Tradequity

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Hong Kong WTO Ministerial: What is in Store for Kenya?

Introduction

The year 2005 was supposedly Africa's year, the year the world would finally rally together to help the struggling continent climb out of the pit of poverty and diseases, through fair trade, as a development tool. That was mostly publicity, some of which was evident at the Sixth World Trade Organisation (WTO) Ministerial meeting in Hong Kong.

Rich countries realised how economically painful making trade fair could become and started hunting for other countries to make deeper concessions too, poor countries inclusive. Least Developed Countries (LDCs) are aware that, with millions battling poverty in Africa, a small change in market share can have huge benefits. Sub-Saharan Africa's share of trade is less than one percent and even a one-percent market share increase would make a difference of US$70bn in exchange earnings. This is what the Hong Kong package should have addressed.

The Hong Kong Package

The Hong Kong Ministerial Conference's most concrete achievement was to establish 2013 as the end-date for eliminating agricultural export subsidies and least-developed countries' long-standing request for duty and quota-free market access.

Unfair Subsidies

The Hong Kong achievements, however, are loaded with potential problems.

The US offered to cut its farm subsidies by 60 percent over five years, provided that the European Union (EU) and Japan and other countries also make similar concessions. The EU Trade Commissioner, Peter Mandelson, replied by offering a 70 percent cut in EU farm subsidies, but several European states, especially France, vehemently objected.

The development agency, Oxfam, estimates the value of agricultural subsidies and support in Organisation of Economic Co-operation and Development (OECD) countries at US$279bn a year, which is over three times the value of global aid. This means that for every US$100 generated by world exports, US$97 goes to high and middle-income countries and only US$3 to low-income nations.

Market Access

The EU, Japan and the US agreed to provide duty-free and quota-free (DFQF) market access for LDCs, but these are unilateral decisions and non-binding offers that are open to manipulation. The only effective DFQF provisions are those that are enforceable in the WTO Dispute Settlement Mechanism.

TRIPs Concessions

Some trade agreements reached are buried under layers of text that make implementation a nightmare. For example, the December 06, 2005 decision to amend the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) to allow countries with insufficient pharmaceutical manufacturing capacity to import generic versions of drugs still under patent came under special criticism by the international humanitarian aid group *Médecins Sans Frontières* (MSF) that "...the decision shows that the WTO is ignoring the day-to-day reality of drug production and procurement." In fact, since the August 30, 2003 decision, MSF has been seeking to make use of the mechanism, by placing an order with a generic drug manufacturer, and has described the process to be very 'long' and 'resource-intensive.' This means that there is a need for governments to test the mechanism before turning it into permanent law.

Aid for Trade

When it came to 'aid for trade', members jockeyed for political positions, because such announcements are unilateral and are delivered bilaterally, without WTO commitments on how the money should be spent. It is not, therefore, surprising that the promises of increased aid may prove to be capricious. Barely had the EU Trade Commissioner announced stepping up annual spending on aid for trade to €2bn by 2010 that the US Trade Representative, Rob Portman, announced US$1.34bn per year that the US was spending on trade-related assistance, much of it on physical infrastructure and trade facilitation. Japan was the first to announce that it would spend US$10bn over three years on 'aid for trade' for LDCs, to help build infrastructure such as roads and ports, as well as to revamp their customs systems.

Experience has shown that such aid is always inadequate and manipulated to gain policy influence and control for the aid-givers. This offer, too, is not so much to develop their trade capacities but in exchange for and to advance trade liberalisation.

Conclusion

After six days of talks, the Sixth WTO Ministerial Meeting became a matter of salvation for multilateral believers, rather than a meeting to review progress. The Director General of the WTO, Pascal Lamy, accepted the fact that securing a global trade treaty by the end of 2006 is only a possibility, while Mandelson said that any agreement saved the Doha Round from failure.

The Hong Kong Ministerial Declaration states that 'all forms' of developed country export subsidies for cotton will be eliminated by the end of 2006. The troubled Doha round, which is due to end by the close of 2006, could as well drag on into the next decade, unless the two trade powers change their tactics in the coming months. However, they must remember that each day of protracted talks, missed deadlines and manipulative and divisive offers are opportunities lost for alleviating the suffering for millions locked in a cycle of poverty due to unfair trade.

IN THIS ISSUE

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Botswana: Economic Model

To help draw attention to the many investment and trade opportunities across sub-Saharan Africa, the Chief Executive Officer of the prestigious New York Stock Exchange (NYSE), John Thaine, praised Botswana as a "model for the developing world". He said the Southern African country has demonstrated growth and fiscal transparency that even bigger countries would envy. The NYSE executive also praised Botswana as the only African country with an A+ credit rating from both Standard and Poor's and Moody's rating services.

