Tradequity

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Fuel Hikes Can Hurt Entrepreneurship

Private sector competitiveness and improvements in the business environment in which the private sector operates remain essential for trade expansion, economic development, job creation and poverty reduction in today's development paradigm. Essential inputs in production such as fuel and electricity as well as reducing barriers to market entry and improving the regulatory framework to facilitate smooth operations are key to creating an enabling environment for entrepreneurship to play its role as the main driver of sustainable development.

Zambia is no exception as an LDC making efforts towards achieving inclusive economic development. However, in light of recent developments in the immediate removal of fuel subsidies, fuel prices hike is causing a sudden increase in production costs and affecting the planning of private sector players.

In order to maximise economic growth and foster a robust entrepreneurial sector, there is need for a clear, predictable and minimally intrusive legal and policy framework. In Zambia, there have been several factors that contribute to improving the business environment including the removal of barriers to business creation and operations, improvement of rules and regulations as well as the reduction of barriers to trade though trade policy development and trade facilitation.

It cannot be overemphasised that reducing the cost of electricity, fuel and other inputs is critical to the private sector. The government should also strive to be more proactive in public private dialogue prior to the introduction of legislature that will impact the private sector rather than engaging them after it has already been introduced as has been the case with fuel recently.

This echoes with the sentiments made by the Zambia Association of Manufacturers (ZAM) during their meeting on 'Creating an Enabling Environment for Social Economic Development' which aimed at creating a platform for dialogue between policymakers, manufacturing fraternity and key influential groups on recent policy developments.

During the event, ZAM President Dr Bright Chunga said that government tends to present policy guidelines that are unpredictable and lack consistency. He, therefore, stressed on the need for policy adherence and predictability for all planning. He also brought out the fact that the centralised procurement of oil still remained a challenge. He was of the view that the monopoly that government holds on oil could also be a reason for the existing high fuel prices. He hoped that financial gains made from the policy decisions made by the government would be channelled to developmental projects that would help the country register positive economic growth.

Tommy Singongi, Acting Centre Coordinator, CUTS International Lusaka said that the removal of subsidies had already impacted the consumer negatively. He pointed out that in order to maximise economic growth, there is need for a clear, predictable and minimally intrusive legal framework.

Meanwhile, CUTS International Lusaka has created an e-discussion forum called CUTS Development Forum Zambia as a platform for policy dialogue on developmental issues. Already members of the public have been debating the challenges Zambia is facing on fuel pricing.

Alan Witworth a private consultant said on the forum that few Zambians realise that most of the benefit of GRZ subsidies (fuel, fertiliser, electricity) go to relatively wealthy Zambians not to the poorest. He suggested that even if poor only benefit a little from subsidies they will still lose something if the subsidies are removed. He said it is important to realise that GRZ pays for subsidies either by reducing expenditure on something else or by borrowing extra money (which has to be repaid in future).

But Yusuf Dodia, Chairperson, Private Sector Development Association responded and said that May 2013 fuel prices in the sub region show Zambia topping the chart as highest cost country. He said that clearly, Zambia has just made itself non-competitive in the region and we should expect our industries to grind to halt and our traders to fill in the gap as we import from our cheaper neighbours. Actually, the entire Sixth National Development Plan (SNDP) Mining, Agriculture, Tourism, Manufacturing, and Services sectors are all under threat.

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AfDB Outlines Growth Strategy

The African Development Bank Group (AfDB) has, following board approval and a lengthy consultation process, released a new ten-year Africa-focused development strategy for 2013-2022, which focuses on the economic transformation of the continent.

The strategy identified infrastructure development, regional economic integration, private sector development, governance and accountability, and skills and technology as the five primary "channels" through which the bank would aim to bolster growth in Africa.

It would further seek new ways of mobilising resources in support of the continent's transformation, most particularly through leveraging the continent's own resources. The AfDB planned to attract new investors through the wider use of public-private partnerships, co-financing arrangements and risk-mitigation instruments.

(ENO, 01.05.13)

World Economic Forum on Africa

Africa is forging ahead. Sustained growth has strengthened its leaders' resolve to stay on a path of reform, even if sometimes the pace is slower than one might wish.

According to the World Economic Forum's Global Competitiveness Report, 13 sub-Saharan African (SSA) economies ranked among the top 100 most competitive in the world in 2012. However, the region also accounted for 14 of the bottom 20 in the league table.

