

## COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

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### CALL FOR PAPERS 2021

#### Background

The virus which began as a simple localised outbreak in Wuhan, China in December 2019 quickly propagated across the globe, threatening the existence of humanity, global economic integration, value chain supplies and human mobility in general. As of 12<sup>th</sup> January 2021, nearly 89 million confirmed cases of COVID-19 infections had been recorded around the globe with more than 1.9 people having succumbed to the disease (World Health Organization, 2021).

The COVID-19 pandemic has plunged the global economy into a deep recession comparable only to the 2008 global financial crisis and the Great depression of the 1930's. COVID-19 pandemic though a health crisis has devastating economic and social effects. On the supply side, infections reduce labour supply and productivity, while lockdowns, business closures, and social distancing also cause supply disruptions. On the demand side, layoffs and the loss of income (from morbidity, quarantines, and unemployment) and worsened economic prospects reduce household consumption and firms' investment (Chudik et al., 2020).

Economic disruptions caused by COVID-19 have resulted in an unprecedented collapse of international trade in 2020 (UNCTAD, 2020). The International Monetary Fund, projected that, world trade volume of goods and services will contract by 10.4 percent in 2020 and grow by about 8 percent in 2021. The subdued trade volumes reflect in part, possible shifts in supply chains as firms reshore production to reduce vulnerabilities from reliance on foreign producers. While all countries are expected to suffer large drops in exports and imports, tourism-dependent economies will experience larger declines due to restrictions of travel and consumers fear of contagion. Oil exporters have suffered a severe terms-of-trade shock with the decline in oil prices.

The services sector has been heavily affected by the COVID-19. Disruptions in services supply have a broad economic and trade impact due to the sector's role in providing inputs for other economic activities, including facilitating supply chains and trade in goods. According to WTO, services that rely on physical proximity between suppliers and consumers have been most impacted by mobility restrictions and social distancing measures.

COVID-19 has had direct and indirect effect on agricultural trade and food security. According to U.N. World Food Programme, global food markets remain robust with abundant stocks of

most staples following a good harvest in 2019. However, threats to food security and nutrition are likely to come through collapse in global demand for internationally produced agri-food products, growing disruptions to local food markets and increasing food access issues due to loss of critical income sources. An additional 130 million people was projected to face acute food insecurity by the end of 2020, in addition to the 135 million people who were already acutely food insecure before the crisis.

COMESA Member States have equally suffered the vagaries of the pandemic. According to WHO, by 12th January 2021, there were 837,321 cumulative cases and 15,364 deaths in the region. The countries with the highest infections included Tunisia, Egypt, Ethiopia, Libya and Kenya while with the lowest were Seychelles, Mauritius, Burundi, Comoros and Eritrea.

Restrictions on the international and regional movement of people and tighter border controls have disrupted economic activities through reduced trade and disruption in global and regional supply chains. According to African Development Bank (AfDB), the region was projected to grow at 4.2 percent and 5.5 percent in 2020 and 2021 respectively without the COVID-19 pandemic. With COVID-19, baseline scenario, growth was projected at -3 percent in 2020 and 3.7 percent in 2021. Oil exporters, resource intensive and tourism dependent countries are expected to be most hit.

The Covid-19 pandemic will lead to contraction in COMESA trade given that 90% of its exports are destined to outside markets. In 2019, The top export destinations included European union (36%), intra-COMESA (10%), South Africa (7%), China (6%) and USA (4%). The disruption of supply chains due to closure of factories and businesses and other containment measures will result to reduced demand for raw materials and intermediate products which form the bulk of COMESA exports. The major export destinations are some of the most hit by covid-19. some of the major trading partners were projected to experience depressed growth in 2020.

COMESA imports mostly from outside the region. In 2019, the top import origin markets were EU (25%), China (15%), India (5%), intra-COMESA (5%), USA (5%), UAE (4%), Saudi Arabia (4%), SA (4%) and Turkey (4%). Imports from advanced and emerging market and developing economies are expected to contract by 11.6 percent and 7.7 percent respectively in 2020. This coupled with the fact that some of these import origin markets are among the most hit by COVID-19 will lead to a reduction in COMESA's import of industrial machinery, manufacturing and transport equipment which are key inputs in the manufacturing sector. Informal cross border trade which accounts for about 40% of intra-COMESA trade has been the most hit. Despite its role in generating jobs and ensuring food security by moving food from surplus to deficit areas, the informal cross border traders have had challenges moving merchandise across borders. In some borders, small scale traders have resulted into innovative ways of doing business through bulk-buying and use of shared transport to minimize the spread of COVID-19.

