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CEI GLOBAL REPORT

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WORLD

WTO highlights advance of electric cars in global trade

Setback for the global minimum tax on billionaires

Emissions trading mechanisms advance

The video game industry on the rise at global level

EUROPE

Electric cars and trade dispute with China

Criticism of EU deforestation regulation continues

SOUTH AND CENTRAL AMERICA

Economic impact of floods in southern Brazil

Progress in Argentina's sustainable agrifood exports

Opening new markets for Argentina, Brazil and Paraguay

New lorry production in Córdoba

NORTH AMERICA

US imposes strong tariff rises on Chinese products

Canada and the US announce joint investment in critical minerals

Record foreign investments in Mexico

ASIA AND OCEANIA

South Korea launches incentives for its chip industry

Türkiye bans trade with Israel

China, South Korea and Japan hold trilateral summit

AFRICA

2024 to bring improvements to the African economy, compared to 2023

Kenya will benefit from COMESA's loss reduction plan

|

WTO highlights advance of electric cars in global trade

A recently published [article](#) on the website of the World Trade Organization (WTO) gives an account of the rapid growth of electric vehicles in world trade and confirms the idea that electromobility, in addition to drastically transforming the transport sector, is reconfiguring automobile trade flows globally.

The year 2017 is the starting point of the information included in the analysis. This is when the World Customs Organization changed the system of [classification](#) of goods in such a way that it began to differentiate vehicles with internal combustion engines from electric ones. From that moment on, hybrid, plug-in hybrid and battery vehicles began to be identified in foreign trade operations.

The three categories mentioned accounted for only 4.3% of vehicle trade in 2017, while at the end of 2023, electric vehicles as a whole accounted for more than a third of the total value. The number of units exported (internal combustion and electric ones) remained stable in the period analysed (from 40 to 43 million) but their composition changed significantly.

There was also a notable change among the main exporters. In 2017, when the share of electric vehicles was low, the main exporters were Germany and Japan. In 2023, China became the main exporter of vehicles (see CEI Global Report, [February](#) 2024) with 5.4 million units, of which approximately 1.8 million were electric.

Finally, with regard to the tariff structure, the WTO notes that some countries impose differential duties to encourage the imports of electric vehicles, in addition to other measures promoting their use, such as subsidies. Specifically, 40 countries have lower tariffs on battery electric vehicles than those with an internal combustion engine.

Setback for the global minimum tax on billionaires

The project to tax billionaires' profits with a global minimum tax suffered a severe setback, after the [statements](#) made by the US Secretary of the Treasury, Janet Yellen, in relation to the initiative promoted by Brazil within the framework of the presidency of the G20.

Yellen expressed that the Biden administration does not support the global taxation and that, despite the fact that the United States is in favour of progressive taxes that make the rich pay taxes over a greater part of their incomes than the ones paid by the rest of the population, their government is not willing to participate in the process initiated to agree on the tax with the characteristics proposed by Brazil, neither to sign the document that emerges from the discussions that take place within the framework of the G20. The background of US support for the global minimum tax on multinational companies (see CEI Global Report, [July](#) 2021) nourished hopes that in this case the situation would be repeated. Nevertheless, the statements of the US official flatly ruled out that possibility.

The Brazilian presidency of the G20 has raised as one of the priorities of its mandate the discussion of a new model of international taxation that seeks to combat inequalities and drive the fight against hunger and poverty in the world. Similar to the global minimum tax on multinational companies, the goal of the new levy is to prevent billionaires from moving their wealth to tax havens to circumvent stricter taxation regimes or a race to offer lower rates to attract billionaires and undermine the ability of the rest of the countries to impose obligations on their billionaire residents.

According to Brazilian president, Luiz Inácio Lula da Silva, the tax levied could have significant effects on poverty eradication globally. In this regard, he [stated](#) that: "If the planet's billionaires paid 2% of their fortune returns, we could generate resources to feed the 340 million people that, according to FAO, suffer severe food insecurity in Africa".

