



Tradequity

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African Consumers: Rise up for your rights

While going through an online blog on mobile phone services in Kenya one will come across consumer experiences like this one, “I am writing to inform other Kenyans of a disservice my service provider has done on its consumers. I am sure this has affected other users of this network. I loaded airtime of Kenyan Shillings 800 to purchase the 1.5GB internet bundle on 3rd March 2012, and then I got a message to wait for my bundle to be activated. After three visits and many calls I was told that there is no credit on my phone. Due this harassment and forgery I am switching to another provider”. The comments, under this post had several similar and even more pestering experiences from others.

A Zambian newspaper reported this harrowing story that “Some broiler chicken breeders in Kasama (Zambia) were reportedly mixing feed with Antiretro Viral (ARV) and contraceptive drugs to feed their chickens. Sources said that most of the chicken breeders were using the drugs, so that the chickens could grow fat and faster. Chicken breeders were using the said drugs were endangering consumer safety, which is a serious offence, according to the laws of Zambia.

In Zambia, a new Competition and Consumer Protection Act, 2010 has been enacted. The new law aims towards addressing some of the flaws of the previous law regarding consumer protection issues. In December 2012, the Parliament of Kenya passed the Consumer Protection Act 2012 into law. The Act came into force on March 14, 2013. Prior to the enactment of the Act, Kenya did not have a specific law governing consumer protection. It is evident, however, from the above two cases that enforcement remains weak.

For the legislations to be effectively enforced, all key stakeholders should

Eight Basic Consumer Rights

- Right to Satisfaction of Basic Needs
- Right to Safety
- Right to be Informed
- Right to Choose
- Right to be Heard
- Right to Redress
- Right to Consumer Education and
- Right to a Healthy Environment



effectively play their role. The judiciary, legal fraternity, trade unions, media, CSOs, parliamentarians and consumers ought to be actively engaged.

To generate awareness on consumer protection issues the ‘World Consumer Rights Day’ (WCRD) is observed every year on March 15, across the globe. It is celebrated to mark the historic address made by the US President John F Kennedy on March 15, 1962 in which he was the first world statesman to set out a vision of consumer rights and recognise the importance of consumers as a group.

CUTS has been at the forefront of the consumer movement in India, over the years. CUTS centres in Accra, Nairobi and Lusaka have been implementing projects and participating in relevant discussions to raise the ante on consumer issues across Africa.

To mark WCRD 2014, CUTS, Accra organised a ‘Policy Roundtable’ where well versed scholars and practitioners in consumer rights and regulatory issues came together to discuss the theme “Consumer Welfare through Effective Regulatory Actions”. CUTS Lusaka participated in a multi stakeholder event and advocated with the Government of Zambia to consider coming up with a consumer

protection tax or fund, so that these resources could assist consumer organisations. CUTS Nairobi participated actively with other organisations in a public event organised by the Competition Authority of Kenya.

Many consumer protection civil society organisations (CSOs) are working towards safeguarding basic consumer rights. What is required is to strengthen the consumer movement for mobilising citizen action and solidarity. WCRD is an occasion for promoting basic rights of all consumers, demanding that those rights are respected and protected; protesting about the market abuses and social injustices, which undermine them.

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Investment Deal Signed

Kenya has signed a deal with Ghana to enhance trade and investment as part of an ongoing government drive to strengthen economic ties with other African countries. The agreement, signed in Addis Ababa by the Foreign Affairs Cabinet Secretary, Amina Mohamed and her Ghanaian counterpart, Hanna Tetteh is to pave the way for greater co-operation in the energy, agriculture, education and tourism sectors.

Mohamed also committed to the country on setting up a High Commission in Ghana. She said, "The potential for trade between the two countries is enormous and disclosed that Kenya will open a High Commission in Ghana within the first half of the year", reads part of a statement from the Presidential Strategic Communication Unit (PSCU).

Mohamed spoke from Kenya's Embassy in Addis Ababa, ahead of the 22nd Ordinary Summit of the African Union Heads of State and Government.

(DN, 30.01.14)

Rise in EAC Investments

Investments in East Africa are expected to rise sharply in the current year, riding on falling inflation and growing consumer demand. This positive outlook defies the spillover political risks from the ongoing conflicts in South Sudan, Somalia, DR Congo and the Central African Republic.