Botswana has maintained one of the world's highest growth rates. Since its independence in 1966, the nation has transformed itself from one of the poorest countries in the world to a middle-income country, with a per capita gross domestic product (GDP) of US$8,800 in 2003. On the downside, the Government must deal with high rates of unemployment and poverty. *(USDS, 29.12.05)*

Tanzania Tired of SA Brands

Many Tanzanians are getting the feeling that their country is only theirs in name and complain about South African investors who are integrating themselves in every key area of the country. South African Airways (SAA) acquired a 49 percent stake in the national carrier in 2002, after which the design on the tails of the national carrier was replaced with something uncannily similar to the South African flag on the tails of the SAA planes (albeit in the Tanzanian national colours).

De Beers, AngloGold Ashanti and RandGold have already sunk funds into the east African country, rich in gold and Tanzanite gems. Tanzanians mention that the privatisation of the National Bank of Commerce (NBC) is particularly irksome. South Africa's Absa bought 70 percent of NBC in 2000. Other companies with a presence in Tanzania include SABMiller, Engen, Vodacom, Standard Bank and Illovo Sugar. Agnes Kabig, a local businesswoman said that "Everywhere you turn, you will find them", and that "the Government should do more to ensure more ownership of our resources". *(R, 23.12.05)*

Kenya Does not Need Aid

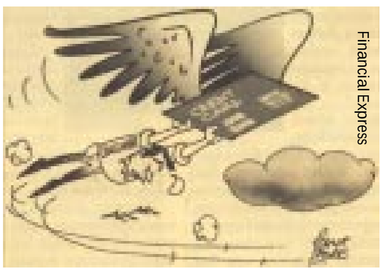
Kenya has the ability to improve its economy without the World Bank (WB) and other donor agencies coming to its aid, because the country has tremendous resources, which, if used well, could make Kenya self-reliant, says WB Chief, Dr Collins Bruce. He added that the country does not need handouts and donor funding like other African countries. However, the Bank wants Kenya to address the disparities existing on the allocation of resources to various constituencies, by basing it on poverty levels, instead of relying on donor funding. *(TEAS, 08.11.05)*

African Countries Forgiven

The Managing Director of the International Monetary Fund (IMF), Rodrigo de Rato, announced that the "IMF will grant 100 percent debt relief to 19 countries under the Multilateral Debt Relief Initiative amounting to US$ 3.3bn". Of the 19 countries, 13 are from Africa. The countries that qualify are Benin, Bolivia, Burkina Faso, Cambodia, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Tajikistan, Tanzania, Uganda and Zambia. These countries should be receiving their debt relief early in 2006. *(SAGN, 23.12.05)*

Namibia Gets Credit Rating

Fitch Ratings has given Namibia a credit rating of BBB-. Veronica Kalema, a sovereign credit analyst at the rating agency, said Namibia "has an abundance of mineral resources, which have been well managed, and is politically stable". This means that, after South Africa and Botswana, Namibia is the third country in sub-Saharan Africa to be given an investment grade rating. Namibia's economy is closely tied to South Africa's and the Namibian dollar is fixed at a one-for-one exchange rate to the rand.


Financial Express

However, Namibia will have to improve its credit-worthiness by means of structural reforms, to further domestic investment opportunities and deepen domestic capital markets, as well as reduce high-income inequality and unemployment in the country. *(BR, 09.12.05)*

China all over Africa

China's President, Hu Jintao, used a visit to Gabon, in 2004, to announce a new drive to strengthen relations with Africa and since then the Chinese seem to be everywhere. China has also become a key supporter of Zimbabwe's President, Robert Mugabe. Chinese diplomats are attending African summits. Its doctors are treating Africa's sick, under assistance programmes and it is buying African raw materials.

In 2004, China's imports from Africa went up 81 percent. It is busy improving the Tanzania-Zambia railway – a gift from China in the 1960s. Chinese tourism to Africa is a fast-growing market and its state companies are signing deals in key oil-producing countries, such as Angola, Nigeria, Sudan and Congo. *(P, 15.12.05)*

Kenya Blocks Investment

Fears abound that the Investment Promotion Act of 2004 may prevent investment in Kenya, due to a vital omission in the act to mandate anyone to issue investment certificates to foreign investors wishing to invest in Kenya. Without the certificate, investment is illegal. It replaced the Investment Promotion Centre with the Kenya Investment Authority, but this body has not been given authority to issue the certification.

