Tradequity

A Newsletter of the CUTS Africa Resource Centre

Year 2, No. 3/2003

Failure at Cancun: A Threat to the World's Poor

The poor countries have lost again. Lack of progress of the Doha Development Agenda due to the failure of World Trade Organisation (WTO) trade talks to reach a consensus on crucial matters is a blow to the promises made to tackle poverty and commit to a development round. It is the poor countries that want access to affordable medicines, access to the rich countries' markets especially the European Union (EU) and US markets free from agricultural subsidies. It is the poor countries that want a reduction in the disproportionately high tariffs that they face when seeking to export processed and manufactured goods to rich countries.

Cancun is an opportunity lost to deliver the promises that were made on the Millennium Development Goals, to reduce poverty and give African producers better market access, which would raise the living standards of peasants. Africa's poverty, as the 'scar on the conscience of the world' will continue to persist as long as the West feels that poor countries are asking for too much.

Two of the most contentious areas upon which the developing countries refused to compromise revolved around the trade distorting subject of agriculture subsidies in the rich countries and the Singapore Issues: investment, competition, trade facilitation and transparency in government procurement. Apparently, the resolution of one was tied with the other as the draft declaration had specified a common target date for concluding the negotiations. If agreed upon, WTO rules on these issues would expose poor countries to unbridled foreign investment and competition. The subsidy issue was not even addressed as the US backed off on offering anything to the African demands, saying that the cotton issue can only be discussed during agriculture talks.

Alternatives no Better

Having failed to reach consensus on crucial trade matters, the worry is that the EU and the US would like to opt for bilateral agreements with individual countries rather than a multilateral system. Washington has promised to pursue these negotiations with renewed vigour in the Free Trade Area of the Americas (FTAA) and elsewhere. Having suspended such a strategy since 1999, the EU has now announced that it will pick up deals on a bilateral basis from 2005.

In bilateral deals, it is the strong which dictates the policies as well as how they will be interpreted. It is less likely that a poor country will be able to make the same show of strength in a one-to-one negotiation with a rich country. The situation is perhaps worse for the countries that will be left out in the rush for bilateral deals, as their markets are too small to interest the big players.

On the Positive Side

Even in the face of the overall failure at Cancun, a number of positive issues emerged:

- The solidarity shown by the poor countries at the Cancun trade meet, which came as a surprise to many, is a genuine reason for pride in the developing world. If this newfound developing country solidarity can be sustained, it could bring in a new power equation in the WTO trade talks.
- Cambodia and Nepal became the foremost least-developed countries to accede to the WTO since its establishment.
- Decision was taken to convene a meeting of the General Council at Senior Officials level no later than 15 December 2003 to move towards a successful and timely conclusion of the negotiations.
- Doha Declarations and Decisions and commitment to work towards their implementation was fully and faithfully reaffirmed.

Conclusion

Maybe all least developed/developing countries should get together with larger developing countries, like Brazil, India, China, South Africa, etc to try and become a pressure group.

Cancun breakdown virtually rules out the prospect of the Doha round finishing on schedule by January 1, 2005, and raises the possibility that the talks will drag on for years. The next stop for negotiations would have to be at the organisation's Geneva headquarters over the coming months.

IN THIS ISSUE

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A First for Kenya

Kenya became the first country to establish a full secretariat to co-ordinate projects under the New Partnership for Africa's Development (NEPAD) to serve the east African region. Other member countries have a NEPAD liaison officer or a desk at ministries to deal with NEPAD related issues.

Kenya has been endorsed as a full member of NEPAD's Heads of State and Government Implementation Committee. It will be involved in the infrastructural project; including the construction of the Mombasa-Busia-Kampala-Kigali-Kinshasa road. The project, to eventually cover Sudan, Ethiopia and Somalia, will include railway construction, thus improving economic integration through infrastructural connectivity. Kenya was also selected to participate in the proposed NEPAD Cities Project to be funded by the United Nations (UN) Habitat and other UN agencies.