Boosting competitiveness is key. Now that Africa's leaders can see that their macroeconomic policy and fiscal reforms are working, these initial steps need to be followed up with solid progress in the fields of infrastructure, education and institution-building.

(www.thisisafricaonline.com, 08.05.13)

SA-Japan to Push Investment

South Africa's Department of Trade and Industry (DTI) and Japan's Mizuho Corporate Bank Ltd have signed a cooperation agreement to promote and develop economic and industrial co-operation between the two countries.

The agreement was signed in Tokyo during South African President Jacob Zuma's official visit to the Asian country. Trade and Industry Deputy Director-General Pumla Ncapayi said that, in terms of the agreement, the DTI and Mizuho would pool their information resources in order to promote investment development between South African and Japanese companies. *(www.southafrica.info, 06.06.13)*

Africa is Rising!

Africa is at a turning point. For the first time in a generation, the optimistic view looks to be correct that Africa is at last truly rising. Despite the slowdown in the global economy, Africa is reporting 6.6 percent growth in 2013. Export performance and inward investment are strong.

Intra-African trade and investment is growing. African cities are booming behind strong retail demand for goods and services. Gross domestic product (GDP) has multiplied five times in 20 years.

Africa's per capita GDP has crossed the US$1,000 barrier. Mortality is down, life expectancy is up. Seven out of 10 Africans own a cellphone. In fact, there are now more cellphone subscribers in Africa than in North America and Europe put together. *(www.bdlive.co.za, 29.05.13)*

Supporting Small-Scale Farmers

The Zambia National Farmers Union (ZNFU) has observed that conservation of farmers face a number of challenges in accessing loans from financial institutions for growth of their business.

Speaking during the tractor mechanisation field day held in Chongwe, ZNFU first Vice President EvelynNguleka urged the government not to relent in providing small scale farmers with support to ensure food security.

Bob Sichinga, Agriculture and Livestock Minister has called for continuity of the tractor mechanisation scheme loan programme and ensure farmers have access to tractors.

(www.muvitv.com, 28.06.13)

Angola Plans Diamond Industry

"Angola intends to develop its diamond industry beyond mining to cutting and polishing stones and creating a large jewellery manufacturing sector", said Francisco Queiroz Geology and Mines Minister.

He said that the government believes the diamond industry can play a large role in the economic development of the country by providing employment and contributing further funds to the government through taxes and royalties.

The country is believed to have 1,000 diamond areas but has just three mines, including the Catoca mine which produces 87 percent of Angola's diamonds. As a result, the country would like to enter into cooperation agreements with foreign and domestic investors to develop the sector.

(www.idexonline.com, 20.06.13)

WB Survey Ranks Kenya Highly

The World Bank (WB) has praised Kenya's private sector saying it is the most vibrant and dynamic in the East African Community (EAC).

Despite Kenya being ranked 121 out of 183 countries by the WB's Doing Business Report of 2012, down from 78 in 2008, Kenya has a developed textile and apparel industry that exports to the US market under a preferential trade agreement.

Kenya has made the greatest strides in allowing free movement of labour across the region, according to new findings by the East African Business Council. The movement of goods and services in East Africa is expected to improve as Kenya and Uganda roll out online cargo clearance systems. *(BD, 04.06.13)*

Enhancing Trade Facilitation

The Zambia Revenue Authority (ZRA) representing the public sector of Zambia launched the Zambia Customs to Business Forum to address concerns from the private sector regarding customs operations with the view to enhance trade facilitation.

The overall purpose of Customs to Business partnerships is to ensure a partnership and dialogue structure of key players in the trading chain that contributes to trade facilitation, improvements in customs operations and higher compliance by the trading community.

The Forum aims to facilitate a stronger partnership between Customs and Business at the National level, thereby promoting a regular and results focused dialogue, and taking action on existing challenges and areas of development in the country. *(ZAM, 30.04.13)*

EU-SA Trade Ties

There is growing optimism that the countries of Southern Africa are within months of concluding negotiations with the European Union (EU) on a major new trade deal, after years of hesitant progress and frustration.

The EU Ambassador in Pretoria, Roeland van de Geer, said that the agreement would form part of the bloc's strategy of clinching regional trade pacts, known as Economic Partnership Agreements or EPAs.

