

TRADE HUB HAPPENINGS



A monthly update of upcoming activities and recent progress from the SA Trade Hub in Gaborone, Botswana
November 2005

Hub Highlights

- On October 4 the recently appointed U.S. Ambassador to Botswana, Katherine Canavan, paid a formal visit to the Trade Hub for a briefing on the Trade Hub's activities and to meet the team.
- From October 25 to 26, representatives from USAID/RCSA and the Trade Hub attended the first Regional AGOA Sectoral Workshop in Addis Ababa, Ethiopia. The workshop is the first of three regional workshops to be held in Africa, and was attended by regional government officials, U.S. Government officials including the Office of the United States Trade Representative (USTR), and private sector representatives. The workshop focused on the leather and handicraft sub-sectors.
- The Trade Hub's webpage has been updated with links to the other two (soon to be three) trade hubs and to the African Global Competitiveness Initiative. View the new homepage on www.satradehub.org.
- On October 31, John Keyser, Director Trade Competitiveness, and Amanda Hilligas, AGOA Advisor, addressed the U.S. – Sub-Saharan Africa Trade and Investment Mission organized by the U.S. Department of Agriculture (USDA) in Johannesburg on the Trade Hub's work in regional trade promotion and benefits of AGOA for African exporters.

November 2005 Trade Hub Events

- 1 John Keyser will be in Johannesburg for meetings with Trade Competitiveness implementing partner, ECI Africa.
- 1 The Trade Hub will host the Botswana National Cattle Production and Marketing Conference in collaboration with the Botswana Cattle Producers Association (BCPA).
- 1-4 Amanda Hilligas, Ranga Munyaradzi, Senior Customs Advisor, and John Keyser will be in Swaziland to assist U.S. exporters with difficulties in the AGOA procedure for Category 9 products and will meet with agriculture exporters. The Trade Hub Team will also look at Customs bottlenecks and hold discussions with Customs Management to find a way of facilitating AGOA exports. In addition, the Trade Hub Team will discuss with relevant officials two recent Trade Hub mission Reports – the *Swaziland Investor Road Map* and *Improving Transport Logistics for Competitiveness of Swaziland* – to work out a program for possible Trade Hub intervention and technical assistance.
- 10-11 Lisa Yarmoshuk, Director of Trade Facilitation and Capacity Building (TFCB), and Paulina Elago, TFCB Deputy Director, will travel to Johannesburg to attend the conference on Regional Integration and Economic Partnership Agreements (EPAs) organized by the South African Institute of International Affairs (SAIIA).
- 14-18 John Keyser and Amanda Hilligas will travel to Lusaka and Ndola in Zambia for meetings with the Market Access, Trade and Enabling Policies Project (MATEP) and to provide firm-level outreach at the request of the Zambian Trade Ministry. The meetings with MATEP will focus on the next steps of support to the floriculture export sector and tourism development.
- 14-17 Ranga Munyaradzi and Simon Royals, Technical Officer at the World Customs Organization (WCO), will launch the first phase of the *WCO Time Release Study* (TRS) in Malawi.
- 18-25 Ranga Munyaradzi will join Bridget Chilala, Capacity Building Director, Evans Marowa, Transport Advisor, and Michael Hathaway, WTO Legal Expert, in Zambia to conduct field assessments on the status of trade facilitation in preparation for the World Trade Organization (WTO) Trade Facilitation Negotiations.
- 21 John Keyser, Amanda Hilligas, and Lisa Yarmoshuk will meet in Johannesburg with Leslie Johnston, Chief of Party of the new Swaziland Enterprise and Entrepreneurship Program (SWEEP), and Simon Winter, TechnoServe Regional Director for Southern Africa, to discuss how the Trade Hub can support their program.

In June 2002, the US Agency for Development (USAID) established the Southern Africa Global Competitiveness Hub in Gaborone, Botswana to respond to President's Bush's new trade initiative for Africa. The Trade Hub helps Southern Africa take full advantage of the increased trading opportunities available through duty free access to the US economy under the African Growth and Opportunity Act (AGOA). The Trade Hub:

- brings together American and African businesses;
- enhances the competitiveness of African products and services;
- expands the role that trade can play in African poverty reduction strategies;
- improves the delivery of public services supporting trade;
- builds African capacity for trade policy formulation and implementation; and
- strengthens the enabling environment for African businesses.

