Tradequity
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G20 Urges Conclusion of Doha Round

G20 is a group of 20 heavily industrialised nations, mostly developing countries who meet occasionally to discuss key issues in the global economy. Recently, the G20 Summit was held in the Town of Pittsburgh, US where the members pledged to conclude the World Trade Organisation (WTO) Doha round of talks by the end of 2010.

The WTO General Council on May 26, 2009, agreed to hold the Seventh Session of the WTO Ministerial Conference in Geneva, Switzerland on November 30 - December 02, 2009. The general theme for discussion will be "The WTO, the Multilateral Trading System and the Current Global Economic Environment".

Doha Round negotiations began about nine years ago and have been unable to reach a conclusion till date. At the heart of these talks is the Doha Development Agenda (DDA) which is a bunch of issues that WTO members have been trying to address and agree upon.

The developing countries have defined the DDA to include – gradual liberalisation of a limited number of agricultural tariff lines to protect economically vulnerable producers, through Special Product (SP) provisions; developing a mechanism that would help developing countries cope with fluctuation in prices and import surges, through the Special Safeguard Mechanism (SSM) provision; reducing unfair competition in agricultural markets by significantly reducing agricultural subsidies and tightening disciplines; and addressing all the trade-distorting policies affecting the cotton sector in all three pillars of market access, domestic support and export competition within the agricultural negotiations.

All through these years of the Doha Round, the most contentious issues have been farming subsidies and the industrial caps to reduce green house gases. The trend seems to have continued focusing on the agricultural issues with respect to SSM. Developed countries such as the US have always strongly opposed the developing nations' proposals for an effective SSM.

On the other hand, the G33 nations have been pushing for a reduction in farming subsidies and import taxes on part of the developed countries. The US government and the EU spend millions of dollars on subsidising their farmers.

Developed countries have for years argued that their farmers need such subsidies as a way of boosting their productivity and keeping them on the market. That argument is, however, denied by developing countries who argue that farming products from developed countries cannot compete favourably with those from developing countries where subsidies are unheard of.

In light of all the issues highlighted above, the G20 presidents pondered on how they would resuscitate and contribute to the successful conclusion of the stalled Doha talks. With the Pittsburgh resolution, there is hope that the forthcoming WTO Ministerial Conference in November may bring about speedy progress in the conclusion of the talks.

For the Doha deal to be successful, leaders on both sides of the divide should ensure that they compromise to a level where the final result will ensure a win-win situation. It should be noted that once the Doha deal is struck, it will help reduce the tariffs and accelerate global trade as exporters and importers will be able to conduct their business in a better environment.

Developing countries stand a better chance of gaining due to access to wider markets in the developed countries as opposed to the current situation where not all their products can gain access to those markets.

Despite the failed talks at Cancun, Potsdam and Geneva, there is hope that the upcoming Ministerial Conference in November will conclude the Doha talks which are ongoing since 2001. The G20 insisted that conclusion of the talks was cardinal and everyone needed to come on board and iron out the pending differences. It remains in everyone's interest to see the talks successfully concluded.

IN THIS ISSUE

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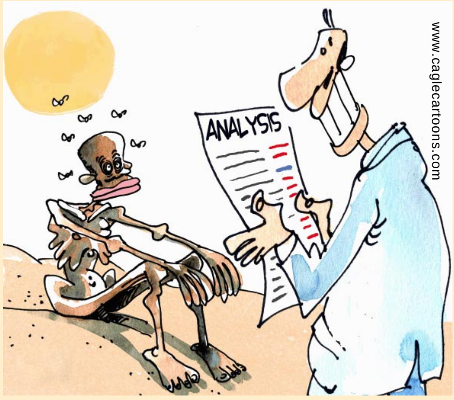
Warning Against Poverty



The World Bank has warned that eight to 10 million Africans could be thrown into poverty as a direct result of the global economic decline. It is estimated that African Gross Domestic Product (GDP) will slow from 4.8 percent in 2008 to 1.7 percent in 2009. While this is still higher than the Organisation for Economic Cooperation and Development (OECD), these are low-income countries and so this could lead to human crisis.