Emissions trading mechanisms advance

According to a [report](#) by the World Bank (WB), global revenues from carbon price regulation exceeded USD 100 billion in 2023, a record figure that has its origin largely in the multiplication of the emissions trading mechanisms that were established everywhere across the world.

A decade ago, when the agency published the first report on this topic, carbon taxes and emission trading systems accounted for 7% of global greenhouse gas emissions, while in 2023 they encompassed 24%.

Globally, there are 75 carbon pricing instruments, which according to the WB is still too low a coverage to meet the objective of the Paris Agreement. The electric and industrial sectors are the most regulated at a carbon price, but coverage in sectors such as air and sea transport, and waste management is also increasing. As an encouraging piece of information, the report notes that more than half of the proceeds from carbon emissions regulation went to funding programmes related to climate and nature.

The video gaming industry on the rise at global level

In a recent [interview](#), Indian Prime Minister Narendra Modi expressed his intent to consolidate his country's leadership in the video game market, which in India billed nearly USD 3 billion in 2023 and has nearly 500 million players.

Globally, the video gaming industry is one of the most dynamic among knowledge-based services (KBS) and had a strong boost due to the global isolation during the pandemic. In 2022, it generated USD 185 billion as a result of strong growth; and it is [estimated](#) that by 2026 it will reach USD 321 billion.

What is particular about this sector is that it requires a multiplicity of tasks that involve professional profiles in line with said complexity and are approached in an interdisciplinary manner: project coordination and management, marketing strategies, technical and artistic profiles for the development of video games such as game designer, narrative designer, game level designer, 2D/3D artists, modellers, animators, sound engineers, programmers, quality assurance analysts, game tasters and game metrics analysts. This is a highly qualified employment-generating sector, with the innovative drive of its professionals.

The main producers in the regional market are Mexico, Brazil and Argentina. In our country, the sector generates more annual revenue than the film and music industries combined, and employs nearly 1,500 professionals. Argentina is a third parties' service provider, but it also develops its own games.

Regarding video games, our country has advantages offered by the accumulated experience and talent of its professionals and, although the domestic market is not sufficiently developed to support the industry on its own, the supply has good prospects for growth to the extent that it can deepen its exports capacity and strategic partnerships with foreign companies.

EUROPE

Electric cars and trade dispute with China

In the context of the growing trade dispute between the United States and China over electric cars (see North America Section), both the European Union and China are evaluating the next steps to take in their bilateral dispute.

The substance of the matter is the investigation on subsidies opened by the European Commission last October on the imports of electric vehicles from China. Rather than due to a formal complaint from the industry, it should be noted that the Commission initiated this ex officio investigation considering that the recent increase in low-priced and subsidised imports of Chinese electric vehicles could entail an economic threat to the bloc's electric car industry.

It is expected that the provisional rights resulting from the investigation be announced at the beginning of June. Analysts estimate that, based on the determinations of previous anti-subsidy cases against China, the countervailing duty could be between 9% and 26%.

According to simulations of the Kiel Institute, a 20% tariff would reduce imports of Chinese electric cars by 25% (equivalent to USD 3.8 billion), local production would increase, there would be fewer exports and prices would go up. However, some estimates consider that, given the cost advantages available to the Chinese automotive industry, the countervailing duty should be close to 50% to curb imports of electric cars. Because it is highly unlikely to impose a tariff of such magnitude, it is suggested to add other non-tariff measures, such as environmental, labour or national security measures, in order to limit purchases in a stricter manner.

Unlike the United States, the EU and China have common interests on this regard: China needs access to a major market to counteract the decline in profits from the domestic market. On the EU side, Germany wants to enter the Chinese market and form partnerships with Chinese companies to reduce production costs. Likewise, European manufacturers of electric cars are based in China and sell to the European market, such as Dacia and BMW. This accounts for Germany's and Sweden's position of being cautious with the imposition of trade defence measures, which could trigger retaliation on the part of the Asian country.