There are different EU trade arrangements for South Africa's neighbours, depending on their degree of development, with the greatest access accorded to the least developed states.

(IPS, 19.04.13)

Trade Infrastructure still Colonial

All roads in Africa still lead to former colonialists. This explains why intra-African trade only amounted to 13.1 percent of the continent's total trade.

According to Professor Adrian Saville, the infrastructure of most African countries is still geared to transporting goods to ports and out of the country to former colonial countries or the developed world, not to connect African countries

Africa's intra-trade figures are, to quote Visa, 'exceptionally low', especially compared to World Bank data, which places intra-trade for South-East Asia and Europe at 50.2 and 72.1 percent of the total respectively.

The lack of trade between African countries has had a serious effect on the continent's development and, while it is growing very slowly, it will continue to prevent real GDP growth.

(Mail & Guardian, 24.06.13)

Zim's Trade Deficit to Worsen

Zimbabwe's trade deficit will worsen to over US$3bn by the end of 2013 after the balance of trade in the four months to April widened to US$1.6bn as the country's reliance on imported goods and services grows, latest statistics show.

According to the figures released by the Zimbabwe National Statistics Agency (Zimstat), total imports recorded between January and April 2013 were US$2.6bn against exports of US$1bn giving rise to a cumulative trade deficit of US$1.6bn.

The latest Zimstats figures show that imports are heavily weighted towards motor vehicles and foodstuffs.

(www.allafrica.com, 28.06.13)

ICT to Attract Investment

The Malawi Government's Ministry of Trade and Industry says the time has come for the country's trade sector to embrace ICT in its dealings if it wants to attract more foreign investment.

Minister of Industry and Trade, Sosten Gwengwe said this can best be achieved if government of Malawi put up a US$40mn National Single Window (NSW) facility, an automated Information transaction system through which a trader can submit electronic trade declarations to various authorities for processing and approval in a single application.

Ministry of Trade and Industry's spokesperson, Wiskis Nkombezi said the NSW will help the country overcome challenges faced by the business community associated with the complex system of data submission and regulatory control. *(BA, 05.06.13)*

Zambia-Angola Trade Pact

Western Province Permanent Secretary Emmanuel Mwamba has said there was need to put in place measures that will harness border trade and development between Zambia and Angola in Shangombo district.

He explained that both Angola and Zambia should strengthen their ties even at local level through cooperating in programmes of development, trade and agriculture.

He said the plans to put up a petroleum pipeline from Luanda to Rivungu and the construction of a road, bridge and railway line by the Angolan government will boost trade and development of both Rivungu and Shangombo districts. *(LV, 14.06.13)*

Obama to Discuss Trade, Investment

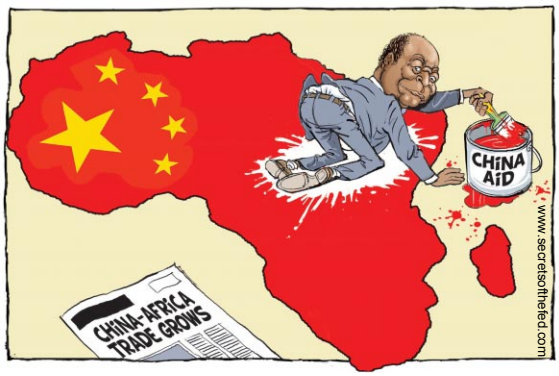
US officials say SSA is a centre of global growth, home to many of the world's poorest people, and a place where US business investment and trade could help boost economic expansion. Trade within Africa and with the US is up and could grow more.

US officials say rising African incomes and a growing middle class could boost demand for American-made products, and help create jobs in the US.

But China has more trade with African nations, and some critics of US policy say Beijing has made the continent more of a priority, and rarely imposes the kinds of political conditions on investments that come with some US deals.

(VOA, 27.06.13)

Funds to Boost African Trade



The China-Africa Business Council (CABC) and the China-Africa Development Fund (CAD Fund) have decided to set up two new funds in 2013 to boost China's investment in Africa. One fund is for commercial ventures, and the other, for mining activities.

Zheng Yuewen, Chairman of CABC, which represents the interests of more than 550 Chinese companies in Africa, said each fund will raise US$1bn in its initial phase from member companies and the CADFund, China's largest private equity fund focusing on African investments.

