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Year 14, No. 4/2015

Post-Doha Trading System

Five Point Agenda for African Economies

The package that came out of the December 2015 World Trade Organisation (WTO) Ministerial Conference in Nairobi – the first hosted by an African nation – has been hailed as one of the most substantial packages that has been reached over the WTO's 20 years. The most notable outcomes of the conference include the following:

- African farmers will acquire benefit from the immediate (or at least before 2018) phase out of most export subsidies on agricultural goods.
- African least developed countries (LDC) cotton producers will be provided with duty-free, quota-free access to developed and selected emerging countries' markets.
- Under a special safeguard mechanism, African governments will be able to raise their tariffs as needed to protect their farmers.
- They can also claim exemptions from agricultural subsidy limits in order to maintain public stocks for food security.

The Big Elephant in Nairobi

The most mediatised issue during and after the Nairobi Conference was the failure of the Ministers to agree on whether or not to continue the Doha Round. While developing countries are generally in favour of the Doha Round (given its strong emphasis on making trade rules fairer for developing countries), prolonged deadlock in multilateral trade negotiations beginning 2001, has been a source of fatigue for many WTO members, inducing a shift in their focus to other trade initiatives.

The five important policy-related points for African officials and stakeholders to note while formulating their positions and strategies for any future negotiations in a post-Doha world are as following:

1. New contexts and attitudes

The round was launched two months after 9/11, when the multilateral trading system was considered as a 'global public good'. Now, if anything, the key criteria for choosing one's partners in the new regional trade deals are overwhelmingly based on the potential for 'coincidence of wants' and the possibility of reciprocal exchange of concessions.

2. New trade issues

Developed and emerging countries are more interested in negotiating sophisticated issues, such as investments, government procurement and competition policy, international taxation, migration, intellectual property, financial services, and pharmaceuticals than import tariffs or agricultural subsidies – Doha's core issues for developing economies.

3. Preferential & discriminatory deals

Whether by design or not, bilateral, regional, and especially mega-regional trade deals, by their inherent nature, exclude non-participating countries. Most of them contain preferential features that violate the 'most favoured nations' principles. More importantly, they are likely to significantly hurt excluded countries, which generally tend to be the poor or small countries with little bargaining power.

4. Costly negotiations

Signing trade agreements could be difficult and costly, especially for small countries that lack negotiation and implementation resources and capacity. The typical African economy might not be able to keep pace with emerging or developed countries that are able to sign multiple deals and will likely remain at the margin of many new agreements.

5. Impact on multilateralism

There is a potentially perverse relationship between multilateralism and the trend towards regional or plurilateral deals. On one hand, difficulty and slow progress in multilateral liberalisation have led to the current push for regional arrangements. On the other hand, those arrangements themselves might render future multilateral deals more difficult and less feasible. Furthermore, the 'Nairobi package' features a wide range of decisions that are of particular relevance to African economics.

– *(http://www.brookings.edu/blogs/africa-in-focus/posts/2016/01/06-post-doha-trading-system-andriamananjara)*

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Kenya to Lead Africa in Economic Growth

Kenya's economic growth could be the highest in Sub-Saharan Africa over the coming 15 years, according to a new World Bank (WB) report. According to Pulse report, Kenya's growth should remain 'robust' at around 6.2 percent until 2030, well above many other African economies that would suffer from China's economic slowdown and restructuring away from foreign investment and towards domestic consumption.

The WB has also warned of dark clouds on the horizon, including widening public sector deficits, growing debt levels and the continuing decline in commodity prices, particularly for coffee, which has declined by 25 percent in the previous year. However, most Sub-Saharan countries are expected to grow at a slower pace due to a more challenging economic environment. *(DN, 06.10.15)*

SMEs to Create Jobs in Africa

Africa's transformation on the global economy requires it to be currently at the table of international trade decision-making. Studies have focussed on developing Africa's Small and Medium Enterprises (SME) sector as a vehicle to employment and job creation and as a key to the region's entrepreneurial environment needs.

