Tradequity
A Newsletter of the CUTS Africa Resource Centre
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Dhaka Declaration: Call for Fair Share to LDCs

Trade Ministers from the least developed countries (LDCs) and the Asia Pacific Economic Co-operation Group of Countries (APEC) met in Dhaka, Bangladesh, on May 31-June 2, 2003 to co-ordinate their respective positions as part of run-up to the World Trade Organisation (WTO)'s Fifth Ministerial Conference, scheduled for September 10-14, 2003 at Cancun, Mexico.

So far, four important deadlines on the Doha Development Agenda (DDA), *viz.*, flexibilities in the Trade-Related Aspects of Intellectual Property Rights (TRIPs), enforceable Special and Differential Treatment (S&DT), implementation issues and agriculture—all of great concern to the developing world—have already been missed. And, sadly though, other deadlines also face the risk of slipping out by the Cancun Ministerial.

To give an impetus to this LDCs' Ministerial Conference, an international Civil Society Forum (CSF) was held at Dhaka prior to the official meeting.

Deadlines as 'Dead Lines'

In a bid to increase their visibility and advance LDCs' interests at the Cancun Ministerial Meeting, the CSF met in Dhaka on May 29-30, 2003 and deliberated on a wide range of issues and came up with a Declaration. They were particularly concerned at the "mini-ministerial" meetings convened by some WTO members that excluded the majority of the developing and the least developed countries, in violation of the transparency norms.

They came up with a Declaration that reflects civil societies' serious concern over the failure by the developed countries to meet the Doha implementation deadlines in areas like TRIPs and public health, S&DT and agriculture.

On the implementation issues, the Declaration expresses frustration over lack of progress in fulfilling commitments. The declaration calls for making the S&DTs effective, without further delay. It states that S&DT should be firmly anchored into the WTO, as this would make it a legally-binding statute or part of a mandatory framework that is subject to the Dispute Settlement Understanding (DSU) of the WTO. This can be achieved by adopting an appropriate legal instrument, which would help ensure a duty- and quota-free access, besides other measures, affecting the markets, such as rules of origin and anti-dumping measures.

The Declaration points out that policy coherence between the WTO, World Bank (WB) and the International Monetary Fund (IMF) are often in direct conflict with the objectives of S&DT, which is one of the core principles of multilateral trading system. Therefore, coherence should be directed towards objectives of poverty elimination and social and economic development.

Accession to the WTO of LDCs also figures in the Declaration. It is mentioned that no LDC has been able to accede to the WTO for seven years. The Cancun ministerial should include specific provisions for accession of LDCs into the WTO.

On market access for non-agricultural products, the Declaration points out that tariff peaks, tariff escalation and high tariffs in the developed markets undermine market access of many products, such as textiles, clothing, footwear, fish and fish products, leather goods and certain other industrial products. The forum strongly urged the LDC ministers to insist on duty- and quota-free access to their goods and, of course, a moratorium on the application of anti-dumping duties (ADD) for LDCs for the next 10 years.

Treading into Trade Norms

The Trade Ministers adopted the Dhaka Declaration as a negotiating position, which called on the Cancun to *inter alia* agree on "binding commitments on duty- and quota-free market access to all products from the LDCs on a secure, long-term and predictable basis with realistic, flexible and simplified rules of origin to match the industrial capacity of the LDCs in order to raise market share in the world trade". They are also calling for free access and national treatment to the LDCs in Mode 4 (temporary movement of natural persons), particularly unskilled and semi-skilled service providers, by *inter alia* simplifying visa procedures and elimination of Economic Needs Test (ENT) and quantitative restrictions.

Bangladeshi Commerce Minister, A. K. M. Chowdhury, noted that "LDCs have no alternatives… but to adopt trade as a principal tool for fighting poverty" and said: "We demand easy (maybe temporary though) movement of manpower, unrestricted market access, flexibility of rules of negotiation and exemption of LDCs from anti-dumping".

A statement from the Zambian Ministry of Commerce, Trade and Industry stated that the Dhaka Declaration would send a message that the LDCs would no longer sit and watch the developed world play "double standards" on trade and other economic issues confronting the world today.

The Road Ahead

This is yet another opportunity for Africa, in particular, and the developing countries, in general, to review the terms, under which they participate in the world trading system. As economic development takes the centre stage, hard choices are going to be made before proper liberalisation can take place. Knowing that the primary aim of economic programmes and trade arrangements is to serve the well-being of the people of the Earth, it must benefit the majority, not just a few. This should be the guiding principle of the WTO members at the Cancun ministerial conference.

