

Tradequity

A Newsletter of the CUTS Africa Resource Centre

Year 2, No. 1/2003

Will EPA Negotiations Survive the Storm?

The recent joint ministerial meeting of the African, Caribbean and Pacific Countries and the European Union (ACP-EU) in St. Lucia from 27-28 February 2003 held an air of uncertainty for the partnership agreement. The meeting marked the first joint ministerial meeting since the launch of the Economic Partnership Agreement (EPA) negotiations in September 2002.

While the ACP-EU partnership is scheduled to launch the second-phase of the negotiations at the level of ACP regions in September 2003, the ACP Secretariat has questioned the wisdom of proceeding with the plan due to factors both internal and external to the partnership.

Internal Factors

Despite the EPA negotiations having commenced according to schedule in September 2002, the progress so far has been hampered largely by persistent differences in opinions of the two parties with regards to objectives and contents of the EPAs. In particular, ACP countries continue to argue for EPA negotiations, which should jointly seek ways of enhancing economic relations, so as to promote development and facilitate further co-operation between the partners.

This implies that EPAs should be centred not only on trade, as is often the case in such partnership agreements but on the basis of whether or not they make a net contribution to the economic growth and development of the ACP countries.

External Factors

With the World Trade Organisation (WTO) aiming at accelerating the process of trade liberalisation and bringing more and more areas of international and domestic commercial activity under its regulatory jurisdiction, the EU-ACP trade partnership agreement has been prone to a host of attacks from third parties, mainly other WTO members.

Of specific reference has been the challenge raised on the Sugar Protocol that was thrown through the WTO Dispute

Settlement Undertaking (DSU) process and preferences accorded to the ACP countries in the EU's tuna market. And, with seemingly no reaction from the ACP's more influential partner, the EU, to counter the challenges, it would seem the partnership is weakening.

The Issue at Hand

Thus, the ACP-EU seems intrigued by some form of bickering both from within as well as from outside. However, while the issue of EPAs lies more in the hands of the two negotiating parties, the external factor serves to be a more profound threat for the ACP countries.

The attacks by third parties hinge not merely on how much there is to gain from but, rather, whether there will be a partnership on preferential terms to gain from. Further, one should be ready to face the reality that the WTO waiver granted at Doha on preferential market access arrangement of EU-ACP will end by 2008, unless it is renewed.

The dangers of the WTO nullifying the special trade deals offered by the EU is real, if factual evidence, which could easily be estimated, if not readily available, would reflect that the arrangement does hurt other WTO member countries and breaks international trade rules against discrimination.

The question now arises is whether the WTO, consequently its members, will be an ally or threat to the development and consequent eradication of poverty in the ACP countries. That is, whether it will venture or not to look beyond the mere rules of trade?

Argument for the ACP Countries?

The issue is basically lined to the orthodoxy argument that trade liberalisation in itself will lead to development. But, this argument does not hold for the African countries, which continue to be marginalised in the multilateral trading system and barred from penetrating the developed country markets. Therefore, it is argued that ACP countries

still require preferential consideration not only from the WTO system but also from other major trading blocks. For instance, recent developments at the WTO have shown that the Development Agenda adopted in Doha seems less and less a priority in the on-going negotiations.

Further, there is a feeling among the ACP countries that they may not benefit substantially from the market access negotiations at their current stage of competitiveness, especially in the face of subsidies and various non-tariff barriers in favour of a number of goods and services from rich countries.

Thus, the growth and development for the ACP countries through trade can come only from the complex interplay of a range of favourable factors. In the initial period the ACP-EU agreement does indeed project the progressive and reciprocal removal of trade barriers. Under the EPAs a broader strategy has been defined to improve the ACP states' ability to attract private sector investment.

However, the extent to which the ACP countries will benefit enough from preferential trade so as to comprehensively contribute to the eradication of poverty and sustainable development of their economies needs the WTO rules to be adjusted to accommodate the requirements of these poverty-stricken and vulnerable countries.

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 **कटस**  **CUTS**
Twenty Years of Social Change
1984 to 2003
CUTS Africa Resource Centre (ARC)
Email: cutsarc@zamnet.zm
Website: www.cuts.org

Published with the support of
HIVOS, Regional Office Southern Africa, Harare, Zimbabwe
Subscription: \$15 p.a.

Corruption Feeding Poverty

A study by the African Development Bank (ADB) has shown corruption to be hindering the fight against poverty. According to the Study, gross economic losses of as much as 50 percent in tax revenue or even as much as a country's total external debt, in some cases, can result from corruption in the African Governments.

