Tradequity

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Does the US-Africa Leaders' Summit Reflect a Shift in America's Strategic Thinking?

The US-Africa Leaders' Summit was held in Washington DC from August 04-06. Leaders from fifty African States attended the three-day Summit, which occurred for the first time in American diplomatic history. The Summit's theme, "Investing in the Next Generation" , covered a wide range of issues including trade, investment, security, public health and youth training. The Summit has launched a new version of the US-Africa cooperative plan on trade and security. It is more active in training African "young leaders" , which is a highlight.

The outcome of the Summit reflected the shift of American strategic thinking of Africa. Firstly, US-Africa relations are at the service of the American economy and the rebirth of manufacturing. In the three-day Summit, the issue of economic and trade accounted for two days. During the Summit, the US President Obama stressed the importance of African markets to America several times. He stated that the six African countries appeared on the list of the world's 10 fastest-growing economies, and he believed that the next economic miracle will appear in Africa. The Summit put forth the goal that the US and Africa should become economic partners of "equality and cooperation", as the US strives to eliminate African trade barriers for American goods and investments and accelerates the development of bilateral trade.

Secondly, US-Africa relations are at the service of reducing US military intervention and security burdens overseas. The Summit indicates that the method of security cooperation between the US and Africa might coincide with the crux of President Obama's speech at West Point. The US will increase peace-keeping aid to Africa and support the African regional organisations playing a bigger role in security issues. This indicates that the US would not be directly involved

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in African conflicts, but hopes that African countries and regional organisations could solve these issues by themselves. The US has emphasised that African development and security depends on its own capacity building, and the US would only provide training, funding and equipment while leaving military actions to Africa.

Thirdly, America pays more attention to invest in Africa's future by using soft power. Figures show that 60 percent of Africa's population of one billion are under 35. As early as 2010, the US launched the "President's Young African Leaders Initiative", which is a long-term effort to invest in the next generation of African leaders and strengthen partnerships between the US and Africa. It aims at training young African leaders who are friendly to America or who advocate democratic transformation. At this Summit, the US institutionalised the training programme for African youth, which reflects its intention to shape Africa's future using American soft power.

The shift of American strategic thinking of Africa is caused by two factors. One is that Africa's economy is growing faster; and the other is that the emerging powers have entered in Africa faster than the US, leading to the relative decline of American influence in Africa. However, in general, we should understand that the Asia-Pacific is still the priority of American diplomacy.

In convening the Summit, the Obama administration has demonstrated that Africa is important to US and that there are mutual benefits in a well-structured relationship. African leaders themselves were not inert actors at the Summit but were actually engaged in meaningful and informed dialogue, and highlighted the issues that matter to them. Most importantly, the Summit resolutions included strategies to institutionalise future such gatherings. However, the influence of a Summit is limited. It is hoped that the new mechanism will continue and the US will earnestly care for Africa and sincerely help the continent, as a whole so that the US, together with other nations, contributes more to this continent, which is full of hope and opportunity.

(China US Focus, 29.08.14)

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BRICS Launches New Dev. Bank

The BRICS alliance (Brazil, Russia, India, China and South Africa) has launched the New Development Bank (NDB) and the Contingency Reserve Arrangement (CRA) to rival the dominant Bretton Woods Institutions of World Bank and the International Monetary Fund (IMF) respectively. This comes after frustrations by emerging economies at the two institutions complexity and undemocratic way of executing things.

The United States, for instance, has got the power of veto in the IMF and some countries of the industrial north have the majority of votes in contradiction with the present correlation of economic forces and the increasing weight of emerging countries.

The NDB and CRA will complement existing multilateral and regional financial institutions, whose lack of resources constrain financing of infrastructure projects in developing countries, especially at times of crises, according to the Summit's final declaration, signed by the participating heads of the State.

(IPS, 17.07.14)

Action on Food Security

The Common Market for Eastern and Southern Africa (COMESA) has developed an initiative to eliminate intra-regional food import and export bans to improve food security and promote vibrant trade among its members.