It is now estimated an additional 30,000-50,000 infant deaths could result – and the majority will be girls. A child dying is an irreversible consequence of this crisis, this is a much worse consequence for the continent that is least integrated with the global economy. *(Tralac.com, 08.09.09)*

Aid Accountability

Zambia has been hailed by the international community for its strong fight against corruption. However, with the revelation of a corruption case in the Ministry of Health where 27 billion kwacha of donor-funded money was allegedly stolen and misappropriated by a number of ministry officials, some donors have become sceptical.

As a result, the Swedish and Netherlands governments suspended their financial support to the ministry and urged the Zambian government to ensure that there is proper audit and accountability of aid programmes to restore international confidence.

Meanwhile in the quest to restore the dented image, the Zambia government has launched the long-awaited National Anti-Corruption Policy (NACP). Under the NACP, the Anti-Corruption Commission (ACC) will be strengthened and be made the lead investigating agency in the fight against corruption. *(TP, 09.09.09)*

Increased Budgetary Support

The European Union (EU) has increased its budgetary support to Zambia for the 2010 budget. Financial support has gone up in comparison to that given in previous years. The increased budget will help the Zambian government meet some of its targeted developmental projects.

The government has changed the Budget cycle in order for it to run from January to December. Thus, the 2010 National Budget will be presented to Parliament in October 2009. Government has also been urged to ensure that the newly launched NACP is implemented as it will strengthen the fight against corruption in the country.

(ZNBC News, 16.09.09)

Monetary Union

The East African Community (EAC) Secretariat is launching a series of consultations in partner states on the establishment of the East African Monetary Union (EAMU). The EAC Secretariat, in collaboration with the European Central Bank (ECB), is undertaking a comprehensive study on the proposed EAC monetary union.

Consultation meetings in the five partner states will be held to discuss the preliminary findings of the ongoing Monetary Union Study and to finalise assessment of the preparedness of the EAC Partner States for the Monetary Union.

The consultations will target a broad spectrum of stakeholders among others; the National Central Banks, Ministries of Finance, EAC Affairs, Planning, Trade, Industry; Capital Markets Authorities; Bureaus of Statistics; Bankers Associations; Academia; Parliamentarians; the Private Sector and the Civil Society.

(DM, 09.09.09)

China Pledges More Backing

China will support Kenya to overcome challenges posed by the current global economic crisis. The Chinese Ambassador to Kenya said it is only through bilateral and multilateral relations that nations can overcome the crisis. China intends to foster closer economic and socio-cultural ties with Kenya in areas of trade, tourism, education, agriculture and global governance among others.

China will continue playing a leading role in improving transport infrastructure in the country, through provision of technical expertise and financial aid. Economic analysts have identified China as one of the nations moving towards recovery from financial crisis, and it is his country's aim to see nations, especially in Africa, overcome the situation.

(DN, 04.09.09)

Need to Diversify

Zambia has been harping about diversification since the 1980s to move away from its reliance on copper but the efforts towards this development have been minimal. However, various stakeholders, such as the African Development Bank (AfDB) has advised Zambia to diversify its exports to cushion it against external shocks and improve its competitiveness.

The country suffered a huge economic setback when copper prices dropped in the international market due to global financial crisis that crippled the country's mining industry. The crisis underscored the relative vulnerability of small open economies, which are heavily reliant on key products. In this regard, Zambia needs to take the diversification process seriously for her to enhance her economy. *(ZDM, 03.08.09)*

Africa, Invest in Movement!

Invest in movement was the powerful message from the 8th African Growth and Opportunity (AGOA) Act Forum as the poor state of infrastructure in Africa haunted the three-day event which closed on the note that, with efficient transport, the success of the trade window was bound to go up. Modern roads, railways, ports and aviation facilities must, with immediate effect, be built at interstate level to ease movement of goods and people across the continent.

The investment is massive but the gains from it potentially astronomical, considering that more than 50 percent of the cost of doing business is directly related to poor transport. The cost has worked against the competitiveness of African products in overseas markets, with some perishable items never reaching the shelves at all. *(TEA, 10.08.09)*

Economics and Development

Stalled Exportation of Food

Government has secretly halted food export to Southern Sudan in a knee-jerk response to tamp down criticism over the worsening famine in the countryside. Vast parts of the country are experiencing famine – with several reported deaths, the government says that they cannot leave the people back home to starve and export food elsewhere.