(TEAS, 16.07.03)

Harmonising Trade

In order to harmonise cross-border business, the presidents of the three east African countries will meet in Arusha on November 30, 2003 to sign a protocol on a customs union. This will enable citizens of Kenya, Uganda and Tanzania to trade free of any duty on 85 percent of goods produced in any of the countries. The Chairman of the Kenya Business Council, Wilfred Kiboro, urged the Government to reduce dependence on donor aid and asked the Government to help local traders to boost the economy. *(TN, 25.08.03)*

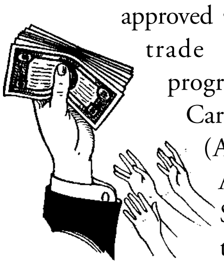
The Real Champion

Angola is the fastest growing economy within southern Africa with 13.8 percent growth in 2001-2002. Mozambique is trailing at second place with 8 percent growth and Tanzania is rated third with 6.2 percent while the average for Southern African Development Community (SADC) countries is 3.2 from 2.7 in 2001, according to SADC's executive secretary, Prega Ramsamy in August 2003.

The only exception is Zimbabwe, facing the most serious economic crisis of its history, because of the government's land reforms, that attracted the hostility of the western countries. Ramsamy noted poverty (about 200 million poor people), the HIV/AIDS pandemic (at least 14 million infected people), and the external debt as serious challenges facing SADC countries. He noted that the cost of treating one single person with AIDS is higher than providing basic education to 10 children. *(AIM, 26.08.03)*

•50mn Grant for ACP Countries

The European Commission (EC) has approved •50mn in a six-year trade assistance programme to African, Caribbean and Pacific (ACP) Countries. Ambassador, Henry Sprietsma, said that the funds were aimed at enabling ACP countries to benefit from increased trading opportunities in the world.



The programme would focus on creating capacities to enable ACP countries export, participate effectively in trade negotiations, and integrate trade in development and production to the required international standards.

(C, 06.08.03)

TICAD Conference in Tokyo

The third Tokyo International Conference on African Development (TICAD III) was held on 29th September 2003 in Tokyo, Japan. Participants representing 89 countries, including 50 African countries, as well as international and non-governmental organisations, attended the meeting. Among the many themes discussed was the establishment of cooperative networks between African and Asian countries in areas such as agriculture, capacity building, technological transfer, and trade and investment.

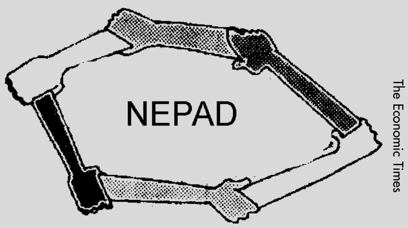
Delegates said that the developed countries had failed to make concessions on subsidies and trade barriers. President Omar Bongo of Gabon said, 'the failure in Cancun further increases the concern of our people, who feel more and more marginalised'. The meeting concluded by adopting a 'TICAD Tenth Anniversary Declaration', which lays out a compass for the future of the TICAD process. *(Bridges WTND Vol. 7, Number 33)*

COMESA Court Meets

A two-day seminar of the Court of Justice of the Common Market for Eastern and Southern Africa (COMESA) was held in Lilongwe, Malawi in August, 2003 aimed at popularising the court and its operations. The Court has the jurisdiction to hear matters brought by member states against one another or against the council in the event of failure to fulfill an obligation or infringement of a provision of the treaty on trade matters. So far the Court has handled six cases since 1994. *(C, 25.07.03)*

NEPAD in Centre of AU

The African Union (AU) summit in August 2003 saw the NEPAD moving to centre stage as the 20-strong NEPAD implementation committee met. According to economist Firmino Mucavele, who represents Mozambique on the steering committee, the integration should take place over the next three years during



which NEPAD will be synchronised and harmonised with the Union's programmes.

Particular stress was laid on agriculture, and the difficulties faced by African countries in selling their agricultural produce in European and American markets. These difficulties are the result of massive subsidies that western governments give to their own farmers, encouraging them to overproduce and slamming the door on African peasant producers.

(AIM, 09.08.03)

Zimbabwe's Economy in Tatters

Zimbabwe ranks among the world's worst economies, failing to attract foreign direct investments (FDI) in the backdrop of a worsening country risk profile. According to the 2003 World Investment Report, Zimbabwe, despite being endowed with rich mineral resources, only managed to beat three other countries ravaged by civil wars.

The country is going through its worst economic crisis epitomised by inflation of 400 percent and poor investment inflows since the onset of political insurgency in 1999. That year Zimbabwe lost 55 places to position 137, as foreign investment tumbled due to a hostile political environment. The report comes at a time when Zimbabwe has lost its membership in the European Union. Zimbabwe's involvement in the war in the Democratic Republic of the Congo also contributed to its economic setback. *(FG, 11.09.03 & AIM, 26.08.03)*

Africa's New Oil Project

One of Africa's most ambitious oil projects came to fruition on 15th July 2003, when Chad began pumping oil for export via Cameroon. The World Bank project, with a consortium of oil firms led by Exxon Mobil has taken 10 years, with almost 1,000 village-level

meetings, 165 consultations with pygmies in Cameroon and 20 alterations to the pipeline's original route over its 1,070km length. The total cost of extracting the oil from Chad and piping it to Cameroon is estimated at US$3.7bn, which at full speed production by 2004 will account for 45-50 percent of Chad's national budget.