Furthermore, corruption could increase the cost of government goods and services by 100 percent, thereby lowering low-income household's accessibility to public services. Estimates suggest that the lower income households spend about 2 to 3 percent of their incomes on bribes, compared to 0.9 percent for rich households.

(TDM, 28.01.03)

IMF Castigates Swaziland

The International Monetary Fund (IMF) has castigated the Swaziland Government over its wasteful spending on luxury items, saying this was hindering the country from curtailing poverty. In particular, the IMF faulted the Government's pursuit of a US\$72mn private jet for King Mswati III in the midst of serious economic problems. The problems include the current food shortage and continued spread of HIV/AIDS, in a country already besieged by persistent high unemployment, income inequality and poverty. *(UNIRIN, 23.01.03)*

Nestle-Ethiopia Dispute Over

A long-standing dispute between the Swiss food giant, Nestle, and the Ethiopian Government over the nationalisation of a Nestle-owned subsidiary in 1975 has finally been

resolved with the food giant settling to be paid US\$1.5mn in damages by the Ethiopian Government. This settlement for US\$1.5mn, according to Nestle, would go into famine relief. This announcement comes after its earlier claim for US\$6mn attracted public outcry against the rich company for claiming so much from a famine-stricken Ethiopia. *(BBC, 24.01.03)*

Kenya to Overhaul Parastatals

The newly-elected Kenyan President, Kibaki, announced that his Government would ensure the elimination of inefficiencies associated with parastatals, which had become a financial drain on the economy. According to the President, the Government would institute drastic measures to ensure that these state organisations performed according to the public expectation. *(TN, 04.01.03)*

Minimum Wage Raises Storm

Hundreds of Ghanaian Government-paid workers recently stormed the streets of Accra, wearing red bands and chanting war songs, in demonstration against a new minimum wage announced by their Government. The protestors were angered by the unilateral declaration of the minimum wage saying that it disrespected the ordinary Ghanaian worker. They were also upset that the declaration was made when wage negotiations were still going on, thus undermining workers' efforts to seek a higher wage. The workers rejected the new wage of about US\$1.05 per day despite it representing a 26 percent increase over the previous wages.

(IRIN, 28.02.03)

Zambia to Protect Mines

The Zambian Government plans to engage professional lawyers to draft a comprehensive agreement. This will ensure the protection of the country's copper mines from private investors who would want to pull out at will, without considering the impact of such action on their nation.

The decision comes in the light of Zambia's recent experience with the Anglo-American Corporation of South Africa that pulled out from Zambia's major mining holding company. This resulted in unemployment of more than 17,000 employees and jeopardised the country's external trade balance. Copper mining has been, and continues to be, Zambia's economic mainstay.

(TOZ, 13.03.03)

Oil Giants Evacuate

Violent clashes between the Ijaw ethnic militants and the Nigerian security forces in western Niger Delta region of Nigeria have forced Nigeria's major oil producers to evacuate the region. Three of the country's major oil producers, Royal Dutch/Shell, ChevronTexaco and TotalFinaElf have pulled out due to the raging militant attacks, as part of what they termed "precautionary and security measures", resulting in a total loss of more than 30 percent of Nigeria's usual daily oil output.

It is feared the problem may deteriorate even further, as the Ijaw threaten to destroy about 11 oil installations evacuated by the three companies, if their demands for greater political representation are not met.

(BBC, 24.03.03)

Ethiopia Boosts Education

The Ethiopian government has initiated plans to set up a high-technology satellite teaching scheme that will see thousands of educational programmes beamed into all of its 580 high schools as part of a teaching aid for pupils. The scheme, which is scheduled to commence in early 2004, will also incorporate programmes for the tertiary education institutes. The government hopes the measure will boost the country's education standards, which are currently the poorest in the world. Almost half the children do not go to school and attendance by girls is one of the lowest in the world. *(IRIN, 25.02.03)*

Strikers Turn Chaotic

Against a background of the government's pledge to create more jobs under the African Growth and Opportunity Act (AGOA), Kenya's textile companies were recently forced to shut down as a week long strike staged by over 10,000 textile workers in Athi River Export Processing Zone (EPZ) turned chaotic. The workers, demanding better wages and terms of service, paralysed business in all the 16 textile factories, as they damaged several garment factories to ensure all the operations were paralysed. *(TDN, 21.01.03)*



Business Standard

Regional Co-operation

Mission Impossible?

A fact-finding mission set up by the Joint Parliamentary Assembly (JPA) of the European Union (EU) and African, Caribbean and Pacific (ACP) states was to visit Zimbabwe. The visit scheduled from 31st March to 4th April 2003 may fail to take off as several British officials appointed for the mission are blacklisted by the Zimbabwean Government.

