Tradequity
A Newsletter of the CUTS Africa Resource Centre
April-September 2002

EPAs: What is in Store for ACP Countries?

The Partnership Agreement signed between the Africa, Caribbean and Pacific (ACP) Group of states and the European Union (EU) in June 2000, popularly known as the Cotonou Agreement, represents the latest version of a series of (Lome) trade and co-operation conventions which the two groups have had since 1975.

The Agreement has a number of major points of departure from the ACP-EU relations under the Lome arrangement, which include wider participation and a longer duration. Cotonou envisages "partnership" between 77 ACP countries and 15 EU states, covering a period of twenty years from 2000 to 2020.

The goal of this New Partnership Agreement is poverty reduction and achievement of sustainable development. These objectives are purported to be achieved through trade, investment, private sector development, financial cooperation and regional integration. Thus, economic and trade cooperation and development aid constitute the two key pillars of the Cotonou partnership.

The key aspects of the agreement include:

Country Strategy Paper on EPAs

The Agreement envisages a Country Strategy Paper (CSP) which covers the implementation of all activities financed through the grant facility under Cotonou and formation of a National Development Plan (NDP) for each of the ACP countries. In all these processes, the involvement of non-state actors and local government organs is emphasised. There is also a proposal for formation of a National Working Group for the implementation of the Agreement.

EPA Negotiations

The Agreement underlines the need for establishment of Economic Partnership Agreements (EPAs) between ACP countries and the EU. The objective of the Agreement is to foster closer economic integration between the two by progressively removing trade barriers and enhancing co-operation in all areas relevant to trade, in full conformity with the provisions of the WTO.

The EPA negotiations, formally launched on 27th September 2002 in Brussels, are expected to conclude by January 2008. This will not only mark the end of the non-reciprocal trade arrangements but it is expected to create half-a-dozen Regional Economic Partnership Agreements (REPAs) in the place of the present general Cotonou Agreement.

The main concerns in the current stage of negotiations on various issues between the ACP countries and EU are:

- European Commission is showing a marked reluctance to get to grips with the substantive issues during Phase-I of the negotiations.
- The ACP guidelines give due emphasis on ensuring open, transparent and inclusive negotiations, with an advance notice of the issues to be negotiated.
- The EC will play a dominant role in the negotiations at all levels, with a minor role given to EU member-states.
- There is need to effectively address the existing supply side constraints in ACP countries.
- While the Euro20mn fund established for capacity-building under the Cotonou Agreement has finally been operationalised, there are problems faced in the implementation of the programme.

Dilemmas of Countries

The objectives of the Agreement give it credibility, as these are pressing challenges facing the lesser-developed ACP countries. However, the agreement remains an engineered process of the EU. There is lack of clarity on the part of the ACP countries concerning the purpose and nature of the arrangements.

The configurations required by the Agreement in the formation of the EPAs pose a difficult and complex challenge to the ACP countries. While the traditional and existing groupings have generally been based on geographical or common economic interests, these EPAs aim at division based on regions and levels of development. For instance, LDCs would have to negotiate separately as a group from those classified as developing countries. This implies divisions in the existing economic and regional groupings. For instance, in the case of East African Community, Kenya would not be able to negotiate with its counterparts, Tanzania and Uganda, and may hence stand alone.

Ironically, under Cotonou, the ACP countries have taken a contradictory stand vis-à-vis the WTO on some trade-related issues, such as labour standards, environment, and policies governing investment, competition and intellectual property rights. While at the WTO level they have refused to have these issues incorporated for discussion, they have consented to them under the EPA agenda of Cotonou. This compromised stand may, unfortunately, not just end at that and influence these countries' future trade negotiations, given the fact that these negotiations are taking place simultaneously and compared to ACP states, the EU has a much stronger influence at the multilateral level.

It is important that the ACP countries engage together in critically analysing what actually lies ahead for them, in comparison to their commonly held vision for the future. There is need to focus on developing comprehensive national development strategies instead of sectoral and divisive programmes.

Advocacy and public education on these trade negotiations and agreements incorporating all the various stakeholders: civil society, private business sector and government sector would do much to enhance these efforts.

IN THIS ISSUE

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Enhancing Development

The European Union (EU) has called for concerted efforts on the part of governments to include the private sector in all matters of national development.

Speaking from Lusaka ahead of the Consultative Group (CG) meeting scheduled for June, the leader of the visiting EU delegation, Dr. Jochen Krebbs, said that the EU would not accept a CG where the private sector was a mere observer. As the CG was a national programme, it was imperative that national representation be reflected by an active and leading involvement of the private sector and civil society.