IN THIS ISSUE

कट्स CUTS
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The Mystery of 'Missing Link'

The two-day workshop organised by the UK Government, International Monetary Fund (IMF) and the World Bank (WB) in Washington, DC, revealed a mismatch between the alignment of the Poverty Reduction and Growth Facility (PRGF) and the countries' priorities, as set out in the Poverty Reduction Strategy Paper (PRSP).

Although many observers have complained that the numerous "'country-owned", anti-poverty strategies have mimicked the IMF macro-economic prescriptions, the Fund argues that in many PRSPs, the macro framework is very ambitious and differs markedly from more "'realistic" annual budgets that are more in line with targets specified in the IMF loan agreements. The search is for the "missing link" between what countries consider desirable and necessary and what the IMF considers realistic. *(TD, 04.06.03)*

IMF Gives Zim Six Months!

Zimbabwe, stripped of its voting rights by the IMF in June 2003, has six months to extricate itself from the condemnation of a pariah state — when a review of its status takes place in December 2003. The Fund's Executive Board, which suspended Zimbabwe's voting rights, is due to meet again in six months to review the country's obligations to the institution. If no improvement is made regarding repayments of the country's overdue debts, Zimbabwe may see its membership completely withdrawn from the Bretton Woods institution.

It was reported that a plea by the Zimbabwean Finance Minister, Herbert Murerwa, to give the country a short reprieve had failed to cut ice with the IMF board, which declared that "Zimbabwe had not sufficiently strengthened its co-operation with the IMF".

Zimbabwe has been facing a foreign exchange crunch, hyper-inflation and domestic economic problems ever since the introduction of the controversial land reform policy in the country in the past few years, which has caused tension not only within the country but also in the West. *(FG, 12.06.03)*

IT is Greek to Ethiopia

Study papers presented at a two-day consultative workshop organised by the WB and the Ministry of Capacity Building (MCB) made known to the Globe that Ethiopia stands lowest among the developing countries in the use of Information and Communication Technology (ICT).

Defining the potential causes for the poor status of the use of ICT in Ethiopia, a study, conducted by the National Information and Communication Infrastructure Framework (NICIF), stated that the low penetration level of the national telecommunication network, lack of standards in collection, processing and dissemination of information, and a shortage of human resources were among a few reasons for this. *(AT, 09.05.03)*

Uphill Task for Malawi

About $6bn is needed for Malawi to eradicate poverty by half, thereby joining the countries, which are ranked as middle-income nations. At a debate, "Can Malawi Achieve Economic Growth without Budgetary Support?" Malawi's Finance Minister, Jumbe said it is not possible for Malawi to raise $6bn for eradication of poverty on its own. He pointed out that at present, donors fund 80 percent of development expenditure through grants and loans, and pump funds to finance 40 percent of the recurrent budget. *(MS, 19.05.03)*

Tanzanian Firms Go Weak

Considering the paucity of local private capital and the fledgling equity market, coupled with the poor condition of Tanzanians in general, getting people to buy shares in the government divested firms has virtually been impossible. The only option, therefore, is to sell shares to foreigners.

However, there is growing concern that for the vast majority of the privatised firms, performance has been unsatisfactory, or simply bad. Some of the privatised firms have stopped all manufacturing. They are either closed down completely, or are importing for trading the same goods that they were supposed to produce locally! *(BT, 20.05.03)*

WB Gift to Tanzania

The World Bank will provide $250mn to support efforts by the Tanzanian Government to reduce poverty in the country through three main operations: Poverty Reduction Support Credit, water supply and sanitation project for Dar es Salaam and agricultural development project. "The programmes approved in May 2003 represent concrete evidence of the World Bank and other development partners, under government leadership, working together in mutual trust towards the common goal of poverty reduction," said Judy O'Connor, the World Bank Country Director for Tanzania. *(UNIRIN, 30.05.03)*

Crime Bar on SA Investment

A survey conducted by the World Economic Forum (WEF) has ranked South Africa 17th out of 21 African countries in terms of attractiveness for investment, in an index that consists of the perceived degree of corruption and the rule of contracts and law. The ranking is based upon perceptions of its high crime, especially organised crime, and corruption. Botswana came first and Chad last. *(BD, 12.06.03 & WEF, 11.06.03)*

Whither Zambia?

Zambia's external debt has increased from approximately $6.5bn to $6.8bn, as on June-end 2003. Finance and National Planning Deputy Minister Mbita Chitala revealed this at the Jubilee-Zambia debt forum on the theme, "The Loan Cancellation Process in Zambia", held in Lusaka.