But international charities are concerned that the money earned may not benefit the poor people. Chad was recently ranked the most corrupt of 21 African countries in a survey by Transparency International. In 2000, the government admitted diverting US$4mn of the pipeline's investment funds to buy weapons for use in its war against northern rebels. *(BBC, 14.07.03)*

FDI – Not a Poverty Antidote

FDI is not an answer to the problems of people in sub-Sahara African countries because FDI inflow is not as beneficial for environment and health as economic indicators suggest. Instead, there should be elimination of agricultural protectionism policies in developed countries and decent income earnings in self-employed activities in the informal small and medium enterprises, to improve living standards of poor people, says Bank of Tanzania (BoT) economist, Balozi Morwa.

Morwa cautioned that growth achieved at the expense of environmental dilapidation or exploitation of the poor is bad for Tanzania and the continent at large. He emphasised the need of public and corporate governance, improved education, health and telecommunication infrastructures and addressing the HIV/AIDS pandemic.

(BT, 05.09.03)

Global Invasion in Retail

Africa will soon be the target market for American and European retail chains. Having successfully entered Indonesia, Thailand, India and the Pacific Rim economies of Japan, Korea, China and Taiwan, multinational retail companies will focus on new markets like Africa, says Prem Shamdasani, of the National University of Singapore. He said, "Walmart and Carrefour of France have, through hard-won experience, honed their entry procedures, structures, logistics and models for new markets, and South Africa will be the route into the African market."

To protect themselves, the local retailers will need to target the best locations, have loyal staff, good supplier relationships and customer confidence in order to survive in the retail business. Free trade and ultra-efficient models will benefit the consumer, who will get better quality products at lower prices.

(BD, 21.07.03)

Protecting Rights of Migrants

The United Nations international treaty on the rights of migrant workers and their families came into force on July 1, 2003. This is a landmark in global efforts to protect people who, separated from their countries of origin, suffer due to cracks in the international legal system. The 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of their families became international law after 20 countries ratified the treaty.

It provides a set of binding standards for both documented and undocumented migrant workers, to guarantee the protection of their human and social rights. Although only 22 States have ratified the Convention, it sets a moral standard for the treatment of migrant workers in all countries. An estimated 175 million persons are international immigrants, according to the UN Population Division.

(AM, 03.07.03)

Tussle Over Debt

The Portuguese government will transfer its 82 percent share in the Cahora Bassa dam on the Zambezi to Mozambique, if the accumulated debt to the Portuguese treasury, which Lisbon claims is over US$2bn, is paid. Mozambique holds the remaining 18 percent share of Hidroelectrica de Cahora Bassa (HCB), the dam operating company.

At the time of Mozambican independence in 1975, it was agreed that the shares would be transferred from Portugal to Mozambique, as the debts involved in building the dam were paid off. That has never happened. Mozambique favours a comprehensive approach that addresses the alleged debt to Portugal in conjunction with HCB shareholding and the tariff fees charged by HCB. *(AIM, 21.07.03)*

Prosecution for Smugglers

In Ghana, a special taskforce, including military personnel, is being given appropriate orientation to embark on an exercise to arrest and prosecute traders, who sell smuggled textile prints in the country's markets. A release signed by the executive secretary of Revenue Agencies Governing Board (RAGB), Harry Owusu, said these measures aimed at enforcing existing customs regulations and introducing additional steps to enhance the Customs, Excise and Preventive Service's (CEPS) performance and revenue generating capacity.

It said the measures include intensification of patrols at suspected smuggling routes; physical search of commercial and non-commercial vehicles plying on routes notorious for smuggling; arrest and prosecution of traders peddling smuggled goods and point of sale checks on textile prints in the markets. *(AM, 15.09.03)*

Trade Pacts Cause Worry

World Trade Organisation (WTO) is concerned about the proliferation of regional trade agreements like those being negotiated by South Africa. The WTO warns that such agreements may give rise to regulatory confusion, distortion of regional markets and "severe implementation problems". They increase the risk of inconsistencies in rules and procedures among regional agreements and between multilateral negotiations such as the Doha Development Round. They could also have substantial cost implications for traders.