Economists from the United Nations Economic Commission for Africa (UNECA) and the Africa Union

Commission (AUC) project that the EAC bloc will post one of the highest economic growth of all the five regions in the continent while registering a jump in new investments.

But the growth will still not be enough to pull the region's growing population out of poverty and create enough jobs, the economists warned. Growth is expected to surpass 7 percent in the current year, with Rwanda and Tanzania topping the charts.

(TEA, 29.03.14)

Nigeria: Largest African Economy

On March 31, 2014 Nigeria is going to shoot past South Africa to become the largest economy in Africa. Nigeria is rebasing its calculation of Gross Domestic Product (GDP), from the current base of 1990 to 2010. Essentially, this will mean that GDP will give greater weight to the new sectors of the Nigerian economy that have become more important, since 1990, such as telecoms and IT.

Nigeria's nominal GDP is presently about \$305 billion and South Africa's is about \$350 billion. Rebasing will boost Nigeria's GDP by 40 to 60 percent, according to Bismarck Rewane, MD of Nigeria's Financial Derivatives Company, at the Gordon Institute of Business Science. However, Annabel Bishop of Investec Bank and Yvette Babb of Standard Bank did not foresee any great economic impact on South Africa.

That means Nigeria's GDP will immediately expand to somewhere

between \$427 billion and \$488 billion, leaving South Africa a distant second. On the downside, it would widen inequality and by lifting Nigeria from an officially low income to a middle income country, would reduce the amount of foreign development aid it received.

(PN, 18.03.14)

Bilateral Treaties in Trouble

The tide is turning against investment treaties that allow foreign investors to take up cases against host governments and claim compensation of up to billions of dollars. Several countries have begun reviewing these agreements, prompted by the number of cases brought by foreign companies who claim that changes in government policies affect their future profits.

Indonesia and South Africa are among many countries that have faced such cases. South Africa had been sued by a British mining company, which claimed losses after the Government introduced policies to boost the economic capacity of the blacks to redress apartheid policies.

Indonesia has given notice it will terminate its bilateral investment treaty (BIT) with the Netherlands, according to a statement issued by the Dutch embassy in Jakarta. "The Indonesian Government has also mentioned it intends to terminate all of its 67 bilateral investment treaties", according to the statement.

(TSO, 25.03.14)

CSOs against EPA

The civil society organisations (CSOs) and private sector groups have increased pressure on the Government not to sign the Economic Community of West African State (ECOWAS) and European Union Economic Partnership Agreement (EPA), warning that the agreement will permanently lock the country's economy deeper into a primary commodity dependence trap and derail regional integration.

The organisations comprising the Trades Union Congress, Ghana Chamber of Commerce and Industry, the Christian Council, Socialist Forum and the Economic Justice Network presented a petition to President, John Dramani Mahama in Accra ahead of a meeting of the ECOWAS Council of Ministers in Yamoussoukro, Cote d'Ivoire, from 25-26, March 2014.

(BT & FT, 27.03.14)

Loans for Farmers' Benefit

Small-scale farmers are set to get \$50 million (Sh4.3 billion) loans, over the next three years from four financial institutions in Kenya. The risks of which have been underwritten by the Treasury. Agricultural Finance Corporation, Barclays, Co-op and K-Rep banks signed agreements to provide the credit.

The Treasury has set aside Sh860 million to help the institutions offset risks associated with lending to the sector that is prone to vagaries of weather. Treasury secretary Henry Rotich said that the credit would benefit farmers irrespective of their scale of operation, providers of services to farmers and the agro-processors.

"There are many Kenyans in rural areas running productive and profitable businesses within the agricultural value chain sector that have remained excluded from financial services from the mainstream financial sector", said Rotich. The farmers and other players in the sector will be lent the money at an interest of between 10 percent and 15 percent

(DN, 26.03.14)



Spur Online Trade

Kenya's unique cashless system involving use of mobile phones to settle payments for utilities and buy goods has created a fertile ground for the launch of an online based financial system. The US based firm, Research and Markets said that mass adoption of cashless services by Kenyans could be taken to new heights with the use of wi-fi enabled phones that support online based transactions.