The EU, it was disclosed, was looking for a more participatory approach in all national matters, with the private sector taking the lead. This is seen as the only way to enhance development.

(ZDM, 23.04.02)

Japan to Aid Africa

Japan in August announced that it would provide US$2bn for education in low-income African countries, under the Japan Sustainable Development Towards Global Sharing Initiative, which runs from 2002 to 2006.

The initiative is aimed at providing assistance in areas of human resource development, ownership, solidarity and prevention of global environmental degradation.

The Japanese Government would facilitate investment in human resources through capacity-building in the fields of education, health and gender. A total of US$3bn is to be disbursed during the period of the project in combating infectious and parasitic diseases.

Under the area of ownership and solidarity, Japan will help promote sustainable development and poverty reduction through self-driven economic growth.

Further, on the related issue of environment, Japan would make all possible efforts to contribute against the phenomenon of global warming.

(TP, 30.08.02)

Is This Investment?

When the liberalisation programme is carried out without vision and proper economic planning, a country is bound to attract 'invaluable investment', that is, in terms of reaping economic benefits.

'Warehouse investors' have characterised a number of less developing countries, which come in to merely trade after which they externalise their money, in the form of the much-needed foreign exchange.

The success of the liberalisation process has often not been characterised by increased job creation, enhanced productivity and consumer welfare.

Zambia, according to Professor Saasa, is an example of a country which has failed to attract investors who bring in Foreign Direct Investment (FDI) through its privatisation and liberalisation processes, due to having carried it out hurriedly in the belief that simply privatising ailing parastatals was, in itself, the solution.

While the less developed countries could not offer as good incentives to investors as the developed countries, it was pointed out that a good competition policy could enhance the chances of investment.

This was stated at the first National Reference Group Meeting held in Lusaka on the Investment for Development Project (IFD). *(ZDM, 26.04.02)*

Taxes Retard Growth

The high taxes imposed on the capital equipment used in the gemstones mining sector are said to be retarding the sector's growth, which is a potential major foreign exchange earner.

The Chairperson for the Southern African Development Community (SADC), Ms. Namakau Kaingu, complained that it was not fair for the Government to pay more attention to foreign investors at the expense of their local counterparts. According to her, some foreign investors had been importing mining equipment into the country tax-free. The local investors had made representations to the Government over the same, but to no avail.

(TOZ, 09.09.02)

ZANACO Privatisation

The sale of the Zambia National Commercial Bank (ZANACO), Zambia's government-owned bank, has finally commenced after concerted efforts by the International Monetary Fund (IMF) to have it privatised.

The Zambia Privatisation Agency (ZPA) says preparations of the tender document to sell 51 percent shares of ZANACO have reached an advanced stage.

The IMF and the World Bank (WB) have put the sale of ZANACO as one of the conditionalities for Zambia to reach the completion stage for the Highly Indebted Poor Countries (HIPC) initiative. *(ZDM, 20.09.02)*

Agrarian Reforms

The Zimbabwean Government, in ensuring the success of the land reform, has approved over US$155mn, as part of the agricultural inputs support scheme introduced three years ago. The fund would be used to boost the agrarian reforms by securing inputs such as fertiliser and seed before December, when the farming season comes on.

(ZDM, 18.07.02)

IMF Cautions Zambia

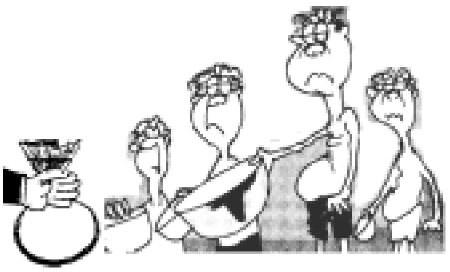
The Resident Representative for the International Monetary Fund, Mark Ellyne, has warned the Zambian Government against continuing running budget deficits. According to Ellyne, Zambia, over the past decade, has been running budget deficits of more than US$200mn per annum. This, he said, was increasing the country's debt overhang, with a debt of more than double its GDP.

The IMF, it was said, could not write off Zambia's debt because it was running a revolving fund and could only assist it to reduce the debt burden through the Heavily Indebted Poor Countries (HIPC) initiative.

(TP, 12.08.02)

G8-NEPAD Summit

The G8 group of the world's richest countries came up with a package of African aid measures that fell well short of many African leaders' hopes. The summit had considered the NEPAD plan, laying ground rules which could have released as much as US$64bn a year for new investment in Africa.