A top official of Uganda Export Promotion Board said following directives from "above" government had decided to suspend food exports to stabilise stocks on local markets drained of consumables in the wake of drought that failed crop yields. It is understood Ugandan bureaucrats, often scarred of administrative backlash, use the phrase "orders from above" to imply political supervisors. *(TMU, 29.08.09)*

Boost Loans to Farmers

South Africa, one of the economic giants of Africa, is facing a major dip in its GDP due to a sharp decline in the agriculture sector. Therefore, realising the great potential this sector contributes to the economy and consumption, two of South Africa's four largest banks Absa and Nedbank, are boosting loans to farmers as the country's recession threatens to spur more defaults in other industries.

Agriculture was the fastest growing industry in South Africa in 2008 as mining contracted, retailers expanded at the slowest pace in 11 years and manufacturing growth fell to the lowest level in five years. Absa boosted agricultural lending by 67 percent last year, while paring loans to consumers and mines, according to its annual report. Nedbank, the bank controlled by Old Mutual Plc, is also making more agricultural loans. *(BD, 08.09.09)*

Establishing a Standards Unit

Uganda is to train Southern Sudan in goods and services standardisation. The government of Southern Sudan wants to establish a standards unit, but it lacks manpower. The people that will be trained will be responsible for testing, quality assurance, legal metrology, market surveillance and general inspection to protect life, economy and environment.

The two governments will sign a pact before the training starts. Experts from the Uganda National Bureau of Standards, the Uganda Export Promotions Board, the Management Training Accountancy Centre and the Uganda Industrial Research Institute would train the Southern Sudanese team. *(NV, 01.09.09)*

Enhancing Economic Growth

The United Nations Industrial Development Organisation (UNIDO) and the WTO have advised the Zambian government to strengthen existing business laws for enhanced economic growth. In a joint report compiled titled 'Review of the Quality Infrastructure of Zambia', the two organisations noted that the current system has reached the end of its usefulness and there was a need for the total re-engineering of the country's National Quality Infrastructure (NQI) and technical regulation regime.

The joint report was compiled following a study of some of the country's business machinery such as regulatory agencies. The report is meant to provide a description of the current quality infrastructure, that is, the institutions and their capacities and the regulatory regime as regards compulsory standards, import inspection and technical regulation. The report stated that technical regulations could work against free trade if ill or ineffectively implemented. *(TP, 18.09.09)*

Resuscitate Education

Donors have given Zimbabwe's ailing education system a US$70mn boost in an attempt to reverse the rapid decline of a sector once regarded as the finest in sub-Saharan Africa (SSA). The UN Children's Agency (UNICEF), in partnership with the Zimbabwe unity government, will be distributing funds from donor countries that include Australia, Denmark, Germany, Netherlands, Norway, New Zealand, Sweden, the United Kingdom, and the European Commission (EC) on behalf of the EU.

UNICEF estimates the ratio of textbooks to students at about one book to every 10 children. Teachers in the capital, Harare, said there were cases of 40 pupils sharing one textbook at some schools. The objective is to reach every child in Zimbabwe with a textbook within 12 months. *(IRIN News, 17.09.09)*

Hot Seat in Investment

India Inc's hot new investment destination is Nigeria. Since Nigeria today is what India was 20 years ago in terms of infrastructure and economic development, thus this offers immense opportunities to Indian companies. Besides, Indian companies have the ability to deliver world class results at competitive prices. Indian companies have committed an investment of almost US$6bn in next two years.

Oil and gas, power, telecommunications, agriculture, roads, railways and IT are among the sectors that are attracting Indian companies. It is not the private sector alone since a proposal is being pursued with the federal government of Nigeria for setting up coal and gas based power plants and sourcing gas for National Thermal Power Corporation (NTPC) plants in India. *(HT, 19.08.09)*

Growth to Fall Sharply

The International Monetary Fund (IMF) says growth in SSA is projected to fall to 1.5 percent in 2009. Hurt by the impact of the global economic recession, growth in SSA is projected to decline from just under .055 percent in 2008 to .015 percent in 2009 before recovering to about .0375 percent in 2010 a rating still below its pre-crisis level.

The abrupt slowdown puts at risk earlier hard-won gains and progress against poverty in Africa. Demand for African exports has weakened and prices for most commodity exports have fallen. Tighter global credit and investor risk aversion has led to a reversal of portfolio inflows. *(IMF, 10.09.09)*

NTBs Hurdle Trade

East Africa's economic bloc may not lucratively reap from regional trade unless member countries work out ways of reducing or abolishing non-tariff restrictions to interstate trade, a study has said. The study commissioned by the Makerere' University-based Economic Policy Research Centre says despite having had a decade of economic reforms and efforts to harmonise regional trade policies, the EAC region is still plagued by trade constraints, which countries have used to advance domestic protectionist policies.