This initiative comes in the wake of countries putting in place the import and the export bans on agricultural products. Kiraka, the Chief Technical Advisor for COMESA is concerned that the countries with food surpluses are unable to export to member countries that might be facing deficits because of haphazard food import and export bans.

He further noted that the studies by Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) show that the implications of food import and export bans include market gluts at production level, smuggling, cases of corruption and ultimately higher transaction costs and consumer prices. *(ZDM, 05.08.14)*

Ghana's Economy at Risk

The IMF team has stated that the economy of Ghana is in a situation that renders it vulnerable to many shocks and has also stressed that the country's economic growth at the end of year 2014 will slide from 7.1 percent, recorded in year 2013, to 4.5 percent. This decline in economic growth could be the lowest in more than a decade for the nation.

Joel Toujas-Bernate, who led the IMF Mission to Ghana, stated that Ghana has been facing significant domestic and external vulnerabilities, a fiscal deficit, a slowdown in economic growth and a rise in inflation rate in 2014. He cautioned that such a pattern of economic shocks is putting the nation's medium term prospects of economic development and growth at risk. *(B&FT, 29.09.14)*

More Women in Trade

The International Trade Centre (ITC) has launched a new initiative expected to push for increased participation of women entrepreneurs in public procurement in Rwanda. The initiative is hoped will cut down on the dominance of men, who were the participants at the Roundtable of the Global Platform on Sourcing from Women Vendors noted, earn the majority of public contracts.

According to ITC, currently only an estimated one percent of public-procurement contracts globally are awarded to women entrepreneurs. Some observers have noted with optimism that this initiative will go a long way in reducing poverty as women together with children are the most vulnerable groups in Sub-Saharan Africa.

Furthermore this initiative will help increase the participation of women in other businesses not only procurement hence bringing about more inclusive and balanced growth.

(TNT, 17.09.14)

Death Knell for Nile Perch

The Nile perch rose to become the backbone of the lake zone economy, supporting 300,000 livelihoods directly and another three million indirectly. But the large freshwater fish is at present on the brink of extinction, posing a serious threat to Lake Victoria, the largest fresh water lake.

During the 1980s and early the 1990s, before the introduction of fish processing plants in lake zone regions, Nile perch was virtually valueless and was favoured mainly by ordinary families that could not afford more expensive fish like tilapia. Though between 1992 and 2004 Nile perch became a delicacy of the elite in European countries. Currently, the situation is alarming following a sharp decline in stocks in Lake Victoria caused by, among other factors, over fishing.

(BD, 25.09.14)

EAC: Urge for Creation of FSC

The civil society and business leaders have urged East African Governments to create a Food Security Commission at the East African Community Secretariat to eliminate hunger. The body, they said, will also help in reducing environmental degradation and generate income for the East African Countries (EAC) populations through agriculture. A Commission was recommended to be created and given enough resources to develop agriculture, as a business.

A research has found that rice is the most traded produce in the region – but at only 5 percent, annually. Increased production of rice and allowing free trade would provide income and save the region $500mn, which is spent on imports in a year.

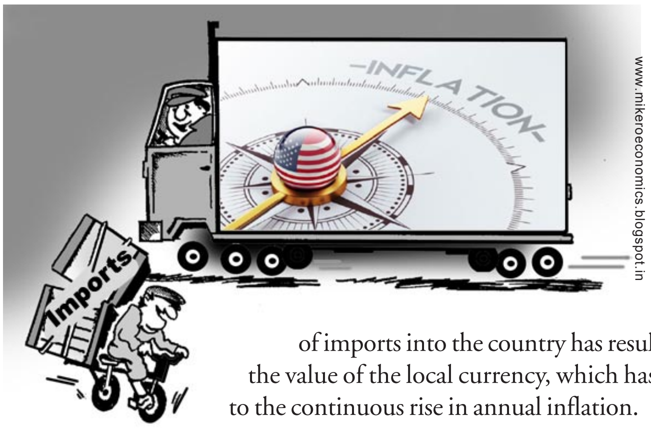
In Tanzania, for instance, restaurants in the north buy Irish potatoes about 2,000 km away in the south, yet the produce is available only at 150 km away in Rwanda and Burundi.