The Government has drawn up the Statute Law (Miscellaneous Amendment No 2) Bill, 2005 to rectify the problem, which the Parliament recently passed. The Amendment also lowered the minimum investment amount from US$500,000, under the Act, to US$100,000. The concerns of foreign companies were made known to the Parliament, when a leading Nairobi-based law firm sent out a warning that foreign investors were shunning the country because of the anomaly, whereby foreigners had to be issued certificates before being permitted to invest, but no authority had been mandated with the power to issue such certificates. *(TN, 02.11.05 & 07.11.05)*

COMESA War Looms

Kenya and Egypt could be headed for another round of confrontation over dominance of the Common Market for Eastern and Southern Africa (COMESA). According to the Federation of Kenya Employers, the Egyptian Government has been subsidising manufacturers, making it difficult for local business to compete in the COMESA region. Consequently, the Kenyan business community is putting pressure on the Government to take retaliatory measures for what it sees as unconventional strategies being adopted by Egypt to control the regional trading bloc. They claim the subsidies in Egypt are on electricity and fuel. For these, they want the Government to reduce taxes on inputs such as electricity and fuel.

The Egyptian Government sets the price for fuel and heavily subsidises it, in comparison to the prevailing international oil prices. Analysts say Egypt is now trying to adopt market economy policies in which subsidies cannot be easily cut or scrapped, due to fear of raising the cost of living. Trade wars between the two countries have simmered since Egypt joined Comesa in 1998.

(TN, 05.11.05 & TEAS, 09.11.05)

SADC Countries Slow

Botswana's Permanent Secretary in the Ministry of Trade and Industry (MTI), Banny Molosiwa, says all Southern African Development Community (SADC) member states are behind schedule, in terms of taking appropriate steps to establish a free trade area (FTA). Molosiwa said some member states have not implemented tariff reductions and are yet to remove non-tariff barriers (NTBs), as expected by 2008. Although some members have submitted trade statistics to the SADC secretariat, much data is still missing.

She added that the mid-term review showed that some member states, including Botswana, had liberalised their tariffs, but many are behind on tariff reduction, as they rely mostly on tariff revenue. Member states are required to establish an FTA by 2008 and establish a customs union by 2012. Commitment to the protocol requires that member countries liberalise 85 percent of all tariffs. The remaining 15 percent consists of sensitive products that could be liberalised by 2012. *(MS, 20.10.05)*

Madagascar's Entry into SADC

Madagascar's recent entry into the SADC marks only the start of long negotiations needed to benefit from special tariffs. Madagascar's entry to the South African trading bloc was approved at a summit in August 2005, in a move welcomed by businessmen, who say it will boost the Indian Ocean island's economic prospects and help give Madagascan products cheaper and easier access to markets on their doorsteps.

However, Madagascar still has to identify products of export potential and draw up a list of products, which the country feels it can offer to the rest of the member states and submit the list for approval. Critics say impoverished Madagascar will be unable to compete with more productive members like South Africa and will be flooded with imports and that it lacks the foreign receipts to pay for them. *(TEA, 17-23.10.05)*

SADC's Rocky Path

Zimbabwe could jeopardise the intentions of the SADC to create a single monetary policy regulator, a customs union and a single currency in the region. Integrating different economies of the SADC region will require uniform import and export tariffs in the regional bloc, a regional currency (the Rand has been proposed), the scrapping of exchange controls to encourage capital movement and a single-digit average inflation in the region by 2015. At present, inflation stands at 17 percent in the region. In Zimbabwe, it stands at 411 percent and could hit 1000 percent in 2006. Mshiyeni Belle, South Africa Reserve Bank's head of international relations, is concerned that lack of economic stability will hinder regional plans. *(FG, 02.12.05)*

Green Pass for COMESA

The COMESA announced that a Green Pass, to be used in trade transactions for agricultural products within the region and internationally conforming to sanitary and phytosanitary (SPS) requirements, will be introduced for members soon. Dr Bruce Mukanda, consultant under the agricultural marketing promotion and regional integration project (AMPRIP), said, "the pass is intended to resolve conflicts that have arisen on commodities that have been refused entry from one country to the other in the region and have failed to meet the SPS standards of a particular country in the international arena". *(ToZ, 24.11.05)*

Dominance of South Africa

The 5th Edition of the 'Monitoring Regional Integration in Southern Africa Year Book' was recently released by the Namibian Economic Policy Research Unit (NEPRU). It contains a paper in which Neuma Grobbelaar of the Southern African Institute of International Affairs (SAIIA), in Johannesburg, discusses the dominance of South Africa (SA), raising the possibility of smaller states resenting SA's increasing dominance.

The report makes it clear that African governments need to develop their "limited implementation capacities", because institutional integration is lagging behind economic and political integration. The yearbook is based on contributions to a workshop held in Windhoek, in June 2003. *(NE, 12.12.05)*

Boosting Regional Trade

The East African Community (EAC) Customs Union, which started in January 2005, reports a sharp increase in intra-community trade. Statistics from the Uganda Revenue Authority show that Uganda's imports from Tanzania and Kenya have shot up by 37 percent. The statistics also show that imports from the two EAC

partner states rose drastically for the period July to September 2005, while imports from other countries during the same period only rose by a negligible 3 percent.