Wireless Internet 'hotspot' service offered free of charge by businesses to provide wi-fi to their customers, said the report, would enable buyers to use their phones to settle payments without use of the traditional banking channels.

"Increased global penetration of smartphones use compounded with the widespread use of NFC (near field communication) technology in the form of embedded tags is driving the mobile wallet market", according to the report.

(BD, 13.01.14)

Rules to Facilitate Regional Trade

The EAC Secretariat has issued new regulations to enhance the operationalisation of the EAC Standardisation, Quality Assurance, Metrology and Testing Act (SQMT) of 2006. The regulations geared towards facilitating regional trade were approved by the Council of Ministers and are issued in line with Article 6 of the Protocol on Establishment of the EAC Common Market, with reference to free movement of goods.

Article 6 of the Protocol stipulates among other laws that EAC SQMT Act, 2006, shall govern the free movement of goods and regulations made there under. The regulations include: The EAC SQMT (Product Certification in Partner States) Regulations, 2013; The EAC SQMT (Designation of Testing Laboratories) Regulations, 2013; and The EAC SQMT (Enforcement of Technical Regulations in Partner States) Regulations, 2013.

The EAC SQMT (Product Certification in Partner States) Regulations, 2013 provides for certification bodies in the Partner States on the basis of Product Standards.

(TS, 20.01.14)

Embargo Hurting Trade

The slow pace in establishing a mineral certification system for the Great Lakes Region is putting countries at risk

Easing the Maize Shortage

Kenya will consider importing maize in May when the domestic stock is expected to run out following a deficit of 10 million bags in last season's output. Agriculture Secretary, Felix Koskei said that the Government expects up to three million bags through cross-border trade with Uganda and Tanzania to alleviate a shortage of 10 million bags before the next harvest. "We expect to ease the shortage by getting maize stocks from the East Africa Community bloc.



Uganda and Tanzania traditionally supplement maize production in Kenya through cross border business but this may be constrained by competing export destinations. Uganda, which on average produces surpluses, has from 2011 been exporting up to 60 percent of its maize to South Sudan, owing to high demand and good prices there while Tanzania has found a ready market in nearby Malawi, which is facing an acute shortage.

(BD, 13.01.14)

of losing investors in the sector. Reports indicate that some dealers from Burundi and Uganda are stuck with their merchandise abroad, after processors began rejecting minerals from countries that do not have acceptable standards. Others have opted for lesser returns as they trade through third parties.

"The practice has been that if you mine in Uganda and sell it to a buyer in Kenya or Tanzania, who exports it overseas. Why should we sell our gold through Tanzania and not directly on the international market"? asked Prince Opoku, Operations Director at Blaze Metals Resources Ashanti Ltd. "We have gold which was exported officially from Uganda but has not been sold in Dubai. All refineries are rejecting the source of origin".

(TEA, 22.03.14)

Speed up Cargo Clearance

Cargo containers destined for Uganda through the port of Mombasa will be publicly listed to help ease congestion at the region's main gateway facility through efficient and timely flow of information. A special online portal will provide an account of all container shipments bound for Kenya's largest export market including the date and time of arrival at the port of Mombasa, the consignees and the duration at the facility.

This follows a pact signed between the Kenya Ports Authority (KPA) and Uganda Revenue Authority (URA) to hasten cargo clearance in what is expected to shake up the clearing and forwarding

agency business. "People no longer have any excuses not to pick their cargo from Mombasa and most importantly, they do not have to rely on agents or other people thousands of miles away for information regarding their cargo," URA commissioner customs, Richard Kamajugo said.

(TEA, 25.03.14)

AfDB Moots Trade Strategy

At the African Congress on Conservation Agriculture (ACCA) held in Lusaka, African Development bank (AfDB) Country Director to Zambia, Kwesiga said he has observed that Africa is losing more than \$30 billion in trade due to lack of efficient infrastructure in most countries.

Kwesiga retaliated that AfDB had put up a transformation strategy, which would run from 2013 to 2022 to change the landscape of trade in Africa. He told the delegates that the strategy among other things would scale-up agricultural financing and technology as well as support regional integration.