(EA, 20-26.09.14)

Inflation from High Imports

The data available from the Ghana Statistical Service (GSS) has indicated that the consumer preference for imported items rose in June as level of import also continued to soar. This, according to the service, this accounted for a rise in the inflation rate for imported items from 18.9 percent in May 2014 to 19.1 percent in June.

The Government Statistician, Philomena Nyarko stated that the inflation rate for imported goods has been on the rise, since January 2014, recording a rate of 14.5 percent. It rose to 15.6 percent in February, then to 17.0 percent in March. It later increased to 18.7 percent in April and shot up again to 18.9 percent in May.



The high level of imports into the country has resulted in the decline in the value of the local currency, which has partly contributed to the continuous rise in annual inflation. *(DG, 15.07.14)*

New Railway Lines for Zambia

Zambia, the biggest copper producer in Africa, is planning to build five new railway lines to link its mining provinces to all regional trade corridors in its latest drive to boost its inadequate infrastructure facilities.

The new lines are intended to provide reliable and cost-effective bulk transportation for the mining, agriculture, and energy sectors considering the current huge challenges businesses face to import and export goods using the ailing TAZARA railways through Tanzania.

The ambitious programme comes in the wake of two successful raising of money on the international markets, first the euro bond worth $750mn and a one billion dollar sovereign bond in 2014. The development of the railway transport will reduce business costs substantially and will ensure the country becomes a logistics hub for business transactions thereby accelerating economic development.

(WSJ, 23.07.14)

Enhancing Nigeria-Asia Trade

The Nigerian Government has concluded plans to raise the volume of trade between the country and 14 Asian countries from the current $40bn (N6.62tn) to $80bn (N13.2tn) within the following two years. Nigeria, Africa's biggest economy in nominal terms has been increasingly looking to the East for its source of growth and in recent times Asia has emerged as Nigeria's major trading and investment partner.

The Minister of Industry, Trade and Investment, Olusegun Aganga, reaffirmed his country's wish of maintaining Nigeria's current position as the preferred investment destination in Africa by stating that the administration has within the last three years, been implementing far-reaching transformational policies. These policies, the Minister noted, are aimed at diversifying the country's economic base and achieving sustained, inclusive economic growth. *(TG, 16 .09.14)*

SADC Signs Trade Deal

After 10 years of negotiations, the Southern African Development Countries (SADC) has initiated an Economic Partnership Agreement (EPA) with the European Union (EU), beating an October 01 deadline. The deal will grant Botswana and six other member states in the SADC bloc duty and quota free access to the EU market.

On being quizzed about the delays, having previously failed to meet two deadlines, Banny Molosiwa, coordinator, SADC-EPA members said that there were different expectations from the countries involved, which hindered progress as satisfaction was supposed to be achieved by each one of the members.

This deal will see the seven members who have brokered the deal tap into the biggest market in the world on a duty free basis and observers have noted this as a 'great' deal for the countries involved.

(MO, 28.07.14)

Trade Centre in Angola

Namibia will construct a trade centre in the Angolan capital of Luanda to facilitate the distribution of products and promote investment between the two countries. The Namibia Trade House will house various businesses, including retailers, medical facilities and service providers.

The trade centre will cost between N$250mn to N$300mn. Angola and Namibia have agreed to support the initiatives to boost industrialisation, as part of efforts to increase trade between the two countries. Namibia is also interested in developing a trade centre in the southern Angolan town of Lubango.

The intra-trade initiative comes at a time when the Angolan economy is registering steady and impressive growth after massive inflows of foreign direct investment (FDI) in oil and manufacturing sectors. *(NS, 09.07.14)*

Rise in India-Zambia Trade

The Zambia-India bilateral trade volumes have reached a total of US$619mn in 2014 from $568mn recorded in the previous year. India-Zambia bilateral trade reached $568mn in 2012/2013 from $379.6mn in the previous year.