At present, these small and growing businesses create around 80 percent of the region's employment, establishing a new middle class and fulfill the demand for new goods and services. SMEs play a critical role in nation building, nation advancement, and a nation's innovativeness.

This is because without SMEs development, growth and socio-economic paradigm shifts in Africa cannot take place. Moreover, it is not possible to reduce poverty without SMEs. It is thus necessary for WTO to strike a deal and have SMEs as central pillar for the world's economy. *(TS, 16.12.15)*

AfDB's Aid to Ghana

Akinwumi Adesina, President of the African Development Bank (AfDB) is confident that the Bank's board will approve an amount of US$100mn to support Ghana's budget. According to Adesina, the support is the Bank's way of asserting its confidence in the local economy, which he said has witnessed at some hard times.

The expected release of the AfDB budget support will come as good news to the government, particularly as it incurred donors' wrath previous year when more than US$700mn was withheld on account of some concerns donors raised about the economy's management.

The deal between Ghana and the International Monetary Fund (IMF) has acted as a catalyst in ensuring that the donor funds that were previously locked up are released to ease the fiscal constraints of the government. *(B&FT, 23.10.15)*

Japan Eyes Energy Sector

Japan is interested in investing in the Zambian energy sector to stabilise power supply, which has directly affected Japanese economic activities in Zambia, said visiting Japanese Parliamentary Foreign Affairs Vice Minister Hitoshi Kikawada.

He said that it was important that the power deficit was stabilised as it affected the entire Zambian economy and directly impacted the Japanese firms and companies working in Zambia.

"It is important that the power supply is stabilised because it directly affects Japanese companies and the entire economy in Zambia. We will continue to encourage Japanese companies to invest in Zambia", Kikawada said. He added that more Japanese investors would come to Zambia when the Zambian economy is stabilised, which had the potential to do better. *(DN, 11.12.15)*

US$10bn Aid from India

India and Africa renewed their relations at a conference in New Delhi (India) on October 29, 2015, where Indian Prime Minister Narandra Modi announced his country's decision to raise the level of support to Africa with a concessional credit of US$10bn over the coming five years.

Besides, India pledged a grant of US$600mn, which would include an India-Africa Development Fund of US$100mn and an India-Africa Health Fund of US$10mn over the same period.

Modi said that his country since the first India-Africa Summit in 2008, had committed US$7.4bn in concessional credit and US$1.2bn in grants to Africa. The event of 2015 attracted a record participation of all 54 African nations with 41 of them represented by their heads of state, including Ghana's President John Dramani Mahama. *(DG, 30.10.15)*

Ghana Ranks 14th in Africa

Ghana has been ranked 111th most competitive economy in the world in the 2015 World Economic Forum's Global Competitiveness Index (GCI) report, placing the Ghanaian economy 14th in Africa. On a barometer of 7, the economy scored 3.9 in institutions, 3 in infrastructure, 3.4 in macroeconomic environment, and 4.5 in health and primary education.

Low score on macroeconomic stability of Ghana comes as no surprise, as the current inflation rate stands at 17.4 percent and the current monetary policy rate is 26 percent with downward revision of Gross Domestic Product (GDP) growth rate and unstable value of cedi against US$.

The report suggests that Africa, including Ghana, needs to increase the capacity of institutional frameworks to increase its competitiveness as well as to resolve power shortfalls. *(B&FT, 24.11.15)*

Is Time Ripe to Pull the Plug on the WTO Doha Round Issues?

With the ensuing Nairobi Ministerial of the WTO, the Director General of the WTO, Roberto Azevêdo, said that while there remains agreement that the Doha Round core issues, such as agriculture, market access and services remain on the negotiating agenda, there is a clear divergence among members on how these negotiations should take place.

A cursory perusal of the history of trade negotiations reveals that missed deadlines are not a new phenomenon in the multilateral trading system. However, even by General Agreement on Tariff and Trade (GATT) standards, the Doha Round of negotiations have drawn on for longer than normal.