Criticism of EU deforestation regulation continues

New criticisms of the EU's deforestation regulation took place at the WTO's Agriculture Committee.. Members such as Australia, Brazil, the United States, India, Indonesia, Paraguay and Thailand expressed their concern about the short time to comply with what the new EU standard requires. That is why they urged the European bloc to postpone the entry into force of the law, a request that adds to that expressed by European farmers and governments of EU member countries (see CEI Global Report, May 2024).

In this regard, India stated that if no changes are made to the rule, this will severely affect Indian exports to the EU. Meanwhile, the economic sectors of the US reached by the regulation expressed that "it would not be possible to meet the requirements of due diligence and traceability".

SOUTH AND CENTRAL AMERICA

Economic impact of floods in southern Brazil

The recent flooding in the state of Rio Grande do Sul (RS) has a strong economic impact on said region in Brazil. Preliminary estimates indicate that they could cause a reduction in regional Gross Domestic Product (GDP) of up to 2%, being that in the last 12 months it had accumulated a 3.5% growth. This decline would not only affect Brazil's economic performance, but also have repercussions at international level.

In economic terms, Rio Grande do Sul is one of the most important states in Brazil, with a GDP of USD 111.69 billion (2021), and a GDP per capita above the national average. The floods particularly affected the agricultural and industrial sectors.

According to a study by the Federation of Industries of the State of Rio Grande do Sul (FIERGS), 92% of manufacturing activities were affected in the municipalities involved, which employ 813,000 people. RS industrial GDP reaches USD 23.3 billion (2021), and accounts for 6.1% of Brazil's industrial GDP. Consequently, the negative effects on key industries (furniture, construction, machinery, vehicles and footwear, among others) will have both regional and national consequences.

Regarding farming, Rio Grande do Sul is a key player that contributes 12% of the sector's production in Brazil, which encompasses 70% of the rice, 15% of the meat and soybeans, and 4% of the maize. In the last series, the state produced 6.9 million tonnes of rice, 2.9 million tonnes of wheat, 13 million tonnes of soybeans and 3.7 million tonnes of maize. The National Confederation of Municipalities (CNM, for its acronym in Portuguese) estimates that agriculture in Rio Grande do Sul has so far experienced losses for USD 520 million; followed by industry (USD 51 million); livestock (USD 47 million); local businesses (USD 25 million) and other services (USD 16 million). The fall in agricultural production anticipates an increase in the prices of rice, soy, chicken and pork. To cater for the supply, among other measures, the federal government authorised the National Food Company of Brazil, dependent on the Ministry of Agriculture, to import 300,000 tonnes of rice.

Likewise, the region accounts for approximately 6.5% of Brazilian GDP, so the negative impact will have national significance. In terms of exports, the state recorded USD 22.3 billion in 2023, and ranked sixth among the country's main exporting states. In the first quarter of 2024, exports totalled USD 6.7 billion. In terms of tourism, Rio Grande do Sul received one million foreign tourists in 2023, which places it as the third state with the largest number of visitors. Besides, the city of Gramado welcomed 8 million tourists, both Brazilian and foreign.

Preliminary projections determine that Brazilian GDP growth in 2024 could experience a reduction ranging from 0.2% to 0.5% as a result of said floods, when a growth rate close to 2% was expected. The decline in production and services, as well as the costs associated with rebuilding infrastructure, could affect the country's fiscal balance and increase debt, which could in turn interfere with inflation targets. Some measures were taken to lessen these effects, such as the suspension of Rio Grande do Sul's debt with the National State and the deferral of interest payments.

It is worth noting that all estimates are tentative as the effects of this natural disaster are still underway. Reconstruction efforts will demand significant financial aid and take some time.

Progress in Argentina's sustainable agrifood exports

Argentina reached a historic milestone by exporting deforestation-free certified beef for the first time, in a shipment addressed to the European Union. This achievement, which responds to the new environmental demands of international markets, constitutes an important advance and strengthens national livestock production. In 2023, Argentine exports of beef to the European Union reached 49,000 tonnes, for a total value of USD 479 million, ranking this market as the second export destination of the sector, after China.