Chitala said Zambia's internal debt, as on June 23, 2003, stood at about $855mn, with suppliers alone owing about $90mn, while government security loans to the Bank of Zambia stood at about $645mn. The Minister said, "Zambia's debt has reached a stage where the country cannot pay..." and will never do so. *(TOZ, 27.06.03)*

Unfair Trade Hits Africa

Rich countries grow food items beyond the desirable limits and create mountains of wheat, butter or even potato crisps that no one wants. And then they dump the excess in the poor countries at artificially low prices. Rich countries spend $1bn a day subsidising their own farming enterprises. At the same time, a country like Zambia is not allowed to subsidise its farmers and manufacturers, since it has to abide by the WTO rules. Evidently, there are two sets of rules for the poor and the rich.

Benin, Burkina Faso, Chad, Mali and Togo are reportedly incurring costs of $250mn a year in lost cotton export earnings. Between 2001 and 2002, farmers from the US, Greece, Spain and China, the biggest cotton producers in the world, received cotton subsidies worth an estimated $6bn, which allowed them to overlook production costs and dump their produce on the global market. *(TP, 22.04.03 & BW, 07.05.03)*

Ignorant Donors!

African commodities and raw materials are processed in wealthy nations and then resold by companies and corporations in those nations at prices many times greater than what is paid to the producers. Ugandan President, Yoweri Museveni said this at a reception after his meeting with US President, George W. Bush. "The value of the coffee market is $70bn," he said, adding: "We coffee-producing countries get $5bn. Who takes the remaining $65bn? Somebody else! Africans are being donors but they do it out of ignorance." *(AllAfrica.com, 11.06.03)*

Nigeria-India Trade Up to $3bn

Bilateral trade between Nigeria and India has risen to a total of $3bn in the last three years, making Nigeria the largest trading partner of India in the African continent. According to Indian Minister of Commerce and Industry, R. P. Rudy, Nigeria is the largest source of oil for India, as it constitutes more than 96 percent of the country's imports from Nigeria. According to him, "India was Nigeria's third-largest export destination, after USA and Spain. Traditionally, balance of trade has been in Nigeria's favour, mainly because of large Indian imports of crude oil."

He stated that India's exports to Nigeria grew from $248.09mn in 1998-99 to $563.15mn in 2001-2002, an increase of 127 percent in three years, while its imports increased from $1,177.73mn to $2,704.18mn, during the same period. *(V, 03.06.03)*

Halt on Zambian Exports

It is not easy for Zambian products to directly access the US market, as most of them do not meet the strict US Government's phyto-sanitary regulations on agricultural, horticultural and floricultural products entering its country.

According to Glyne Michelo of the Export Board of Zambia (EBZ), there is a need to upgrade current industry infrastructure, technology, quality demands, standards of labelling and packaging, so that Zambia could export directly to America. According to him, if Zambian industries were to improve, Zambia, like Mauritius, would benefit greatly. *(TOZ, 28.05.03)*

Angolan Oil Yield Looks up

Oil production in Angola will increase in 2005 from the present 850,000 barrels to 1.6 million barrels per day, which is an increase of about 90 percent. According to the state-owned oil company, Sonangol's, administrator, Sianga Abílio, Sonangol intends to carry out oil exploration in the interior of the country in the areas of Cassange and Okavango, as well as other areas close to the border with Namibia. *(APA, 23.05.03)*

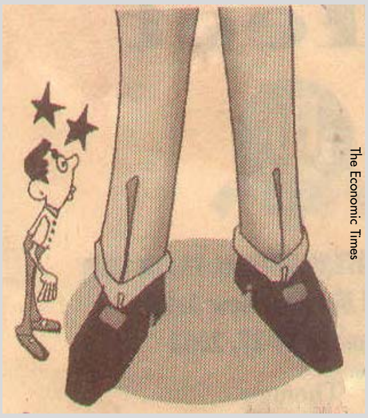
Towards a Better WTO

WTO Director-General (DG), Supachai Panitchpakdi, has set up two informal advisory bodies, one with business groups and the other with non-governmental organisations. The purpose of the bodies is to stimulate dialogue and information exchange on trade topics. Apart from this, the WTO Chief has also set up a Consultative Board to help him improve the functioning of the WTO. The Board will be tasked with preparing a report on how to strengthen the WTO and to provide the tools to overcome future challenges related to an increasingly integrated economy.