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Amanda Hilligas and Lawrence Johnson of the USAID Regional Center for Southern Africa (RCSA) admire handicrafts in Madagascar

- Amanda Hilligas, African Growth and Opportunity Act (AGOA) Advisor, John Keyser, Director Trade Competitiveness, and Ranga Munyaradzi, Senior Customs Advisor, will travel to Swaziland from November 1 to 5 to assist exporters with difficulties in the AGOA procedure for Category 9. The AGOA Advisor will also meet with the Swaziland Investment Promotion Authority (SIPA) to discuss progress on the AGOA Task Force and AGOA diversification. John Keyser will meet with agriculture exporters and potential investment partners interested in cross-border transactions with marketing firms in South Africa.
- Amanda Hilligas and John Keyser will travel to Zambia the week of November 14 to 18 to engage in firm-level outreach, requested by the Zambian Trade Ministry, and to conduct an assessment of AGOA diversification work. Mr. Keyser and Ms. Hilligas will also hold meetings with representatives of the Market Access, Trade and Enabling Policies (MATEP) Project to coordinate Trade Hub support to the Bilateral Program in export agriculture, tourism, and apparel. John Keyser will follow up with the competitiveness flower study and explore links with donors and financial institutions in Zambia that have expressed an interest in support to the floriculture export sector.
- The Trade Hub will hold seminars on Food and Drug Administration (FDA) requirements for labeling in Johannesburg on November 29 and in Cape Town on December 1. Dr. Pat Wilson, an expert on labeling at the FDA, will present technical advice to participating firms. He will highlight the U.S. regulatory system including how different agencies regulate different sectors and common mistakes exporters make when packaging for the United States. The workshops will focus on marketing strategies, and attendees can bring in products for closer inspection by Dr. Wilson. These seminars are part of a program to assist export-ready firms to prepare for the upcoming Fancy Foods Show in Chicago in May 2006. For further information or participation in the Johannesburg or Cape Town seminar, please contact AGOA Advisor Amanda Hilligas at ahilligas@satradehub.org.

Trade Competitiveness



Zambian greenhouses for the production of flowers for export

Exportable Agricultural Products

- As part of the Trade Hub's strategy for building regional market linkages, John Keyser will meet with agriculture exporters in Swaziland during the first week of November to discuss possibilities for cross-border trade and investment with South Africa. These meetings will define areas for collaboration with the new Swaziland Enterprise and Entrepreneurship Program (SWEPP) and pave the way for introductory visits by South African horticulture marketing companies interested in sourcing from Swaziland.
- In mid-November, John Keyser and Scott Simons, MATEP Chief of Party, will meet with members of the donor community and private financial institutions in Zambia to discuss opportunities for renewed lending to the floriculture sector to sustain the momentum generated by the analysis of market opportunities for roses and alternative floriculture products presented to local stakeholders in August.
- In order to gain acceptance for exports, the Trade Hub expects to begin work with the South African Litchi Association and Agricultural Research Council on a research program intended to develop effective quarantine treatments for litchi moth and other pest risks identified by the Center for Plant Health and Science Technology (CPHST) in the United States.

Trade Competitiveness, cont.



Zambian greenhouses for the production of flowers for export

Tourism

- In November, John Keyser will meet in Lusaka with Scott Simons and Tamara Gondwe-Scott, MATEP Tourism Advisor, to discuss implementation of a series of workshops in Zambia to identify local products to be marketed through international tour operators.

Apparel

- In November, the Trade Hub will undertake a survey of 60 to 80 U.S.-based apparel retailers, design houses, and sourcing agents to determine specific product requirements, minimum order quantities, price points, and lead times in order to identify specific opportunities for Southern African manufacturers to fulfill these demand needs. The results of the demand survey will be presented in a series of country workshops in Swaziland, Lesotho, and South Africa in early 2006.