The mission was proposed in November 2002, when two Zimbabwean Government ministers were barred from attending a JPA session in Brussels, following the EU's criticism of the Zimbabwean Government over alleged gross human rights abuses.

(FG, 23.01.03)

Famine Linked to AIDS

A report tabled by the United Nations Aids Agency (UNAIDS) at a Southern Africa Development Community (SADC) meeting held in South Africa in early 2003 says the current southern African famine has been exacerbated by the HIV/AIDS pandemic.

According to the report, seven million agricultural workers, mostly adults in their productive years, have died due to the pandemic in a total of 25 African countries since 1985, thus, gravely impacting on food security for the continent. It is estimated that an AIDS-related death on a farm household caused crop output to plummet, often by up to 60 percent.

(SAPA, 21.01.03)

EACU Set for November

The protocol for the establishment of the East African Customs Union (EACU), which will result in the elimination of internal tariffs in the east African region, is expected to be signed in November 2003. According to the East African Business Council (EABC), major areas for agreement have already been concluded. In the meantime, the EABC is earnestly working on the establishment of effective rules of origin that will eliminate dumping of cheap imports.

(TEA, 20.01.03)

ECOWAS Targets Drug Pushers

The Economic Commission for West African States (ECOWAS) has set up a sub-regional intelligence network to combat drug-trafficking and other

criminal activities proliferating along the West Coast. The network, called the West African Joint Intelligence Organisation (WAJIO), will co-ordinate intelligence networks among agencies responsible for fighting drug-trafficking and law enforcement agents for countries in the West African sub-region. The agency hopes to eliminate the drug scourge in the region by targeting the distributors.

(TDO, 05.02.03)

NEPAD Review

Peace and security, good governance, economic and democratic transition of governments on the continent were listed as major progress landmarks in the implementation of the New Partnership for Africa's Development (NEPAD) at the recently held Sixth Summit of the Heads of State and Government Implementation Committee (HSGIC). The implementation of the African Peer Review Mechanism (APRM), a system of voluntary self-assessment aimed at enhancing good governance, was also said to be progressing well, with twelve members having signed the Declaration of Intent.

(TD, 10.03.03 & *Nepad Communiqué* 09.03.03)

FDI Up in SADC

Foreign direct investment (FDI) to the Southern African Development Community (SADC) countries, excluding SA, has grown at a fast rate, according to a report released by BusinesMap Foundation on FDI into South Africa (SA) and the Region. However, in the report there was little evidence that the incentives to create an attractive environment for investment inflow by regional governments had been decisive in attracting the investment. Of

the recorded US\$7.72bn of the total investment inflow over the past two years, SA accounted for over US\$3bn, making it a lead investor destination.

(BD, 04.02.03)

COMESA Addresses Famine

The Common Market for Eastern and Southern Africa (COMESA) has completed a feasibility study for irrigation development in the region. The study is aimed at improving food security in the region by getting the member states to reduce dependence on rain-fed agriculture that has proved to be a source of widespread famine, especially in times of droughts. Speaking in an interview in Lusaka, the COMESA Co-ordinator for Technical Co-operation and Resource Mobilisation, Ms. Asfaw, could, however, not state the amount of money that would be required for the region to implement the project.

(ZDM, 28.02.03)

SADC CU Threatened

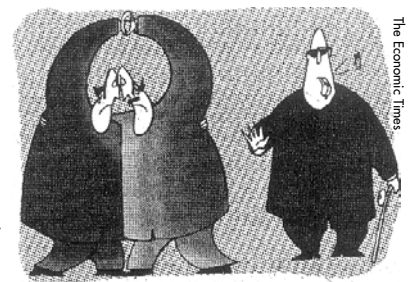
The Common Market for Eastern and Southern Africa (COMESA) Customs Union (CU) due to be established in 2004 would serve as a threat for plans by the Southern African Development Community (SADC) to create a similar instrument, according to a SADC official. The problem arises due to the fact that while some countries had overlapping membership, no country could belong to two customs unions. This implies that countries that joined the COMESA CU, automatically fall out for incorporation into that of SADC. While some countries had so far opted out of COMESA in preference for SADC, Zimbabwe, Zambia, Malawi and Mauritius still remain members of both.

(ZDM, 28.03.03)

AU Condemns War

The African Union (AU) has raised its voice in condemnation of the United States and British led war on Iraq saying that the war was bound to have negative effects on the African continent's economic well-being. Fears are that the predicament could damage the African economies by diverting the much needed donor aid from Africa to aid post-war Iraq. The possible rise in oil prices could push oil-importers into debt. The Union however, strongly called for Iraq disarmament of weapons of mass destruction.