Regional agreements, however, provide insurance for countries such as SA to gain better access in other markets, says Peter Draper, a South African trade specialist. There remains the possibility of regional preferential trade agreements, clashing with the WTO principle, which prohibits regional agreements that afford one country better access to a WTO member market than another.

(BD, 16.07.03)

Standards Gap Hurts Africa

According to a new report entitled, 'Standards and Global Trade: A Voice for Africa', African countries face critical challenges in increasing their capacity to meet production and quality standards required in foreign markets. This standards divide prevents Africa from accessing the global market and benefiting from increased exports. The World Bank identifies the lack of ability of African countries to meet trade standards and their limited impact in shaping these standards, as real barriers to trade.

The report focuses its analysis on five countries – Kenya, Mozambique, Nigeria, South Africa and Uganda, and proposes an action plan for each of them. It stresses the necessity of public-private cooperation and investment to bridge the standards gap and highlights the benefits for rich countries in removing non-tariff barriers and further opening their markets. The report was released in conjunction with the World Economic Forum's Africa Economic Summit in South Africa from 11-13 June. *(Bridges WTND, Vol. 7, Number 23)*

Poor Countries' Growth Fastest

The World Bank projected that developing countries' economies will continue to grow faster than those of industrialised countries through 2004. This was brought to light in its Global Economic Prospects 2004 report released on September 3, 2003. The Bank said it expects developing countries to grow 4 percent in 2003 and, if recovery stays on track, 4.9 percent in 2004. Developed countries, the Bank said, will grow only 1.5 percent in 2003 and 2.5 percent in 2004.

The Bank's report notes the need for developing countries to undertake trade liberalisation measures. It argues that a "good" WTO agreement could produce hundreds of billions of dollars in income gains in both developing and developed countries. *(USDS, 02.09.03)*

Subsidies Hit African Growth

Agriculture subsidies in the developed world, declining world trade, uncertainty over Iraq, and bad weather, all conspired to weaken African growth last year, said a United Nations (UN) report. Average Gross Domestic Product fell from 4.3 percent in 2001 to 3.2 percent in 2002. Last year only five of Africa's 53 countries achieved the seven percent growth rate required to meet the millennium development goals. Africa is in danger of falling short of its goal of halving poverty by 2015. Even in the largest economies – South Africa, Algeria, Nigeria, Morocco and Egypt, growth was sluggish.

Growth was expected to rebound to 4.2 percent in 2003 but the deteriorating political and economic situations in Zimbabwe and Liberia had effects in western and southern Africa as well. According to the UN, the findings underlined the importance of developed countries fulfilling recent commitments to increase aid flows.

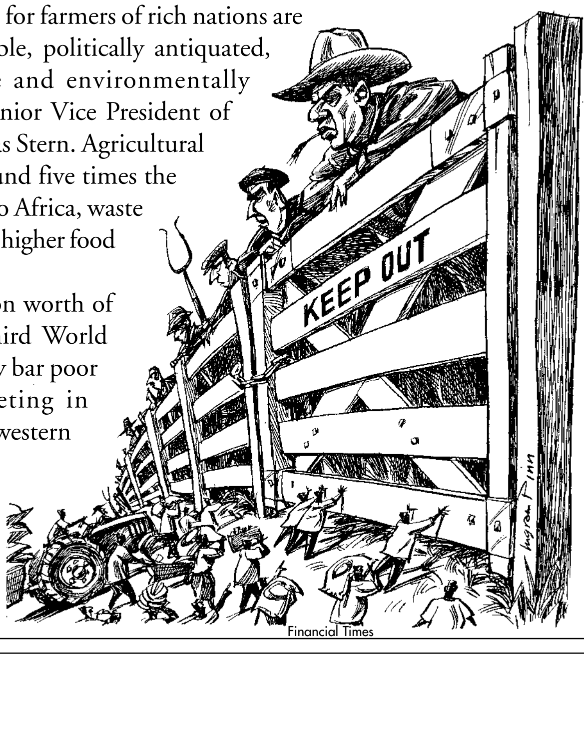
(FT, 31.07.03)

Agricultural Subsidies Condemned

Agricultural subsidies for farmers of rich nations are "ethically indefensible, politically antiquated, economically illiterate and environmentally destructive," said the Senior Vice President of the World Bank, Nicholas Stern. Agricultural subsidies, which are around five times the size of development aid to Africa, waste public money and lead to higher food price.