In 2005, the World Bank Report had indicated that non-tariff barriers (NTBs) remain an obstacle to the development of trade in the EAC region. NTBs have gained prominence as trade policy tools either for protection or for regulation of trade. *(DM, 09.09.09)*

Leaders Lobbied by Investors

The EAC secretariat announced an exhibition of products manufactured in the region that would be held at the Kenyatta International Conference Centre (KICC). The regional trading bloc said businesses attending the conference will be able to network with local and foreign participants and discover profitable investment opportunities in the region.

The Republic of India has been invited to participate as a guest country. The country will partner with the EAC countries due to an existing framework agreement on cooperation. Kenyan businesses could target deals with Indian firms that deal in the Agro-processing sector including tea, coffee, rice, cashew nuts, palm oil and horticulture, in food processing including soft and hard drinks, in cereals and in fisheries. *(BD, 14.07.09)*

Uncooperative Private Sector

The Zambian government has complained that it has not received adequate cooperation from the private sector to facilitate completion of the list of sensitive products exercise under the Common Market for Eastern and Southern Africa (COMESA) Customs Union (CU). According to Zambia's Commerce, Trade and Industry Minister, the progress on the need to compile the list of sensitive products had not been impressive because of unfavourable response from the private sector.

The ministry had been involved in consultation with the chambers of commerce and industry, the farmers, and the manufacturers on the need to compile a list of sensitive products for submission to COMESA secretariat as part of Zambia's obligations under CU. Zambia is currently finalising work towards participating in the COMESA CU, which was recently launched in Zimbabwe. *(TZ, 18.09.09)*

Promoting Tripartite FTA

Preparations to have a free trade zone across Africa's three economic blocs are in high gear. This is the result of a tripartite summit held in Kampala in 2008, where heads of state from the three regional blocs; EAC, COMESA, and Southern African Development Community (SADC) agreed on the expeditious establishment of a free trade bloc. If endorsed, the initiative will see the formation of the Tripartite Free Trade Area (TFTA) between SADC, EAC, and COMESA.

It emerged at a Trade Law Centre for Southern Africa's annual conference held in Cape Town that moves to set up the TFTA at an advanced stage. The secretariats from the three trade blocs are working on the framework of the proposed grouping whose formation is expected to feature prominently at the SADC summit to be held in the Democratic Republic of Congo. *(TNT, 23.08.09)*

SADC Shifts Zim

Zimbabwe's burning political issues in the unity government may have to be put on hold for some time while SADC's leadership change the baton at the Kinshasa Summit. South Africa is handing over the chair to the Democratic Republic of Congo, as President Joseph Kabila takes over from President Jacob Zuma.

The move has been one of the top worries of the opposition. The Zimbabwean unity government, formed in February, 2009 after months of hitting detours has recently been experiencing some hitches with the parties seeking several SADC interventions.

However, both Kabila and Zuma have assured that the transition will not affect the route already taken by the regional bloc on Zimbabwe, further hoping the issues will be speedily resolved. *(AN, 07.09.09)*

Regional Trade at High Cost

Regional transaction costs are "unnecessarily too high" hence undermining international competitiveness of the area, the EAC secretary general has said. Infrastructure deficits constitute a serious impediment to the consolidation and deepening of EAC integration.

Infrastructure plays a critical role in the delivery of goods and services hence the need for it to be in place. This entails that EAC countries must work hard and lower the cost of business amongst themselves if they are to get the benefits of regional integration. *(TEA, 15.09.09)*

New Entrants

The EAC Secretariat has announced the official launch of the EAC CU in Rwanda and Burundi. The launch activities will be held simultaneously in the respective capitals of the new EAC Partner States: Kigali and Bujumbura. Implementation of the EAC CU Protocol in the new partner states will commence on July 01, 2009.

The protocol on the establishment of the East African CU came into force in 2005 in the three founding partner states. Despite the accession of Rwanda and Burundi into the EAC, the implementation of the CU has been steady and it is expected that by 2010, the region will have a single CU territory. *(TEA, 08.07.09)*

Doha Deal at What Cost?