India's major items of exports to Zambia during the period were pharmaceuticals and fine chemicals, machinery and instruments, transport equipment, metals and electronic goods. Others were plastic and petroleum products, and man-made yarn fabrics.

Zambian exports to India during 2013-2014 mainly comprised non-ferrous metals, pearls, precious and semi-precious stones, raw cotton and metal ferrous ores and scrap metal. During the first few months of the financial year of April to November, Indian exports to Zambia posted an impressive growth of more than 60 percent crossing $243mn, as compared to $151mn during the same period in the previous year.

(ToZ, 28.08.14)

Rice Import Duty Hike

Farmers have supported the increase in import duty on rice, but want more incentives. The duty change was effected two weeks ago following a notice by the EAC published on June 20, 2014. According to the notice, the duty stands at 35 percent or $200 (Sh17,200) per metric tonne, whichever is higher.

The move raises duty to over 50 percent. "We welcome this because it is in the right direction. However, irrigation infrastructure is not elaborate and there should be sustained efforts to ensure that the farmers are provided with farm inputs to upscale production", said Booker Kowuor, Small Scale Cereal Growers Association Executive Officer. Importers of the commodity in Mombasa opposed the hike claiming that the traders will be kicked out of business, since imported rice will become too expensive. "Importation of rice will only be left to those with bigger capital and there is danger of small traders being edged out of business.

Competition will be unfair as duty imposed will be the same regardless of the grade imported", said a Kenya International Freight and Warehousing Association (Kifwa) officer. However, Ambrose Makokha, Finance Manager at Lake Basin Development Company, criticised the importers pointed out they were not mindful of the interest of farmers. *(DN, 22.07.14)*

Shielding EAC Disputes

The EAC members are locked in trade disputes that are blocking the movement of goods within the regional market. An assessment reveals that Kenya, Uganda, Tanzania, Rwanda and Burundi are struggling to balance the spirit of the Customs Union launched four years ago with shielding local businesses from competition.

The disputes were highlighted by complaints that Burundi had introduced taxes on alcohol, wine, tobacco, spirits like gin, beauty products and cotton clothes in contravention of the EAC Customs Union Protocol.

The move seems to aim at protecting the Burundi Tobacco Company and Afritextil, while raising BIF480mn ($306,163) in revenue. But the complaining states are themselves not innocent. Another report shows that the other four countries have introduced taxes that are inconsistent with the Customs' Union Protocol. *(TEA, 12-18.07.14)*

Re-aligning Budget Plans

Uganda's Treasury is seeking to readjust its budget plans and also borrow money from China to fund the Northern Corridor infrastructure projects, which President Yoweri Museveni has committed to implement in the current financial year.

The EastAfrican has learnt that in its $5.5bn 2014/15 budget, Uganda, unlike its partners Kenya and Rwanda, did not set aside money for the construction of the standard gauge railway (SGR), electricity transmission lines and the regional commodities exchange that Museveni signed onto and which implementing partners are to work in coordination.

Uganda is presently talking to the Government of China for funding for the Malaba-Kampala section of SGR, which is expected to cost Ush4.5tn ($1.7bn). The State Minister for Works John Byabagambi, told that he was working hard to seal a financing deal for the SGR with the Chinese Government. *(TEA, 19.07.14)*

GCCI Endorses GSA's Move

The Ghana Chamber of Commerce and Industry (GCCI) has supported the decision by the Ghana Standard Authority (GSA) to withhold implementing the Certificate of Conformity (COC) Programme, which was scheduled to take effect from October 01, 2014. The GCCI in a statement said that it will appreciate any efforts aiming at preventing the importation of unsafe, substandard and/ or counterfeit goods.

However, no matter how good the initiative is, it should not be implemented unilaterally. It has also been stated that the majority of key stakeholders in Ghana were not involved in the decision-making process regarding the Product Conformity Assessment programme, thus the need for further clarifications and participatory engagements. *(B & FT, 23.09.14)*

US and EU Pressure

African countries are facing strong pressure from the US and the European Union (EU) to reverse the decision adopted by their Trade Ministers to implement the World Trade Organisation's (WTO) trade facilitation agreement on a "provisional" basis.