The two new funds will provide capital to Chinese enterprises seeking investment opportunities in Africa, particularly in the mining sectors, commercial and trade investment. To further strengthen cooperation with Africa, the Chinese government has consistently encouraged capable State-owned and private companies to invest there. *(CD, 14.06.13)*

Kenya, Uganda to Clear Goods

The movement of goods and services in East Africa is expected to improve as Kenya and Uganda roll out online cargo clearance systems. Uganda Revenue Authority (URA) said that it is piloting the Automated Systems for Customs Data (Asycuda) World in an effort to digitise its Customs operations to international standards.

The adoption of Asycuda World, which targets goods delivered by air, follows an earlier pilot project done in Jinja, eastern Uganda, for goods delivered by road. The tax body hopes to fully roll out the Asycuda World system by December.

At the same time, the Kenya Revenue Authority and URA are testing an upgraded Revenue Authority Digital Data Exchange Systems (Raddex), which will clear goods while still at Mombasa by creating a link with border Customs units such as Malaba. *(TEA, 25.05.13)*

Kenya Eyes Revenues from Oil

Kenya is seeking more revenues from oil and gas explorers with proposed regulations that could see firms pay higher taxes and change the formula for calculating proceeds to be earned by the government.

Draft regulations prepared by two consultants hired by the government and the World Bank US-based Hunton & Williams and British firm Challenge Energy propose a change in the profit-sharing formula and introduce capital gains tax as part of the conditions explorers will commit to before they are licensed to operate in the country.

This will see companies pay taxes if involved in share transactions between non-Kenyan entities. *(TEA, 01.06.13)*

Relevance of WTO for Africa

What we are observing in Africa is very exciting and promising: we are witnessing an unprecedented decade of economic growth, supported by economic reforms and regional integration efforts.

As world trade growth slowed down abruptly in 2012, Africa was the only region with double-digit growth in exports and imports that year. Although trade has played a key role in making Africa one of the most rapidly growing economic regions in the world, trade should become an even more powerful tool to enhance prosperity in the Continent, especially in its LDCs. The WTO is essential for the fulfillment of this task.

Unless the African countries have not only legally bound open markets for their products, but also the technical assistance and the capacity building required for a continued growth of their exports, the export-led growth they have recently enjoyed may be compromised.

(www.allafrica.com, 26.04.13)

Trade Key to Poverty Alleviation

Trade can be an important catalyst to poverty eradication. However, this has not been true in the African story, especially trade within the continent. Worldwide, Africa contributes only three percent to world trade. This is insignificant and telling of the poverty levels in the continent.

Trade among African countries accounts for 10 percent of the continent's total trade balance and it's the least compared to trade between the continent and markets like Europe, America and Asia. Trade among African countries has been low and not highly regarded. There are reasons to this state of affairs.

First, colonialism played a key role in ensuring that Africa was used as a source of raw materials and not an industrial hub. Second, the intra-African infrastructure is minimal and in a poor state. Take the example of Kenya. *(BD, 23.04.13)*

SEZs in the Pipeline

South Africa's Department of Trade and Industry has identified 10 potential Special Economic Zones (SEZs) countrywide, and will soon be conducting feasibility studies to determine their viability, says Trade and Industry Minister Rob Davies.

Davies told the committee that SEZs aimed to promote economic growth and job creation, by setting up enabling environments for developing targeted industrial activities and attracting both domestic and foreign direct investment in manufacturing and tradeable services.

Davies said that SEZs included free ports, free trade zones, industrial development zones, and sector development zones.

(www.southafrica.info, 01.05.13)

Remove NTBs on EAC States

President Museveni has asked EAC member states to put an end to all non-tariff barriers (NTBs), saying they are the main impediments to the economic development of the region.

Addressing the East African Legislative Assembly, the President also outlined economic bottlenecks that have hampered the growth of the region.

Among the bottlenecks are ideological disorientation, attacks on the private sector, an underdeveloped human resource, inadequate infrastructure, lack of industries and an underdeveloped agricultural sector, among others.

(DM, 06.06.13)

EAC want Monetary Union

The EAC Council of Ministers should expedite the conclusion of the protocol establishing the Monetary Union, EAC Heads of State said. Meeting at the 11th Extraordinary Summit of the EAC Heads of State in Arusha, Tanzania, the regional leaders said technical negotiations as well as legal issues should be expeditiously sorted to enable the signing of the protocol.