An African group participating in the two-day informal ministerial meeting in New Delhi stated that a rapid conclusion of the Doha Round talks should not come at the cost of developing countries' concerns. Countries should not lose sight of the development aspects for the round which should ensure the integration of African and developing countries, particularly the least developed countries, in a fair multilateral trading system.

The African body is concerned over attempts to change or reinterpret the mandates in any negotiating track. Developing countries believe in the need to preserve and build on progress achieved so far in the negotiations, and to avoid any backtracking. Further, negotiations in agriculture and non-agricultural market access should be based on the draft modalities texts. *(Tralac.com 04.09.09)*

A Stable but Fair Deal

The failure by the EU on the one hand and African, Caribbean and Pacific (ACP) nations on the other to conclude their Economic Partnership Agreements (EPAs) by July 31, 2009, the agreed deadline, does not augur well for trade between the two sides. The bone of contention remains just how wide ACP countries should open their doors to European competition in areas such as government procurement and trade in services. There are also disagreements in sectors such as the environment and intellectual property rights.

Civil society organisations (CSOs) are on record criticising the EPAs, saying they will disadvantage poor countries and give undue leverage to European companies. Business and trade can only thrive in an environment that is stable and predictable, which the current deadlock does not engender. In the EAC, the failure to conclude the EPA could be particularly bad for Kenya, whose key exports to Europe such as flowers and vegetables now risk losing the concessionary terms under which they enter the EU.

(TEA, 24.08.09)

Debate on Subsidised Goods

Why should we surrender ourselves to the invasion of highly subsidised European goods? What will be the impact of capital outflows because of strategic services such as telecommunication, port, energy and water services being liberalised and privatised in the interest of European companies?" These are the questions that a Mauritian political movement, wants answers to after their country's government, along with Madagascar, Seychelles and Zimbabwe, signed an interim EPA with the European Community.

The EPA replaces all previous trade agreements between the EC and the ACP countries and was ostensibly meant to support their development, strengthen regional integration, and provide for special and differential protection of vulnerable ACP markets. *(AT, 19.08.09)*

EPAs Should Connect People

Four Eastern and Southern African (ESA) countries recently signed an interim EPA with the EU. Mauritius, Seychelles, Madagascar and Zimbabwe signed the controversial Free Trade Agreement (FTA) while Zambia, refused to sign because it wanted to bring everyone on board as chair before signing thus promoting the spirit of regional integration. Zambia emphasised that EPAs should be about connecting people and moving them from a state of despair to hope.

An EPA should be about connecting people, making a difference in their lives and creating the independence that they need. It should be about making a difference, providing relief. The ESA region is facing several challenges that must be addressed before a full EPA is signed with the Europeans.

(COMESA News, 08.09.09)

Eyeing Deals

Kenyan manufacturers have the opportunity to clinch investment deals with regional firms during a two-day investment conference being organised in Nairobi. The meeting, organised by the EAC to showcase investment opportunities in the region, is expected to attract companies from Tanzania, Uganda, Rwanda, Burundi as well as India.

Its theme is "Investing in EAC Where Global Challenges are the Opportunities". "In spite of the global economic crisis, there is a merit in displaying the region's resilience. Macroeconomic convergence statistics reveal satisfactory performance", said the Kenya Association of Manufacturers (KAM), an umbrella organisation for Kenyan businesses.

(BD, 15.07.09)

Export Policy to Enhance Trade

The Zambian Government has started drafting the National Export Strategy Policy that will facilitate enhanced export of Zambian goods into the COMESA, SADC and other bilateral markets. According to Ministry of Commerce, Trade & Industry (MCTI), Zambia is in the process of coming up with a National Export Strategy Policy following a study that was undertaken to identify sectors that had potential to export into the regional markets.

During this process, the ministry will engage the private sector to contribute to the formulation of the policy. The ministry will hold consultative meetings with the private sector before finalising the policy.

(ToZ, 18.09.09)

Stalling Fake Imports

In the quest to halt fake agricultural imports, the Zambian government is in the process of enforcing trade regulations to curb the problem. This will protect consumers and local agricultural producers in the face of the FTA. Agriculture Deputy Minister, Daniel Kalenga, says government recognises the need to level the playing field and make local farmers competitive.