Kwesiga said that over 20 percent of population live in fragile states with weak economic institutions and that, more jobs are needed and that this could only be attained by supporting value chains. He then revealed that more than \$35 million has been committed towards reducing fragility while \$100million would be spent on research, building bridges, roads and markets, which were aimed at increasing trade.

(ToZ, 25.03.14)

Simplifying Trade Procedures



The World Bank (WB) has urged Zambia to forge trade blocs with neighbouring countries to help tackle the rising cost of agricultural inputs. Country Director for Zambia, Malawi and Zimbabwe, Kundhavi Kadiresan said that Zambia had the capacity to increase non traditional exports (NTEs) looking at the potential, but needs more trade engagements with the neighbouring countries.

Kadiresan said that Zambia and other countries needed to unbundle trade barriers by simplifying trade procedures, especially in the area of using multiple paper work.

The former Bank of Zambia Governor, Caleb Fundanga said that countries in Africa should endeavour to remove tariff barriers to

international and regional trade. Fundanga also pointed that despite commitments by member countries in the regional bloc, most countries were still protecting their domestic product, which calls for more efforts by the regional groupings. *(ToZ, 13.03.14)*

No Benefits from AGOA

Businesses in Ghana have not made the most of the enormous opportunities that the US Government's African Growth and Opportunity Act (AGOA) presents, Haruna Iddrisu, Trade and Industry Minister has stated. AGOA is the US Government's trade initiative with 39 Sub-Saharan African countries.

There are over 7,000 products that are available, under the AGOA and Generalised System of Preferences (GSP) list to enter the United States duty-free. The programme has spurred the export of processed agricultural products, manufactured goods, apparel and footwear from qualifying nations.

Iddrisu made his comments at a stakeholder forum in the National Crusade against Trade in Pirated Ghanaian Textile Designs and Trademarks held in Accra.

(BT & FT, 07.02.14)

Mounting Food Import Bills

Africa is not achieving its potential in food trade. The growing demand for food is increasingly being met by imports from the global market. This, coupled with rising global food prices is leading to ever mounting food import bills.

Business as usual with regards to food staples in Africa is not sustainable. Fortunately, there is a solution to this problem within Africa. The potential to increase agricultural production is enormous.

Yields for many crops are a fraction of what farmers elsewhere in the world are achieving, and output could easily increase twofold or threefold if farmers were to use updated seeds and technologies. Large swathes of fertile land in Africa remain idle and an open regional trade is essential.

This is because demand is becoming increasingly concentrated in cities, which need to be fed from food production areas throughout the continent. *(AD, 21.03.14)*

Wide Logistics Gap

The gap between the countries that perform best and worst in trade logistics is still quite large despite a slow convergence, since 2007. According to a new WB Group report, the gap persists because of the complexity of logistics-related reforms and investment in developing countries. Despite the almost universal recognition that poor supply chain efficiency is the main barrier to trade integration in the modern world.

The report, "Connecting to Compete 2014: Trade Logistics in the Global Economy", ranks 160 countries on a number of dimensions of trade including customs performance, infrastructure quality and timeliness of shipments, that have increasingly been recognised as important to development. *(WB, 21.03.14)*

AMCHAM to Foster Trade

The American Chamber of Commerce (AmCham) has resolved to double its efforts in promoting trade, investment and development between Africa and the United States of America. It has also stressed, as a group, to lobby the US Government to renew the Africa growth and Opportunity (AGOA) in 2015 while working towards building the American brand on the continent.

In a resolution at the 4th Annual AmCham Summit (in Africa), it further resolved to "support the various Africa regional trade blocs" efforts at regional integration and the growth of the continent through intra-continent trade".

(DG, 03.03.14)

Concerned with SA Trade Barriers

The Zambian Government has expressed a concern over the trade barriers South Africa has imposed on some Zambian products leading to trade imbalances between the two countries, with earnings at K5.65 billion per annum.

Commerce, Trade and Industry Minister, Emmanuel Chenda said that the Government was negotiating with South Africa to relax its rules on the export of Zambian products to that country's market. Chenda said this during deliberations in Parliament following a question on why South Africa was not allowing the export of grapes from Zambia on suspicion that they were infested with a pest known as *Maconellicoccus Hirsutus*.