The VISEC Platform, developed by the local private sector, implemented a monitoring and certification system for soy and beef without deforestation in Argentina, in which all participants in the production chain have been involved to comply with EU regulations. Likewise, representatives of the private sector of Argentina and Paraguay (CIARA-CEC, UGP, Federation of Production Cooperatives, CAPECO, and CAPPPO) agreed to cooperate with the objective of developing tools that certify the traceability of soy production in Paraguay and comply with the environmental standards established by the EU. This agreement strengthens regional cooperation and ensures that both countries can continue to be reliable suppliers in the European market under the new environmental standards.

It is worth realising that Argentina, as a traditional global supplier of soybean meal, is also committed to the new economic agenda focused on sustainability. In the last quarter of 2023, three shipments of soybean meal with georeferenced certification were made, guaranteeing that it comes from deforestation-free fields. This is the result of pilot tests of the implementation of the VISEC Protocol in

Argentina, whose requirements are aligned with the requirements of Regulation (EU) 2023/1115 of the European Parliament that will enter into force on 30 December 2024. The objective of these tests was to consolidate goods from fields that have not been deforested after December 2020 and whose grains have been traced and segregated along the entire trade chain, from the field to the port.

Opening new markets for Argentina, Brazil and Paraguay

Argentina received confirmation from China regarding the update of the list of two biotechnological events of maize (MON-87411 and DAS-59122-7), whose registration was pending. This authorisation allows Argentine exporters to carry out cereal sale operations to the Asian giant, since Chinese importers can now obtain biosecurity certificates for all biotechnological events of maize used in the Argentine production.

In 2023 China was the world's leading importer of maize, with purchases reaching USD 9 billion. According to data from the National Institute of Statistics and Censuses (Indec, for its acronym in Spanish), Argentina exported USD 6.4 billion in grain maize in 2023, but no exports to China were recorded. Maize is the country's fourth largest export complex and accounts for 10% of total sales. Currently, Argentine farmers are in the early stages of harvesting maize for the 2023/24 season, with an estimated production of 47.5 million tonnes according to the Rosario Stock Exchange.

On the other hand, Mexico authorised the exports of pepsin from porcine mucosa from Brazil, an animal product used in the food and pharmaceutical industries. The authorisation for Brazil to export poultry oil and fish oil to Mexico for animal feed was also announced. In 2023, said country imported more than USD 2.95 billion in agricultural products from Brazil, and it is the tenth largest destination for Brazilian exports of the sector, among which soybeans, cereals, and meats stand out.

The Brazilian government was also informed that Bhutan had approved the imports of pork from Brazil; the Kingdom of Lesotho opened its market to the exports of Brazilian poultry meat; and the markets of the five member countries of the Eurasian Economic Union (EAEU) –Russia, Belarus, Armenia, Kazakhstan and Kyrgyzstan– opened their markets for the Brazilian exports of pigs.

In turn, Türkiye approved the international certificate for the imports of gelatine and inedible collagen, as well as organoleptic egg products and viscera, intended for animal feed. In 2023, Brazil exported USD2.42 billion worth of agribusiness products to the Turkish market.

Finally, the Canadian Food Inspection Agency approved the entry of beef from Paraguay to its market, with nine packing plants already authorised for product shipping. According to the National Service of Animal Quality and Health (Senacsa, for its acronym in Spanish) of Paraguay, producers in said country spent almost three and a half years of effort and negotiations to meet Canada's requirements, whose volume of imports is comparable to that of the US market.

New lorry production in Córdoba

The Volkswagen company started to manufacture lorries at its plant in Córdoba, after a USD 50 million investment. Production began at a rate of 1,300 units per year, including four lorry models and one bus model.

Initially, production will consist of the assembly of parts manufactured in Brazil and in the future, local components are intended to be incorporated. Production is expected to rise to 2,700 units per year by 2025, which could expand the share of domestic products in the local market or increase exports.