The Summit reiterated its earlier directive to the Council of Ministers to expedite negotiations and conclusion of the protocol on the establishment of the EAC Monetary Union with a view to signing the protocol at the 15th Summit of the EAC Heads of State scheduled for November 2013. *(TNT, 30.04.13)*

SACU Arrangement Not Fair

The Namibia Chamber of Commerce and Industry (NCCI) has called for greater protection of the country's fledgling industries that are at the mercy of the big South African companies. NCCI President Taara Shaanika said his organisation has supported the granting of infant industry protection for some of the sectors in Namibia, as this will allow them to take off.

He said that for as long as Namibia is part of the Southern African Customs Union (SACU) where only one member out of the five-member union has a developed industry and manufacturing capacity, it will be difficult for the other four member states to develop manufacturing industries because this member [South Africa] has a habit of dumping products therefore other member states are not able to develop their own industries. *(NE, 11.06.13)*

SADC to Lure Investors

The SADC will seek to attract extensive investment in the roll-out of its Regional Infrastructure Development Master Plan Vision (RIDMP) 2027, through a high-level Infrastructure Investment Conference, in Mozambique, in June 2013.

The RIDMP is a 15-year blueprint to guide the implementation of cross-border infrastructure projects between 2013 and 2027, and was adopted by SADC heads of State and government at the 32nd SADC ordinary summit held in August 2012.

Priority infrastructure projects worth some US$500bn had been identified, and the SADC said it hoped that investor conference on June 27-28, 2013, would, along with other funding road shows in Asia and Europe, mobilise resources for their implementation. *(ENO, 10.06.13)*

EAC Integration Hampered

East African countries should know their interests, goals and how to protect them before going for trade negotiations with developed countries like the US and EU, trade experts have warned.

Experts are bitter with the quality of trade negotiators in the EAC, saying they are ill-informed and do not understand negotiation techniques. This, they said, has seen many EAC negotiators leaving the talks after being bulldozed by rich nations.

At a regional forum on ongoing trade and investment negotiations, organised by SEATINI Uganda, experts argued that the five EAC countries should appoint knowledgeable trade negotiators to represent their interests, rather than be shaken by the concerns of the developed countries. *(TO, 07.06.13)*

Sustainable Energy for All

Southern Africa has the potential to achieve universal access to modern energy services if the region puts in place a sound and vibrant strategy to harness its huge renewable energy resources. Meeting in Maseru, Lesotho, the 33rd SADC Energy Ministers meeting said the development of a renewable energy strategy will, among other things, ensure that the SADC is able to effectively manage and exploit the natural resources that are in abundance in the region.

As such, member states should speed up the process of finalising the SADC Renewable Energy Strategy and Action Plan that was mooted a few years ago. *(SANF 13 No. 14 of 06.13)*

Regional Firms Ranked Low

The corporate governance ranking of firms in Kenya, Tanzania and Uganda fell in 2012, a new survey says, with little or no improvement in the implementation of laws to protect investors. The global ranking placed the three countries behind their smaller EAC counterparts Rwanda and Burundi.

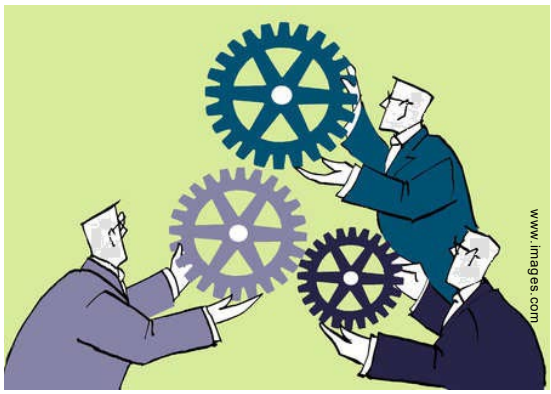
The World Bank Doing Business 2013 report shows Kenya and Tanzania shared the same position in protection of shareholders. Their ranking was tied at 100, down from 97; Uganda's fell to position 139 from 133 in 2012.

The report surveyed 185 economies. The three countries have better established capital markets than Rwanda and Burundi, which were ranked 32 and 49 respectively for protecting investors. *(TEA, 06.04.13)*

Merger of Three Regional Market Blocs

Negotiations on the planned merger of three regional market blocs enter a make-or-break phase next week as member countries table their policy demands on areas such as customs procedures and rules of origin.

