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trade & investment area**



“The Role of Regional Trade in Enhancing Rice Sector Development in COMESA Region”

Presentation to
RICE SECTOR DEVELOPMENT MEETING
JAPAN, 02-04 OCTOBER, 2018

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1. ABOUT THE COMESA

- **Preferential Trade Area (PTA): 1981**
- **Transformed into COMESA in 1994**
- **HQ : in Lusaka, Zambia**
- **Membership: 21 Member States**
- **Size: 12.401 Million SQ. KM**
- **Population: 520 million (est. 2016)**

2. Background and Rice Sector in the region

- **Global consumption per year expected to exceed 550 million MT by 2035**
- **Over 500,000MT of rice imported from Asia (Thailand, Vietnam, Pakistan and China) to COMESA Member States**
- **About 8% of total rice produced in the world-wide enters international markets**
- **COMESA is net importer of rice**

2. RICE PRODUCTION IN COMESA REGION

- The largest producer of Rice in the COMESA Member States is Egypt (6.3 million MT) followed by:
- Madagascar (3.8 million MT),
- Ethiopia (136,000MT),
- Kenya (118,150MT),
- Rwanda (110,544MT),
- Malawi (83,757MT,
- Comoros (33,943MT),
- Zambia (26,674MT),
- DR Congo (1,115MT), Zimbabwe (729MT), Mauritius (352MT) and then Swaziland (115MT).

2. Background and Rice sector in the region Cont.

- **FAO estimates consumption in Africa to jump to 130% by 2035**
- **Demand in Africa driven by increasing population, expanding middle income class and urbanization**
- **International markets affected by policy and weather conditions**

3. Advantages of Regional Trade

- **Stimulate production and increase economy of scale**
- **Harmonization of regulations to facilitate safe movement of rice and grains**
- **Encourage investment in rice because of larger market**
- **Enhance access to quality rice products**

4. Potential Risks and Negative Impacts of Regional Trade

- **Less investment in rice technology and production by non-tariff barriers**
- **Climate change**
- **Competition from cheap producers can harm an emerging industry/sector if no safeguards are put in place**

5. Key Factors and Conditions for Successful Regional Trade

- **Access to improved inputs and credits**
- **Production and productivity (yields) of rice**
- **Enhance efficiency in post-harvest handling and milling**
- **Harmonized quality standards for rice**
- **Research for improved technology and practices**
- **Machinery and processing equipment**

5. Key Factors and Conditions for Successful Regional Trade-Cont.

- **Innovative business models for effective linking of smallholders to key market segments**
- **Harmonized enabling policy regulatory frameworks to promote business development/ competitiveness**
- **Provide incentives to stimulate private-public partnerships for investment in the infrastructure to reduce transaction costs**

5. Key Factors and Conditions for Successful Regional Trade- Cont.

- **Improve access to information on the markets**
- **Better coherence, coordination and complementarity between trade, infrastructure and agriculture**

6. Policy Implications to African Countries

- **Liberalize rice industry platforms but protect producers**
- **Avoid imposing rice imports bans**
- **Strengthen efforts aimed at making the region self-reliance in production and consumption**
- **COMESA biotechnology program helping to address the effects of climate change**

6. Policy Implications to African Countries-Cont.

- **COMESA seed program through regional variety catalogue assisting access to quality seed**
- **COMESA fertilizer program assisting fertilizer access**
- **Support of extension/advisory services to farmers through EAGC, SACAU, EAFF, ACTESA...**

6. Policy Implications to African Countries- Cont.

- **Regional Food Balance Sheet assisting in the effective market information services on quantities and market linked to mobile phone services to the small-scale framers**
- **Innovative private-public-farmer partnerships through SACAU and EAFF**

Conclusion

- **Regional trade can surely help African agriculture live up to its pro-poor growth and food security potentials**
- **Policy frameworks and institutions should be in place to enhance business development and mitigate the potential risks/negative effects of regional trade in rice**

Conclusion- Cont.

- **Post-harvest handling and rice milling should be improved to ensure improved quality**
- **Developing competitiveness will need to be backed by solid science / innovations**
- **Rice market “knowledge chains” need to be developed at several levels: a) farmers or farmers’ associations and civil society, (b) researchers & policy analysts and (c) private and public sectors.**



THANK YOU!!!

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