The investment is part of a larger USD 250 million plan, announced in December 2022, which includes the renewal of the Amarok pickup model and the expansion of the production of lorries, motorcycles and auto parts. All in all, Volkswagen Group Argentina has invested more than USD 1.2 billion since 2016, and has more than 1.7 million units produced at its Pacheco factory and more than 15 million

transmission boxes at its Cordoba plant, which are currently exported to Brazil, Europe, Mexico and India.

NORTH AMERICA

US imposes strong tariff rises on Chinese products

The Office of the United States Trade Representative (USTR) published the findings of the statutory review on tariff measures adopted in 2018 by the Trump administration under Section 301 of the Foreign Trade Act of 1974 (known as “Lists 1 and 2”), which address forced technology transfer and other intellectual property-related practices carried out by the People’s Republic of China.

In the report, it found that even though China made progress in resolving some of the issues under scrutiny, it has not completely eliminated its unfair trade policies and practices on technology transfer, which continue to negatively affect US trade and threaten its industries and labourers. As a result, US President Joe Biden instructed his Trade Representative to increase import tariffs on various products from China.

Therefore, the USTR published a formal notice in the Federal Register in which it determines that the additional Section 301 tariffs, currently applied to certain imports from China, will remain in force and, apart from that, tariffs will be increased for some products in strategic sectors. The increases will reach more than 380 tariff lines, equivalent to approximately USD 18 billion (around 4% of imports from China). The notification provides for a 30-day deadline for the submission of public comments.

More specifically, starting in August of this year, tariffs on electric vehicles imported from China will quadruple (from 25% to 100%) and the tariff applicable to solar cells will double (reaching 50%). In addition, import duties on lithium-ion batteries for electric vehicles and non-lithium-ion battery parts will increase from 7.5% to 25%. Tariffs on certain steel and aluminium products will increase from 0%-7.5% to 25% and those on port cranes and certain critical minerals will increase from 0% to 25%.

As of January 2025, the tariff on semiconductors of Chinese origin will be doubled (from 25% to 50%), while those for natural graphite and permanent magnets will suffer an increase from 0% to 25%, starting in 2026. Tariffs on the imports of lithium-ion batteries for other vehicles will also rise in 2026 (from 7.5% to 25%). Tariff rates will also be raised for certain personal protective equipment (syringes and needles, respirators and masks in 2024, and medical and surgical gloves in 2026).

The US decision aroused both praise and criticism within the country. While the Chinese government objected to the increase in tariffs, it recalled that the WTO ruled that the 301 tariffs violate multilateral rules (see CEI Global Report, October 2020) and asserted it will take all necessary measures to defend its rights and interests.

Canada and the US announce joint investment in critical minerals

The governments of Canada and the US announced that they will jointly invest in strategically important critical mineral projects for the first time in order to strengthen regional supply chains and secure critical minerals essential to continental security and energy transformation.

Natural Resources Canada and the US Department of Defense reported joint investments of 32.5 million Canadian dollars (USD 24 million) in two projects, one for bismuth and cobalt mining in Canada’s Northwest Territories, and another focused on graphite mining in Quebec.

The investment in the company Lomiko Metals Inc. will be used to fund pilot plant tests to convert flake graphite into anode material, while the amount destined for Fortune Minerals Limited will ensure a reliable supply of bismuth, as well as cobalt, copper and gold.

Both investments will support applications for defence and the growing demand for long-lasting energy storage and electric vehicles, and arise as a result of bilateral cooperation under the [Plan](#) of the Canada-US Joint Action on Critical Minerals Collaboration launched in 2020 and the Canada-US Energy Transformation Working Group, which was recently [extended](#) for one year.

It should be noted that Canada is an important supplier of 13 of the minerals that the United States has identified as critical to economic and national security. Particularly, it is the largest supplier of potash, indium, aluminium and tellurium in the United States and the second largest supplier of niobium, tungsten and magnesium.