While developing countries may be opposed to closing the Doha Round in the light of the issues that still remain unaddressed, in the long term, choosing to remain dogged about keeping the Doha Round alive could do more damage than good to the multilateral trading system, and ultimately to the chances of fostering a strong development component within the global trading system.

(FE, 21.12.15)

Drop in Transit Trade

The Ghana Ports and Harbours Authority has mentioned Ghana is losing significant revenue due to continued drop in transit trade between the country and its West African neighbours. Officials attribute the trend, among others, to the introduction of axle load regulation, which has seen shippers from the Sahel region boycott Ghana's ports over high cost.

Figures from the authority indicate that Ghana lost about 50 percent of cargo trade with Burkina Faso, Mali and Niger from 1mn tons annually since 2009 to 500 thousand tons in 2014. Shippers from the Sahel region have seven port alternatives to the Ghana option.

Marketing and Public Relations Manager at Ghana Ports and Harbours Authority (GPHA), Paul Asare Ansah, said that Ghana paid the price in the country's quest to maintain the integrity of her corridors. *(DG, 17.11.15)*

M-Pesa-based Loans

A US company has launched a Facebook-linked mobile phone lending service that allows the users to borrow and repay small loans through M-Pesa. The service accessible through an app dubbed Branch is set to raise competition for other M-Pesa-based loan disbursement platforms, such as M-Shwari and KCB M-Pesa and will be offering entrepreneurs up to Sh50,000 repayable in six months.

Branch will target small and micro enterprises that are in need of quick loans but are locked out by traditional banks, which demand collateral and see them as high-risk borrowers.

Borrowers only need to download 'Branch' from Google Play, log-in with their Facebook accounts and begin applying for small loans charged a one-off fee of between six percent and 12 percent depending on the amount and repayment period. *(BD, 18.10, 15)*

Zambia Part of TFTA

Zambian President Edgar Lungu has stated that Zambia is in the process of ratifying the treaty establishing the Tripartite Free Trade Area (TFTA) encompassing South African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC).

President Lungu mentioned that Zambia is also actively involved in the on-going negotiations to create an African Free Trade Area by 2017. The President also said that the African continent will be transformed into a major player in the global economy once the free trade areas are successfully implemented.

Lungu also stated that Zambia fully supports the SADC industrialisation strategy and road map 2015-2063 that provides a clear framework for industrialisation, economic diversification, productivity and market integration.

(http://www.tiozambia.com/zambia-part-of-afta-lungu/25.10.15)

Ghana-Denmark Deal Signed

The Ghana Maritime Authority (GMA) and the Danish Maritime Authority (DMA) have signed a bilateral agreement for the mutual recognition of seafarer certificates between Ghana and Denmark.

The Director Generals of the two institutions, Rev. Dr Peter Issaka Azuma and Andreas Nordseth, initialed for their respective organisations. Azuma noted that the signing of the agreement marked a positive development by the authority towards alleviating the unemployment difficulties of Ghanaian seafarers. This was considering the fact that Denmark was a leading ship owning country with huge employment opportunities on board its flagships.

Further, he expressed the hope that Ghanaian seafarers and ship manning agencies would take advantage and access the Danish maritime labour market.

(DG, 23.10.15)

Kenya in ECOWAS Market

Nearly one year after Kenya signed a free trade pact with Ghana as part of 'Africa-focussed diplomacy', Nairobi-based firms are preparing to make a major move to the West African nation. The firms – in energy, construction, professional services, agriculture, manufacturing and tourism – are already seeing beyond Ghana into the wider regional market.

www.businessdailyafrica.com

According to the Kenya Private Sector Alliance (KEPSA) Chief Executive Carole Kariuki, Ghana gives Kenya's businesses an opportunity to connect with a wider target audience, and introduce new products for international markets.