One of the priorities Supachai has set for his time as DG is to strengthen the WTO as an institution. *(BW, 25.06.03)*

Patents Threat to Poor

ActionAid has urged Britain to join hands with other rich nations and guard poor farmers against the global patent rules that threaten to make the seeds they use more expensive. The current patent rules permit companies to secure exclusive rights over seeds, if they modify them in some way. Biotechnology firms have taken out



almost 1,000 patents on staple foods by modifying the genes of a plant or cross-breeding one variety with another. Multinationals are also buying up local seeds markets in the developing world.

Under some of the licensing contracts, farmers using patented seeds are not allowed to save, exchange or replant them, as they are supposed to buy new seeds every year or face prosecution. Farming is the main livelihood for 75 percent of the world's population living in rural areas. The WTO agreement on the Trade-related Aspects of Intellectual Property Rights (TRIPs) could damage the livelihoods of the 1.4 billion farmers worldwide, who rely on farm-saved seeds. ActionAid also wants the WTO's rules to permit access to vital health drugs for poor countries, without paying high prices to patent holders.

(AA, 03.06.03)

G-8 'Fast-track' for Africa

The G-8 summit, held at Evian, France in May 2003, has put pressure on the New Partnership for Africa's Development (NEPAD) to produce results, if it is to be Africa's blueprint for meeting its development challenges. The annual EU3.7-bn finance voted for at the summit for programmes was, according to President, Thabo Mbeki of South Africa, as much development aid as Africa can chew.

He warned that any more aid would not be absorbed, as the continent lacks the capacity to spend so much money. NEPAD has reached a critical implementation stage. During the 7th Summit of the Heads of States and Governments Implementation Committee (HSGIC), approval was given for a proposal for a "trust fund" to provide ready funding for the activities of the NEPAD, aimed at placing the continent on the fast-track of development.

The HSGIC has also approved the implementation of the Comprehensive African Agricultural Development Plan (CAADP), in order to address the food crisis of the continent. CAADP is to be implemented through the instrumentality of the Regional Economic Communities (RECs), such as the Economic Community of West African States (ECOWAS).

This action plan and its 17 projects provide a road map, through which NEPAD will address the current crisis in Africa and kick-start agricultural development in the continent. The HSGIC reconfirmed the high priority sectors for implementation: agriculture and food security, water and sanitation, infrastructure, and Information and Communication Technology (ICT).

In an effort to help member countries to improve their records on good governance, NEPAD has chosen a six-member committee to operate a peer-review mechanism. Members of the committee include Dr. Graca Machel of South Africa and Prof. Adebayo Adedeji of Nigeria.

(SAPA, 03.06.03 & UNIRIN, 29.05.03)

COMESA Loses Namibia

Namibia is to pull out of COMESA, with effect from May 2004, as a year's notice is required under the COMESA rules for a member county to leave the regional body. Among the reasons cited by Namibia for this pull-out is that the country is a member of the Southern African Customs Union (SACU) and the Southern African Development Community (SADC), with the bulk of trade done with SACU countries, which also allows paying lower import taxes or none at all. Therefore, the country could not be a part of two such organisations at the same time.

On the other hand, the country stands to save up to $2mn a year in COMESA expenses, including membership fees. According to COMESA, Namibia might not benefit from the Euro223mn under the European Union-supported Nine Projects for trade facilities, following its decision to pull out of the organisation.

Meanwhile, another official of COMESA, Charles Chanthunya, expressed hope that Tanzania may reconsider rejoining the regional economic bloc, by "coming back to the fold". However, the Tanzanian Government has categorically stated that it has no intention of rejoining COMESA, as it is also a member of SADC and East African Community (EAC). Tanzania withdrew from COMESA in October 2000, citing near-zero tariffs requirement of COMESA member states as disadvantageous to the growth of its infant industry and a serious loss of government revenue.

(TN, 16.05.03 & ZDM, 30.05.03)

NepadWatch is Here

A group of African civic societies is concerned with the development of their continent, particularly the "darkness" surrounding the ongoing negotiations between Africa and foreign nations. They have agreed that a mechanism should be rapidly put in place to monitor these evolutions.

NepadWatch, which will be open to other Africans willing to have a frank debate on issues dear to Africa, will provide an accurate assessment of Africa's political, economic, social and cultural achievements and examine the role of the continental leadership and the African institutions.

It will also ensure that reckless leaders do not destroy the opportunities raised by the NEPAD and that bilateral and multilateral donors are properly monitored and their people informed from an African perspective.