The Southern African Development Community (SADC), the EAC and the Common Market for Eastern and Southern Africa (COMESA) have since 2008 been negotiating a roadmap to merge into a free trade area covering more than 527 million people and a GDP of about US$624bn.



The talks are expected to deepen when negotiators converge on Kigali to present the preferred policies of the respective countries and blocs on key areas of integration such flow of goods and products. *(BD, 08.05.13)*

Awareness on Consumer Rights

The Competition and Consumer Protection Commission (CCPC) says raising awareness on consumer rights will not succeed if left to the commission alone. CCPC Executive Director Chilufya Sampa said that concerted efforts by the government, private sector and other cooperating partners are needed to raise awareness on consumer rights and obligations.

Sampa was speaking at the launch of Consumer Unity & Trust Society (CUTS) International Lusaka-Muvi TV consumer awareness campaign on consumer rights and responsibilities in the health sector in Zambia which took place in May, 2013.

(ZDM, 06.05.13)

NCT in Action!

The Namibia Consumer Trust (NCT) wants the Ministry of Agriculture, Water and Forestry and the Ministry of Health and Social Services to implement mechanisms for the protection of consumers.

The request comes in the wake of recent damning revelations that eight out of ten samples of processed meat recently failed DNA tests in South Africa and only two of the samples were found to contain the ingredients listed on their labels. It was confirmed that only one of the companies whose products were labeled incorrectly, has withdrawn its meat products.

(www.allafrica.com, 07.05.13)

Investment in Renewable Energy

International Finance Corporation (IFC) has projected to issue at least US$1bn in green bonds a year to support private sector investment in renewable energy and climate-friendly sectors in emerging markets such as Zambia.

Proceeds from the bonds are earmarked for projects that reduce greenhouse emissions, for example, by rehabilitating power plants and transmission facilities, installing solar and wind power, and providing funding for new technologies that result in significant reductions in emissions.

According to the International Energy Agency, US$5tn of investment is needed worldwide by 2020 in renewable power, energy efficiency, and cleaner transportation to contain rising global temperatures. The United Nations estimates that 80 percent of the capital needed to address climate change will come from the private sector. *(TP, 01.05.13)*

Responding to Namibia's Drought

Namibia, already the driest country in SSA, is experiencing a severe drought, with some regions receiving the lowest seasonal rainfall in three decades, according to figures released by the country's meteorological service.

President Hifikepunye Pohamba declared the drought a national emergency, following an Emergency Food Security Assessment that found that 331,000 people were in need of food assistance.

Cereal production for 2013 is expected to be down by an estimated 42 percent compared to 2012, according to a government forecast. Pastures for grazing have also been severely affected in six regions where many households rely on livestock production, with 4,000 livestock deaths already recorded. *(IRIN, 30.05.13)*

Fuel-Electricity Tariff Hikes

Hikes in fuel prices and electricity tariffs should be done gradually to cushion the negative impact on consumers whose incomes increase only by small percentages, said Copperbelt University business lecture Dr. Lubinda Haabazoka.

CUTS International Lusaka said the government should review its decision to increase fuel prices following the scrapping of the fuel subsidy. Simon Ng'ona, CUTS Centre Coordinator also agreed with Dr. Haabazoka's views, saying the removal of subsidies on fuel prices would negatively impact both consumers and producers.

The government removed fuel subsidies, effectively hiking fuel prices by an average of 21 percent. State-owned Zesco has also proposed to the Energy Regulation Board (ERB) a 25 percent hike in electricity tariff.

(CUTS International Lusaka, 05.08.13)

Fake Drugs Undercut Progress

When customs officials in Luanda, Angola, searched a cargo container from China, they found something hidden inside a shipment of loudspeakers: 1.4 million packets of counterfeit Coartem, a malaria drug made by Swiss pharmaceutical giant Novartis.

Counterfeit drugs shipped from China are threatening to undermine years of progress in tackling malaria in Africa. The discovery led to one of the largest seizures of phony medicines ever. The fakes are part of a proliferation of bogus malaria drugs in Africa that threatens to undermine years of progress in tackling the disease.