The hope is that they will be able to use the pact to side-step some of the tariff and administrative barriers that have previously blocked their entry into the 350mn-people ECOWAS. *(BD, 18.10.15)*

Stronger Ties with US than China

Most Kenyans see the US as the most important country, outside eastern Africa, to have good relations with as compared to China. A new study conducted by research firm Ipsos between November 07 and 19, 2015 indicates that 41 percent of the respondents prefer America compared to the Far East economic powerhouse, which only 16 percent of Kenyans prefer to work with.

The opinion poll, however, shows that 13 percent of Kenyans, who constituted the sample size of 2,058, consider the US to be the biggest threat to Kenya's economic and political development. A paltry 12 percent instead see China as a potential threat. Greatest benefit of US was during August, after President Obama's visit, where China's popularity went down. *(TEA, 24.12.15)*

Zambian Mission in Turkey

The Zambian mission in Turkey has embarked upon an exercise to identify and engage fruit-dealers, so that they could start importing Zambian tropical fruits like mangoes, which are available in abundance seasonally.

Bwalya Nondo, Deputy Head of Mission stated in Ankara, Turkey, that the embassy is also wooing potential investors to set up food-processing factories in Zambia for value-addition and job creation.

Zambia's ambassador to Turkey Mulenga observed that while engaging appropriate Turkish business agencies to explore the possibility of having an export market for Zambian fruits, the mission will at the same time showcase opportunities for investment in the food processing industry. *(DM, 14.12.15)*

Zambia: Main COMESA Importer

Zambia is the biggest importer in COMESA after it has posted the biggest market share of 25 percent in 2013 and is likely to record a much higher figure in 2015, said business council Chief Executive Officer Sandra Uwera. Uwera attributed the increase in the market share to a large number of products that Zambia imports.

She said Zambia was followed by Democratic Republic of Congo, Libya, Kenya and Uganda with intra-COMESA import market shares of 18.2 percent, 12.7 percent, 6.5 percent and 6.4 percent respectively. Zambia was among the countries that contributed to the regional growth together with Madagascar, Congo DR, Burundi and the Comoros.

Uwera explained that COMESA's trade with the rest of the world currently stands at US$283bn in 2013 with total exports at US$113bn in 2013 while imports were US$170bn in the same year. *(DN, 17.11.15)*

Exploring Prospects in Ghana

A 20-member Indian business delegation had been in Ghana to confer with Vice-President, Kwesi Amissah-Arthur of Ghana to explore investment opportunities.

Hemant Kumar Mahay, the Leader of the Indian Business delegation recognised the close ties between the two countries, adding that the relationship had blossomed to the extent that there were currently many Ghanaians of Indian origin who were contributing to the country's development

Mahay expressed the optimism that the team would go to India on a positive note and return to partner their Ghanaian counterparts in businesses that would be mutually beneficial to the two countries. *(DG, 08.12.15)*

COMESA Regional Maize Trade

The Common Market for Eastern and Southern Africa (COMESA) has launched a roadmap that will address differences in standards and regulations that hinder regional trade in maize.

The resolutions of COMESA Mutual Recognition Framework (C-MRF), which aims at providing equivalence of analytical results and recognition of certificates of analysis, were issued by the laboratories of the participating countries.

In a statement by COMESA Head of Corporate Communications Mwangi Gakunga. Recently, the C-MRF was developed by the COMESA Secretariat in partnership with six countries with significant maize trade. The participating countries are Zambia, Kenya, Malawi, Rwanda, Uganda and Zimbabwe. *(http://www.agribusinessafrica.net/30.12.15)*

Ghana-Korea Bilateral Deal

Ghana and the Republic of Korea have signed two bilateral documents geared at facilitating and enhancing cooperation between the two countries. The two documents are the Framework Agreement on Grant Aid and the Framework Arrangement of the Concessional Loans from Economic Development Cooperation Fund (EDCF).

Speaking at a signing ceremony in Accra, (Ghana) Seth Terkper, the Minister of Finance and Economic Planning said the signing of the two agreements was significant as there had been a delay since the last agreement was signed in 2012.