(ZDM, 29.03.03)



FTA Talks Amid Protests

Talks on the formation of a free trade area (FTA) between the United States and five Central American countries, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, commenced amid protests, as civil society activists flaunted the streets of San Jose in Brazil. Civil society groups of the Latin American countries fear the FTA treaty could be used by multinational corporations to take over regional businesses and overexploit natural resources, as they by pass various labour and environmental laws.

(Terhantimes.com, 30.01.03)

WTO Probes EU Tariff Scheme

India has succeeded in starting a World Trade Organisation (WTO) probe into the European Union's (EU) special trade deal granted to countries fighting drug-trafficking. Despite the EU's claims that the programme is designed to help countries fight the drug trade through the development of other businesses, India contended that it breaks international rules against trade discrimination. In particular, the recent inclusion of Pakistan to sell textiles products in the EU at special terms is said to be costing India over \$300mn a year in lost trade.

(Reuters, 28.02.03)

US NGOs Denounce EU

Following the leakage of a confidential European Union (EU) report containing detailed requests to 109 countries covering a variety of service sectors, United States civil society groups are up in arms against the EU. The groups voiced their criticism as

negotiators met in Geneva at the Committee for Trade in Services (CTS). They cautioned that many of the service providers were regulated at the state and local levels and, hence, were disconnected from world trade negotiations. One consumer group activist warned "everything from your town's municipal drinking water to the local electricity utility to the US postman is headed for sale on some Geneva 'trade' negotiating table".

(Reuters, 25.02.03 & BW, 05.03.03)

Draft on Agriculture Rejected

The progress in the negotiations of Agriculture Committee of the World Trade Organisation (WTO) hit a roadblock at a review meeting of the Harbinson Draft outlining the modalities on the Agreement on Agriculture (AoA).

Views of the more than 100 participants from civil society groups of 30 countries, who gathered in Geneva, were that the draft fell short of addressing the concerns of the developing countries in international agricultural trade and, consequently, reflected little of the Doha Ministerial Declaration.

(TDM, 03.03.03)

Technical Assistance for LDCs

The Institute for Trade and Development (ITD) and the World Trade Organisation recently signed a Memorandum of Understanding for the launch of a technical assistance programme aimed at increasing the participation of the developing and least developed countries (LDCs) in the multilateral trade negotiations. The

programme, which will involve training courses given by the WTO and ITD Secretariat officials, is scheduled to commence some time during 2003.

(WTO Press Release, 28.02.03)

US Blocks Brazil's Probe

The United States recently blocked an initial request by Brazil for a World Trade Organisation panel to address US cotton subsidies, which Brazil claims violate the WTO Agreements on Agriculture, Subsidies and Countervailing Measures and General Agreement on Trade and Tariffs (GATT) 1994. Facts showed that US subsidy payments for the marketing year ending on 31st July 2002 alone totalled to almost \$4bn, while the value of US cotton production for that same period was \$3bn, thus representing a subsidisation rate of over 130 percent. The US, however, argued that its cotton support programmes are obligations within the WTO limits.

(WTO Press Release, 19.03.03)

Stop Farm Subsidies

The United Nations Secretary-General, Kofi Annan, at a meeting for a newly formed Group of Eight Contact Group on Food Security in Africa, aimed at giving a higher profile to agricultural development issues, called on the world's wealthiest nations to stop subsidising their farmers, as a first step towards dealing with famine in Africa.



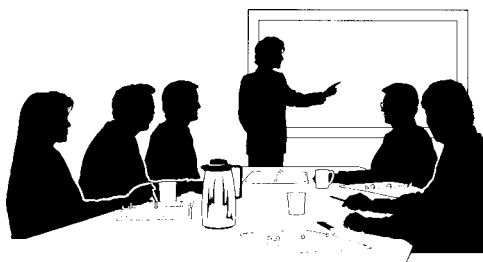
According to Kofi Annan, the subsidies, which amounted to more than US\$300bn per annum, were frustrating the efforts of developing countries to develop their comparative advantage in agriculture due to the difficulty of getting their agricultural goods into the developed country markets.

Despite the pledge made by the United States and the European Union at Qatar during the Doha trade talks, no agreement has so far been reached on the removal of farm subsidies. Reports are that the Group of Eight, includes the Group of Seven highly industrialised nations: the United States, France, Britain, Germany, Canada, Japan, and Italy, plus Russia.

(TD, 12.03.03)

Initiative for Transparency

About 500 parliamentarians from 75 countries, who attended a recent World Trade Organisation (WTO) international forum in Geneva, announced the creation of a WTO parliamentary forum. The forum will, on a yearly basis, supervise WTO activities, with a view to fight the lack of transparency exhibited by the organisation in signing certain contracts. It is expected that through this arrangement, people's representatives will be able to voice their proposals and criticisms and make their voices heard.