Record foreign investments in Mexico

According to a [report](#) recently published by the Ministry of Economy, during the first quarter of 2024, Foreign Direct Investment (FDI) in Mexico reached USD 20.3 million, an amount which is 9% higher than that reported for the same period of 2023 and the highest figure on record for a first quarter.

Of the total flow registered, 96.6% corresponded to reinvestment of profits (USD 19.6 million), 2.9% to new investments in Mexico (USD 599 million) and the remaining 0.5% to loans and payments between companies of the same group. Thus, profit reinvestment grew 17.4% year-on-year, while new investments and debt instruments decreased 35.7% and 90.1%, respectively.

Just over half of the investment flows came from the United States, followed by Germany (9%), Canada (8%), Japan (7%), and Argentina (4%). 42% of FDI were concentrated in the manufacturing sector, where the Transportation Equipment, Beverage and Tobacco, and Food industries stand out. The financial services sector (25%) and mining (12%) follow in order of importance.

In turn, between 1 January and 15 April of this year, 93 [announcements](#) of future investment for Mexico for USD 36.2 billion were registered.

ASIA AND OCEANIA

South Korea launches incentives for its chip industry

In a context of great competition in the global market for occupying the leadership in the manufacture of semiconductors, the government of South Korea [communicated](#) an incentive package for its companies in the sector, with a USD 19 billion budget. This country has the largest memory chip manufacturers in the world (Samsung Electronics and SK Hynix) and seeks to increase its share of the global market for other types of chips (logical or processor chips, specific integrated circuit chip –ASIC– or system-on-chip –SoC–), from the current 2% to 10%.

Specifically, the government will establish a preferential interest rate lending programme and expand the current [fund](#) of the semiconductor ecosystem by more than 250%. This fund supports small companies and the so-called “fabless” companies, that is, those that specialise in the design and marketing of chips but lack their own manufacturing plant. On the other hand, it will seek to accelerate the construction times of its complex of high-tech semiconductor manufacturing companies in the city of Yongin, which is expected to be the largest in the world. This would include improving housing, cultural and transportation facilities for workers and residents of the area, as well as strengthening the infrastructure of routes, water and energy supply.

Likewise, the Korean authorities seek to extend the period applicable to tax credits for the national strategic technologies; extend the scope of tax credits for R&D, so that they include expenses such as the purchase of chip design software; and reinforce investments in vulnerable points of Korea’s semiconductor ecosystem, particularly in R&D and human resources. In line with this, it expects to

encourage the development of professionals who can focus on this industry stemming from the intensification of semiconductor specialisation programmes.

Türkiye bans trade with Israel

The Minister of Trade of the Republic of Türkiye declared on 2 May that the trade flows with Israel, both exports and imports, had been disrupted. The Turkish government's justification for the measure is the "worsening of the humanitarian tragedy" in the Palestinian territories, and will be in effect until the Israeli government declares a ceasefire in Gaza and "allows for an uninterrupted and sufficient flow of humanitarian aid." This measure constitutes a second instance after the one adopted on 9 April. On that occasion, Türkiye banned shipments to Israel of 54 groups of products, such as electrical panels, aluminium wires, cement, sulphur, ceramics, marble, varnishes and mineral fertilisers.

In response to the Turkish authorities' decision, Israeli Minister of Finance Bezalel Smotrich said his country is considering abolishing the free trade agreement with Türkiye, which has been in force since 1997.

Trade between the two countries amounted to more than USD 7 billion during 2023. Israel accounted for 0.5% of Türkiye's imports and 2.1% of its exports in 2023. In turn, for Israel, Türkiye accounted for 3.2% of its exports and 5.3% of its imports in 2022.