The Economic Times

But, in the end, the summit, which was to concretise the financial aspect of the initiative, gave little credence to promises of good governance and economic reforms, offering only US$6bn, little of which was new money. Western partners have conditioned this aid on democracy and good governance, human rights and Africa's collective ability to restrain its members-countries from violations of these common principles. *(ZDM, 25.04.02 & TP, 02.07.02)*

Trio Trade Talks On

Concerned with enhancing and accelerating economic growth, Zambia, Democratic Republic of Congo and Angola have engaged in country talks to strengthen trade relations among the three countries.

The talks, according to Zambia's Copperbelt Minister, Patrick Kafumukache, are soon to be concretised, as the countries await Angola's submission of its recommendations. *(TOZ, 05.09.02)*

Zambia to Pursue Cotonou

The Zambian Government has set up a National Working Group (NWG) to ensure that the country explores the full benefits of the Cotonou Agreement. The NWG is to facilitate the smooth implementation of the Cotonou agreement.

The trading agreement involves the arrangement of Economic Partnership Agreements which will foresee the progressive removal of barriers to trade and enhance co-operation in all the areas of trade between the European Union (EU) and the African Caribbean Pacific countries. *(TOZ, 23.09.02)*

A New Trade Initiative

Zambia, Botswana and Tanzania have been selected to benefit from an initiative aimed at increasing trade and investment between South Africa and the United States.

The South African International Business Linkages (SAIBL) is to launch two components, one aimed at promoting agri-business linkages (PAL) and the other a regional trade pilot project for 2002 to 2004.

Through the regional trade pilot project, the US private sector would expand linkages with companies in the three countries. *(TOZ, 17.09.02)*

Zambia not Fully Benefiting

The Common Market for Eastern and Southern Africa (COMESA), Africa Growth Opportunity Act (AGOA) desk says since the inception of the arrangement, Zambia has never exported anything to the United States of America, despite being a beneficiary.

This reveals that the country is unable to produce any of the eligible products. For a while, the country was a producer of cotton yarn. However, many of its textile companies were either non-operational or had equipment which needed massive investment. Currently, only the Swarp Spinning Company had good equipment, but was still not accessing the USA. Through this, the country was only benefiting indirectly, as a result of the regional links, by exporting yarn to regional countries. *(FM, 03-09.09.02)*

Investment Aid

In the context of its support for the NEPAD, the United Nations Development Programme Administrator, Zephrin Diabre, announced that the UNDP is to launch three programmes this year to help increase foreign investment in Africa.

The first initiative is helping developing countries obtain a credit-rating from well-known agencies such as Standard and Poor's, Fitch or Moody's – a critical step in convincing investors to move into a particular country.

The second one involves fostering emerging African stock exchanges, critical in mobilising national and international savings. The UNDP plans to organise a forum to promote investment in Africa through stock exchanges, in partnership with the New York Stock Exchange, in November.

The third initiative builds on UNDP's ongoing series of round tables in Africa and seeks to organise, in selected countries in the region, investment dialogues like the Dakar conference, which brought to Senegal a number of high profile business leaders. *(ZDM, 22.04.02)*

AU and Good Governance

The African Union (AU), which replaced the Organisation for African Unity (OAU) on the 9th of July this year, is not only to enhance African solidarity but also the quality of government. The AU has explicitly pledged to improve human rights and fight corruption.

The Nigerian President, Olusegun Obasanjo, said during the launch of the Union that anybody who comes to power unconstitutionally cannot sit at the AU. *(ZDM, 11.07.02)*

Kenya, China Join Efforts

The All-China Federation of Trade Unions (ACFTU) and the Kenyan Central Organisation of Trade Unions (COTU) have agreed to exchange programmes and enhanced

consultations with each other on both local and international issues. As part of the effort to foster this relationship, the AFCTU has agreed to provide computers from China for Kenya's proposed Information Technology College at the Tom Mboya Labour College. *(FM, 06-12.08.02)*

SA Explores Investment

The South African (SA) Department of Trade and Investment (DTI) has sent a delegation on a fact-finding mission to Zambia to explore the possibility of developing a partnership on the Tazara and Nacara corridors, as well as in the area of an agro-processing industry in the country.