Massive Western aid programmes have financed the purchase of millions of doses of Coartem and other antimalaria efforts such as insecticidal nets and spraying. Combined, they have helped bring about a sharp reduction in malaria fatalities,

(WSJ, 29.05.13)

Rwanda Calls for Health Group

Rwanda Premier Pierre Damien Habumuryemi has hailed the establishment of the EAC Health Research Commission, which would promote research-based decision-making and policy formulation.

Once fully operationalised, this Commission will be especially resourceful with regard to the development of sustainable regional mechanisms for addressing issues related to health research, the utilisation of research findings for technological and sustainable healthcare delivery, as well as for translating the research findings to policy formulation and practice within the region.

(www.allafrica.com, 08.04.13)

State of Play in the World Trade Organization

Martin Kapende*

The Doha Development Agenda is also aimed at addressing least developed country concerns such as lowering agricultural subsidies in Western countries, removing or lowering cotton subsidies and the challenges they face in implementing WTO agreements

Trade ministers from more than 159 countries will be meeting towards the end of 2013 in Bali, Indonesia, for the ninth WTO Ministerial Conference. But what is worrying is that there is no sense of any optimism on the outcome from Bali because the current Round of trade talks have seemingly hit a snag and have dragged on for twelve years and there is no nearby solution in sight.

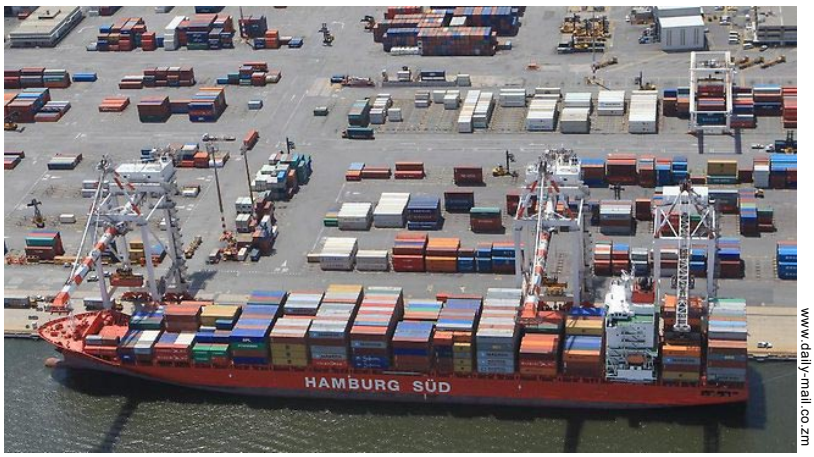
There is a foreboding air over the future of the WTO talks such that delegates are worried that in order to salvage the Doha Development Agenda (DDA), there should be some consensus even on the slightest issues in the DDA so that there will be something to hold on to because if there is no consensus in Bali, then what will remain on the agenda for the WTO?

To the uninitiated, the DDA is the current trade-negotiation Round of the WTO which commenced in November 2001 in Doha, Qatar, with an objective of lowering trade barriers among members to help facilitate increased global trade.

As of 2008, the talks had stalled over a divide on major issues, such as agriculture, industrial tariffs and NTBs and trade in services. There are significant differences between developed nations led by the EU, the US, and Japan and the major developing countries led and represented mainly by Brazil, China, India, South Korea and South Africa.

On June 03, 2013, WTO Director General Pascal Lamy had this to say in a statement entitled: Members approaching last petrol station before Bali: "We have about 40 working days left before the end of July, which I see as the last petrol station before the Bali highway. We must make substantive advances in this period if we are to have any chance of successfully delivering in Bali and preparing a post-Bali roadmap."

The initial DDA has about 21 items that need to be agreed upon but now this has been reduced to focus only on three possible deliverables on which there is still some hope that consensus may be reached before Bali and these agreements are on trade facilitation, agriculture and an agreement on Special and Differential Treatment (S&DT) as well as least developed countries (LDC) issues.



www.daily-mail.co.zm

On Trade Facilitation, further progress has been made on improving the draft Trade Facilitation agreement through negotiations conducted. The members of the Negotiating Group on Trade Facilitation have made some progress. The group also produced convergence on other parts of the legal text that can hopefully be turned into consensus during the new phase of negotiations.

But as Lamy noted, progress being made is still not fast enough to provide assurance that WTO is on track to produce a good result for the ninth Ministerial Conference. Lamy's observation is that the key issue is how to build consensus, especially on those areas which require a higher level of political intervention such as customs cooperation and transit, as well as on other issues such as pre-shipment inspection.