Of late, Zambia has seen an increase in the number of fake agricultural products. These fake agricultural imports have continued to cause damage to the sector. Government envisions to make agriculture the engine for poverty reduction. *(ZNBC, 15.09.09)*

Registering Phone Subscribers

Despite mobile phones bringing the world closer and well connected, some quarters of the society hold mobile phones responsible for increased crime rate. A villager from a remote part of Africa uses the mobile phone service to reach out to the any part of the world, while criminals use this device for destruction and causing mayhem in the world.

The Kenyan government has ordered the registration of all mobile phone subscribers in an effort to clamp down crime. There has been an increase in crime since 2008's post-election violence in Kenya. It will join Tanzania and other African countries which are registering phone subscribers in a bid to crack down organised crime. *(TP, 23.07.09)*

Food Prices still High

Zambia has been a witness of rapid increase in food prices despite production levels improving in the agricultural sector. Some analysts have attributed this increase to the continued upward movement of fuel prices in the country while others lay the blame on lack of government subsidies.

When prices increase beyond people's reach, it creates a situation where people cannot afford to eat, leading to malnutrition, starvation or death. This however should be avoided by the government through promotion of agricultural productivity to ensure food security countrywide. Government can also help empower its citizens to have disposable income as a way of helping them to afford basic necessities such as food.

(TP, 14.07.09)

Healing Touch

Telemedicine at the All India Institute of Medical Sciences (AIIMS) will go international soon when doctors sitting in Delhi will diagnose and treat patients in 54 countries across Africa. The project is the brainchild of former President of India, Dr APJ Abdul Kalam, who had promised medical assistance to African nations.

While AIIMS will provide the medical expertise, Telecommunication Consultants of India (TCI) Ltd will contribute the hardware and the satellite link.

Anticipating patient overload, AIIMS plans to divide the project into two parts – online and offline analysis. In the first, patient-doctor interaction will take place on the spot, while in the latter, specialists at AIIMS will be sent detailed medical histories in batches through e-mail.

(HT, 23.09.09)

Water for All

The Angolan government will get support from the UN system to achieve universal access to water to boost health and curb poverty under the "Water for All" scheme – also known as the Joint UN Programme on Water and Sanitation. Clean, piped water is said to be prohibitively expensive for many Angolan families, forcing them to rely on unsafe water, which, along with poor sanitary conditions, contributes to nearly 90 percent of deaths from diarrhoea.

UNICEF has underscored children's right to water and a clean environment, as enshrined in the Convention on the Rights of the Child. This new initiative will help Angola reach the Millennium Development Goal (MDG) on ensuring environmental sustainability and "will also contribute to reducing poverty."

(AN, 30.07.09)

No Rains – No Food

As food becomes the life blood of a health nation, Karamoja Region in north-eastern Uganda is unlikely to benefit from the anticipated El Niño rains for crop production since rains failed during the normal planting season in March, local officials said. The projection is that from November to April, they will have no food because looking at the harvest, it is pretty clear that what they got was not what they expected.

In the rainy season, people planted crops that withered due to lack of rain. Most people lost an entire season. Latest forecasts suggest that the El Niño rains that are expected in the country are less likely to reach this region. The second rains are always associated with diseases and migratory pests and historically, the second rains are not conducive for agriculture. El Niño rains are expected to hit Uganda from mid-September until November.

(IRIN News, 17.09.09)

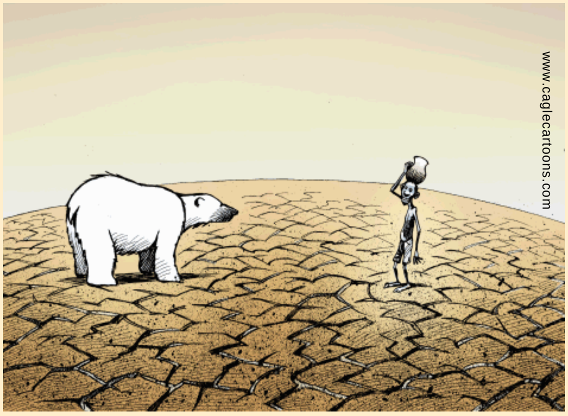
Warning Bells are Ringing

Deadly floods that have swept across West Africa could lead to outbreaks of diarrhoea, malaria and other communicable diseases, the World Health Organisation (WHO) cautioned calling for funding to respond to the emergency. The heavy rains that began in June have claimed nearly 160 lives and affected some 600,000 people in the region.