Terkper said the framework agreement was a comprehensive document covering grants, technical assistance and some loans, without which it would be difficult for Korea and its embassy in Ghana to offer any assistance to the country. *(GNA, 10.12.15)*

Global Trade Agreement

Kenya is poised to score on one front in the fight to keep the World Trade Organisation (WTO) relevant as five countries pledged to ratify the Trade Facilitation Agreement (TFA). Among them include Nigeria, Jamaica, United Arab Emirates; Egypt and Rwanda who pledged to hand in their instruments of acceptance to the WTO at the plenary session. The TFA will enter into force once 108 members of the WTO have formally accepted the agreement and are expected to help in cutting global trade costs as well as delivering technical assistance to economies that need it.

According to the WTO's 2015 World Trade Report released in October, implementing the TFA has the potential to increase global merchandise exports by up to Sh102tn (US$1tn) annually, benefiting mostly developing countries. *(TEA, 17.12.15)*

Common Passport for EAC

The common passport, which has been in development for five years, is set to replace the respective second-generation passports in a process expected to be completed in two years. According to EAC Secretary General Richard Sezibera, part of the mandate of the EAC integration process is easing movement of citizens from member states within and outside the community.

EAC wanted the identity card to be used for travel across the region while the East African passport, which will be the document used for travel outside East Africa. Currently, all the EAC member states apart from Burundi use second-generation passports that rely on digital imaging, watermarks and UV imaging as security features. Biometric passports contain additional security features through implanted micro-chips containing facial and biometric information of the traveller. *(TS, 16.12.15)*

www.google.co.in

Fast-tracking OSBP

The East African Legislative Assembly (EALA) has called upon member states to fast-track all remaining works on the One Stop Border Posts (OSBP) to pave the way for the implementation of other integration projects. OSBPs are expected to reduce delays and facilitate inter-regional and international transport.

The members of EALA undertook an On-Spot Assessment on the one stop border posts (OSBP) in EAC partner states in the months of April and September 2015 with the objectives of finding out the status of implementation of the OSBP projects and its effect on the movement of people and the EAC business environment.

Moreover, it also set to interact with stakeholders and identify opportunities and challenges affecting the implementation of effective OSBPs and to come up with relevant recommendations. *(TEA, 28.11.15)*

Water Infrastructure in ECOWAS

A national workshop on dissemination and appropriation of the ECOWAS guidelines for the development of water infrastructure has been held in Accra, Ghana. The event was organised under the auspices of the Ministry of Water Resources, Works and Housing, in collaboration with the Water Resources Coordination Centre (CCRE) of ECOWAS, and the International Union for Conservation of Nature (IUCN) of Burkina Faso.

The workshop aimed to promote the best practices at national and cross-border levels in the construction and management of large dams. In addition, the workshop will help develop a strategy to integrate the guidelines and ECOWAS directive into national regulations, policies and practices targeting the development of water infrastructure at the national scale and cross-border level, according to Ben Yaw Ampomah, Executive Secretary, Water Resources Commission.

(GT, 01.10.15)

Move to Reopen Waterway

Mozambique continues to resist work to reopen a waterway that would give Zambia and Malawi, both landlocked countries, access to its Chinde port on the Indian Ocean. The route has not been in use since the 1970s when civil war erupted in Mozambique. Reopening it could be a major boom to Malawi and Zambia's economies.

The Malawian government spends US$300mn annually to import and export goods. Much of that trade moves through the ports of Beira and Nacala in neighbouring Mozambique.

Reopening the waterway would cost the governments and donors an estimated US$6bn. Mozambique's Minister of Transport Carlos Mesquitta questioned, "Within 10 to 15 years, the cost of maintenance dredging per year will be doubled i. e. US$60mn. So how come it says we will have some advantage and then we will be paralysed by all sorts of these things"?

(http://www.zambianews.net/index.php/sid/237247787#sthash.mLtCzzzx.dpuf/02.10.15)

Easing Goods & People Movement

The directive of the East African Presidents to their treasuries to speed up the completion of the Northern Corridor railway, road, and pipeline projects is a move in the right direction. Speeding up the completion of the railway networks, particularly the Mombasa-Kampala-Kigali-Juba line is expected to ease the movement of goods and people, not just across the region but also within states.