Trade Facilitation and Capacity Building (TFCB)



The Trade Hub has been working with the Walvis Bay Corridor Group (WBCG) and the TKC Management Committee (TKCMC) to establish a permanent Secretariat

Customs Modernization and Transport Facilitation

- Ranga Munyaradzi and Simon Royals, Technical Officer at the World Customs Organization (WCO), will launch the first phase of the *WCO Time Release Study (TRS)* in Malawi. During the first phase of the project, the consultants will work with the Malawi Revenue Authority (MRA) and will prepare the methodology for conducting the TRS, the questionnaire to be used by the TRS Working Group, general guidelines and training for the Working Group (composed of the MRA and private sector stakeholders). During the second phase, the Malawian Customs / Private Sector Working Group will collect and record data on the questionnaire at the busiest Customs entry and exit points, including airports and land border crossings. The third and final phase will be carried out with Trade Hub / WCO technical assistance and will involve analyzing the data and writing the report after the field research is complete.
- Bridget Chilala, Capacity Building Director, Ranga Munyaradzi and Evans Marowa, Transport Advisor, will continue to work on the Trade Facilitation Assessment for Zambia using a Trade Facilitation Assessment Tool. The Team will travel to Zambia with Michael Hathaway, WTO Legal Expert, to conduct field assessments on the status of trade facilitation in preparation for the World Trade Organization (WTO) Trade Facilitation Negotiations. This will involve verification of responses to Trade Facilitation Self Assessment Questionnaires that were sent to all relevant stakeholders in Zambia at the beginning of October. Through this exercise, Zambia will be able to identify the current status of its trade facilitation, prepare more effectively for the WTO Trade Facilitation negotiations, and prepare for implementing the obligations that arise.
- Evans Marowa will continue to work with the Walvis Bay Corridor Group (WBCG) and the Trans Kalahari Management Committee (TKCMC) to secure legal advice from the three member countries and to establish a permanent Secretariat to the TKCMC. In addition, the Trade Hub will continue efforts to secure a date for a proposed meeting of the Ministers responsible for transport in the three corridor countries. The Trade Hub will also develop proposals and scopes of work for utilization of funds contributed by Namibia and South Africa to improve transport operations and promote the use of the corridor.
- Evans Marowa will follow up on enquiries from Malawi, Tanzania, and Zambia regarding the Dar es Salaam Corridor Committee Meeting to be held in Lusaka, Zambia, on December 12 and 13 (rescheduled from the original November date). The meeting will focus on establishing a sustainable permanent Secretariat.

Trade Facilitation and Capacity Building (TFCB), cont.



The Trade Hub has been working with the Walvis Bay Corridor Group (WBCG) and the TKC Management Committee (TKCMC) to establish a permanent Secretariat

- In November Ranga Munyaradzi and Bridget Chilala will meet with Zambian Revenue Authority Officials in Lusaka to schedule a presentation on the Trade Hub's technical report *Economic Impact of Implementing a Regional Customs Bond Guarantee Scheme on Zambian Businesses and the Economy*. It is expected that the meeting will likely take place some time in December 2005 or January 2006.
- Ranga Munyaradzi will continue to monitor the progress in implementing the Action Plan for the TKC Pilot Common Customs Transit Bond Guarantee during November and will assist with the finalization of some of the draft procedures. Mr. Munyaradzi will also determine if all the stakeholders are ready for the first review meeting programmed for December 2005 and will plan and prepare accordingly.
- Evans Marowa will assess the air cargo capacity at Lusaka International Airport as well as Zambian air cargo costs in response to requests from the horticultural exporters through the Trade Competitiveness Component.
- Evans Marowa will attend a workshop in Maseru, Lesotho, during the first week of November that will focus on the EU-funded Maseru Container Terminal Dry Port development feasibility study. This development was identified as a key action item in the Trade Hub-sponsored study on transportation logistics constraints for Lesotho.
- Evans Marowa and Ranga Munyaradzi will participate in the World Bank Sub-Saharan Africa Transport Policy Project workshop to develop the institutional framework for the management of the North-South Corridor which extends from the port of Durban to Lubumbashi in the Democratic Republic of Congo via Botswana and Zambia with alternate routes through Malawi. The Trade Hub is currently working on several projects on the Botswana portion which is a key stretch of the Corridor, and the experiences of the consultants will provide important guidance to the workshop.
- Ranga Munyaradzi and John Keyser will continue to liaise with Mozambique stakeholders on the Action Plan to remove identified non-tariff barriers to agricultural / horticultural exports.