(SAPA, 20.02.03)

EA to Regulate Fishing

The three East African (EA) countries of Kenya, Tanzania and Uganda have joined efforts to curb illegal and unreported fishing on Lake Victoria. The action plan involves regular cross-border meetings with fishermen, law enforcement agencies, fisheries officers and local authorities from all sides of the border. To ease cross-border transactions, monitored by joint-country patrols, border points have been established on key islands. *(TEAS, 29.01.03)*

US\$10mn for Liberia

Liberia is to benefit from a US\$10mn Improved Community Health Programme aimed at improving the availability, quality and accessibility of primary health care and family planning services. The five-year programme, launched by Africare in conjunction with the John Hopkins University Centre for Communications Programs (JHU/CCP) and the Morehouse School of Medicine (MSM), aims to include the training of community-based health workers who will deliver basic services such as assistance with home-based births and distribution of basic medicines. *(Africare Press Release, 28.01.03)*

Drugs Company Sued

The US-based Aids Healthcare Foundation (AHF) in Durban filed a complaint with South Africa's (SA) Competition Commission against GlaxoSmithKline South Africa (GSK) over the company's local AIDS drug prices. AHF wants GSK to allow generic manufacturers in SA to produce its proprietary AIDS drugs. This would reduce prices as the current monopoly of GSK has led to high costs which is a barrier for access to treatment of HIV/AIDS patients.

Kenya Gets US\$20mn

The United Nations Environment Programme (UNEP) has pledged US\$20mn for Kenya's environmental developmental programmes. The funds primarily intend to enhance the management of land and water resources from Mount Kenya and the Aberdare Mountain Range which have recently experienced problems of soil erosion, pollution and clogging up of dams and

reservoirs as a consequence of rampant illegal removal of water from the streams and rivers. The Aberdare Mountain range rivers provide drinking water to Nairobi. *(UN, 21.01.03)*

Landmines Affect Africa

An alarming abundance of landmines in a number of African countries has become a major impediment to the ability of internally displaced persons (IDPs) to reclaim their lands, according to the most recent global report on IDPs. In Angola alone it is estimated that 8 to 10 million land mines are buried in the ground while in the Casamance region of Senegal, about 80 percent of the farmland has been rendered unusable due to landmines. And in Ethiopia and Eritrea, a legacy of landmines left by the war between the two countries, which ended two years ago, has hampered the return and rehabilitation process of the displaced in both the countries. *(AFCIS, 20.01.03)*

Fast Food Causes Typhoid

Congolese health officials have expressed fears that typhoid fever may become the fourth most likely cause of health problems and death in Congo after malaria, HIV/AIDS and tuberculosis. The disease, following the civil war of 1997-98, has become endemic in the capital city of Brazzaville as a result of makeshift restaurants selling fast food that have sprung up all over

the city. Often, these restaurants are to be found under trees next to mounds of rotting garbage while the food is displayed open without any protection from dust and flies. *(IPS, 14.01.03)*

Turtles Endangered

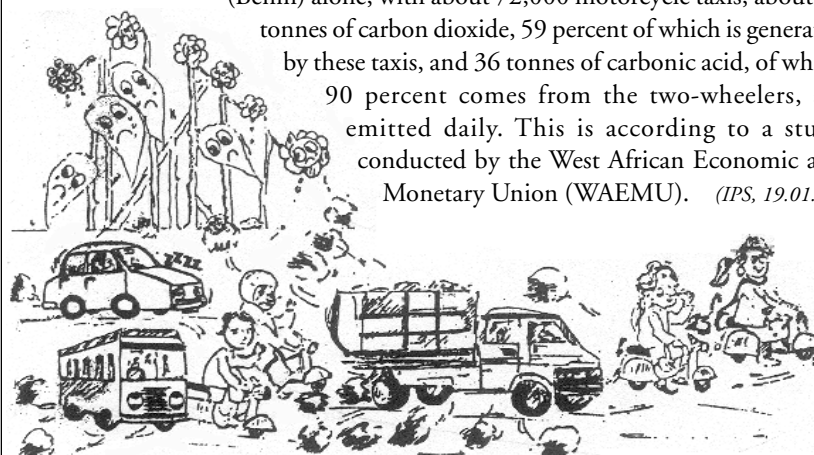
The Congolese Educational Association for the Environment and Nature (ACEN) has appealed to its Government for the revision of the existing endangered species law to include marine turtles among the country's protected animals. The turtles are said to be in danger as they are being massacred by coastal residents for food or other economic reasons. ACEN's latest survey shows that between December 2000 and February 2002, poachers destroyed 63 turtle nests along the six-kilometre Conkouati Park, which is an animal reserve. *(IPS, 22.01.03)*