The pandemic has led to reduced business activities with micro and small businesses experiencing large declines compared to large firms. This is mostly due to cash flow problems, increased cost of doing business due to additional costs in adhering to Covid-19 containment measures. In terms of supply chains, larger manufacturing firms were the most affected owing to their stronger reliance on supply of raw materials from global and regional supply chains as opposed to smaller firms.

To ensure the smooth flow of goods and services across the borders, the COMESA Council of Ministers during their eighth extra-ordinary meeting held virtually on 14th May 2020 adopted Guidelines for the Movement of essential goods and services across the COMESA Region during the COVID-19 Pandemic.

Despite the negative effects, the pandemic has created opportunities for firms to innovate, develop new strategies and products to remain in business. Some firms have repurposed their production lines to produce COVID-19 essential products in response to increased demand created by supply chain disruptions. Firms offering IT related services have experienced boost in their business due to increased on-line transactions and off-site working arrangements in most business and organisations.

This call seeks papers that explore ways in which COMESA can revamp its trading and doing business in the wake of the COVID-19 pandemic. Relevant case studies on any of the sub-thematic areas will be considered for presentation at the 8th COMESA Annual Research Forum.

### **Objective of the call for papers**

The objective of this call is to seek empirical and/or policy-oriented research papers to address issues pertinent to the agenda of regional integration in the context of Rethinking Trade and Doing Business in the Wake of Covid-19 Pandemic.

### **Research Theme**

COMESA therefore calls for papers under the theme; **“RETHINKING TRADE AND DOING BUSINESS IN THE WAKE OF COVID-19 PANDEMIC”**

The theme should be considered along any of the following sub-thematic areas:

- i. Intra-COMESA Trade and Covid-19;
- ii. Digitalizing Trade, Trade Facilitation and Covid-19 pandemic;
- iii. Covid-19 and Trade in Services in COMESA;
- iv. Manufacturing, Regional Value Chains and Covid-19 in COMESA; and
- v. Agricultural Trade, Food Security and COVID-19.

### **Proposed Structure**

It is expected that each paper will have the following structure:

**Title of the study:** topical issues drawing from the sub-thematic areas in the context of Rethinking Trade and doing Business in the wake of Covid-19.

**Background:** The context of the research underlining the issues that necessitate investigation, existing gaps of knowledge that the research paper attempts to fill, stating clearly the problem/issue being investigated;

**Objective(s):** A clear statement of the specific research objective/s, the issues addressed or to be addressed. The Research questions or hypothesis that the paper attempts to answer;

**Existing knowledge:** a review of the relevant literature, and previous research on the issue under study including data, methodological approach, scope, parameters, and results among others. Also highlighting the existing policies on the research topic;

**Methodology:** a description of the research methodology including econometric and/or survey tools where applicable, a discussion of data requirements, sources, availability and data analysis tools and methods used and, where necessary, data collection strategy;

**Results/Findings:** a succinct discussion of the research findings and how they compare to findings of similar studies; and

**Policy Implications:** a detailed discussion of the value added to existing knowledge, and the policy relevance, including emerging issues/areas for future research and policy debate.

### **The Call**

COMESA now invites researchers to submit extended abstracts and full papers under the different sub themes. The abstracts and papers will be reviewed, and successful authors invited to make presentations at the 8th COMESA Annual Research Forum proposed to be held in August 2021. Selected papers will be peer reviewed and considered for publication in the COMESA flagship publication “Key Issues in Regional Integration”, Volume X

### **Important Deadlines**

Submission of draft full papers or extended abstracts: 15 March 2021

Notification for acceptance of papers or extended abstracts: 31 March 2021

Submission of final papers to COMESA Secretariat: 30 May 2021

### **Editorial Policy**

The papers shall be written and presented in accordance with the COMESA Editorial Policy and should not exceed 10,000 words.

### **Submission**

Please submit the extended abstracts and papers in Word in electronic form by email to:

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