At the Summit of African Union leaders in Malabo, Equatorial Guinea, "there was unprecedented (US and EU) pressure and bulldozing to change the decision reached by the African Trade Ministers on April 27 in Addis Ababa, Ethiopia, to implement the trade facilitation (TF) agreement temporarily, under paragraph 47 of the Doha Declaration", Ambassador Nelson Ndirangu, Director for Economics and External Trade in the Kenyan Foreign Ministry, conveyed to IPS. The pressure comes only when the issues and interests of rich countries are involved but not when the concerns of the poorest countries are to be addressed. *(BD, 19.07.14)*

Kenya Lowers Barriers

Kenya has relaxed its restrictions on Uganda's sugar in a move that is set to expose local manufacturers to stiff competition. A regional meeting of industry regulators and tax agencies held in Kampala resolved to remove the barriers that have slowed trade in sugar in the last three years.

Uganda has been locked in a trade dispute with Kenya, since 2011 when claims emerged that the traders from the landlocked State were simply re-packaging cheap Comesa sugar for resale in other East African markets. The feud saw Kenya slap a ban on Uganda sugar imports in October 2012 but this was later replaced by stringent vetting of consignments that takes up to three months before shipment permits are issued. *(BD, 24.07.14)*

'Akoben Model' for Illegal Miners

The Artisanal and Small Scale Mining Africa-Network (ASMAN) is looking forward to a major policy to ensure the institutionalisation of the "Akoben Model" for the small-scale mining industry in order to halt the current trend wherein small-scale miners have graduated from the illegal mercury-abuse to the usage of unauthorised cyanide.

Under the initiative, the environmental performance of mining operators with the exclusion of small scale mining operators are monitored and assessed in line with set standards as well as Environmental Impact Assessments guidelines.

The "Akoben Model" was designed by the Environment Protection Agency (EPA) to carry out its mandate in conformity with the principles of the National Environment Policy. This model is also an environmental performance rating and disclosure programme of the EPA. *(DG, 08. 09.14)*

Call for Creation of FSC

Civil society and business leaders have urged the East African Governments to create a Food Security Commission at the East African Community Secretariat to eliminate hunger. The body, they said, will also help in reducing environmental degradation and generate income for the EAC populations through agriculture. The experts recommended that a Commission should be created and given enough resources to develop agriculture as a business.

Increased production of rice and allowing free trade would provide income and save the region $500mn that is spent on imports annually. In Tanzania, for instance, the restaurants in the North buy Irish potatoes 2,000 km away in the South, thought the produce is available only 150 km away in Rwanda and Burundi. *(TEA, 20-26.09.14)*

COMESA: Rising Growth Rate

The Common Market for Eastern and Southern Africa (COMESA) region has achieved an average growth rate of 6.6 percent in 2013, from 5.5 percent in 2012, according to the latest COMESA report on the region's states. This growth has been attributed to relatively high commodity prices on the international markets, increased trade and investment ties with the emerging economies and greater domestic demand underpinned by new, urbanising middle class consumers with rising incomes.

Further, high public expenditure on infrastructure and improved economic governance and management supported macro-economic stability and improved investment environment in many countries in the region.

"The region needs to pursue appropriate macroeconomic policies and at the same time, increase access to key public services, notably education, health and security and further improving institutions and regulations for private sector activity", the COMESA report said.

(www.comesa.com/comesa news)

Trade and Services Protocol

The South African Development Community (SADC) Heads of State and Government have signed the Protocol on Trade and Services. SADC Chairperson, President Robert Mugabe led other regional leaders in signing the legal instrume that is expected to improve trade and infrastructure development in the member states.

The Presidents of Mozambique and Namibia, Armando Guebuza and Hifikepunye Pohamba respectively, were given a chance to bid farewell to the Summit as they will be stepping down after elections in their respective countries.

The two will step down after completing two successive terms in office and according to their respective constitutions; they will not be allowed to seek fresh mandates. said Mozambique will go to the polls on October 15 and he will hand over the baton to his successor who will be elected during the elections.