The DTI, it was informed, had already established joint ventures with Malawi, Tanzania, Zimbabwe and Mozambique. *(TOZ, 25.07.02)*

"Focus on Africa Programme"

An Indian initiative has been launched with the aim of enhancing trade ties with sub-Saharan Africa. According to India's latest Economic Report, recent years have seen increased growth in trade between India and Africa. The report notes that for the period between 2000 and 2001, trade with sub-Saharan Africa amounted to a total of US$3.3bn, with exports accounting for US$1.8bn and imports for US$1.5bn.

Despite this high volume in trade growth, it is pointed out that there is tremendous potential for increased trade with Africa, which had remained negligible. The Programme, thus, aims to tap out this potential and help sub-Saharan Africa fight the war against poverty. The first-phase of the Programme, however, is to focus on a select number of countries, which include Nigeria, South Africa, Kenya, Ethiopia, Tanzania, Ghana and Mauritius.

Statistics show that sub-Sahara's share in Africa's total exports had risen to about 77 percent in 1999, from 45 percent in 1995. *(FM, 04-10.06.02)*

Zimbabwe Products Banned

Zambia, in its commitment not to allow its local manufacturers be subjected to unfair competition from imported goods, has imposed a ban on a number of Zimbabwe's products from coming into the country. Though both the countries committed themselves to the COMESA Free Trade Area, launched on 31st October, 2002, Zimbabwe has, apparently, been able to export cheaper products to Zambia at the expense of the local manufacturers.

COMESA has, in the past, acknowledged that trade imbalances exist between the two nations. It has been observed that trade between the two countries has been characterised by price distortions, according to the COMESA Secretary-General. These price distortions are a result of the dual exchange rate existing in Zimbabwe, where the official rate has remained fixed at Z$55 to one dollar, while the unofficial exchange rate has now exceeded Z$700 to one dollar.

Under the COMESA treaty, the Zambian Government is within its rights to impose the ban, though this measure can only be temporary.

More concrete solutions, then, will have to be found to address the situation and maintain co-operation between the two countries. *(TP, 06.07.02)*

Textile Exports Up

During the period between March 2001 and February 2002, Sub-Saharan Africa managed to increase its total exports in the textile sector as a result of the Africa Growth Opportunity Act (AGOA). In all the exports going to the United Sates, the market was valued at US$1bn.

However, a percentage of that country's total imports of textiles for the same period, valued at US$55bn, represented less than 2 percent.

(ZDM, 16.08.02)

Zimbabwe Exports Beef

Zimbabwe, last year, had its beef export quota to the European Union (EU) suspended, following the outbreak of foot and mouth disease in some parts of Zimbabwe. The quota of 9,100 tonnes, earning up to US$36.4mn, has not yet been lifted. Exports would only resume after inspection of the country's abattoirs and other related areas by EU inspectors.

With fears of the sanctions raging against the country due to its decision not to retreat on land reforms, Zimbabwe, in a bid to explore alternative markets, has commenced its beef exports to South Africa, Namibia and Mozambique.

It has further been reported that negotiations are in process for the Libyan beef quota to be raised to 12000 tonnes, once Zimbabwe resumes its beef exports to that country.

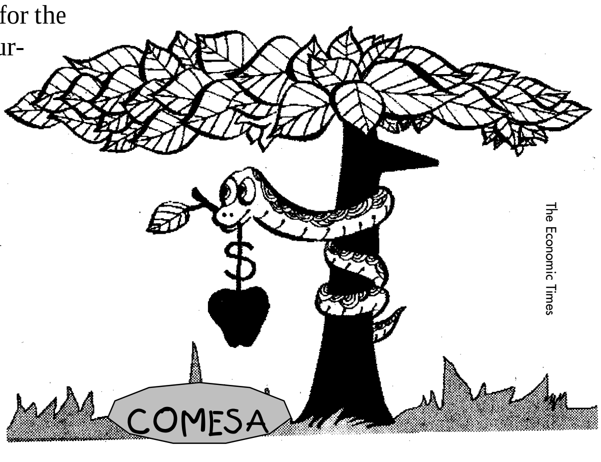
(TOZ, 05.04.02 & ZDM, 04.07.02)

$1.5mn Grant to COMESA

The African Capacity Building Foundation (ACBF) has granted US$1.5mn to the Common Market for Eastern and Southern Africa (COMESA).

The grant is meant for the implementation of a four-year trade development negotiating project aimed at strengthening capacity for trade negotiations, trade policy development and management within the Eastern and Southern African Regions.