Earlier, the Commerce Deputy Minister, Richwell Siamunene said that a pest risk assessment was conducted and submitted through the Zambia Agriculture Research Institute *(ToZ, 24.02.14)*

Growing Trade Ties

Gordon Chakoada, Austrade's Trade Commissioner in Ghana said, "As one of the fastest-growing economies on the continent, Ghana stands on the brink of a new phase of development, and Australia's stands ready to assist Ghana in going even further".

Through investment and the transfer of skills and technology, Australia has engaged with Ghana's potential, particularly in the mining sector. Several Australian institutions and companies in other sectors – including education, agriculture and water management are excited about the commercial opportunities that Ghana will offer in the future.

(BT & FT, 27.01.14)

Regional Round Up

Shaping Single Customs

A high level technical team has been formed to strategise implementation of the recently launched EAC Single Customs Territory. Heads of the revenue authorities in Kenya, Uganda and Rwanda have agreed that the initiative will be harmonised within the wider EAC Single Customs Territory (SCT).

Kenya Revenue Authority (KRA) Commissioner General, John Njiraini who chaired the meeting, reiterated the commitment of the regional revenue authorities to the integration process and, particularly, the implementation of the SCT.

He also said that the initiatives, under the trilateral arrangement by Kenya, Uganda and Rwanda launched recently would be harmonised. EAC Customs Director, Kenneth Bagamuhunda noted that the Single Customs Territory was one of the key regional integration priority policy interventions adopted by both the Council of Ministers and the Summit to consolidate the EAC Customs Union.

(TS, 22.01.14)

Towards Deeper Integration

Seven priority areas have been identified for implementation in the current year as Southern Africa intensifies efforts to deepen integration for socio-economic development. The priority areas were adopted by the SADC Council of Ministers.

The Ministers agreed to intensify efforts towards finalising the review process of the Regional Indicative Strategic Development Plan (RISDP) and consolidation of the SADC Free Trade Area (FTA) launched in 2008.

Other key priorities are conclusion of negotiations to establish a single market covering 26 countries in Eastern and Southern Africa; fast-tracking implementation of the Regional Infrastructure Development Master Plan; strengthening measures to improve food security and implementation of the HIV and AIDS cross-border initiatives.

(SANF, 26.03.14)

Slowing SADC Connectivity

Transport and Communications Minister, Yamfwa Mukanga said that border conflicts between Zambia and the Democratic Republic of Congo are

hampering progressive connectivity among South African Development Community (SADC) countries.

Mukanga said that Zambia had been recognised as a hub of rail and road transport as well as broadband and optic fibre connectivity to South Central Africa. He, however, noted that the Kasumbalesa border issues were slowing the country's progress in connecting the region to Central Africa, through the Democratic Republic of Congo (DRC).

"We are aware that some existing border conflicts like at the Kasumbalesa border control are slowing the pace of progress in this committee's goal to connect Zambia to the Nacala corridor and southern African countries to the north via Congo DR", Mukanga said. The Kasumbalesa issue has been on the table under the Common Market for Eastern and Southern Africa (COMESA) and SADC meetings. (Post Newspaper, 01.02.14)

Zambia Gets Investment Offers

Zambia has received offers to invest in five COMESA and SADC countries, which have opened their economies to Foreign Direct Investments (FDIs).

The offers came shortly after the end of the 17th COMESA Summit which was held in the Democratic Republic of Congo (DRC). Foreign Affairs Minister, Wylbur Simuusa, said that countries that were ready to embrace Zambia as a strategic investment partner include Congo DR, Zimbabwe, Mauritius, Kenya and Uganda.

Simuusa further stated in an interview that likewise, countries from the COMESA and SADC regions have also pledged to extend their investments to Zambia and added that Zambia was ready to take up the challenge. "The aim is to establish investments both ways and as Zambia, we are ready to take our investment there just as much as we are ready to attract their Foreign Direct Investments (FDIs)", he said.

(ToZ, 09.03.14)

SACU Benchmarks with EAC

Senior officials from South African Customs Union (SACU) together with their counterpart EAC concluded a meeting aimed at benchmarking similar activities, learning the best practices on areas, such as Competition Policy, Trade

in Services, Agriculture Policy, Revenue Mobilisation and Industrial Policy and sharing ideas at the EAC Headquarters in Arusha, Tanzania.