Outreach and Dialogue for Competitiveness

- During November, Lisa Yarmoshuk, Gina van Schalkwyk, Information and Communications Coordinator, will work with consultants on a special issue of the Trade Hub's flagship newsletter, *Inside Southern African Trade (INSAT)*, which will deal with the Doha Negotiations and the WTO Hong Kong Ministerial Conference.
- Ms. van Schalkwyk will also continue to update the Trade Hub's website with new information, reports and publications.

Capacity Building

- The Trade Hub will continue to assist the Namibia Investment Centre (NIC) in developing a strategy for implementing the recommendations contained in the Namibia Investor Roadmap drawing on the best practices and experience of other countries.
- The Trade Hub is currently discussing the focus and scope of work of the tourism investor roadmap with the Namibia Tourism Board. This follows a request by the Namibia Tourism Authority and the NIC that the Trade Hub complete a focused and sector-specific roadmap for the tourism sector in light of the importance of tourism to the Namibian economy and the fact that tourism was not covered in the original Investor Roadmap. During the month of November, a team of experts will be mobilized to carry out this exercise.

Trade Facilitation and Capacity Building (TFCB), cont.



The Trade Hub has been working with the Walvis Bay Corridor Group (WBCG) and the TKC Management Committee (TKCMC) to establish a permanent Secretariat

- The Trade Hub will finalize a policy brief on the implications of the Value-Added Tax (VAT) procedures that apply to Swaziland's exports transiting through South Africa.
- Paulina Elago, TFCB Deputy Director, will finalize a note on the implications for the Southern African Customs Union (SACU) Agreement of existing bilateral trade agreements concluded between individual SACU member states and third parties. The analysis will place special emphasis on the extent to which these bilateral trade agreements conform to the provisions of the SACU Agreement.
- From November 10 to 11, Lisa Yarmoshuk and Paulina Elago will travel to Johannesburg to attend the conference on Regional Integration and Economic Partnership Agreements (EPAs) organized by the South African Institute of International Affairs (SAIIA).
- The Trade Hub continues to assist the Swaziland Investment Promotion Authority (SIPA) with the follow up and implementation of the recommendations in the Swaziland Investor Roadmap. As part of this effort, the Trade Hub is currently discussing plans with SIPA to conduct a process improvement workshop involving key agencies for the purpose of designing new procedures and coordination mechanisms related to issuing entry (work) permits, trading licenses, and health inspections.
- Ms. Bridget Chilala will work with short-term consultants to prepare a detailed quantitative analysis of the effects of the WTO proposed tariff reduction formulae on economic outcomes for Botswana. The Ministry of Trade and Industry requested that the Trade Hub conduct the analysis to enable them to understand better the proposals being made in the WTO for Non-Agricultural Market Access (NAMA) negotiations. A round table discussion will be held in early December to disseminate the information from the analysis.
- At the request of the Southern African Development Community (SADC) Seed Security Network (SSN), Bridget Chilala and Dr. Keith Jefferies will work with Michael Hathaway, a Legal Expert, to review the draft regulations for inconsistencies with the national legislation of SADC Member States. Two countries, Zambia and South Africa, will be used as case studies in reviewing the proposed regional policy on seed harmonization. The Trade Hub will then bring any inconsistencies to the attention of member states to facilitate amendments of national legislation or the introduction of additional regulations. Ms. Chilala will present the findings of the case studies at a workshop planned for December 8 and 9 in Maputo, Mozambique, which will be attended by all stakeholders (Ministries of Agriculture and Trade, seed companies and farmers' representatives).