The project has arisen out of the fact that deepening globalisation and the World Trade Organisation (WTO) trade liberalisation programmes are posing new challenges to the COMESA region. COMESA countries have been faced with an expanding programme of trade negotiations, at both the regional and global levels. This development, it is observed, calls for member-countries to strengthen their technical capacity for evaluation and analysis, necessary for effective trade negotiations and management. *(FM, 03-09.09.02)*



Women Call on WTO

In the month of September 2002, the Southern African region hosted a workshop with the theme "Raising Women's Voice in Trade, Globalisation and New Partnership for Development (NEPAD), in Lusaka.

It was noted that the World Trade Organisation (WTO) had not yet incorporated the issue of gender in its framework. This is despite the fact that gender issues are cross-cutting and have an impact on the developments in trade and globalisation, alike.

In this regard, there were suggestions for women to initiate programmes to critically and constructively analyse the different aspects of trade and globalisation that would lead to submissions by interested countries to the WTO.

According to the United Nations Development Fund for Women (UNIFEM), throughout the region, women had less access to means of production resources such as land, technology, credit, education and training. There was, thus, a need to empower women to realise their full potential, economic rights and security in the context of globalisation.

(ZDM, 17.09.02)

US Slammed with US$4bn Fine

The World Trade Organisation (WTO), through its special panel of arbitrators, has allowed the European Union to slam sanctions worth US$4.043bn against the United States of America, as a retaliation measure.

The decision comes in the wake of the conclusion of a long debate on how much the EU was suffering in terms of trade losses due to the tax system of the US that the WTO has repeatedly ruled to be in breach of international trade rules.

It was agreed that the figure reflected the losses being incurred by the EU due to the disputed tax concessions that US companies like Microsoft and Boeing were being granted.

The ruling, however, was said to be unlikely to lead to immediate sanctions because the EU had given abundant hints to wait if the USA made serious efforts to revise the offending legislation.

There were fears that the decision would be potentially devastating for forging future world trade agreements.

(ZDM, 10.09.02)

Why Don't LDCs Benefit?

Lack of capacity for the least Developed Countries (LDCs) to comprehend and implement the World Trade Organisation (WTO) agreements has been cited as the reason why many of these nations are not benefiting from the Multilateral Trading System (MTS).

The Joint Integrated Technical Assistance Programme (JITAP), under an evaluation, said that the LDCs are facing a lot of problems in trying to integrate into and benefit from the MTS, particularly because they neither understand it nor its implications. The reason being that most governments did not consider and set issues of international trade as priority. There was lack of capacity among government officials and the private sector to articulate WTO issues, with few people trained to understand and negotiate for the countries.

The objectives of the JITAP are to increase the capacity of the LDCs to understand the evolving MTS and its implications on international trade and assist countries adapt their national trading systems to the new MTS, as well as assist beneficiary nations in adequately preparing their entrepreneurs to venture in the export business.

The JITAP is an integrated trade-related technical assistance project under the International Trade Centre (ITC), the WTO and the United Nations Conference on Trade and Development (UNCTAD).

Currently, countries identified as beneficiaries under this project include Tunisia, Burkina Faso, Ivory Coast, Benin and Ghana. *(FM, 13-19.09.02)*

Africa and World Stability

"There will be no stability or prosperity in the world in the 21st century unless the problems of Africa are resolved", according to the Japanese Government. In this bid, Japan says it plans to promote trade and private investment in developing countries.

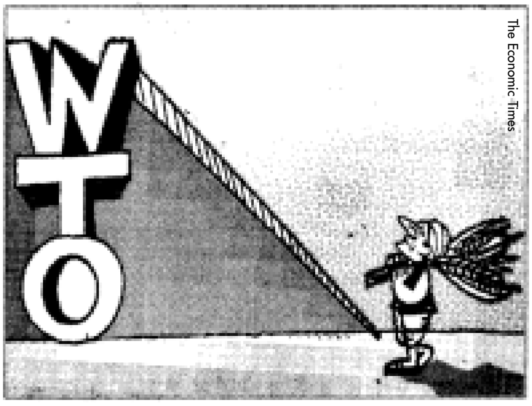
The country, in the coming year, plans to revisit its tariff-related laws so as to expand coverage under duty-free and quota-free treatment for products from the less developed countries.

(TP, 30.08.02)

Hampering Market Access

The issue of rich nations' subsidies to their farmers was a matter of great concern and debate at the Johannesburg World Summit on Sustainable Development (WSSD). According to the Chairperson of the negotiations, representing the Atlantic, Caribbean, African and Pacific states, Ambassador Ash Antigua, the issue of subsidies had remained very sticky and may be a possible issue on the agenda among the issues for discussion at a higher ministerial level.