The East African Business Council had a chance to make a presentation on their strategic plan, particularly on issues, such as institutional strengthening, policy and advocacy, value adding services and membership development, increased visibility and partnerships creation and maintenance.

The EAC Deputy Secretary General, Jean Nsengiyumva, recommended that for the Regional Economic Communities (RECs) to be strong they ought to share best practices, which will lead to development of not only the RECs but Africa, at large. (EAC, 31.03.14)

EAC Agrees on Grain Standards

The East African Community members have agreed on new standards for grain, which are expected to ease trade within the bloc and the overlapping COMESA.



Kenya, Rwanda, Burundi, Tanzania and Uganda have harmonised the standards to eliminate trade barriers after they were adopted by the Council of Ministers. "The grain sector has been faced with the challenge of poor quality across the region resulting from low standards, which has subjected traders to losses as a result of their grains being rejected at border posts", said East African Grain Council (EAGC) Chairman, Judah Bett.

Kenya does not produce enough maize to meet its demand, which stands at three million bags per month and relies on Uganda and Tanzania for replenishment. In addition, Kenya also faces a shortage of 10 million bags in the current year. (BD, 27.01.14)

Ghana's Climate Change Policy

A national policy implementation strategy document has been developed by Ghana to guide the implementation of the national climate change policy (NCCP). The strategy was mapped out of the NCCP to operationalise its implementation.

The Deputy Director in charge of Climate Change at the Ministry of Environment Science, Technology and Innovation (MESTI) said that the policy will provide a practical strategy towards achieving the tenets in the NCCP document.

In addition, the draft document had identified problems associated with climate change, their causes and had outlined strategies in solving the problems. The document was put together by a 10 member consortium made up of consultants and experts in the various climate change issues addressed by the policy. *(DG, 26.03.14)*

Telecom Users' Privacy Trashed

Telecommunications Industry Regulator, Communications Commission of Kenya (CCK), is set to acquire a new set of powers that will give it unfettered access to private or confidential information on consumers without a court order. The powers, which are contained

in a new set of regulations, allow the CCK or its agents the leeway to obtain information or data held by telecoms operators.

"A licensee shall grant the Authority's officers access to its systems, premises, facilities, files, records and other data to enable the Authority inspect such systems, premises, facilities, files, records and other data for compliance with the ACT and these regulations", state the proposed regulations.

Consumer rights activists said that the regulations are particularly, in breach of people's right to privacy as provided for in the Constitution. Article 31 of the Constitution guarantees citizens' right to privacy, including the right not to have the privacy of their communications infringed upon. *(BD, 20.01.14)*

Fall in Courier Services Cost

Kenya is seeking far-reaching changes in its courier business, which will deny the state-backed Postal Corporation of Kenya exclusivity, ease licensing procedures and cut import taxes on parcels. The recommendations by Analysys Mason, a global research firm to audit the courier business, are expected to help double the sector's worth to at least Ksh14 billion (\$165 million) in the coming two years.

They are also expected to bring down the cost of courier services: Analysys Mason recommended that the monopoly that the PCK has enjoyed for decades to deliver all items weighing up to 350 grammes to be phased out, to allow other couriers to participate.

Currently, other operators delivering such items charge at least five times the standard tariff, making it prohibitive for customers. "The cost should be reduced to enable us compete fairly with PCK. One cannot pay \$2.35 to us while PCK charges \$0.35," said Charity Mwanzia, General Manager, Operations at M&S Logistics Ltd., a cargo agents' and freight forwarders company. *(TEA, 22.03.14)*

Tough Talks on Service Quality

The Public Utilities Regulatory Commission (PURC) has hinted at adopting new measures to deal more decisively with complaints by consumers of poor quality service from the power utilities.