It will also ease pressure on the congested roads, increase their longevity, and preserve their quality. Countries that have succeeded in developing an efficient, reliable, timely and well-integrated railway network have opened up even remote regions for development, making it possible to distribute goods and services to a wider market at competitive prices.

(DN, 19.10.15)

Biometric ID to be Piloted

ECOWAS citizens would be issued with the regional bloc's Biometric Identity Cards, to ease movement and aid security in the sub-region from 2016.

This follows a recommendation made by the ECOWAS Council of Ministers at the end of its 73rd Meeting in Abuja, Nigeria seeking the issuance of the biometric cards on a pilot basis in 2016.

The issuance of the biometric identification cards would enable seamless travel for citizens within the region and remove the requirement for residence permits for ECOWAS nationals migrating to any of the member states.

The identity cards, to replace the ECOWAS Travel Certificate, would be circulated alongside national identity cards of member countries until full implantation. This would ensure the security of migrants and data management within the sub-region. *(GNA, 14.12.15)*

Price Hike Demand Denied

The Kenyan government has rejected demands by oil marketers to increase fuel prices to help them recoup losses they claim to have incurred following the implementation of a new levy to finance the construction of 10,000 km of roads.

But the firms said that they lost an accumulated Ksh830mn (US$7.91mn) on cargo between July 17 and August 15, 2015 when the Kenya Revenue Authority started collecting the tax without a corresponding increase in pump prices.

The Energy Regulatory Commission (ERC), however, rejected the demands by the firms, arguing the move was not in the interest of the consumers. According to ERC's Director General Joseph Ng'ang'a, the regulator's business is to ensure the pricing element and that the marketers have the option of recourse in the Energy Tribunal. *(TEA, 10.10.15)*

Buses for BRT Project

A Sweden-Based automobile company, Scania, has delivered 10 high-occupancy buses to be used for the Bus Rapid Transit (BRT) project. The buses are currently being used to train instructors of the BRT project and the project would be fully implemented in the first half of the following year along Amasaman-Accra Central District.

The first batch of 20 master instructors have been trained at Tema Scania Regional Technical Centre. Further to this, Scania is to supply 50 luxury coaches to the Intercity STC Coaches Limited to enhance their operations.

Deputy Minister for Transport, Joyce Bawah Mogtari, said that the entry of Scania into West Africa via Ghana was a testimony of the confidence that the company had in the economy.

(DG, 27.11.15)

CCPC Raids MAZ

The Commission has opened an investigation into suspected price fixing of mealie meal prices by the Millers Association and its Members. On October 29, 2015, a team of Investigators from the Competition and Consumer Protection Commission (CCPC) conducted a search (dawn raid) on four major milling companies in Lusaka for suspected engagement or facilitation in the fixing of mealie meal and flour prices.

The Commission has observed that in the period between 2010 to 2015, the Millers' Association of Zambia (MAZ) acting with other parties are reasonably suspected of participating in or facilitating conduct likely to result in the prevention, restriction or distortion of competition in the supply and pricing of mealie meal and flour.

The Commission suspects that the Association and its members have been agreeing to simultaneously increase the price of mealie meal and flour.

(LT, 29.10.15)

Tariff Hike for Gas Debt

Power producer, the Volta River Authority (VRA), is waiting on the Public Utilities Regulatory Commission (PURC) to conclude consultations and subsequently approve a major tariff increase that will enable them to generate enough revenue for meeting their financial obligation to the Nigerian Gas Association (NGas).

NGas, made up of Chevron, Shell and the Nigerian National Petroleum Corporation (NNPC), has a gas-supplier agreement with Ghana to supply 120mn standard cubic feet of gas per day. The VRA is indebted to the tune of US$182mn, spanning from August 2014 to June 2015.