The terms of the Union state that goods and services coming into Kenya from Uganda and Tanzania attract zero duty, while those from Kenya will continue paying a duty of 10 percent, which is to be reduced to zero over a period of five years. *(DM, 21.12.05)*

SADC Dragging Its Heels

Ivano Casella, a member of the European Commission's Directorate-General for Trade, has described the SADC as 'unresponsive' and lacking in commitment to the EU's call to implement reciprocal trade agreements, in accordance with WTO rules, which will replace the current non-reciprocal preferential trade agreements (PTAs) set out in the Cotonou Agreement of 2000.

Harold Mushi of the SADC secretariat admitted that the SADC is divided over the negotiations, which are undermining its regional strategic development plan. He said a working group comprising South Africa, Angola and Namibia, has been established to ensure co-ordination. Many of the African, Caribbean and Pacific (ACP) countries fall into the LDC category. Once the trade agreements are signed, these countries will, for the first time, offer reciprocal market access to EU goods and services. *(BD, 17.10.05)*

EAC: Non-tariff Barriers

The EAC is still hampered by NTBs in the form of cumbersome customs procedures at border crossings, red tape, corruption, administrative delays and police roadblocks, reveals a study entitled, 'EAC Customs Union Tariff Liberalisation in Perspective'. Michael Stahl, a consultant in Arusha, Tanzania, who carried out the study, says "deliberate government policies and procedures" are necessary to eliminate NTBs. A survey carried out among companies trading in Eastern and Southern Africa (ESA) confirms that NTBs do more to hamper cross-border trade in sub-Saharan Africa than tariffs.

The report, therefore, concludes that their elimination is more important than tariff liberalisation. As far as the tariff implications of the EAC Customs Union are concerned, both Tanzania and Kenya have not been affected greatly. However, Uganda's trade-weighted average tariffs on third country imports increased by 46 percent as a result of the EAC Common External Tariff, thereby making third-country imports more expensive and boosting Uganda's imports from Kenya. *(TNV, 09.12.05)*

Investment Facility for NEPAD

At a joint news conference at 10 Downing Street, attended by British Prime Minister, Tony Blair, UK International Development Secretary, Hilary Benn, and other representatives of business and government, commitments were made by Britain, Anglo American and Shell Petroleum to contribute US$35mn towards the creation of a New Partnership for Africa's Development (NEPAD) Investment Climate Facility (ICF). It is hoped that US$120mn dollars will be raised over the next three years. Anglo's Chief Executive, Tony Trahar, welcomed the evidence of "real momentum behind increasing aid, debt relief and tackling conflict" that emerged in 2005.

He said public sector initiatives are insufficient to tackle the challenges in Africa and welcomed the ICF, which will be a private sector-led public-private partnership. The ICF aims to encourage investment, jobs and enterprise, by creating a business-friendly environment that will stimulate seven percent annual economic growth. *(INB, 18.11.05)*

Quality Assurance Pact Signed

The Botswana Bureau of Standards has signed a Memorandum of Understanding (MoU) with the Standards Association of Zimbabwe (SAZ). According to the MoU, an agreement has been reached to cooperate in the six areas of standardisation, exchange visits, representation at regional and international platforms, conformity and training in standardisation and quality assurance. Furthermore, both will recognise the other's certification marks. This will prevent duplication of certification and testing processes, when a product has been certified in one market and destined for the other.

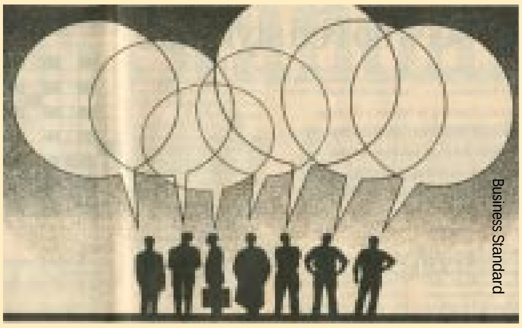
The procedures for testing and inspection of goods traded between the two states would be the same. The two quality assurance bodies will undertake pre-shipment inspection and certification of certain products, which are traded between Botswana and Zimbabwe together or on each other's behalf. Botswana is Zimbabwe's fourth-largest trading partner, in terms of exports, after Malawi and Mozambique. South Africa is still Zimbabwe's largest trading partner, with exports to South Africa accounting for 26 percent and imports for 57 percent, respectively. *(AA, 22.12.05)*

SADC Lacks Capacity

South Africa's Deputy Minister of Foreign Affairs, Aziz Pahad, voiced his concern over the SADC's programme of economic integration. He said progress was slow and he doubted SADC's ability to become "an engine of growth for the NEPAD". He was speaking at the opening of a Pretoria meeting of the South Africa-Mozambique Joint Permanent Commission for Cooperation.