(NW, 19.06.03)

COMESA Endorses EPA Talks

The Common Market for Eastern and Southern Africa (COMESA) has endorsed a decision to negotiate an economic partnership agreement (EPA) with the European Union (EU) that would cover the whole of the Eastern and Southern African region. COMESA Secretary-General, Erastus Mwencha said that the adoption of this decision means that negotiating of EPAs with the EU would be done with the combined African, Caribbean, and Pacific (ACP) membership of COMESA and Southern African Development Community (SADC).

This decision, according to Mwencha, would strengthen the regional integration process and pooling of scarce technical resources at the regional level. The outcome of the EPA negotiation is expected to be a free trade agreement between the EU and the ACP countries, whose initial implementation would start in 2008, with full implementation by 2020.

(TOZ, 04.06.03)

AU-Civil Society Co-operation

In an effort to establish close collaboration with Civil Society Organisations (CSOs), the African Union (AU) has set up an advisory organ called the Economic, Social and Cultural Council (ECOSOCC). It draws its composition from 150 CSOs representing the African people involved in a wide range of activities at all levels, relevant to the objectives and goals of the AU. Its objectives, among others, include promoting a strong partnership between governments and all segments of civil society, in particular women, youth, children, the diasporas and the private sector.

(AU, 13.06.03 & EPPEB, 13.06.03)

COMESA Vs SADC

The planned establishment of a customs union by COMESA in 2004 may present problems for the creation of a similar instrument by the Southern African Development Community (SADC). SADC launched the free trade area in 2000 and its objective is to be a full-fledged free-trade area by 2008, before moving to a customs union and, ultimately, the common market — a more advanced system of trade in the region.

But COMESA's move to establish a customs union by 2004 is a bigger threat to SADC because some members belong to both the organisations. No country can belong to two customs unions because it cannot have two external trade policies and tariffs. SADC member-states with overlapping membership could choose which customs union to belong to. The alternative could be for SADC member states to amend the SADC Treaty to allow their members to participate in other forms of economic co-operation in a customs union.

Some countries have already opted out of COMESA in favour of SADC but Zimbabwe, Zambia, Malawi and Mauritius are still members of both.

(TR, 21.03.03)

For Cape-to-Cairo's Sake!

The Mwalimu Nyerere Foundation tabled a report in April 2003, calling on the members of the East African Community (EAC), *viz.* Kenya, Uganda and Tanzania, to withdraw from COMESA and SADC in five years' time. They would reconstitute themselves into a political federation, including Burundi, Rwanda and the Democratic Republic of Congo, in order to realise the pan-African "Cape-to-Cairo" dream within a decade.

This could be more than a pipe-dream, as the short-term obstacles are enormous. With overtones of regional rivalry between Angola and South Africa, there is the proxy war between civilian militarists, such as Yoweri Museveni of Uganda and Paul Kagame of Rwanda, in Congo's Ituri province. Yet, the prospects of greater East African Union, within an evolving African Union (AU), are, nevertheless, intriguing.

Such a geopolitical consolidation could accelerate the AU's transformation into a genuine continental federation. The Foundation's call for withdrawal from COMESA and SADC reflects the ultimately provisional nature of the AU's five sub-regions and how contingent their stability may be on continental and sub-regional political realignments.

Tanzania pulled out of COMESA, but belongs to the SADC and the latter's free-trade zone. It is also an integral member of the EAC, which aims to become a customs union like the Southern African Customs Union. Democratic Republic of Congo is a nominal member of the SADC, but falls outside its free trade area. *(BD, 23.06.03)*

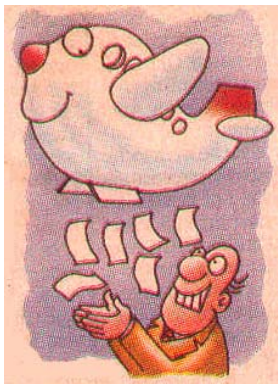
Singapore Issues Shelved

The Ministers of Trade of the member-states of the AU met in Grand Baie, Mauritius on June 19-20, 2003 to consider a number of issues of developmental importance to Africa, including coordinating their positions towards the Fifth Session of the World Trade Organisation (WTO) Ministerial Conference, to be held in Cancun, Mexico from September 10-14, 2003. The ministers took note of the outcomes of the recent meetings of Eastern and Southern African countries in Nairobi, SADC in Lusaka and those of least developed countries (LDCs) in Dhaka as well as the work under the NEPAD initiative. They expressed serious concern at the general lack of progress in the current round of multilateral trade negotiations as evidenced by missed deadlines on key issues and negotiations of importance to African countries.