Recent Highlights



New U.S. Ambassador to Botswana, H.E. Katherine Canavan

Events and High-Level Visits

- On October 4, the recently appointed U.S. Ambassador to Botswana, H.E. Katherine Canavan, paid a formal visit to the Trade Hub for a briefing on the Trade Hub's activities. The Trade Hub Team made a presentation and walked her through the facilities. Ambassador Canavan expressed her commitment to working closely with the Trade Hub and stressed the importance of the work of the Trade Hub to regional trade and integration.
- Evans Marowa attended a World Trade Organization (WTO)/World Bank (WB)/World Customs Organization (WCO) Regional Workshop on WTO Negotiations in Trade Facilitation in Windhoek, Namibia, from October 10 to 14, followed by a Sub-Regional Workshop in Gaborone, Botswana, from October 17 to 19. The workshops focused on



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Events and High-Level Visits

providing countries with practical steps to assess their needs in the WTO Trade Facilitation Negotiation process as well as in implementing the resulting agreements. During the workshop in Namibia, the TKC Corridor was cited as a model for the regional trade facilitation agreements that are making a difference to trade flows. During the workshop in Gaborone, Ranga Munyaradzi and Evans Marowa made a presentation on the success of facilitation measures in the TKC and how the Trade Hub will work to deepen the scope of trade facilitation measures along the corridor by implementing a corridor bond guarantee scheme and a cross-border vehicle overload control initiative. The presentations generated lively debate, clearly demonstrating the need for intensified trade facilitation interventions within East and Southern Africa.

- Helena McLeod, Regional Trade and Integration Advisor at the Pretoria Office of the Department for International Development (DFID), visited the Trade Hub on October 11 to discuss trade facilitation projects that would lend themselves to cooperation with the Trade Hub, including food and poverty programs, trade data analysis, one-border posts, simplified documents and the Trade Hub's seed work. She was accompanied by representatives of DFID's Regional Trade Facilitation Program.
- On October 13 and 14, Paulina Elago made a presentation on WTO / EPA issues at the Trade Law Centre for Southern Africa's (TRALAC's) Annual International Trade Law Conference in Cape Town, South Africa.
- On October 14, Lisa Yarmoshuk participated in a round-table discussion on "What can Hong Kong deliver to South and Southern Africa?" The event, organized by the South African Institute of International Affairs (SAIIA) and Oxfam, was attended by representatives of the private sector, diplomatic community, donors, civil society and academia. Ms. Yarmoshuk also used the opportunity to meet with Peter Draper, SAIIA, to discuss programming collaboration over the next year in the 'Dialogue for Competitiveness, including Knowledge for Development,' component of the Trade Hub's work. Activities to be explored include training, the development and promotion of web-based tools to increase competitiveness, and the promotion of 'Dialogue for Development' through targeted public lectures, closed roundtable discussions, and publications. She also met with the United States Trade and Development Agency (USTDA) representative in Johannesburg, Doug Shuster, to discuss transport initiatives in the region.
- On October 18 and 19 the Trade Hub hosted a two-day steering committee meeting of the BCPA to coordinate advocacy efforts with the government and prepare for the upcoming Botswana National Cattle Production and Marketing Conference on November 1. The conference will focus on competitiveness issues in the beef sector and the importance of converting from oxen to weaner production. The U.S. Ambassador to Botswana, H.E. Katherine Canavan, will deliver the keynote address.
- Also on October 18, Lisa Whitley, Regional Economist of the USAID Regional Center for Southern Africa (RCSA), met with several Trade Hub staff members to brainstorm ideas for RCSA's Outreach Strategy 2006 and to coordinate public relations activities.
- Representatives of the Namibian Economic Policy Research Unit (NEPRU) visited the Trade Hub on October 19 to discuss their project for monitoring of regional integration, and obtain information on the Trade Hub's activities in support of regional economic integration.
- Linda Muncy, Desk Officer for Botswana, Lesotho and Namibia at the U.S. Department of State in Washington, visited the Trade Hub on October 20 for a briefing on the activities of the Trade Hub and the latest trade developments from the region.

Recent Highlights, cont.



