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## FROM LONDON TO LUSAKA: GETTING AFRICAN TRADE MOVING

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Last week in London, the Group of 20 vowed to get trade moving again. This week in Lusaka, Africans have the opportunity to put this into practice, and help small businesses become regional and global players in trade.

Three of Africa's main regional economic communities, backed by donors, are launching an initiative to reduce bottlenecks and improve the main trading routes across eight African countries. The High-Level North-South Corridor Aid for Trade Meeting brings together leaders of African countries, international agencies, regional development banks and donor countries on 6 and 7 April in Lusaka.

Meeting participants will include African business leaders seeking to ensure that they can make the most of upgraded trading routes. The International Trade Centre (ITC) is working with regional economic communities in Africa to improve the competitiveness of small businesses, so that their goods cross borders smoothly and they can become regional and global players in trade.

Aid for trade, which helps developing countries build the trade-related skills and infrastructure to boost exports and benefit from international trade accords, is even more vital in this current economic and financial crisis. The Lusaka meeting is also part of a series of regional reviews on Aid for Trade being coordinated by the World Trade Organization (WTO) this year.

“As G20 leaders recognized at their summit in London last week, trade is a crucial route out of poverty. At our meeting in Lusaka we will be focussing on very practical ways to help African businesses take advantage of trading opportunities,” said Patricia R. Francis, ITC’s Executive Director.

At the London summit, the G20 leaders agreed to ensure \$250 billion of support for trade finance over two years as part of the drive to promote global trade and investment. After decades of growth, world trade is now contracting due to the economic downturn and the credit crisis, which has halted financing for trading shipments and exporters. The WTO expects the volume of international trade to slump by about nine per cent in 2009, the sharpest decline in 80 years.

Aid for trade is at the heart of ITC’s role of assisting enterprises in developing countries to reach regional and global markets. “This should not be mistaken as charity. Trade is an



important way to build communities and reduce poverty, and ITC helps make it happen,” Ms Francis said.

Zambian-based Kariba Textiles is a “success story” that demonstrates the untapped potential of small business in Africa. Through ITC’s Buying for Africa from Africa programme, the company met United Nations heads of procurement and secured a five-year agreement to provide blankets for the UN refugee agency (UNHCR) and for UNICEF’s emergency relief work. This enabled Kariba Textiles to invest in new machinery, establish a new warehouse closer to market demand and provide technology training for staff. The company improved productivity and product quality, enabling it to meet local and international quality standards. The company increased its turnover and created local employment, boosting its staff from 60 people in 2004 to over 140 in 2008.

ITC’s new regional programmes will allow more small businesses to flourish, bringing local fruit and vegetable producers into southern African and European supermarkets, building new regional marketing strategies for leather and cotton and creating cooperative business models among regional economic commissions to improve trade.

All these programmes address practical needs, such as meeting quality standards, improving packaging and facilitating certification and customs procedures. They involve training and raising awareness among governments, trade promotion bodies (including freight providers) as well as the small enterprises themselves.

ITC’s team is working with the business community during this event to highlight their concerns so that the business voice is included in the Aid for Trade process, both in Lusaka and in global follow-up meetings at the WTO in Geneva in July.

The Lusaka meeting focuses on transport routes known as the North-South corridor, which run through eight countries –Tanzania, the Democratic Republic of Congo, Zambia, Malawi, Botswana, Zimbabwe, Mozambique, and South Africa. Inadequate road and rail links as well as long delays at borders are a major problem for African companies seeking to get their goods to markets, whether in other parts of the continent or further away.

Regional economic commissions organizing the meeting are COMESA (Common Market for Eastern and Southern Africa), the EAC (East African Community) and SADC (the Southern African Development Community). Among keynote speakers are Zambia’s President, Rupia Banda; Uganda’s President, Yoweni Yusuveni; Kenya’s President, Mwai Kibaki; South Africa’s President, Kgalema Motlanthe; Donald Kaberuke, President of the African Development Bank; Pascal Lamy, Director General of the WTO.

The Geneva-based International Trade Centre is the joint agency of the United Nations and the World Trade Organization that enables small business export success in developing countries.

For more information please click on the links below:

ITC’s position paper: <http://www.intracen.org/docman/MRKM13508.pdf>

ITC’s Aid for Trade site: <http://www.intracen.org/aidfortrade/>

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