(Bulawayo 24, 19.08.14)

High Costs Driving EA Traders

The high cost of moving cargo through Kenya is pushing most East African traders to Dar es Salaam despite the reforms that have significantly raised efficiency at the port of Mombasa. Traders based in Kigali, Bujumbura and Goma pay less to move goods from the port of Dar through Tanzania's Central Corridor than from Mombasa Port through Kenya's Northern Corridor.

It costs $4,800 to transport a standard 40 foot container cargo through the Northern Corridor to Kigali, $6,500 to Bujumbura and $7,000 to Goma from Mombasa Port. The same container transported through Dar would cost $4,300 to Kigali, $4,500 to Bujumbura and $4,700 to Goma, a survey conducted by the Shippers Council of Eastern Africa indicated. *(BD, 21.08.14)*

Ghana Enters Arbitration

Ghana has initiated arbitration proceedings, under the United Nations Convention on the Law of the Sea (UNCLOS), seeking a declaration that it has not encroached on Cote d'Ivoire's territorial waters in the exploration of oil.

The decision follows failed negotiations between the two countries in the past few years as well as continued receipt of threatening letters from Cote d'Ivoire by oil companies operating in the disputed area.

In order to avoid a diplomatic spat, Ghana has since served Cote d'Ivoire with a notification of arbitration, in accordance with the provisions of UNCLOS. Ghana filed its suit based on Article 287 Annex VII of the 1982 UNCLOS.

(DG, 23.09.14)

Control on Cedi Depriciation

In February 2014, the Bank of Ghana directed that all local transactions should be made in the local currency to stop the Ghana Cedi from further depreciating against major currencies. While the Directive was in force, the cedi fell by up to 40 percent within the first half of the year; a situation, which forced the Central Bank to review its Directives, following strong agitation by the public, including actors in the business sector because of the negative impact on businesses in particular and the economy generally.

The Ghanaian Cedi on the other hand, has seen a steady appreciation against the major foreign currencies. To most business owners, this positive performance of the cedi may not be sustainable and as such they are reluctant to make any changes to their prices.

(DG, 29.09.14)

Enhanced Water Management

Four SADC countries including Zimbabwe will be able to collectively manage their water resources more efficiently owing to the launch of the Limpopo Watercourse Commission (Limcom) at present. Limcom will help Botswana, Mozambique, South Africa and Zimbabwe, which all shares the Limpopo River Basin organise their water management resources better.

Back in 1986, the four states made a commitment to manage their water resources together with the establishment of the Limpopo Basin Permanent Technical Committee. In 2003, this co-operation was fostered through the multilateral agreement to establish Limcom. The launch of August was attended by the ministers responsible for water in the four countries, SADC and river basin organisations, among others who reaffirmed the commitment of Limcom and member states to the promotion and implementation of the SADC revised protocol on shared watercourses.

(SADC, 03.08.14)

Climate Change Adaptation

Investing in ways to adapt to climate change will promote the livelihood of 65 percent of the Africans, the United Nations environmental agency has reported. The Agency also warned that failing to address the phenomenon could reverse decades of development gains made by the continent. Africa's population is set to double to 2bn by 2050, the majority of which will continue to depend on agriculture to make a living.

"With 94 percent of agriculture dependent on rainfall, the future impacts of climate change – including increased droughts, flooding, and seal-level rise is likely to hit the continent hard as it will substantially reduce the crop yields in many parts of Africa by 1520 percent" noted the UN Under-Secretary General and United nations Environment Programme (UNEP) Executive Director, Achim Steiner.

(UNNC, 15.08.14)

Surge in Power Costs

The Kenyan consumers face higher charges for electricity as inflation and a weak shilling affect power bills from July . The Energy Regulatory Commission (ERC) has increased the levy charged on forex to 30 cents per kWh from the 0.38 cents charged last month while the inflation adjustment charge has doubled to 0.18 cents from 0.9 cents in June.