They called on WTO members to continue the clarification process regarding the Singapore Issues (Investment, Competition, Government Procurement and Trade Facilitation) after the 5th WTO Ministerial. They noted in the declaration that "WTO members do not have a common understanding on how these issues should be dealt with procedurally and substantively" and acknowledge "the potential serious implications of these issues on our economies". By suggesting that the clarification process continue, they have declared that the WTO membership is not yet ready to begin negotiations on these four contentious issues. *(IATP, 22.06.03)*

COMESA Bags $4.4-bn Trade

COMESA has obtained trade worth $4.4bn from the US market through the Africa Growth Opportunity Act (AGOA) initiative in various sectors. According to AGOA



The Economic Times

Africa Manager Moses Simemba this figure has swelled by over $125mn, compared to the previous year. Among the 19 member states, Angola had the highest turnover of $3.1bn, with Eritrea having the least at $0.4mn.

Through AGOA, the employment rate in the textile and clothing industry has risen by 36 percent — from 29,000 to 45,000. The Lesotho Fancy Garments Group's new factory at the new Mohale's Hoek Industrial Estate will generate 18,000 new jobs, when completed.

(ZDM, 02.06.03 & TS 30.05.03)

Currency-strapped Consumers

Zimbabweans from all walks of life are reeling from the impact of the country's acute shortage of banknotes – the latest scarcity to hit Zimbabwe, where basic consumer goods, like fuel, electricity and foreign currency, are all in short supply. The Reserve Bank of Zimbabwe (RBZ) initially said it did not have the foreign exchange required to import the special ink and paper needed to print the money. The shortage of bank notes became apparent in November 2002, when the circulation of the biggest denomination, the Zimbabwean Dollar (Z$)500 note, dropped sharply.

The Economist

Small notes, such as the Z$10 and Z$20 notes, which had become rare, have resurfaced to form the basis of money transactions.

The banks, which used to allow withdrawal of a maximum of Z$100,000 per transaction, have sharply reduced withdrawals to a maximum of Z$20,000. Most automated teller machines no longer work. With inflation now at 270 percent and threatening to shoot beyond 300 percent before the year-end, the limits imposed by the banks can leave consumers short of cash for essential purchases.

However, the critics of the RBZ accused it of inefficiency. But, the RBZ has made an about-turn. According to the Reserve Bank, it printed about Z$24bn worth Z$500 notes by the middle of June 2003 and would introduce a Z$1,000 note before November-end.

(UNIRIN, 02.06.03)

An Artificial Water Crisis

Kenya's Nairobi Water Vendors could be colluding with council employees to cause artificial shortages in some city estates by diverting and creating blockades on water supply pipes from houses, so that shortages could persist to enable them to stay in business. According to *The Nation* newspaper, while some houses had enough water, some taps in the neighbouring homes remained dry.

The water shortage started when the Sasumua Dam and Ng'ethu Water Works, which supply the city with 360 million litres daily, broke down during flash floods in the Aberdares, on May 4.The dam has since been repaired, but the supply has not returned to normal.

(TN, 03.06.03)

WB Draft Denounced

Some sections of the World Bank's draft World Development Report 2004, "Making Services Work for Poor People (WDR 2004)" have been denounced by the global union for public services workers as being arrogant, negative and sensationalist. Mike Waghorne of the Public Service International (PSI) stated that "almost everyone, to whom we have spoken, has been 'appalled' after reading the overview."

While conceding "a lot of good stuff" in the later chapters, Waghorne, speaking on behalf of the PSI, which links 20 million workers worldwide, is particularly upset by the drafts' characterisation of "the vast bulk of doctors, nurses and teachers as lazy, incompetent, rude, abusive rip-off merchants (on the few occasions when they bother to turn up for work)".

(EPPEB, 07.05.03)

Nigeria Destroys Illegal Import

Frozen Chicken and Turkey worth about $900,000 were destroyed in Warri, Nigeria on the orders of President Olusegun Obasanjo, apparently to discourage people from indulging in the illicit business deals in future. The frozen items were impounded by the officials of Nigeria Customs Services (NCS) at Delta Ports. This seizure was made in compliance with the ban order of August 31, 2002.

The consignment was imported in 12 containers, with each containing 3,000 cartons of the prohibited goods. The frozen chicken and Turkey were reportedly concealed inside the containers of Croaker fish. The authorities used bulldozers, petrol and chemicals for destroying the food items.