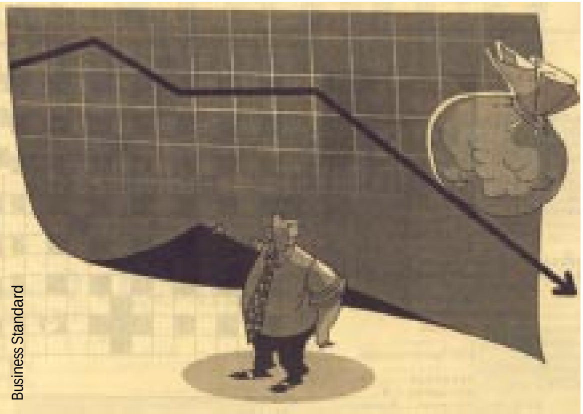
Pahad deplored the fact that Africa is worse off now than it was 10 years ago and said there is a lack of political will among rich nations to boost development in the Third World. He described the recent special millennium summit of the UN in New York as a 'vast failure', unable to meet Africa's expectations regarding the reform of the UN Security Council, Third World development, the definition of terrorism and the proliferation of weapons of mass destruction. Pahad is co-chairing the Commission with his Mozambican counterpart, Eduardo Koloma. *(MG, 01.11.05)*

FTA to Extend to New Members



The SA's free-trade agreement with the EU should have automatically applied to the new member states when they joined the Union in May 2004. It will finally be implemented as of January 2006. This will mean a huge drop in costs for exporters. According to the SA's Department of Trade and Industry (DTI), the new arrangement will be applied retrospectively on goods that have been cleared for customs from May 1, 2004 onwards. Trade commentator, Francois Dubbelman, said this tardy ratification has affected the competitiveness of SA exporters. *(BD, 13.12.05)*

Africa's Trade Plummeting



Globalisation and liberalisation have led to dramatic expansion in world trade, yet sub-Saharan Africa's share has declined, from about five percent in the 1970s to less than two percent today. Zanzibar's President, Amani Abeid Karume, made this comment in a speech at the opening of the conference of Africa's Trade Ministers in Arusha recently. According to Karume, Africa's contribution to world trade consists of supplying the western world with natural or raw materials, with little or no value addition. Africa's position has not improved because new suppliers have entered the market.

Both declining quality and alternative products also detract from the continent's share. He quoted Tanzanian coffee and vanilla and cloves from Zanzibar as examples to illustrate his point. He urged African countries to fight to ensure that the process of globalisation includes all developing countries, especially the least developed ones. Approximately half of African countries derive over 80 percent of their merchandise export income from commodities.

(TM, 30.11.05)

Africa to Save the Textile Sector

At a meeting in October 2005 in Durban, SA, union representatives of clothing, textile, footwear and leather workers from ten African countries, including Ghana, revealed that Africa has lost over 250,000 clothing workers over the past few years. The countries that are worst affected are Ghana, South Africa, Nigeria and Swaziland. Companies in Ghana, such as Ghana Textile Print, (GTP), are struggling to survive. GTP has produced outstanding traditional prints, but they have been pirated in India, China and South Korea.

With lower production costs and a restructured textile sector, Asian goods flood into Ghana at a fraction of GTP's prices. At a recent Trade Union Conference on the Future of the African Textiles & Clothing (T&C) Industries in Cape Town, SA, union representatives from Ghana, Kenya, Malawi, Madagascar, Mauritius, Namibia, Tanzania, Nigeria, Lesotho and SA called on governments to institute policies to save the sector, such as temporary safeguard measures against Chinese imports of textiles and measures to minimise the impact of trade in imported second-hand clothing.

(PA, 26.10.05)

Trade Bloc Hurdles

The regional Economic Organisation of West African States (ECOWAS), established in 1975, has been devoting more time and resources to try and stop wars in the region, than to facilitate better trade. An ECOWAS Trade Liberalisation Scheme, signed in 2002, aims to create a FTA among member states, with the resolve of eventually establishing a customs union. Critics say that, so far, agreements have existed only on paper and not in practice. Even though all West African states have abolished visas among themselves, travel and trade are still hindered by corruption at the borders and inadequate transport infrastructure.

Now, there is concern that the Economic Partnership Agreements (EPAs), which are currently being negotiated by the EU, will undermine the existing regional integration efforts. This could happen where groups of countries, which are now involved in negotiating EPAs with the EU, do not always consider membership of existing regional groups.

(AA, 21.12.05)

TRIPs will not Apply until 2013

Eleven years ago, the WTO ruled that, by January 1, 2006, TRIPs would come into force. However, on November 29, 2005, the WTO's TRIPs council agreed to extend the transition period for LDCs to July 2013. Mainly in Africa, these countries include Tanzania, Uganda, Zambia and Angola. The protection of intellectual property rights (IPRs) has become a key issue globally.