The rate of inflation soared to 7.39 percent in June compared to 7.30 percent in May with the shilling also depreciating against most major currencies except the Tanzanian shilling. The new levies come hot on the heels of recent upward review of electricity tariffs that saw fixed charges rising in July from Sh150 from Sh120. Also raised from the beginning of July is the energy charge per kWh, which has shot to Sh13.68 from Sh11.62 for those consuming more than 50 units.

(BD, 15.07.14)

Hike in Utility Tariffs

The Public Utilities and Regulatory Commission of Nigeria has reviewed electricity and water tariff hike. The cost of electricity has gone up by 6.54 percent while that of water has been increased by 4.54 percent. The Ghana Water Company will, however, not be able to charge the new rates until certain challenges are fixed.

The PURC said that the marginal increases have been necessitated by the shift to crude oil for generation of power occasioned by erratic gas supply from Nigeria. Public Affairs Director of the PURC, Nana Yaa Gyantuah, said the Commission recognised that electricity consumers, for instance, are spending money on alternative sources of energy anyway, which costs them more. A statement indicating that on average, consumers should be able to pay the new tariffs.

(DG, 30.09.14)

Gas Cylinder Fraud

Oil and gas industry operators where are raising a red flag over the continued escalation of malpractices in the Liquefied Petroleum Gas (LPG) business. The players said that seven out of 10 cylinders in the market are sourced from illegal fillers - a trend that is causing massive unease in the industry.

The Petroleum Institute of East Africa (PIEA) through their lobby group industry players are warning that illegally filled cylinders are compromising the safety and property of the consumers.

According to PIEA, illegally filled gas cylinders are mostly underweight and lack cylinder validation and gas stench – a component that enables one to identify a leak. "The extent of the crisis is of grave concern to consumer safety given that statistics indicate that almost 80 percent of the LPG Business Segment is illegal", said Polycarp Igathe, Chairman, PIEA

(TS, 22.07.14)

Implementation of the EAC Fair Competition Regime

CUTS Nairobi with the support of Trade Mark East Africa has implemented a project, which seeks to promote the implementation of EAC competition policy and law, since the heads of state accented in 2006 to enact the East African Community Competition Act. The inadequate progress in the implementation of the Act has raised concerns across the region, especially, at such a stage where the region is implementing a Common Market, which seeks to increase cross-border trade and investments and present consumers with an expanded market and choice. A sound competition culture is therefore required to promote effective competition regime. Therefore, CUTS Nairobi with its East African Competition Policy and Law (EACOMP) project is aiming to conduct research and advocacy activities, which will enhance key stakeholder awareness of the urgency of the effective implementation of the regional competition act.

www.isrj.org

Even though progress in the implementation of EAC Competition Policy and Law have been slow, there have been advancements over the past years, which give the indication that positive progress in fair competition regime in the region is made. In 2010, the EAC Secretariat adopted the EAC Competition Regulations, which completed the legal and regulatory framework for competition in the region. In addition, section 38 of the Competition Act has been amended to allow the appointment of five Commissioners to the future EAC Competition Authority thereby accommodating the joining of Rwanda and Burundi into the Community. As a definite step toward the operationalisation of the EAC Competition Act, in 2013, the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) has adopted a roadmap for the establishment of EAC Competition Authority. Even though the roadmap has not been followed to the letter due to delays in the establishment of National Competition Authorities in some of the EAC member states, in May 2014, SCTIFI directed the EAC Secretariat to establish the East African Community Competition Authority (EACCA) in the financial year 2014-15. The EACCA is expected to be housed, under EAC Department of Trade, Industry, Finance and Investment.