However, the two entities had a business arrangement that temporarily froze the debt in June 2015 until such time that the PURC approves the proposed tariff increment, passing its debt onto consumers through tariff hike. *(B&FT, 16.10.15)*

Curbing Climate Change

The United Nations (UN) has praised Zambia for submitting its voluntary target for reducing carbon emissions ahead of the Summit for Climate Change to be held in France aimed at preparing its new strategy for tackling deforestation.

The UN resident coordinator Janet Rogan said because of Zambia's commitment to cur climate change, the UN would support the government in its quest to address the challenge of environmental degradation.

"I would like to congratulate Zambia for submitting its voluntary target for reducing carbon emissions ahead of the Summit and preparing its new strategy for tackling deforestation. The UN in Zambia is strongly supporting the Government in this work", Rogan added.

(http://zambiadailynation.com/2015/10/22/zambia-acts-on-climate-change/)

Utility Tariff Hike

The Public Utilities and Regulatory Commission (PURC) has announced hikes in both water and electricity tariffs in Ghana, which has been criticised as counter-productive to business growth and sustainability.

The increase, which will take effect from December 14, will see electric bills go up to 59.2 percent while water bills will rise to 67.2 percent at a time when the input cost of businesses has risen shapely on the back of the erratic energy supply situation in the country, and a challenging macroeconomic environment.

Both the Association of Ghana Industries (AGI) and the Trade Union Congress (TUC) have criticised the increase tagging it as 'unwarranted', since there is no indication of the availability of adequate power to reduce the burden on consumers from the three and half year old load-shedding. *(B&FT, 08.12.15)*

Relevance of Competition and Regulatory Reforms in Pursuing Sustainable Development Goals

The conference on 'Relevance of Competition and Regulatory Reforms in Pursuing Sustainable Development Goals' (SDGs) drew from the findings of the CREW project of CUTS, which demonstrates the impact of competitive markets on producers and consumers in developing countries.

The Conference

CUTS International organised the final conference of the project, Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries (CREW Project), in Nairobi on December 12-13, 2015. The conference on 'Relevance of Competition and Regulatory Reforms in Pursuing Sustainable Development Goals (SDGs)' drew from the findings of the CREW project, which demonstrates the impact of competitive markets on the producer and consumer welfare.

This conference was also the fourth in the series of CUTS Biennial conferences (IV Biennial conference) that CUTS and its sister organisation CIRC has been organising every two years to highlight key issues in the interface of Competition, Regulation and Development, especially from the perspective of developing and least developed countries.

This conference was supported by DFID (UK), BMZ (Germany), GIZ (Germany), Organisation of Economic Cooperation and Development (OECD), World Bank and United Nations G77 Secretariat.

Mukhisa Kituyi, Secretary General, United National Conference on Trade and Development (UNCTAD) inaugurated the conference along with Frederick Jenny, Chairperson of the Organisation for Economic Cooperation and Development (OECD) Competition Policy Committee. Kituyi delivered a key note address and set the stage for this two-day event.

The purpose of the conference was to share knowledge amongst the global community and to undertake a discourse on highlighting ways in which competition and regulatory reforms can be used in contributing to the SDGs, a road-map for the international competition community to consider for the future.

A 'Call for Papers' was jointly issued with OECD in early 2015 and several Papers were received from international researchers and practitioners. The selected Papers (reviewed by competition experts) were presented in four sessions and the Round Table that were chalked out for the two-day conference. CUTS would be publishing a conference volume of the Papers that were received in response to the call.

SDGs and Competition

The discussions focussed on the role of competition in achieving the SDGs. The first Goal 'End poverty in all its forms everywhere' and the second Goal 'End hunger, achieve food security and improved nutrition, and promote sustainable agriculture' can be threatened by anti-competitive practices, which inflate basic food prices and make them unaffordable to the poor, thereby worsening poverty. Abuse of dominance and cartels are very prevalent in both developing and developed countries in the basic food sector, making competition law implementation very relevant as a tool for reducing prices, which is a positive step towards poverty alleviation.