The PURC's Executive Director, Samuel Sarpong said his outfit is in the process of acquiring Power Quality analysers to monitor the quality of service provided by the Electricity Company of Ghana (ECG). The Commission, he added, is also setting up a Metering and Power Quality Testing Laboratory to investigate complaints related to all types of meters. *(BT & FT, 20.01.14)*

Key to Consumer Protection

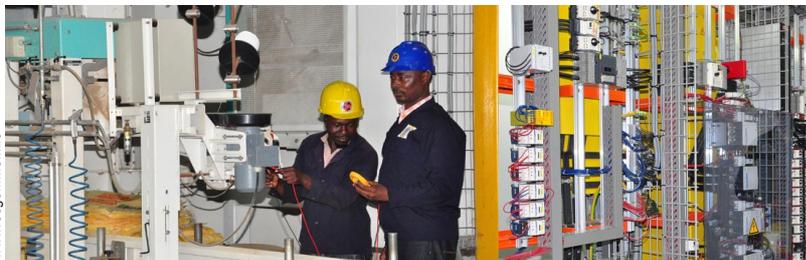
The Competition and Consumer Protection Commission (CCPC) has identified traditional leadership as central and key stakeholders in the overall consumer protection strategy in Zambia.

Public Relations Officer, Hanford Chaaba said that total consumer protection could neither be achieved single-handedly by the CCPC nor the Government, but requires concerted efforts from various stakeholders, such as traditional leadership, institutions of learning and members of the public.

Chief Inyambo, Great African Chief of the Lozi people, Zambia thanked the CCPC for what he termed as a 'sacred Mandate to protect consumers' and challenged other consumer protection bodies and regulatory agencies to emulate the CCPC by not only restricting their services to urban areas, but also consider extending them to rural areas, such as Mwandia district. *(ToZ, 07.01.14)*

Paying More for Electricity

Consumers will pay more for electricity as a new charge on hydro power generation takes effect. The new levy of five cents per kWh introduced by the Water Resource Management Authority is charged to the Kenya Electricity Generating Company for use of water to produce power.



The extra cost is passed on to consumers in their monthly bills from Kenya Power. Efforts by the Consumer Federation of Kenya to block the new levy have failed, meaning consumers will have to shoulder the additional fee. "We have contested this but they decided to gazette it. It is an apt example of how regulators abuse their powers to impose and collect levies to cover their inefficiencies," Cofek Secretary General, Stephen Mutoro said.

Going by the estimated 630 million units consumed each month, power users countrywide will pay an extra Sh3.3 billion. Kenya Power statistics showed that hydro contributes about 43.3 percent of the electricity mix closely followed by diesel generators at 31.8 percent. *(DN, 11.02.14)*

Regional Trade: A Catalyst for Growth and Sustainability of Small Businesses in the Southern African Region*



To mark its 30th Anniversary, CUTS International has been organising a series of lectures, with eminent scholars and practitioners around the world going along CUTS' work agenda. The lecture series aimed to shape CUTS' future interventions to help in promoting inclusive growth from the perspective of their impact on consumer welfare in the light of contemporary policy discourse on trade, regulation and governance.

The 16th Lecture was organised on March 10, 2014 in Lusaka, Zambia and was delivered by Caleb Fundanga, former Governor, Bank of Zambia and currently President, Institute of Finance and Economics (Zambia). Other panellists included Felix Mutati, MP and former Minister of Commerce, Trade and Industry, Zambia; Kundhavi Kadiresan, World Bank Country Director for Malawi, Zambia and Zimbabwe; Yvonne Chileshe, Director of Foreign Trade, Ministry of Commerce, Trade and Industry; Edwin Zulu, Coordinator, Zambia-COMESA SME Toolkit Project and Dorothy Tembo, former EIF Executive Director and Vice Chair of CUTS Lusaka Board.

Rijit Sengupta, Regional Director, CUTS Africa explained that the idea of having CUTS 30th Anniversary celebrated across regions where CUTS works and are important for its activities, was envisioned by CUTS' Secretary General, Pradeep S Mehta.

Chair, Dorothy Tembo congratulating CUTS International Lusaka for its work said that CUTS remains a very faithful partner at global, national and regional level on trade related issues. Tembo added that the potential that trade holds to contribute to the development agenda for all countries is a fact well acknowledged. Key in all this drive is the need to change the livelihoods, especially those that are most vulnerable in our societies and that was where CUTS comes in as a key partner to work with.

Caleb Fundanga used the economic theory of comparative advantage (by David Ricardo) and the next best alternative theory to stress the need for external trade in development and use of regional markets as alternatives to lack of access to global market, respectively.