However, there are a number of challenges that are hindering the process of establishing an effective EAC Competition Regime. Firstly, the harmonisation of national Competition Laws (if present) with the regional Competition Law to be done even though according to the 'roadmap' the harmonisation should have taken place by September 2013. Secondly, there are significant political economy related challenges in the advancement of the EAC Competition Law implementation. These are mostly fuelled by the stark difference at the levels of economic development among member states. The national economic development interest may result in national reluctance for regional supervision of national procurement and industrial policy, which would be avoided, especially by the less economically developed nations in the EAC because protectionism and national industrial development may be preferred over fair competition regionally. Additionally, there is a lack of political will to advance the implementation of EAC Competition Act, which is partly due to vested interests by high level officials who may also have personal business interests for which a fair competition regime with a level playing field for all market players would not be beneficial. Thirdly, there are varying levels of capacity to implement the regional competition act. Not all EAC member states have adopted national competition laws and have established national competition authorities. This makes the operationalisation of the regional Competition Law a challenging undertaking because no agreement on implementing the EAC Competition Act has been reached without the national legal and institutional structures in place in all member states. Currently, the possible arrangements to address this challenge are being examined by the EAC Secretariat.

As a result of the delayed implementation of the EAC Competition Act, many potentially anti-competitive practices are going unchecked due to the absence of an overall regional regulator to deal with cross-border competition issues. Thus, weaker market players and consumers are exposed to unfair business conduct by dominant firms, which could be either private sector entities or might be publicly owned. Therefore, to protect consumers and especially SMEs in the region and national representatives at the EAC level must prioritise the implementation of the EAC Competition Act 2006 in order to promote a level-playing ground to promote fair competition. Fair competition in the region is expected to lead to better access to goods and services, lower the prices, enhancing quality and boosting private sector growth.

Economiquity


ECONOMIQUITY

Confusion Galore on India and WTO

The July-September 2014 issue of Economiquity carries an article entitled, 'Confusion Galore on India and WTO' in its cover story, which states that while food security being a matter of national sovereignty should not be confused with trade negotiations as many are indulging in the same. Moreover, the WTO issue is on production subsidies and not consumption subsidies, so it does not affect India's poor consumers.

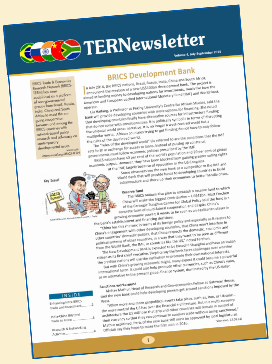
A special article by Mikhail Gorbachev asserts that political, business, and civil-society leaders should cooperate to implement the UN Watercourses Convention.

Another special article by Paul Polman and Marc Van Ameringen affirms that the world cannot afford to talk about hunger without addressing climate change, food production without sustainability or growth without good nutrition.

Broadly, the issue covers Economic Issues; Trade Winds; Development Dimensions and Environment & Economic issues.

This newsletter can be accessed at: www.economiquity.org/

BRICS-TERNewsletter


TERNewsletter

BRICS Development Bank

BRICS Trade & Economics Research Network (BRICS-TERN) was established as a platform for non-governmental organisations from Brazil, Russia, India, China and South Africa to assist in furthering South-South cooperation through network-based policy research and advocacy on contemporary and developmental issues. In line with networks' agenda, every quarter BRICS-TERN publishes a four page newsletter that provides an overview of the most recent BRICS trade and investment-related activities and provides information on the research and networking activities that are being undertaken by BRICS-TERN partners.

This newsletter can be accessed at: http://cuts-international.org/BRICS-TERN/publications.htm

Africa Publications Digest 2013

CUTS Africa (Lusaka, Nairobi and Accra) produces this document for informing the relevant stakeholders its major publications in 2013.

http://www.cuts-international.org/ARC/pdf/Publication_Digest_2013.pdf

We want to hear from you...

Please e-mail your comments and suggestions to **cuts@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

BD: Business Daily; B&FT: Business & Financial Times; DG: Daily Graphic; DN: Daily Nation; EA: East African; EAC: East African Community; IPS: Inter Press Service MO: Mmegi Online; NS: Namibian Sun; SADC: Southern African Development Community; TG: The Guardian; TEA: The East African; TG: The Guardian; TNT: The New Times; ToZ: Times of Zambia; TS: The Standard; TPN: The Post Newspaper; UNNC: UN News Centre; WSJ: Wall Street Journal; ZDM: Zambia Daily Mail

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