Piracy of brand name goods, such as watches and handbags, or illegal copies of movies and computer games, has burgeoned. Pharmaceutical patents are excluded from the latest agreement, as it was agreed on August 30, 2003 that LDCs could import cheaper generic copies of vital medicines from low-cost makers such as India, rather than more expensive brand name drugs from US, European and Japanese makers. However, this waiver, which will apply until 2016, has still to be written into the TRIPs agreement.

(CNNO, 01.12.05)

China Is not Going away

SA's Trade and Industry Minister, Mandisi Mpahlwa, is unsympathetic regarding the plea from South African unions that quotas and safeguards should be imposed to protect the clothing and textile industry. He says pressures on the industry are the result of a serious lack of competitiveness and the inability of the textile industry to provide basic information required to launch an investigation into the situation. Trade and Industry Deputy Director-General, Iqbal Sharma, says the Government's strategic long-term trade and political relationship with China could not be sacrificed for a clothing and textile industry that had failed to adjust to the demands of global competition.

Brian Brink, Executive Director of the SA Textile Federation, says China alone poses 90 percent of the problems afflicting SA's clothing and textile sector, with the strong rand, capital investment, a lack of support measures and skills shortages accounting for other problems. However, he admits that safeguards only offer temporary relief, "but we need to save the life of the industry first before doing the surgery".

(BD, 20.10.05 & ST, 08.11. 05)

Flu Threatens Tourism

The World Tourism Organisation is to meet with the World Health Organisation (WHO) to tackle the looming threat of the avian flu epidemic on international tourism. Using Severe Acute Respiratory Syndrome (SARS) as their point of reference, they said they knew the avian flu was likely to happen, but were not aware which regions would be hit and for how long. Unnecessary scaremongering can cause a sharp drop in tourism that squeezes the economies, especially those of the developing nations, and the incomes of millions of workers in the industry. The Government, with its travel advisory, and the media, with their coverage of avian flu, should act responsibly to prevent a repeat of the SARS scare of 2003. *(TEAS, 24.10.05)*

Kenya's Growth Stunt

Kenya's efforts at wealth creation have hit a snag, because of the massive destruction of forests and the rapid depletion of its natural resources, a WB report says. In its 2005 audit report entitled 'Where is the wealth of Nations: Measuring Capital for the 21st Century', the Bank says that, with a wealth per capita standing of negative 11, the country is on a treadmill. Kenya's population is reported to be depleting its natural resources faster than the country is saving and investing its benefits for the future. This means, children being born today are not assured of better prospects and the country will not realise sustainable development, if this trend continues. Although Kenya's savings rate lies at 40 per capita, the high population growth and the sustainable depletion of natural resources – forests land and sub soils – is suppressing the country's wealth creation efforts. *(TN, 18.10.05)*

WHO Admits DDT Power

According to Philip Stevens, the Director of the Campaign for Fighting Diseases, a charity in London devoted to increasing the health of poor people, more than a million people continue to die each year from malaria. Stevens alleges that the occurrence of malaria is increasing because aid agencies and western environmentalists refuse to use DDT, the pesticide that has eradicated malaria in many parts of the world. The WHO's Roll Back Malaria (RMB) campaign was started in 1998, but a recent report indicates that the disease has got worse since then. Stevens points to countries, which have successfully combated malaria: Namibia, Botswana, Mozambique and South Africa all have used DDT. *(BD, 11.11.05)*

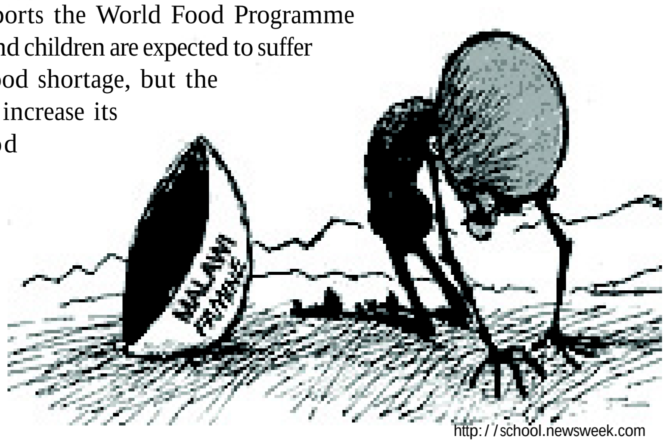
Effects of Air Pollution

A recent report published by the National Environment Management Council (NEMC), which is the result of an Air Quality Monitoring project being conducted at six sites in Dar es Salaam, indicates that the city is the most air-polluted one in the country. The reasons for pollution cited are old and un-serviced automobiles, obsolete technology in industries and the huge population.