This was seen as part of the reason the African nations were failing to access the markets of the North, hampering the ability of Africa to compete.



Zephrin Diabre of United Nations Development Programme (UNDP) named the cotton sector as one area in which the North was unfairly handling trade and market access and adversely affecting a number of countries. He named Male, Burkina Faso, Chad, Cote D'ivoire as among the countries losing out due to the US' cotton subsidies. In most cases, this represented almost the sole export product.

As long as such detrimental and unfair trade practices were perpetuated by the industrialised countries, poor nations would not assume the level of growth that was needed to combat poverty.

(TP, 29.09.02)

Zambia Wins Award

Zambia has been awarded the Wetlands Certificate of Importance in recognition of its achievement in the conservation and wise utilisation of wetlands. The award was presented at the World Summit on Sustainable Development in Johannesburg during a convention on wetlands. Zambia, it was pointed, now had seven internationally recognised wetland sites amounting up to about 3.3 million hectares, which ranks it fourth in the world, ahead of all European and Asian countries.

For the award to be received, a country is required to satisfy stringent criteria in the management of wetland bio-diversity and facilitate the ecosystem to support sustainable livelihoods of the local communities.

Wetlands in Zambia are mainly used as sources of drinking water, woodcraft materials and fishing, as well as for grazing and other agricultural activities. They are also a major habitat for wildlife such as the renowned Kafue wetlands, which supports the only species of black Lechwe. *(TOZ & ZDM, 29.08.02)*

Tanzania Fights

A project to help tackle the problem of child labour in the country has been launched by the Tanzanian Government, with assistance from the International Labour Organisation (ILO) and Akiba Commercial Bank.

The project is aimed at boosting women's income-earning potential by providing credit to the participating women's income-generating groups. The rationale is that often the poor, most of whom are women, tend, in order to meet basic family needs, to incorporate children in their employment activities, which are often tedious and time-consuming activities, characterised by low pay.

According to the ILO, decent work, in conditions of freedom, equity, security and human dignity, is both about the individual's job and future prospects. This includes the ability "to earn enough to feed, clothe and educate children and give them a childhood rather than put them into labour". *(ZDM, 16.05.02)*

Mozambique Restocks

The Mozambique Government has begun a project to restock one of its national parks with wild animals, obtained from Kruger National Park in South Africa.

The Limpopo National Park in Mozambique's southern province is one of the areas that suffered indiscriminate slaughter of wildlife by the RENAMO rebels, particularly prior to 1992.

The various animals acquired include impalas, zebras, warthogs, giraffes and wildebeest, which number to 1230 in all. *(ZDM, 16.08.02)*

Protect Citizens

There have been calls by the Zambian people to the Government, through the Zambia' s Human Rights Commission and its Labour Ministry, to use their legislative and legal powers to deal with foreign investors exploiting Zambian employees.

These follow reports brought to the attention of the public media that some companies were violating labour laws and producing goods under filthy and unhygienic conditions. Reports described how employees were lowly paid and even relentlessly and without remorse insulted by these employers.

It was noted that many Zambian people were living under economic hardships, due to the politics of economic programmes such as structural adjustment programme (SAP) and were desperate to make a little money for basic needs. However, this, it was pointed out, was not a licence for foreign investors to dehumanise and throw away their rights and freedoms. The Government was, thus, urged to ensure that investors abided by the Zambian rules and standards for operating in the country, as citizens' welfare should be any Government's first priority.

(ZDM, 02.05.02 & FM, 14-20.05.02)

Zambia Restricts Timber

The Zambian Government, through its Ministry of Commerce Trade and Industry (MCTI), has restricted the export of timber in its raw form. The restriction is said to affect raw timber, except for pine, eucalyptus and rail sleepers.

The decision was made in the interest of protecting the country's natural resources and forests from irreversible destruction that could turn much of the country into a desert. It has been said that the prevailing practices in the timber industry were in danger of jeopardising the country's environment, as the guiding policy was not being followed to the letter. The policy, according to MCTI, discourages the wanton destruction of forests, without redevelopment, and forbids the export of raw timber.

In the meantime, a number of timber exporters have approached the Ministry to seek permission to sell off their remaining stocks. Others have complained of having entered into contracts with foreign companies who were waiting to receive the timber.

It has been argued that the ban was abrupt, even though it was a fact that there was no value added in raw timber sales. Exporters pointed out that finished timber products had no external market, due to lack of credit financing needed to set up industries.