While no outbreaks have been reported so far in affected countries including Ghana and Mali, there have been increased reports of malaria and diarrhoea, but WHO cautioned that a complete picture of how many people are suffering health conditions due to the flooding has not been obtained. Malnutrition could become an important issue as many people had poor nutritional statuses before the crises. *(AN, 16.09.09)*

Nudge on Pollution

Climate change has adversely affected developed countries as well as developing countries that do not have enough resources to counter its effects. Despite several countries having signed the 1997 Kyoto Protocol, many developed nations still cannot agree on the amount of reduction of their carbon emissions.



It is in this vain that the Zambian president has called on developed nations to assist their developing counterparts to help reverse climate change. In December 2009, world leaders will gather in Denmark for the Copenhagen Climate Change Summit which will adopt a new treaty to replace the decade-old Kyoto protocol.

(ZDM, 24.09.09)

The Conversation for Our Time

The World is in a crisis born from regulatory mismanagement. The contagion of hopelessness has spread throughout the world, affecting those who have had little or no ownership of their own demise.

Paul Kagame
President, Rwanda

A week before the G8 conference in Italy on July 15, 2009 President Paul Kagame of Rwanda told business leaders at a CBC African Business Forum in London: "It is time for us who lead nations, the multilateral institutions, and the academy to agree on a new protocol that can be constructed on mutual respect and common interests ... We, who lead nations, should not preach the merits of change to others, and not be willing to change ourselves ... In that spirit, I invite those in the leadership of the G8 to recognise that others have something to offer, especially on the issues that affect their own lives ... We ask you to never pretend that you care more about the people of our nations than we do."

The World is in a crisis born from regulatory mismanagement. The contagion of hopelessness has spread throughout the world, affecting those who have had little or no ownership of their own demise. Still, the question remains, "What will be the lessons?" Prominent media outlets and recognised economists ate already shaping this as the debate between "market fundamentalism", the notion of unfettered markets, versus "authoritarian regimes" who, they say, are anxious to buy influence and whose values, they insist, are inconsistent with good governance and high environmental standards upon which we in emerging markets increasingly insist.

This is the era of total global competition for sub-soil assets, financial capital, skilled workers, and market access. It is also time for the press to rise up once more and play their historic role, which is to shed light on the new terms of discourse. It is time to provide nor only the nutrition, shelter, healthcare and education they require; not only to create the nation of justice, opportunity, and tolerance they deserve; but also, to improve the very quality of their hopes and aspirations. In that spirit, I invite those in the leadership of the G8 to recognise that others have something to offer, especially on the issues that affect their own lives.

While it is not appropriate to speak on behalf of all of Africa, there are leaders in all parts of the continent, and at all levels of civil society, commerce, and government who are ready to assume the mantle of their own people's destiny. The need is to identify and support them. Indeed, those who live in well-off nations should be happy that they exist, and are capable and eager to lead.

Rwanda grew at 11.2 percent in 2008, even as the world entered a recession, and we did that while wages in key sectors grew each year over the last eight years. We call this economic growth through investments in social equity. We now export finished goods directly to the most famous retail establishments in the US.

It is as if some can never agree that something good can come out of Africa – that we might indeed, lead the world in something good. Let me invite each of you who loves Africa deeply, who has dedicated themselves to the truth long ago, to reconsider your biases, and to be a force for positive change. You will certainly find in many leaders of Africa, that we are willing to learn from you.

Here are some of my thoughts that I believe could be the basis for a more productive protocol between rich and poor nations: We will focus on the only investment with the possibility of infinite returns, our children. We will do this through investments in education, healthcare, and specialised infrastructure. We will improve the rule of law, share power between men and women, and with those who have ideas that are different from our own. And, we will use all the energy and assets in business, the academy, and civic society to connect the poorest and most disenfranchised of our society to global networks of productivity.

This, we believe, provides us with the greatest chance to raise incomes, and lay the basis for a host of progressive human values like tolerance, trust, civic engagement, and other pro-innovation attitudes, thus, strengthening our society.

No, when prominent journalists and other experts foster "the debate between market fundamentalism and authoritarian regimes", they are perhaps incorrect. The real debate is between those who persistently prefer facile moralistic solutions, and who dare not challenge the exhausted logic of the past, versus those who would seek to place decision rights and the moral burdens of destiny on those who shall live it. This requires a new protocol between the rich and poor. And, *this* is the conversation for the time in which we live.