Africa Heeds WSSD

Following the call at the recently held World Summit for Sustainable Development (WSSD) to phase out leaded petrol, the United Nations Environment Programme (UNEP) says that most countries in Africa are likely to switch to unleaded petrol by 2008. Of the African countries, Egypt, Libya, Sudan and Mauritius have already phased out leaded fuel. While another 22 countries either have action plans to abandon it by 2005-06, or are drawing them up. *(BBC, 24.01.03)*

Pollution up in W. Africa

Motorcycle taxis, which account for 80 percent of transport in Benin, Togo, and Niger, are emitting high levels of pollution, causing both environmental and health problems, especially for the residents living in the cities. In Cotonou (Benin) alone, with about 72,000 motorcycle taxis, about 83 tonnes of carbon dioxide, 59 percent of which is generated by these taxis, and 36 tonnes of carbonic acid, of which 90 percent comes from the two-wheelers, are emitted daily. This is according to a study conducted by the West African Economic and Monetary Union (WAEMU). *(IPS, 19.01.03)*



Cannibalism Denounced

Over 300 women in the capital of the Democratic Republic of the Congo (DRC) held a prayer vigil in protest against acts of cannibalism which have recently been reported in the eastern part of the country. The women called for an international criminal tribunal to be established and the commencement of local proceedings against all these dreadful crimes. In a recent provisional report, the UN Mission in the DRC named a number of groups, including political parties, of engaging in and perpetrating cannibalism in the north-eastern district of Ituri. (UNIRIN, 05.02.03)

Environmental Project Delayed

The Environmental Council of Zambia (ECZ) has appealed to the World Bank to fulfil its promise of disbursement of a US\$55mn loan in order for it to address environmental

pollution problems in its Copper belt Province, mainly resulting from the mining activities. Most of the effluents from the mines find their way in the Kafue River that provides for much of the country's drinking water as well as serves as a source of fisheries. (TOZ, 21.01.03)

Fighting for Quality

Consumer bodies in Uganda have hailed their Government for the recent launch of an import inspection scheme by the Uganda National Bureau of Standards (UNBS), saying that the Ugandan consumers, despite the high levels of poverty, had a right to quality and safe products. According to the Uganda Consumer Protection Association (UCPA), the move was one way of making sure consumers rights and health are protected. The scheme, which took effect on 1st March this year, is aimed at inspecting and ensuring that the quality of all goods entering Uganda was acceptable according to the UNBS minimum standards. (TM, 12.03.03)

Ebola Resurfaces

The re-emergence of the deadly Ebola virus in the dense forest region of Cuvette-Quest north of Brazzaville is estimated to have killed about 100 people in the remote forests of the Congo Republic. It has also wiped out between 600 to 800 gorillas in a reserve within a space just two months since its detection in January 2003. The Ebola, for which there is no known cure, is passed on by infected body fluids and kills between 50 to 60 percent of its victims. Scientists believe the virus was triggered by the consumption of infected monkey meat, a staple among forest communities in this African region. (Reuters, 11.03.03)

Anti-Circumcision Law Stiffens

Somalian, Ethiopian and Eritrean communities living in Britain are to face a revised imprisonment charge of 14 years for having their daughters circumcised within or outside the country. While the practice is outlawed in Britain, many parents from these communities evaded prosecution by sending their daughters on holiday in order to have them circumcised outside Britain. It is believed that some 74,000

first-generation African immigrant women in the United Kingdom have undergone female circumcision, while experts say up to 7,000 girls under 16 are at risk from the practice. (BBC, 23.03.03)

Aids Vaccine Trails Soon

Trials for the launch of a South African-developed HIV/AIDS vaccine will begin in 2004. This is according to an official from the Institute for Molecular Medicine of the University of Cape Town. South Africa has the highest infected population and estimates show that without any serious interventions, the country's life expectancy will have dropped from 60 to 40 years by 2010, with between five to seven million people dying from the disease every year. (SAPA, 24.03.03)

Soil Fertiliser Discovered

While many of the African agricultural regions have, despite relatively adequate rainfall, continued to suffer low yields due mainly to impoverished soils as a result of continuous cropping, farmers in rural Kenya have discovered a new way to combat soil infertility. This could be the key for sustainable development in an agriculture-dependent Africa. Hundreds of farmers are using the wild sunflower (*tithonia diversifolia*), also known as Mexican sunflower, to replenish soil fertility. Research conducted shows that an increase in farm income of US\$457 per hectare can be achieved when *tithonia* is used. Since the crop grows naturally, it cuts down the cost of inputs as well. (ENS, 18.03.03)