(V, 16.06.03)

'Shameful' Way to Riches

Ethiopian Prime Minister, Meles Zenawi has said that the Ethiopian people needed to develop a "sense of shame and humiliation" to achieve swift economic development. "To conquer poverty, the priority task of all should be to recognise its ugly features and to confront the risk it imposes on the future of people, whose very survival is based on a subsistence economy," he said.

(AT, 30.05.03)

Regulator Takes on Radio

On June 2, 2003, the Malawi Communications Regulatory Authority (MACRA) ordered community radio stations to stop airing news bulletins, saying the Communications Act forbade such stations from running news programmes. Macra Director, General Evans Namanja, spoke at a two-day international workshop on the promotion of community radio stations. "News is supposed to be for the general public and not a particular community. By broadcasting news, the community radio stations are hijacking the role of public broadcasters, such as the Malawi Broadcasting Corporation (MBC) and Television Malawi (TVM)," said Namanja.

Macra's statement is based on Section 51(3) c of the Constitution, which bars community radio stations from "broadcasting news services and factual programmes". However, Sections 35 and 36 of the Malawi Constitution provide for freedom of expression to the Press.

Meanwhile, the first African radio exclusively run by women has been launched in Uganda. Called "101.7 Mama FM – The Voice to Listen To", the community radio covers a radius of 400 km, with 13 million potential listeners.

(AD, 01.04.03 & 30.06.03)

FDI Research Review Meet

An international meeting was organised by CUTS' Centre for International Trade, Economics & Environment (CUTS-CITEE), Jaipur, India, in collaboration with the International Centre for Trade and Sustainable Development (ICTSD), Geneva, on May 9-10, 2003 in Geneva to discuss and review the findings of the Investment for Development (IFD) project in selected developing and least developed countries.

The presentations included researches carried out in Zambia, Tanzania and South Africa. These studies covered a range of topics, including legislation and policies, regulatory and institutional mechanism, infrastructure, privatisation, and the role of both civil society and inter-governmental organisations in influencing FDI policies.

L to R: B. Vickers of Institute for Global Dialogue, S. Africa, Manoj Pant of Jawaharlal Nehru Univ., India and Oliver Sassa of University of Zambia

It was pointed out that while FDI may offer significant benefits to developing countries (DCs), policy-makers should not expect too much from FDI because of the induced spill-overs in DCs that are likely to remain weak. The participants made, among others, the following recommendations:

- Assistance in mitigating risks of investment for small- and medium-scale enterprises by strategic civil society organisations (CSOs) helping drafting of micro-enterprises policies;
- Dissemination of information on global FDI trends and their impact on technology, trade, finance and economic growth, and create awareness on national investment regimes, so as to facilitate informed policy-making;
- Conduct research on FDI flows into the developing countries and suggest recommendations and strategies for managing these capital flows in a manner that supports sustainable development in developing countries; and
- Ally with and build capacity of consumer-oriented organisations to create a consumer rights ethos.

Meet on Zambian FDI Policy

A national consultative meeting on Foreign Direct Investment (FDI) policy and practice in Zambia was organised in Lusaka on April 16, 2003. The purpose of the meeting was to discuss two research reports being prepared by the Consumer Unity & Trust Society–Africa Resource Centre (CUTS-ARC), namely Investment Policy, Performance and Perceptions in Zambia, and the National Advocacy Document for Zambia. A presentation from the Zambia Investment Centre (ZIC) on the existing co-ordination arrangements between ZIC and other sector regulators in the area of investment was also made.

According to the research report, the existing Investment Act is outdated and cannot match many of the investment policy legislations of other countries in the region. The Act was formulated as part of the economic liberalisation strategy of the early 1990s. In the regional context, Common Market for Eastern and Southern Africa–Free Trade Area (COMESA-FTA) has given an important opportunity for Zambia to spread its business beyond the borders of the country. Therefore, it was suggested that Zambia acquire more investment — both domestic and foreign.

Surveys reflected that this report provides perceptions of civil society organisations in Zambia about the FDI policy and its implications for economic development of the country.

The meeting brought together 40 stakeholders hailing from government departments, regulatory bodies, inter-governmental organisations, trade unions, business chambers, research and civil society organisations, independent experts and the media.

ESANAF Formed

In order to increase meaningful participation of non-state actors in the Cotonou Agreement, an Eastern and Southern Africa Non-state Actors Forum (ESANAF) has been established. This was announced at a two-day workshop, organised by Friedrich Ebert Stiftung (FES) and the Secretariat of COMESA, in Zambia on April 28-29, 2003. A committee has been set up to co-ordinate the activities of ESANAF.