On S&DT agreement, negotiators have intensified work. Ambassadors and heads of delegations are now being engaged. For the Monitoring Mechanism and the Cancún agreement, which are part of the Trade Facilitation agreement, positive advances have been made which could potentially translate into concrete progress in the coming weeks. The Monitoring Mechanism is part of an agreement to monitor how LDCs are coping with implementing agreements in the WTO.

During an earlier meeting in Paris on the sidelines of the OECD, Lamy asked trade ministers whether they were all ready to ensure that by the end of July "the contours of landing zones for Bali would be in sight". Ministers acknowledged that not making progress in Bali would have damaging implications for the future of the Round and the credibility of the multilateral trading system.

This is why trade negotiators and ambassadors fear the damage that failure in Bali could cause to the future of the Round and the credibility of the multilateral rule-based trading system which has so far worked well in settling trade disputes and ensuring that the LDCs are not over-burdened to implement some agreements, given grace periods to affect them, and granted duty-free and quota-free market access.

* *Editorial Editor, Zambia Daily Mail. Abridged from an article that appeared in the* Zambia Daily Mail *on June 12, 2013*

SMEs Development in the Devolved Governance System

Policy Options for Institutional and Regulatory Reforms in Kenya


Policy Brief

SMEs Development in the Devolved Governance System

Policy Options for Institutional and Regulatory Reforms in Kenya

CUTS undertook a study to assess existing and potential institutional and regulatory challenges which impede SME development, at the county level. Evidence was gathered from SMEs engaged in the following sectors: Irish potatoes, dairy, fishing, pineapples and oranges, to build the evidence base. It emerged that current challenges include poor coordination of the SMEs activities; inadequate private and public dialogue at the county level; poor enforcement of regulatory legislations; and knowledge gap about national and county-level policies' interface.

The study recommends the need to initiate inclusive private-public dialogues; support the establishment of stronger business associations at the county level; formulate specific county led SMEs policies aligned with the overall national SMEs policy framework; establish tailored training institutes for SMEs at the county level; develop SMEs oriented financial institutions in counties; establish an import and export bank for SMEs; need for the central government to coordinate the SMEs issues in the country and establish a SMEs development organisation.

www.cuts-international.org/ARC/Nairobi/pdf/SMEs_Development_in_the_Devolved_Governance_System_Policy_Options_for_Institutional_and_Regulatory_Reforms_in_Kenya.pdf

CUTS New Centre@Accra (Ghana)

CUTS International is pleased to announce the inauguration of our Accra Centre on 26th August 2013, under the graceful presence of Madam Hannah Tetteh, Honourable Minister of Foreign Affairs & Regional Integration, Ghana and Honourable Haruna Iddrisu, Minister of Trade and Industry, Ghana. This will be our third office in Africa after Lusaka and Nairobi and fifth overseas office. This inauguration also coincides with our 30th Anniversary lecture in Accra, on the topic "Regional Integration as a Tool for Poverty Reduction in West Africa". Through this new centre we continue our efforts towards accomplishing CUTS' vision of "consumer sovereignty in the framework of social justice and economic equality, within and across borders."

The staff at the centre can be contacted at accra@cuts.org,
and the webpage will soon be operational at www.cuts-international.org/ARC/

We want to hear from you...

Please e-mail your comments and suggestions to
lusaka@cuts.org,
nairobi@cuts.org
accra@cuts.org

We put a lot of time and effort in taking out this newsletter and it would mean a lot to us if we could know how far this effort is paying off in terms of utility to the readers. Please take a few seconds and suggest ways for improvement on:

- Content
- Number of pages devoted to news stories
- Usefulness as an information base
- Readability (colour, illustrations & layout)

Sources

BA: Biztech Africa; BC: Biz Community; BD: Business Daily; CD: China Daily; DN: Daily Nation; DM: Daily Monitor; ENO: Engineering News Online; IPS: Inter Press Service; IRIN: Integrated Regional Information Network; LV: Lusaka Voice; NE: New Era; TO: The Observer; TEA: The East African; TNT: The New Times; TP: The Post; VoA: Voice of America; WSJ: Wall Street Journal; ZAM: Zambia Association of Manufactures; ZDM: Zambia Daily Mail

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