Lack of Water Claiming Lives

United Nations (UN) Secretary General, Kofi Annan, has called on world leaders to commit themselves to a time-bound agenda for the improvement in sanitation. According to Annan, the world is facing a crisis, with more than two million children dying every year from water-related diseases due to lack of access to safe drinking water. Most of the ailments are suffered in the developing countries where the majority of the people lack access to safe drinking water, with sub-Saharan Africa being one of the most severely affected areas. (ZDM, 22.03.03)

Unsafe Sex Major AIDS Cause

A recent meeting of experts convened by the World Health Organisation (WHO) and the Joint United Nations Programme on HIV/AIDS (UNAIDS) in Geneva has reaffirmed that unsafe sexual practices



'I don't like this! first they scold us for watching 'those' scenes, now they want to educate us about them!'

are responsible for the vast majority of HIV infections in sub-Saharan Africa. Promoting safe sex should continue to be the focus to combat the scourge. The meeting was called in the wake of reports about a series of scientific articles in the March issue of the *Journal of STD and AIDS* that questioned the widely held view that heterosexual transmission accounted for 90 percent of HIV infections in African adults. (OneWorld.net, 17.03.03)

1. Report on Competition Law Launched

A Zambia country report entitled “Enforcing Competition Law in Zambia” was officially released by the Zambian Deputy Minister for Commerce, Trade and Industry, Hon. Eugene Appel, MP, at a national meeting held in Lusaka on 13th February 2003. The report was published under a CUTS’ project ‘Comparative Study of Competition regimes in Select Developing Countries of the Commonwealth’ supported by DFID, UK. It is also popularly known as 7-Up project.

The Deputy Minister underlined the importance of such a research study on competition policy and law at a time when Zambia is facing various hurdles in achieving a competitive edge at national, regional and global levels. The Minister also called on Non-governmental Organisations and the business community to work closely with the Zambia Competition Commission (ZCC) in achieving the objective of enhancing competition in the market place. The meeting was chaired by Professor Oliver Saasa of the University of Zambia. Muyenga Atanga of the ZCC and Sajeev K.S. Nair of CUTS-ARC spoke at this meeting.

This was followed by a National Reference Group meeting, which discussed the implementation aspects of competition law and policy in Zambia. The discussion centred on the effectiveness of Zambian competition law, by analysing some of the cases handled by the ZCC. CUTS-ARC legal consultant, Helen Banda, did an analysis of mergers and takeovers to illustrate the performance of ZCC in implementing the Competition and Fair Trading Act. George Varghese of Chilanga Cement and Muyunda Illilonga of the Zambia Consumers Association (ZACA) presented the perspectives of the private sector and the consumers on the case studies.

The meeting suggested that there was need for ZCC to affiliate itself to international competition bodies in order to operate more effectively and also to enhance greater transparency in its operations for the benefit of civil society. The meeting was jointly organised by CUTS-ARC and ZACA.

2. Second NRG Meeting of IFD

The second National Reference Group (NRG) meeting under the Investment for Development (IFD) Project was held in Lusaka on 13 February 2003. This half-day event discussed the draft report entitled “Foreign Direct Investment in Zambia, Policy Perceptions and Civil Society Perceptions” prepared by Eric Kalimukwa of CUTS-ARC. The Report was prepared on the basis of the findings of a civil society perception survey carried in Zambia to assess their views on sectors such as mining, tourism and agro-processing.

The mining sector was a major recipient of FDI inflows, while the tourism and agro-processing sectors suffered from inadequate tangible investment. The meeting was chaired by Muyunda Illilonga of the Zambia Consumers Association. Prof. Manenga Ndulo of the University of Zambia and Alick Lungu of the Catholic Centre for Justice and Peace (CCJP) also spoke on the occasion.

The participants were of the view that the Government needed to concentrate on more deterministic factors such as the building of a strong local business community, improvement of the country’s socio-economic and political environment, improvement of infrastructure such as roads and communications networks as well as engaging in aggressive marketing of Zambia’s potential investment areas to attract FDI.

3. A Visit to UNCTAD/WTO

As part of CUTS-ARC’s efforts in capacity-building of the African consumer organisations in understanding and also influencing the policy decisions on trade at national and international levels, an exposure-cum-lobby visit of representatives from seven consumer organisations of southern and eastern African countries to Geneva was organised during 16–20 February 2003. The organisations that benefited from this programme are: National Consumer Forum of South Africa, Pro Consumers of Mozambique, Zambia Consumers Association, Consumer Council of Zimbabwe, Consumers Association of Malawi, Consumer Information Network of Kenya and Consumer Education Trust of Uganda.