CUTS-ARC and Zambia Trade Network have been nominated to act as the focal point for ESANAF contacts with the COMESA Secretariat. The theme of the workshop was "Exploring the Possibilities of Meaningful Participation of Non-State Actors (NSAs) at Regional Level in the Implementation of the Cotonou Agreement".

The workshop, among other things, recommended that ESANAF speedily negotiate for a memorandum of understanding (MoU) with COMESA, in order to formalise a productive working relationship between the two parties. This relationship is a bid to scale up the ability of the NSAs to increase their visibility at large international meetings organised by international, regional and sub-regional organisations.

The major advantage of organising parallel non-governmental organisation forums on the margins of such large international meetings was identified as lying in their potential to generate moral pressure on politicians and global bureaucrats to make decisions that protect the weak and the disadvantaged.

Seminars/Workshops

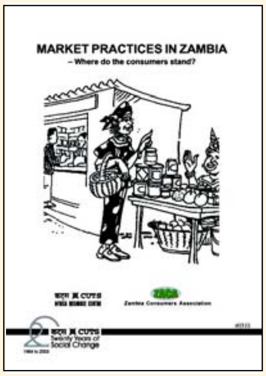
Pre-Cancun Regional Preparatory Workshop

CUTS-ARC, in collaboration with Zambia Trade Network (ZTN) and FES has scheduled a workshop, entitled *"National Strategies for the WTO Cancun Ministerial Conference*", at Lusaka on 22-23 August 2003. The Workshop is to make an assessment of the progress of new round of trade negotiations launched at Doha from Zambian perspective and also provide inputs to the Zambian position paper to the 5th Ministerial Conference of the WTO.

Its objective is to gather views of the key stakeholder groups in Zambia on issues that would come up for discussion at Cancun. The workshop will identify Zambian national priorities in trade negotiations and will devise an advocacy and lobbying strategy at the various levels during the run up to 5th Ministerial. The participants will comprise representatives from the government, inter-governmental organisations, consumer and research organisations, business, media and academia.

Publications

Market Practices in Zambia - Where do Consumers Stand?



Zambia Consumers Association (ZACA), in co-operation with CUTS-ARC, prepared a reader-friendly research and advocacy document on this important subject. The report analyses, with facts and figures, the status of consumer protection and competition policy scenario in Zambia, from the perspective of consumers. This publication is part of the capacity-building and awareness creation activities of CUTS-ARC and ZACA on consumer protection measures and economic welfare.

It describes a range of anti-competitive practices prevalent in Zambia and the remedial measures available under the various legal instruments. For instance, how has the Zambia Competition Commission dealt with cases of mergers and acquisitions? How does the Competition and Fair Trading Act, 1994 helps consumers against abuse of dominant position of market power in various sectors of Zambia? …*et al.*

Read on, these and many more issues in this latest publication.
(For details, contact: cutsarc@zamnet.zm or zaca@zamnet.zm)

From Uruguay Round to Doha: *Developing Countries' Experiences with Trade Negotiations*

It is always possible to take a pessimistic view of any trade negotiation between weak and strong countries. However, even weaker countries do have some bargaining power. The current international trade scenario is such that even bigger countries do not dare take weaker countries for granted, and it is this factor that gives bargaining power to the latter. If a powerful country considers market access or compliance with certain international rules beneficial and if this requires action by another country, then it must secure that country's agreement. This gives the weaker country some leverage.

Keep yourself abreast. Read more on these issues in this new policy brief, authored by Sheila Page. (For more information, visit: www.cuts.org)

Forthcoming Policy Briefs

- **Regional Trade Agreements in the COMESA Context**
- **COMESA Competition Policy: A Consumer Perspective**

SOURCES

AU: African Union; FG: Financial Gazette; IFECH: International Freedom of Expression Exchange Clearing House; UNIRIN: United Nations Integrated Regional Information Networks; AD: African Decisions; V: Vanguard; EPPEB:Economic Policy Project E-Bulletin; TN: The Nation; AT: Addis Tribune; ZDM: Zambia Daily Mail; TS: The Survivor; BD: Business Day; TR: The Reporter; ACIS: African Church Information Services; APA: Angola Press Agency; AA: Action Aid; TOZ: Times of Zambia; TP: The Post; WEF, PR: World Economic Forum Press Release; BT: Business Times; TD: This Day; MS: Malawi Standard; NW: NepadWatch; SAPA: South African Press Agency; BW: Bridges Weekly; AD: IATP:

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