– *Excerpts from the speech given by President Paul Kagame of Rwanda at a CBC African Business Forum in London and can be viewed at: http://www.thefreelibrary.com/The+conversation+for+our+time.-a0206404336*

RECENT EVENT

Competition Policy and Regulations in Kenya's Energy Sector

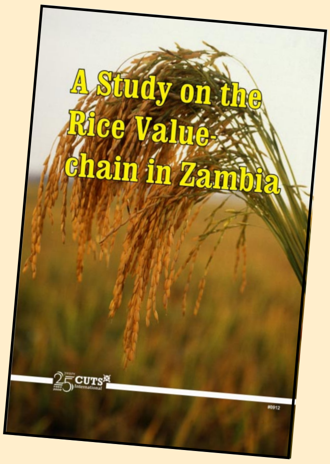
CUTS international in collaboration with Investment Climate and Business Environment (ICBE) research fund has conceived a research project on Competition Policy and Regulations in Kenya's Energy Sector to review and assess the Competition Policy and Regulation *vis-à-vis* the Energy Sector reforms in Kenya. It is in this regard that a validation workshop was organised in Nairobi, Kenya, on July 03, 2009.

The meeting was attended by government officials from the ministry of trade, representatives from research institutions, private sector organisations, and civil society organisations, representatives from regulatory agencies such as competition authorities, National chambers of commerce, and donors.

For more details, please visit:
http://www.cuts-international.org/ARC/Nairobi/Competition_in_Energy_Sector/event-alidation_Workshop_on_Competition_Policy_and_Regulation.htm

PUBLICATIONS

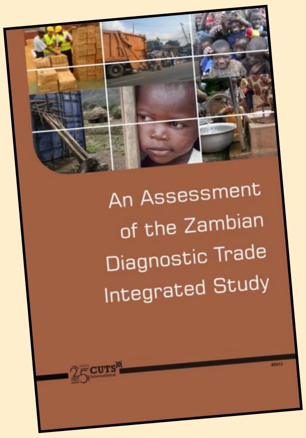
A Study on the Rice Value-chain in Zambia



Globally, rice is a major food staple and a mainstay for many rural populations. As such, it is an important food crop for the food security of significant numbers of rural dwellers in the world. Rice is also a 'wage' commodity for workers in areas of production and in the processing plants. This duality, quite often, gives rise to conflicting policy objectives, with policy makers intervening to save farmers when prices drop, or to defend consumer purchasing power when there are sudden prices increases.

This study seeks to present an analysis of the rice-value chain situation in Zambia and how the sector can be promoted further through support from the Enhanced Integrated Framework (EIF) initiative. Additionally, the intention is for the report to serve as point for public sector, donor, NGO and private sector discussion with particular focus on opportunities in the value-chain for securing and improving income among rural populations in the rice growing areas.

The report can be viewed at:
http://www.cuts-international.org/ARC/Lusaka/pdf/A_Study_on_the_Rice_Value_chain_in_Zambia.pdf



An Assessment of the Zambian Diagnostic Trade Integrated Study

The overall objective of the study is to make an assessment of the DTIS in Zambia under the EIF and its relevance to building trade capacity and eventually lead to poverty reduction.

The study observes that the DTIS provides enormous potential for Zambia to diversify its export base and accelerate national development. The assessment has shown that the proportion of non-traditional exports in total exports has reduced over the years, despite increasing in absolute terms. The performance of non-traditional exports has remained below the potential and has grown at the same rate as the traditional exports. Moreover, most of the identified prerequisites to effective implementation of the DTIS recommendations have remained unresolved.

The report can be viewed at: http://www.cuts-international.org/ARC/Lusaka/pdf/An_Assessment_of_the_Zambian_Diagnostic_Trade_Integrated_Study.pdf

Sources

AN: Afrol News; AT: Arusha Times; BD: Business Day; CN: COMESA News; DM: Daily Monitor; DN: Daily Nation; HT: Hindustan Times; IMF: International Monetary Fund; IRIN: Integrated Regional Information Network; NV: New Vision; TEA: The East African; TMU: The Monitor Uganda; TNT: The New Times; ToZ: Times of Zambia; TP: The Post; ZDM: Zambia Daily Mail; ZNBC: Zambia National Broadcasting Corporation

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