of Kalisimbi Communication Navigation Surveillance Air Traffic Management (CNS/ATM) led by Rwanda which will integrate the COMESA air space into one single air space.

7. Multilateral Issue: Economic Partnership Agreement (EPA) negotiation that were lunched in 2004 between Eastern and southern Africa countries and EU trade significant progress since the last summit.

III. Area of Cooperation with the AU:

6. The Summit highlighted the growing challenges occurring from the global environment. There is therefore, need to re-look at the

objectives of COMESA. The members came to the conclusion that they have to integrate fully in response to these rising challenges. This was envisioned in a Roadmap plan that will make progress in the Eastern and Southern Africa Trade and Development Bank (PTA), The Free Trade Area (FTA), Custom Union, free movement of persons, monetary union and eventually a common market. To support this long term objective a medium term plan 2007-2011 was seen as essential to implement and help COMESA ambitions of well-built integration region.

Having been around for the last 12 years, what can be observed, however, that in general the implementation of COMESA resolutions is only 50% according to the COMESA report to the 11th Summit.

That is why the AU can be helpful to COMESA. In this regard, the AU can help this important economic body and make it more relevant to the demands of the current situation. Admittedly, a lot has been achieved, however, the AU can assist in the falling area.

The AU can assist in the implementation of the roadmap.

The AU can support COMESA clearing house of regional payment and settlement (CRE PPS). In the same context, the AU can help in the efforts to establish COMESA Investment area (CCIA).

The Agriculture sector in the COMESA region needs to increase its productions. Consequently this will enhance further intra trade among the COMESA region and help to establish a good foundation for food security. The agriculture programmes to address poverty. The sector must grow rapidly minimum 6% to achieve the Millennium Development Goal of cutting hunger and poverty by 2015. Investment remains below 2%.

The issue of infrastructure and development, especially regarding the Shire- Zambia water way project, the AU can help in terms of providing technical support in terms of funding the project.

AU Need to enhance its technical assistance in the following areas:

IV. Conclusion:

7. The summit concluded that there are significant steps been made towards integration within the COMESA region that would add to the continental efforts to harmonize policies towards African integration on line with the African Union guidelines. At the moment, the most common score appears to be in the area of trade.

There are more challenges lying ahead. What is encouraging is that COMESA is a solid institution with the capacity even to do better and improve the life of people in member states.

8. The 12th COMESA Summit of Heads of State and Government will be held in Nairobi Kenya in 2007.

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