More than US$300bn worth of subsidies a year fuel Third World poverty as they effectively bar poor countries from competing in lucrative markets of the western world. Opportunities exist in horticulture, textile industry, processing of coffee and the leather industry.

(UNIRIN, 25.09.03)



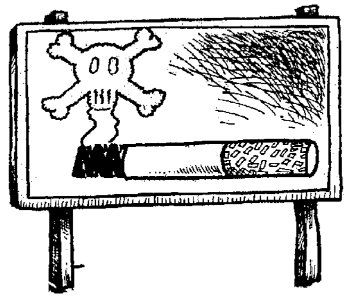
Fines for Various Offences

Public drinking in Zimbabwe will soon attract a fine of US$25,000 up from the current US$5000, while violating the Prevention of Corruption Act will be punishable by a maximum fine of US$2.5mn, up from US$0.5mn. Fines for committing various offences are set to go up by between 300 and 500 percent. Other fines include violating the Road Traffic Act, which would attract fines ranging from US$0.025mn to US$1.5mn; unlawful termination of pregnancy could attract up to US$1mn; tax evasion not exceeding US$0.2mn, up from US$0.04mn; stock theft – US$0.4mn up from US$0.08mn; maintenance fees maximum of US$0.1mn up from US$.02mn; and possession of dangerous drugs such as mbanje – US$1.5mn, up from US$0.3mn.

The proposed fine increases had been necessitated by rising inflation, which is set to hit 500 percent by October and to act as a deterrent for potential criminals. The new fines will come into effect once published in the Government Gazette.

(TH, 09.09.03 & FG, 18.09.03)

Tanzania Bans Public Smoking



Under a new law [Tobacco Products (regulation) Act 2003] that came into effect on July 1, 2003, it is illegal to smoke in public places in Tanzania. The law also considers it an offence to sell tobacco products to persons less than 18 years. The government has called for the setting up of special smoking areas at places of work.

The law prohibits tobacco advertising on radio, TV and in newspapers. The government will issue guidelines on sites where tobacco advertising can be placed. From July 1, 2003 cigarettes manufactured in and outside Tanzania will have to adhere to international standards and will have to carry a warning in English and Kiswahili on the negative effects of cigarette-smoking. Tobacco is a major foreign exchange earner and tobacco-growers have condemned the law. The aim of the Act is to reduce the use of tobacco products in the country to lower the number of smoking-related diseases.

(BBC)

Malaria – Still a Nightmare

Poverty, civil unrest, emergence of drug-resistant strains of parasites and insecticide-resistant vectors, mass population movements worsened by the refugee situation, disintegration and shortage of health services, climatic changes, shortage of anti-malaria drugs, and lack of sufficient laboratory equipment is exacerbating the malaria situation in sub-Saharan Africa. According to a World Health Organisation (WHO) report 2003, of the one million malaria-related deaths that occur worldwide, 90 percent are from Africa, south of Sahara with 3000 African children dying everyday as a result of the disease. Malaria related treatment costs between US$0.39 - 3.84 per person with estimated losses of 1-3 percent of average Gross Domestic Product in the region.

The one week workshop held in Nairobi between July 30 and August 4, bringing together regional heads of malaria control in sub-Saharan Africa, concluded that malaria is still "an unfinished agenda in sub-Saharan African countries, and needs more attention than it has so far received". In countries like Kenya, Uganda, Tanzania, Botswana, Chloroquine and Sulfa-pyranimidine combinations have either been abandoned, or are in the process of being abandoned as first-line treatment for uncomplicated malaria. The workshop discussed at length, possibilities of integrating a Chinese "wonder drug" against malaria, Artemisinin, and its derivatives (Artesunate, Artemether and Dehydroartemisinin), within public health systems.

(ACIS, 25.08.03)

Banks Face Test of Confidence

A cash crunch in the market could cause a deterioration of public confidence in Zimbabwe's financial sector, which has posted super profits despite a biting economic crisis in the past three years. Analysts warned that the sector was facing a serious test of confidence given the inconvenience the cash shortage has caused to the banking public. Many people were keeping the little cash they had in their homes, fearing they would be unable to get it once they deposited it with banks.

(FG, 10.07.03)

Ugandan Herb Cures Malaria

Ugandan scientists have ascertained that a local herb growing in most parts of Uganda is effective in curing malaria, including strains that are resistant to conventional drugs. Dr. Goretti Nambatya, the National Chemotherapeutics Laboratory (NCTL) Director said that they identified the herb through countrywide surveys in which they collected a variety of herbal concoctions.