Firstly, sustainable agriculture is also threatened as there are a lot of competition distortions that could appear at different stages in the agriculture supply and value chains (seed, fertiliser, output, agro-processing etc.) that can also threaten the attainment of the second goal. This makes competition policy very relevant.

Secondly, Goal 3 is about 'Ensuring healthy lives and promoting well-being for all at all ages'. However, access to affordable medicine, which is always a critical determinant of the state of health in developing countries, is often compromised due to competition distortions in the pharmaceutical market, which an effectively implemented competition law can address.

Thirdly, competition policy can also be seen to be relevant in the attainment of Goals 4 to 9 of the SDGs. Anti-competitive practices characterise private education, markets where the informal sector players are dominant (where women are mostly concentrated and thus have gender implications), energy, water and sanitation sectors. Measures done for the attainment of all these goals need to be complemented by competition policy.

The closing of the conference was done by the Minister of Trade and Industry, Ghana, Ekwow Spio-Garbrah who delivered a keynote address on the role of SDGs on developing and least developed economies.

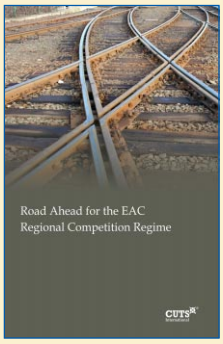
The conference was well attended by over a 100 high-level competition practitioners, policy-makers, academia and development partners from across the globe.

(http://www.cuts-ccier.org/CREW-Final_Conference/)

Publications

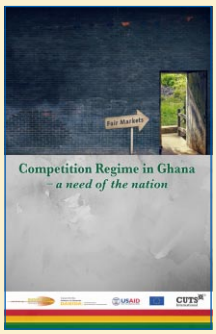
Synthesis Report

Road Ahead for the EAC Regional Competition Regime



This is a report highlighting national and regional-level findings on the current status of the East African Community Competition Policy and Law implementation. The report details policy constraints for implementation of the same and also highlights the sectors for market inquiry given the conduct exhibited by a number of enterprises. The report further provides recommendations on how to promote competition in the region. The report entitled 'Road Ahead for the EAC Regional Competition Regime' is intended to provide a baseline on the status of competition in the region and catalyse regional discussions on the need for an effective competition regime amongst the Partner States nationally and regionally.

http://www.cuts-international.org/arc/nairobi/eaccomp/pdf/EACOMP_Synthesis_Report.pdf



Competition Regime in Ghana – *a need of the nation*

The publication highlights the advantages of implementing competition policy in Ghana. All consumers have an interest in the successful application of competition policy in this country. Unfortunately, over the years, this is not an area of policy that has received the attention it deserves. Ghana has no comprehensive competition legislation, in spite of having had a few draft statutes formulated which appear not to have caught the fancy of policymakers as a priority matter.

http://www.cuts-international.org/arc/accra/compad/pdf/Report-Competition_Regime_in_Ghana-a_need_of_the_nation.pdf

ReguLetter

The October-December 2015 issue of ReguLetter encapsulates 'Promoting Fair Competition in Public Procurement' in its cover story, which states that to ensure that consumers from across the world realise the potential benefits from an effectively implemented competition regime and play their role in making competition regimes work worldwide, it is critical that focus on competition policy and law issues at an international level be strengthened. This can be achieved through the adoption of a World Competition Day.

The newsletter focuses on news, views and policies related to corporate restructuring, regulations of utilities and finances, corporate governance etc. of different countries, with focus on developing nations. Special dedicated sections showcase issues and cases thwarting competition in countries across the globe providing readers an insight into the competition scenario therein.

This newsletter can be accessed at: *www.cuts-ccier.org/reguletter.htm*

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Sources

BD: Business Daily, B & FT: Business & Financial Times, DG: Daily Graphics, DN: Daily Nation, DM: Daily Mail, FE: The Financial Express, GT: Ghanaian Times, GNA: Ghana News Agency, LT: Lusaka Times, TEA: The East African, TS: The Standard

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