China, South Korea and Japan hold trilateral summit

In commemoration of the 25th anniversary of trilateral cooperation, the premiers of China and Japan, Li Qiang and Fumio Kishida, and South Korean President Yoon Suk Yeol held a summit in Seoul at the end of May. This fact, which had not taken place since 2019, means consolidating the relationship of three countries that represent about a quarter of global GDP willing to collaborate with the stability in the region. As a result of the meeting, the authorities of the three Asian nations issued a joint declaration in which they expressed their intention to cooperate in various areas.

In economic and trade matters, the willingness to accelerate the negotiations of a trilateral Free Trade Agreement, the commitment to boost cooperation in the supply chain of goods and support for the multilateral system, in particular the strengthening of the WTO and its Dispute Settlement System, stand out. In turn, it is also worth mentioning the environmental commitments, including cooperation with Mongolia for the mitigation of dust and sand storms in East Asia, the promotion of marine conservation and –in line with this– the prevention and curbing of illegal fishing, and work on the finalisation of an international legally binding instrument on plastic pollution.

Aspects related to population and public health were also addressed, such as the benefits of personal exchanges, the challenges of low birth rates and ageing, and prevention and preparedness for future pandemics; cooperation in science and technology; and political issues related to the intent to preserve peace in the region. Finally, the countries expressed their willingness to hold trilateral summits and ministerial meetings on a regular basis.

AFRICA

2024 to bring improvements to the African economy, compared to 2023

According to the latest report of the African Development Bank "African Economic Outlook" (AEO), the continent's economies remain resilient, despite the challenges that countries in all regions of the world

are being subject to. The continent is expected to grow more than the global average in 2024, and 40 African countries are expected to experience higher growth rates than in 2023.

According to the AEO, the projected upturn in the continent's average growth will be led by East Africa, followed by Southern Africa and West Africa. Of the 40 countries that will register higher growth in 2024 relative to 2023, 17 economies will grow more than 5% in 2024, and 24 countries will surpass that mark in 2025.

As a counterpart, the report warns that Africa is far from achieving most of the 2030 Sustainable Development Goals. Unless corrective measures are taken to reverse the steepening poverty curve, Africa will be home to nearly 9 out of 10 (87%) of the world's extreme poor by 2030.

Kenya will benefit from COMESA's loss reduction plan

Kenya is among the five countries in the East African region that are supported by the Common Market for Eastern and Southern Africa (COMESA) to reduce post-harvest losses in the horticultural sector.

This is part of the "COMESA-EAC Horticultural Accelerator" programme, which aims at improving production and distribution, access to quality seeds and training, the setting of standards and traceability, and the strengthening of post-harvest management to improve profits in the value chain. General post-harvest losses in Kenya's agricultural sector are estimated to be between 20% and 30%, while losses of up to 60% are recorded in the horticulture subsector. The five-year programme targeting Kenya, Uganda, Tanzania, Rwanda and Ethiopia aims to reduce horticulture losses to 40%.

The programme focuses on potato, avocado and onion crops, and Kenya is the first country where COMESA launched the campaign. In 2031, these three crops are expected to generate USD 230 million a year for approximately 450,000 small farmers and, thanks to this policy, exports from the sector will go from USD 416 million to USD 950 million in the next seven years.

The initiative seeks to address the problem of post-harvest losses through existing technologies, whether in terms of storage, transport and other stages to curb losses, at the same time that it incorporates the traceability of onions and potatoes.

According to the Kenyan Food and Agriculture Authority, the country produces just 26% of the onions consumed in the market, and 74% are mainly imported from Tanzania. The little that is produced locally is of low quality, in a context of post-harvest losses, poor management and storage, low quality seeds and diseases.

On the other hand, the country exports 80% of the production of avocados to the global market, thanks to the improvement of quality and compliance with health and phytosanitary measures, a key factor in access to markets for agricultural products.

The Kenyan government is also interested in improving the traceability of Irish potatoes with plans to expand production to 26 counties from the current 13, a measure that is expected to help reduce imports, as 50% of the potatoes from the processing sector are imported. The goal is to increase agricultural exports as part of the plans to increase currency revenue and reduce the country's import billing.

CEI GLOBAL REPORT

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