(TP, 28.08.02 & ZDM, 17.09.02)

Farmers Demand Ban on GM Foods

More than 300 African farmers, who were attending a Biotechnology and GMO Commission Global Forum organised by Biowatch in South Africa, have called for a ban of the GE foods technology.

The farmers said that the response to the food crisis was to call for strengthened solidarity and self-reliance within Africa. On this issue, Zambia was commended for its stand to reject the GE contaminated foods.

There was consensus that a ban be placed on patenting of biological resources and knowledge and that the Trade Related Intellectual Property Rights (TRIPs) amended to state that all life processes can not be patented.

Green Politics

WTO Doha Ministerial and the New Trade Round: An African Perspective

25-26 March 2002, Lusaka

As a follow up to the 4th Ministerial Conference of the World Trade Organisation (WTO) held at Doha in November 2001, a regional seminar was organised by Consumer Unity and Trust Society-Africa Resource Centre (CUTS-ARC) at Lusaka on 25-26 March 2002 to discuss its outcome. The two-day event focussed on Doha Ministerial Declaration and the work programme adopted for trade liberalisation.

The specific purpose of the seminar was to make an assessment of the Doha work programme and also devise strategies for future research and advocacy, especially for the non-state actors of the southern and eastern African countries. It brought together 40 trade policy experts belonging to government and inter-governmental agencies, civil society and business organisations hailing from six countries in the region viz. Mozambique, Kenya, Uganda, South Africa, Zambia and Zimbabwe.

Background and Overview

The experience of the Uruguay Round has not been very inspiring for the poor countries. Many clauses of the Uruguay Round (UR) Agreements of 1995 relevant to poor countries have remained mere promises. Implementation difficulties pertaining to agreements such as Trade Related Aspects of Intellectual Property Rights (TRIPs), Agriculture, Textiles and Clothing, Sanitary and Phyto-Sanitary Measures (SPS) and Technical Barriers to Trade (TBT) have been a serious concern for the poor countries. The Special & Differential (S&DT) provisions for the poor countries were never implemented in letter and spirit.

Out of the various Agreements, TRIPs and Agreement on Agriculture (AoA) are very crucial for African countries, as they are closely linked to two important aspects of Africa's development - public health and food security to the people. As regards the S&DT provisions for the LDCs, there have been some initiatives at the multilateral, regional and bilateral levels such as the Integrated Framework for Trade Related Technical Co-operation (IF), the European Union (EU) initiative of Everything But Arms (EBA) and the US initiative entitled the Africa Growth and Opportunities Act (AGOA). But none of these initiatives seem to be comprehensive enough for bringing the poor countries into the mainstream of the multilateral trading system.

During the run up to the Doha Ministerial Conference, the poor countries had pushed hard for including several issues of their concern into the Doha agenda and hoped sincerely that those aspects would be addressed before taking up new issues and deciding on a new round of negotiations. However, despite their opposition to the introduction of new issues and also on the launching of a new round of trade negotiations at the Ministerial, some of the new issues still found place in the agenda.

It is, therefore expected that this seminar would help in drawing up a proactive agenda and influence national, regional and international policy debate on making the world trade system work for the world's poorest countries and people.

Africa in World Trade: A Fact Sheet

- In 2001, Africa's share in world merchandise exports and imports was 2.28 and 2.08 percent respectively.
- The regional aggregate hides very divergent trends at the country level. South Africa and the eight major fuel exporters account for two-thirds of total exports from Africa.
- In imports the situation is opposite, other African countries (excluding South Africa and major fuel exporters) account for more than 50 percent of the total African imports.
- The regional trade surplus reflects a substantial trade surplus of the oil exporting African countries.
- Primary products account for three quarter of African merchandise exports in 2001.
- Intra-regional trade in Africa is estimated to have decreased since the mid-1990s, keeping the share of intra-African trade in total trade at 8 percent.