She said that the herb had proved effective when tested on patients unable to afford conventional medicines, and those suffering from drug-resistant malaria. The scientists are preparing for large-scale tests, based on World Health Organisation guidelines, before recommending the herb for industrial processing. The herb used in making the drug is a creeping plant commonly known as Kapapula in Uganda.

(NV, 12.09.03)

Making Mosquitoes Impotent

International Atomic Energy Agency (IAEA), Zambia, held a press meeting on September 15-19, 2003. Acting Permanent Secretary, Dr. Paul Zambezi, said the agency was going to set up a centre to eradicate malaria, by making all male mosquitoes impotent. "With technology we are going to make male mosquitoes impotent. They will be barren," he said. The centre is scheduled to start operations in 2004.

Dr. Zambezi also announced plans of the government to establish a nuclear medicine unit at the University Teaching Hospital, where the IAEA has put up technicians for diagnosing and curing cancer. Dr. Zambezi said that with the cancer centre, Zambia would not need to send patients to South Africa for treatment.

(TP, 11.09.03)

Reviewing Phone Subsidies

South African cell phone subscribers buy handsets at heavily subsidised rates compared to those in other countries. The associated heavy costs of cheap deals on expensive phones are making operators think twice, and soon the practice is going to be phased out. Two factors are forcing cellular operators to rethink their collective strategies. Firstly, the average customer spending is falling each month in SA as cell phones reach less wealthy users. The other factor is that operators are expanding into Africa and taking enormous debts to finance that growth.

There is a shift in strategy in cell phone marketing in which cellular networks are abandoning their quest for massive subscriber numbers and placing more emphasis on profits. According to Richard Addington, the head of telecom financing at the Standard Bank in London, operators no longer want ten million subscribers and would prefer five million wealthier customers who would ensure a good cash flow. *(BD, 11.09.03)*

Fuel Coupon Plan Flops

The introduction of fuel coupons for commuter omnibus operators has worsened the plight of commuters in Zimbabwe as many of the minibuses have withdrawn services. The general unavailability of spares due to foreign exchange shortages has resulted in many dilapidated commuter buses failing to pass the mandatory government roadworthiness test - a compulsory requirement before a vehicle is issued fuel coupons.

The coupon system was originally designed to stamp out the thriving fuel black market by unscrupulous operators who got fuel from designated petrol stations only to resell it at exorbitant prices in the black market. Unfortunately, it has resulted in the few commuter bus operators charging exorbitant fares, as desperate commuters have no other means of travelling to and from work. *(ZS, 13.07.03)*

Food Crisis Deepens

The Consortium for Southern Africa's Food Emergency (C-SAFE) - a jointly planned and implemented response to the current food security crisis in the region by World Vision, CARE and Catholic Relief Services - discovered that about 80 percent of rural households in Malawi and Zambia could be classified as 'asset poor' or 'very poor'. Majority of households were found relying heavily on food aid to provide for part of their food requirements.

The main reasons for this were chronic illness and HIV/AIDS resulting in loss of productive capacity. Over the past year in Zambia and Malawi, 18 and 20 percent of households respectively experienced at least one death. The average age of death was 25.5 years in Zambia and 23 years in Malawi. C-SAFE noted that these households had land, but there was a large gap between what they had access to and what they could cultivate. Hence, labour shortage has resulted in land being left fallow. *(UNIRIN, 10.09.03)*

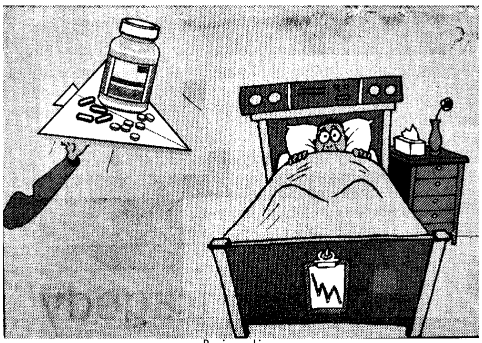
Africa's Birds Face Extinction

A new research shows that Africa's globally threatened bird species are on the brink of extinction. About 43 percent of Africa's most critically important places for birds and biodiversity conservation have no legal designation. The main threats affecting Important Bird Areas (IBA's) in 20 African countries are agricultural encroachments and habitat clearances (51 percent), over-exploitation and hunting (47 percent) and commercial logging in (20 percent) sites. Also, people displaced due to civil wars are a great threat to animals and birds around them