In his lecture, Member of Parliament, Felix Mutati noted that the small scale enterprises (SMEs) should exploit the local markets before looking beyond borders because "a dollar was the same

regardless of its source". He was of the view that SMEs had a tendency of exporting for the sake of prestige and not on the basis of viability.

Speaking on the theme – trade as an engine to drive economic diversification, inclusive growth and job creation, Kundhavi Kadiresan, World Bank, Country Director, Zambia said that Zambia had a stable macroeconomic framework and good business environment. These provide a solid foundation for building competitiveness and expanding trade. Trade can play a powerful role in raising incomes and creating jobs in Zambia. Imports can provide access to efficient inputs and create competition that pushes firms to becoming more efficient.

She also stated that the Diagnostic Trade Integrated Study (DTIS) prepared by the World Bank finds that Zambia's exports of copper and other products have grown fast in the past decade. Moreover, non-traditional exports (NTEs) have also grown and reached US\$3.2bn in 2012, up from US\$0.5bn in 2003.

Yvonne Chileshe said that regional trade for Zambia would only be meaningful to their country if Zambia had value-added products to sell. She further stated that the Government is trying to address the supply-side constraints using different plans and policies, such as the Sixth National Development Plan (SNDP) and the Commercial, Trade and Industrial Policy (CTI) etc.

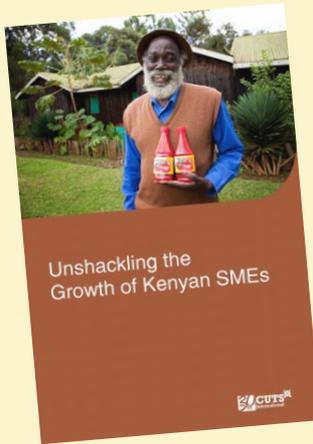
Edwin Zulu observed that there was some confusion in handling SMEs policies at Zambia Development Agency (ZDA). Regional growth being the key but there was need for SME-specific programmes and to quickly implement policies that the government and World Bank has been outlining and also to engage the Zambian SMEs in the process, closely.

FORTHCOMING REPORT

CUTS Lusaka to release a report in May 2014 entitled, "Assessing the extent of Trade Policy Mainstreaming in the Development Agenda – A Case of Zambia".

To get a copy email us at: lusaka@cuts.org, sn2@cuts.org

* Excerpts from CUTS' 30th Anniversary Lecture held on March 10, 2014, Lusaka (Zambia)



Unshackling the Growth of Kenyan SMEs

The report gives an understanding of the current and past regulatory and institutional framework inclined to SMEs and evaluates their effectiveness in supporting local development of SMEs at the country level. It also provides evidence for the development of policy choices to support the development of an SME strategy for country governments and gives some understanding on mechanisms through which the developed government systems will contribute to innovation and value addition activities at the country level.

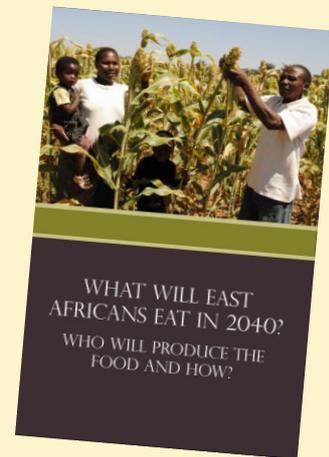
The study considered the sub-sectors with the most signified economic activity in one country per region in Kenya and analysed economic activities that are comparable across any two countries.

http://www.cuts-international.org/ARC/Nairobi/pdf/Unshackling_the_Growth_of_Kenyan_SMEs.pdf

What Will East Africans Eat in 2040? Who Will Produce the Food and How?

The study report explores the existing dilemma in realising sustainable food security in the East African Community (EAC). It analyses whether the EAC has positioned itself to attain sustainable agricultural production and food security for its population, given the enormous challenges and uncertainties lying ahead. The report further underscores the current competition for scarce agricultural resources as a future threat to food production, especially where bio-ethanol production, increased urbanisation and industrial development will mean competition for critical resources such as land, water and energy.

http://www.cuts-international.org/ARC/Nairobi/pdf/What_Will_East_Africans_Eat_in_2040_Who_will_produce_the_Food_and_How.pdf



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Sources

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