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- The first Regional AGOA Sectoral Workshop was held in Addis Ababa, Ethiopia, from October 25 to 26. The workshop is the first of three regional workshops to be held in Africa, and was attended by regional government officials, U.S. Government officials including the United States Trade Representative (USTR), and private sector representatives. Lawrence Johnson, CTO USAID/RCSA, Trade Competitiveness Project Coordinator Ken Ames, Lisa Yarmoshuk, and Amanda Hilligas attended the meeting, which focused on the leather and handicraft sub-sectors. It is expected that the Southern Africa regional workshop will take place in 2006, with topics possibly including trade policy issues impacting business and sub-sectors with potential for additional exports under AGOA.
- On October 27 Happy Fidzani, Executive Director of the Botswana Institute for Development Policy Analysis (BIDPA), visited the Trade Hub with World Bank Lead Economist for Southern Africa, Fahrettin Yagci, to discuss how the Trade Hub can support the implementation of recommendations made in the Botswana Export Diversification Study. It was agreed that the Trade Hub can be of use in disseminating the findings of the report in partnership with BIDPA.
- John Keyser and Amanda Hilligas made a presentation on the role of the Trade Hub, the Trade Hub's agricultural activities, and the AGOA support component at the U.S. Department of Agriculture (USDA) U.S. – Sub-Saharan Africa Trade and Investment Mission on October 31. This event was announced by Secretary of Agriculture, Mike Johanns, at this year's AGOA Forum in Senegal in order to promote joint ventures, support bilateral trade, and boost investment in Africa's rich agricultural sector. The mission fell directly under AGOA goals and provided an opportunity for 40 participants from Angola, Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, and Swaziland to meet with U.S. private sector representatives from the fruit and vegetable, ready-to-eat retail, food-processing, wine & spirits, seafood, livestock genetics, and feed and grain sectors.

Projects, Papers, Studies and Other Highlights

- With support and funding from Trade Competitiveness, the BCPA was confirmed as a new Cattle Sector Committee of the Botswana Confederation of Commerce, Industry, and Manpower (BOCCIM) on October 3, which will entitle the BCPA to representation on both the Ministry of Agriculture High Level Consultative Council and on the President's High Level Consultative Council. This follows the official registration of the BCPA as a Trust on September 26.
- During October all members of the Trade Hub team were involved in meeting reporting requirements for USAID. These include the finalization and publication of the Quarterly Report for the third quarter of 2005 and the development and submission of work plans for the second year of the project. TSG Senior Vice President Robert Kirk arrived in Botswana on October 18 to work with the TFCB Team in finalizing the Work Plan. In addition to the Work Plan, the Trade Competitiveness Team is in the process of finalizing a 'Lessons Learned' document which will cover the first year of project implementation activities.
- During the first week of October, Sutherland Miller traveled to Swaziland to collect data and interview various stakeholders on their experience regarding VAT procedures applicable to Swaziland's exports transiting through South Africa. During his visit, he met exporters, business associations and the Chamber of Commerce, representatives of the Swaziland Sugar Association and government representatives. In addition, he met with the Swaziland Investment Promotion Authority (SIPA) and U.S. Ambassador to Swaziland, Lewis Lucke, to discuss the implementation of the Swaziland Investor Roadmap which was completed during the second quarter of the year.

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- Short-term Consultant Mario Bacchiocchi traveled to South Africa to meet with fruit producers and processors to identify market outlets for sweet melons which are being produced as part of a trial being undertaken by the Trade Hub. Also, the Trade Hub has been able to secure a second import permit for the importation of melons to South Africa, allowing samples to be shown to supermarkets and fresh cut fruit processors.
- In coordination with team members based at the Trade Hub, the Value Chain Leader for Apparel along with an internationally recognized industry expert completed the design of the apparel survey, including the identification of companies to be contacted, identification of a firm to carry out the survey, and finalization of issues to be addressed in the survey.
- Bridget Chilala and Dr. Keith Jefferis finalized a policy paper and prepared a strategy to advance the consultation toward a regional harmonized seed policy together with the SADC Seed Security Network (SSSN), SEED Co. International, and the Partnership for Food Industry Development Project (PFID).
- During October approximately 2,000 hard copies and 2,550 electronic copies of the second issue of the Trade Hub's quarterly newsletter, *Inside Southern African Trade* (INSAT), was distributed to stakeholders in the Southern and East African regions, Washington, DC, and beyond.