The study by BirdLife International found that of the 1230 IBAs in Africa only 57 percent enjoy any form of official recognition or protection. Only 33 percent of them are covered by a protected area and 13 percent are recognised under international law such as World Heritage or Ramsar conventions. The study shows that 10 percent of the 2313 African bird species are globally threatened. *(BN, 14.09.03)*

Generic Drug Racket Spreads its Tentacles

In Kenya, the Pfizer manufactured drug, flucanozole, for cryptococcal meningitis, has a wholesale price of US$6.36 a capsule. Generics of the same quality are available outside Kenya for only US$0.2. When a Company holds the patent to a drug and the exclusive rights to make and sell it, the drug has a single brand name and becomes more expensive. This is mainly to cover research and development costs. After the patent expires, in 17-20 years, other companies can also manufacture and market it under a generic name, or a new brand name resulting in competition that drives the price down.



Business Line

Presently, only 0.001 percent of the 25 million people infected with HIV in Africa receive anti-retroviral drugs, which are freely available in most parts of the West. An Indian based pharmaceutical company, Cipla, has created a generic version of Combivir, a combination of AIDS drugs, AZT and 3TC, in one pill. Cipla is offering a cocktail of drugs for about US$600 per person per year to governments. The same drug combination would cost US$10,000 - 15,000 a year from manufacturers in the West.

However, there is a fear of fake generics flooding the Kenyan market due to lack of strong surveillance and regulatory procedures in the country. Officials at the laboratories affirm that importers and pharmaceutical companies are exploiting the poor surveillance mechanism of the Government. Once the first drug batches pass the quality test, some companies alter the drug's quality in subsequent batches as a way of maximising profits. *(ACIS, 15.09.03)*

Preparatory Workshop Hails Civil Society

Following government's invitation for civil society to input into the government's position paper for the Fifth WTO meeting, CUTS-ARC in co-operation with the Zambia Trade Network and Friedrich Ebert Stiftung (FES) organised a pre-Cancun preparatory workshop that brought together civil society organisations, the business community and other private sector participants.

The workshop was held in Lusaka on 21–22 August 2003. In his opening speech the minister of Trade and Industry, Honourable Dipak Patel, said that the government of Zambia recognised the need for not making issues like the World Trade Organisation (WTO) the preserve of government officials and political leaders. He paid a glowing tribute to civil society which he recognised as being often closer to the people, thus being better placed to articulate the interests of the average citizen and also monitor the implementation of such National Programmes.

Among other issues, the following three critical thematic issues emerging from paper presentation sessions were identified for detailed reflection and deliberation, namely:

- The role of Civil Society Organisations in the WTO was identified for lobbying and advocacy work on WTO issues by strengthening linkages with other organisations. Media was identified as a key source in raising public awareness on trade issues in Zambia;
- With regard to General Agreement on Trade in Services (GATS), Zambia's position was identified for lobbying the elimination of agricultural subsidies in developed countries while encouraging agricultural subsidies in developing countries as well as for a duty and quota free access to markets in developed countries for agricultural exports of interest to developing countries;
- The plenary discussion noted that Zambia should move very cautiously on Singapore issues, namely, competition policy, government procurement, transparency and investment related measures. Participants felt that negotiations on these issues should only begin after a careful assessment of economic, social, political and cultural implications.

The participants also felt that Trade Related Intellectual Property Rights (TRIPs) and public health issues are particularly important to Zambia and therefore merited lobbying for at the WTO's fifth ministerial conference. They encouraged Zambia and other developing countries to rally together and lobby for a quota free market access of agricultural exports and a removal of subsidies for western farmers.

Poverty Impact of Doha Development Agenda

CUTS-Africa Resource Centre (CUTS-ARC) and Overseas Development Institute (ODI) London, organised a panel discussion on 12th September 2003 during the 5th WTO Ministerial Conference, Cancun, Mexico. This was aimed at bringing poverty reduction in the main stream of the Doha Development negotiations at Cancun and to prevent diverting of attention from the main goal of the negotiations.