Recommendations

The seminar concluded with the adoption of separate sets of recommendations for research and advocacy work in certain critical areas identified by the delegates. They are as follows:

- The capacity building exercise provided by the multilateral and the regional organisations should be a targeted exercise so that the policy makers, the negotiators and the civil society representatives should be adequately equipped to participate meaningfully in the various parleys taking place at the WTO.
- Strengthen accountability in the whole process of trade policy making and the country representatives should be held accountable for decisions which they take during international negotiations.
- It is important that the delegates assess whether African countries have the capacity to derive benefits from new commitments and obligations, which they may undertake at the WTO.
- In order to enhance the analytical capacity of the countries in the region to effectively perform at the WTO negotiations, it was suggested that further research must be conducted on various issues such as supply-side constraints; national and regional capacity to implement WTO Agreements; need-assessment for capacity building of stake holders; and market access issues for agriculture like tariff reduction, subsidy and income support schemes.
- The role of advocacy has been underlined in the context of bringing trade and economic development issues into the mainstream of the policy debate at the national, regional and international forums. At the national level, the advocacy efforts should be targeted to policy makers, particularly Members of Parliament for increasing awareness on the WTO processes.
- Regarding WTO processes, the general assessment of the meeting was that the positions of poor countries have been weak in the past, because they were divided and ill-prepared for the talks. Therefore, it is necessary to correct the past by initiating pro-active policies both by the government and civil society groups.

CUTS-ARC Policy Briefs

Development and the Challenge of Poverty: NEPAD, post-Washington Consensus and Beyond

The New Partnership for Africa's Development (NEPAD) has been promoted as an internally-driven and a new strategic framework for re-engineering Africa's development. This Briefing Paper argues that NEPAD is donor-focused and rooted in the neo-liberal macroeconomic discourse of the (post) Washington Consensus. The three core mechanisms outlined in the NEPAD: 'sound' macroeconomic policy and stability, greater openness of the African economies, and "good governance" are at the core agenda of the (post) Washington Consensus. The paper concludes by arguing the need to transcend current discourse and practice embedded in NEPAD and the Bretton Woods Institutions (BWIs).

(For further information please visit: www.cuts.org)

Environment at the WTO: Implications for Poor Countries

The United Nations World Summit on Sustainable Development (WSSD) that concluded in Johannesburg at the end of September 2002, was expected to be a forum for an the action plan to tackle the myriad environmental problems facing the world.

However, one trade-related issue that was discussed was that of agricultural subsidies. The main concern is that these are environmentally unsound and flout international trade rules.

The Briefing Paper emphasises that a lot of work on trade and environment needs to be done in the GATT/WTO. From the perspective of the rather quick turnaround of the EU at Doha in agreeing to certain concessions on the Agreement of Agriculture in return for the three main elements [Multilateral Environment Agreements (MEAs), the precautionary principle and ecolabelling] it wanted for immediate discussions under environment, it is useful to analyse how these issues would manifest themselves from the perspective of the poor countries.

(For further information please visit: www.cuts.org)

Forthcoming Briefing Papers

1. Regional Competition Policy: A Perspective on COMESA
2. From Uruguay Round to Doha: Developing Countries' Experiences with Trade Negotiations

NEWSLETTERS

ECONOMIQUITY

(July-September 2002)

The main focus of this quarterly newsletter is on trade-related issues, economic issues, market access, development dimensions, environment, economics, and intellectual property rights, especially in the context of WTO.

The last one-year has seen the successful completion of three mega events, which not only removed the stain of Seattle but has given us path to reach closer towards the Millennium Development Goals. If we want to achieve these goals by 2015, it is necessary to launch real and sustained efforts to translate the intent into action. To read about this and more on WTO and trade-related issues, read our latest issue of Economiquity.

Investment For Development

(August 2002)

This quarterly newsletter of CUTS of the "Investment for Development" (IFD) project covers topics related to investment policies and practices in different countries.

Has WSSD left any hopes for environment friendly FDI? What steps are MNCs taking to protect the environment? What are the views of civil society? The theme of the August issue of this quarterly newsletter is "green investment". The issue also deals with the current news on FDI performance and policies, and WTO negotiations on services. To keep yourself updated on these topics, you must read the successive issues of the newsletter.

ReguLetter

(September 2002)

This quarterly newsletter of CUTS covers developments related to competition policy and economic regulations. It deals with macro and micro issues, restructuring process, pharmaceuticals sector, telecom, utilities, financial sector and corporate affairs.

The recent developments in the German energy market have revived the debate on 'national champions' - companies strong enough to take on global competitors and act as national flag-bearers in the global market. This may signal either the strengthening or introduction of industrial policy that encourages national champions thus having serious implications for competition policy. This issue, in addition to looking at these implications and highlighting other competition concerns around the globe, discusses the competition regime of South Africa and corporate responsibility and accountability.

CUTS is celebrating its 20th Anniversary at a Partnership Conclave with the Theme: "Governance and its Relationship with Poverty Reduction" during 12-14 March, 2003 at New Delhi, India. ***For more details, please see: www.cuts.org/CUTS-Anniversary.htm***

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