The NEMC findings also indicate that lead metal is a conspicuous component in the polluted air and experts say that the metal causes respiratory problems, especially in children under five, and may cause malfunction of the brain in unborn babies. Although laws and regulations intended to curb air pollution are in place, the political will to implement them is missing. *(TG, 09.11.05)*

Malawi Wrestles with Famine

Famine is threatening more than 4.7 million of Malawi's 12 million people, and the country will likely deplete its food stocks before April 2006 harvest, reports the World Food Programme (WFP). Women and children are expected to suffer most from the food shortage, but the WFP says it will increase its relief food distribution from 1.5 million people to 2.4 million by January 2006. While the famine has been blamed for the food shortages in Malawi, Government policy has played a large role in contributing to food shortages. *(IPSNA, 27.12.05)*



http://school.newsweek.com

Fighting the Threat of Drugs

Zambia was among the countries that chose to become proactive when illicit drugs hit the world in the 1980s. The Drug Enforcement Commission (DEC) was established in 1989, by an Act of Parliament. Pressure by the Commission and stakeholders resulted in the enactment of the "Prohibition and Prevention of Money Laundering Act No. 14 of 2001." Thanks to these efforts, the image of Zambia improved internationally. However, in the last five years, Zambia has again become a major distribution point of illicit drugs and psychotropic substances, especially cannabis, destined for European countries, such as the UK and Germany, the US and Canada.

(ToZ, 03.10.05)

Zimbabwe's Food Prices Soar

Zimbabwe's food prices increased ten-fold in 2005, further straining a struggling population facing 80 percent unemployment, reports the southern African country's independent Consumer Council. Inflation stands at 411 percent and could hit 1000 percent in 2006. The Zimbabwean economy has been in a downward spiral since 2000 and has severe shortages of food, fuel, electricity and foreign currency. The United Nations has blamed Zimbabwe's collapsing economy on the government's mismanagement, while the President, Robert Mugabe, finds fault in sanctions imposed by Western countries.

(BBC, 29.12.05 & FG, 02.12.05)

Session on the Question
"Does Trade Lead to Poverty Reduction? Voices from the Grassroots"

CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE), in collaboration with Economic Institute of Cambodia (EIC), Network of Entrepreneurship & Economic Development (NEED) and CUTS Africa Resource Centre (CUTS-ARC), organised a special WTO Panel discussion alongside the Hong Kong Sixth Ministerial Conference on December 15, 2005.

The Panel discussion focused on linkages between trade and economic growth and economic growth and poverty reduction, showing that, although international trade is perceived to be a means of reducing poverty, it is not an end in itself. The session was organised to keep alive the debate that, despite the existence of theoretical literature explaining the linkages between trade and poverty reduction, there is insufficient empirical evidence to prove the robustness of this linkage.

L-R: Mario Marconini, Sok Hach, Manuel Montes and Pradeep S Mehta

The Panel discussion organisers tried to bridge the gap in the perception of trade-poverty linkages between policy makers and the grassroots level. This is because the grassroots are rarely fully equipped and lack access to space that allows them to raise issues that would equip decision makers with valuable experience to formulate trade policies that are more pro-poor. The session was prompted by the Doha Development Agenda's (DDAs) recognition of the importance of the domestic policy measures for mainstreaming trade into the national plans for economic development and strategies for poverty reduction.

The Session was part of two projects of CUTS-CITEE being implemented with partner organisations in select regions of India and select countries within Africa, Asia and Europe. The panel discussion aimed at facilitating the cross-fertilisation of experiences and lessons learnt, so that appropriate policy responses can be developed.

Synergising LDC's & Developing Country Priorities

On December 13, 2005, CUTS Africa Resource Centre (CUTS-ARC) organised a panel discussion under the auspices of the Hong Kong Sixth Ministerial Conference of the WTO. Taking advantage of the opportunity created by the DDA, to address specific problems confronting the LDCs and developing countries, CUTS-ARC and its partners endeavoured to bring up key areas of convergence of interest and potential areas of cooperation and trade-offs between the broader developing countries and LDCs in key areas such as Special and Differential Treatment (S&DT) Agreement on agriculture and commodity trade, policy coherence, trade, debt, finance, NTBs and WTO rules.

The Panellists noted that both LDCs and developing countries wanted to speed up the phasing out of trade-distorting farm subsidies by rich countries and the adoption of development-friendly tariff reduction formulae for agriculture and non-agriculture market access (NAMA) negotiations. The panellists, however, expressed concern about the slow progress of the implementation of the previous commitments by rich countries of the WTO, as well as the 'non-operationalisation' and streamlining of S&DT in the WTO agreements.