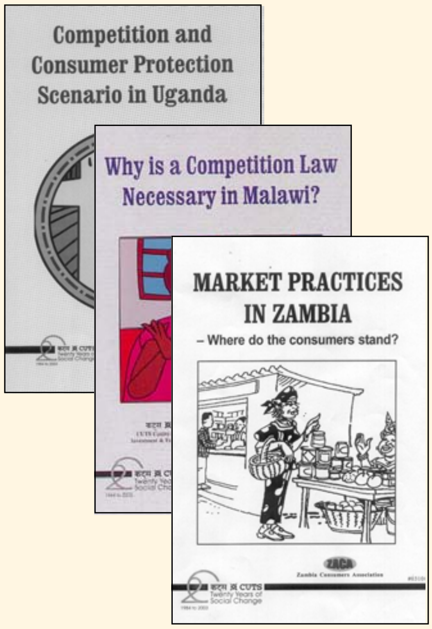
Sajeev K. S. Nair of CUTS-ARC outlined how the Doha Ministerial Conference of 2001 suggested concrete measures to bring poverty to deal with some of the inequities in the Marrakesh Agreements governing the WTO. He mentioned that for most of the developing and least developed countries, economic development is synonymous with poverty reduction. He therefore suggested that the Doha Development Agenda (DDA) should be examined for poverty reduction potentials in order for it to act as a real agenda for poor countries.

According to one of the presenters Abid Suleri of Sustainable Development Policy Institute, Islamabad, the rules-based trading system under the WTO is skewed in favour of the rich countries, which have various advantages against the weak members who represent the majority. He charged that the other two Bretton Woods institutions, the World Bank and the International Monitory Fund (IMF), also contribute to the continued weakening of economies of the poor countries even though all the three institutions are expected to pursue complementary policies. A case in point is the conflict between the trade liberalisation agenda being pursued by the WTO and the Poverty Reduction Strategy Papers (PRSPs). On this point he noted that liberalisation does not always help to reduce poverty.

The question of whether the DDA is friendly was raised by Javed Sakhawat of Associates of Development Initiatives, Dhaka. He mentioned that merely prefixing the word development does not make it a development friendly agenda. There is need for the Trade Policy Review Mechanism (TPRM) of the WTO to incorporate analyses of the key development indicators of the member countries – such as human development index, health, education, etc and bring them in line with the WTO agreements and policy framework negotiations.

It was concluded that since there is a close link between poverty and trade, the alternatives, one of which is preferential arrangements, are bad especially for the weak partners most of whom are poor countries. There is a need to understand that poverty reduction means much more than accessing goods and services at cheaper prices by improving livelihood security and overall development of the people.

Competition and Consumer Protection Scenario in African Countries



In this series of studies, seven African countries have been selected. The extensive account of market practices in the select countries provides a wealth of information not only for policymakers but also for consumer groups and other reform-minded interest groups. The studies delve deep into competition- and consumer-related issues in different sectors of these African economies. Especially, they outline what types of anti-competitive behaviour are observable in the markets of these countries and what actions the selected states have taken in response.

Three of these seven studies have been published, which include –

1. Competition and Consumer Protection Scenario in Uganda.
   (Price: Ush4000 INR100/US$5)

2. Why is a Competition Law Necessary in Malawi?
   (Price: MWK150/INR100/US$5)

3. Market Practices in Zambia: Where do the consumers stand?
   (Price: ZK5000/INR100/US$5)

Forthcoming

Policy Brief

COMESA Competition Policy – A Consumer Perspective

Established in 1994, succeeding the Preferential Trade Area (PTA) for Eastern and Southern Africa, COMESA—Common Market for Eastern and Southern Africa—is a regional trade and investment integration group, comprising 20 countries of the region. Experiences with COMESA have hammered the need for a proper competition policy and law. This policy brief takes a holistic view of this entity, in a nutshell, as well as its related aspects.

Monograph

Competition and Consumer Protection in Kenya

Test your competition and consumer protection knowledge about Kenya. This case study is a pioneering effort for the government and other stakeholders to think on what ought to be done as regards competition policy and consumer protection from all perspectives.

Among the highlights of this exciting publication is the discussion on competitiveness in various sectors of the Kenyan economy including telecommunications, banking, health, and power sector. Read too about price fixing, market sharing and bid rigging by cartels and abuses of dominant position through among other ways, predatory pricing and the activities of Consumer Information Network (CIN) and other consumer protection agencies.

Sources

AIM: Agencia de Informacao de Mocambique; TEAS: The East African Standard; TN: The Nation; C: COMESA; FG: Financial Gazette; BBC: British Broadcasting Corporation; BT: Business Times; BD: Business Day; TH: The Herald; AM: Accra Mail; USDS: United States Department of State; NV: New Vision; ACIS: African Church Information Service; TP: The Post; ZS: Zimbabwe Standard; UNIRIN: UN Integrated Regional Information Networks; BN: BuaNews

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