The delegates spent one day in participating in pre-arranged, planned discussion sessions with experts of the World Trade Organisation (WTO) and half-a-day at the United Nations Conference on Trade and Development (UNCTAD) secretariats on various topics relevant to trade in southern Africa. As part of hands-on training on lobbying, the delegates interacted with the Ambassadors of Hungary and China to the WTO and trade negotiators of the United Kingdom and Canada. The delegates also took part in an international symposium on competition policy and pro-poor development organised by CUTS.

4. 20th Anniversary of CUTS

CUTS-ARC on 10 March 2003 held a meeting on the theme “Governance and Its Relationship with Poverty Reduction” in commemoration of the 20th anniversary celebrations of the Consumer Unity & Trust Society. The meeting discussed the link between Zambia’s governance issues, including the way its economic liberalisation process was being pursued and the extent to which poverty would be reduced to the target level of half by 2015. Steven Moyo of the Integrity Foundation gave the keynote address. Martin Sampa of the Copper Belt University, Tim Connel of the Pelum Association and Muyunda Illilonga of the Zambia Consumers Association (ZACA) presented case studies.

The meeting concluded that more efforts are needed towards consumer protection by capacity-building on consumer rights. The Government should address the quality standards for both local and imported goods through the Zambian Bureau of Standards. There is also a need for the Government to work seriously by incorporating the civil society in the national planning process, a tenet of good governance, in terms of formulation of both policy and law.

NEWSLETTERS

ECONOMIQUITY
NEWSLETTER OF THE CUTS CENTRE FOR INTERNATIONAL TRADE, ECONOMICS & ENVIRONMENT

(January-March, 2003)



"India-EU partnership is crucial for the Cancun meeting," said Pascal Lamy, EU Trade Commissioner, during his visit to India in March 2003. This edition of Economiquity details his India tour as well as his views on a broad range of issues including agriculture, TRIPs, public health and much more.

Among the other highlights of the edition are various articles on the interim steel-tariff rulings in the case between the US and a set of complainants including the EU, Japan and India; stories on the economics of anti-dumping; a look at China's recent growth performance; and an overview of free-trade deals, especially the one between the US and Central America.

Investment For Development

(February, 2003)

This special issue of Investment for Development carries two intimately related themes. One is the relationship between FDI and economic development and the other between FDI and international trade.

Whether higher FDI flows to a country have a positive, neutral or negative effect on economic development is a contentious issue. There is a belief that economic development stimulates FDI but not vice versa. The debate on the relationship between FDI and trade, on the other hand, is less contentious. FDI stimulates trade if foreign subsidiaries import inputs and intermediate goods and/or if direct investment flows into export-oriented sectors.

Further, the edition brings the latest on global FDI performance and policies, privatisation, investor activity, corporate social responsibility and the service sector.



REGULETTER

(January-March 2003)



The tenth issue of Reguletter, like its predecessors, is an expansive reservoir of news, views and information on competition issues and regulatory action. The cover article focuses on the new competition laws in India and Sri Lanka, while the special article addresses the question of why banks merge.

Among the news highlights of this edition are: pre-emptive regulatory action against suspected global cartels; proposed EU antitrust reforms; the twists and turns in the battle for the acquisition of the UK retailer Safeway Plc; a fresh set of antitrust troubles for the global vitamin cartel and Microsoft Plc; and instances of regulatory tension between developed and developing countries.

SOURCES:

- BBC: BRITISH BROADCASTING SERVICES; BD: BUSINESS DAILY; FG: FINANCIAL GAZETTE; IPS: INTER PRESS SERVICES; SAPA: SOUTH AFRICAN PRESS AGENCY; TDM: THE DAILY MONITOR; TDD: THE DAILY OBSERVER; TD: THE DAY; TEA: THE EAST AFRICAN; TEAS: THE EAST AFRICAN STANDARD; TM: THE MONITOR; TN: THE NATION; TOZ: TIMES OF ZAMBIA; UN: UNITED NATIONS; UNIRIN: UNITED NATIONS INTEGRATED REGIONAL INFORMATION NETWORK; ZDM: ZAMBIA DAILY MAIL

Tradequity newsletter: Published and composed by CUTS Africa Resource Centre, 4th Floor, Main Post Office Building, P.O. Box 37113, Cairo Road, Lusaka, Zambia, Ph: 260.1.22 4992, Fx: 260.1.22 5220, E-mail: cutsarc@zamnet.zm, and printed by Jaipur Printers Pvt. Ltd., Jaipur 302 001, India. **Head office:** D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India. Ph: 91.141.220 7482, Fx: 91.141.220 7486, E-mail: cuts@cuts.org, Web Site: www.cuts.org

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