Nepad Consultative Forum on Agriculture

Participatory Ecological Land Use Management (PELUM)-Zambia Association and CUTS-ARC, Lusaka, in partnership with the Canadian International Development Co-operation Agency (CIDA), organised a two-day consultative forum, focused at small-scale farmers (SSFs) and aimed at grounding the NEPAD initiative in Zambia, through effective integration of stakeholders on November 29-30, 2005 in Lusaka. The main objectives of the event were to sensitise stakeholders, especially SSFs and their associations, including civil society representatives, government officials and the general public, to tap into the vast potential provided by the NEPAD's Comprehensive Africa Agricultural Development Programme (CAADP).

The 52 participants representing non-governmental organisations (NGOs), the media, the academia, individual farmers, farmer's organisations, the government and inter-governmental agencies noted that agriculture needed to be expanded to include the land lying under customary tenure. They expressed concern that rural information centres are non-existent and national granaries have been abandoned and that there were many inconsistencies between the Investment Act, the Land Act, Water policy and the Fisheries Act.

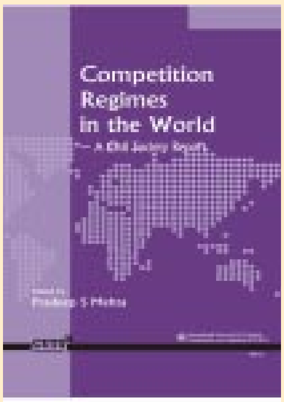
The participants encouraged access to appropriate and labour-saving technologies and investment in infrastructure, such as roads, communal storage facilities, onsite processing facilities, canals and furrows and communication technology and that packaging facilities (including labelling) should be prioritised as front burners. They also urged the Zambian Government to increase budgetary resources to agricultural activities, as agreed in the Maputo Declaration.

National Technical Workshop on EPAs

CUTS-ARC in collaboration with Civil Society Trade Network of Zambia (CSTNZ) will be holding a one-day national workshop on March 17, 2006 on EPAs under the project "Capacity Building of Civil Society in Eastern and Southern Africa during the EPA negotiations". The workshop will debate the project's draft background paper to the impact of EPAs on LDCs.

PUBLICATIONS

Competition Regimes in the World – A Civil Society Report



This report is a compilation that maps out competition regimes around the world from the civil society perspective. It covers about 117 countries, including EU, which is a supra-national jurisdiction. Many countries covered in the report have a competition legislation in place, while there are others which do not have one, and some are in the process of adopting a competition regime. The publication is primarily based on the voluntary contributions of various International Network of Civil Society Organisations on Competition (INCSOC) members and other experts and practitioners.

The country papers in this huge compilation provide a glimpse of the competition scenario in the selected countries, and would serve as reference or resource material as well as the launching pad for taking up more analytical work in future. The report will also help the readers understand where a particular country stands *vis-à-vis* other countries in relation to the development of the competition regime. Thus, it would be useful for all groups of stakeholders including policy-makers, regulators, civil society members, academia and business representatives.

ReguLetter (Volume 6, Issue 3/2005)

The latest issue of ReguLetter, the flagship newsletter of CUTS Centre for Competition, Investment & Economic Regulation (CUTS-C-CIER), has dealt with regulatory autonomy and accountability in its cover story. The point of argument is that there is an optimum distance that must be maintained between the regulatory body and the concerned government ministry.

The competition concerns in the sugar sector in Pakistan and the linkages between competition policy and intellectual property laws in the Vietnamese context are well delineated in the special articles carried in this issue.

The competition scenario in Chile makes for an interesting case study for the specific consumer protection set up that it has. The section on 'About a Competition Law' looks into this.

Economiquity (July-September 05)

The latest issue of Economiquity, the flagship newsletter of CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE) focuses on the Doha Agenda before the WTO Hong Kong Ministerial Meeting held in December 2005.

Apart from regular news items on various issues on economics and trade, it has articles, 'Political Will, not Just Aid can Lift Africa out of Despair' and 'Trade-and-Aid Myth' and a four-page insert covering the latest development on various projects of CUTS-CITEE.

Sources

AA: allafrica.com; BBC: British Broadcasting Corporation; BD: Business Day; BR: Business Report; CNNO: CNN.Online; DM: Daily Monitor; FG: Financial Gazette; INB: I-Net Bridge, IPSNA: Inter Press Service News Agency; MG: Mail & Guardian; MS: Midweek Sun; NE: New Era; NE: Namibia Economist; P: Polity; PA: Public Agenda; R: Reuter; SAGN: sagoodnews.co.za; SS: SouthScan; ST: Sunday Times; TEA: The East African; TEAS: The East African Standard; TG: The Guardian; TM: The Monitor; TN: The Nation; TNV: The New Vision; ToZ: Times of Zambia; USDS: United States Department of State

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