Tradequity

A Newsletter of the CUTS Africa Resource Centre

October-December 2002

Doha Agenda and Africa: A Year After...

The new round of world trade negotiations launched at the November 2001 Doha Ministerial Conference in Qatar promised the developing countries a development agenda. According to the declaration, the needs and interests of the developing countries, which comprise the majority of the World Trade Organisation (WTO) membership, were to be placed at the heart of the new work plan – the Doha Development Agenda (DDA). Thus, on the basis of such a promising agenda, the developing countries agreed to participate in the new round of trade negotiations proposed by the developed countries.

Today, more than a year after the launch of the Doha work plan, a number of deadlines have fallen through due to the non-conclusion of negotiations on various issues that are of particular interest to the developing countries. In a recent statement, the WTO Director-General, Supachai Panitchpakdi, could only express disappointment over the failure of the WTO member countries to meet the end-of-the-year 2002 deadlines on two crucial areas relevant to the developing countries – the Special and Differential (S&D) treatment and the Trade-Related Aspects of Intellectual Property Rights (TRIPs) agreement.

Special and Differential Treatment

The notable areas of contention in the new round have been what the developing countries have termed a "derailment from the Doha mandate" by the developed countries that have consistently called for a discussion and possible inclusion of a number of cross-cutting issues. Issues such as the principles and objectives of S&D treatment and whether and how to differentiate amongst developing countries at different levels of development are outside the Doha mandate, according to the developing countries.

The focus was to strengthen S&D treatment and make it more effective and operational, so as to enable the integration of the developing countries into the multilateral trading system. However, the European Commission (EC) paper on differentiation, which was supported by major trading countries, proposed concessions based on a differentiation and graduation process, led to opposition from the developing countries. The rich countries seemed to have ganged up against the poor countries, with the objective of differentiating among the latter.

At the end of the extended 31st December 2002 deadline on S&D treatment negotiations, despite some progress in the negotiations, an agreement could still not be reached between the rich and poor countries, forcing the special session of the Committee on Trade and Development (CTD) to announce that the governments needed some more time to finalise these negotiations.

TRIPs and Public Health

For the poor countries, the Doha work plan on TRIPs, which highlights the need to be "supportive of public health, by promoting both access to existing medicines and research and development into new medicines", formed one of the core focuses in the ongoing negotiation processes. This is one of the areas where the citizens in poor countries were keen to know the outcomes, as it has direct bearings on the daily life of the poor, many of whom live on less than a dollar a day.

However, the negotiations on access to cheaper drugs for the developing countries failed to conclude by the deadline of 20th December 2002. Intensive consultations could still not resolve differences over the various diseases that would be covered by the decision on intellectual property and health. In particular, the United States was not willing to accept a compromised draft text prepared by the WTO that would allow some developing countries to override patents and order cheap substitutes to treat diseases such as HIV/AIDS and malaria.

While the other 143 of the 144 WTO members were in support of the draft, the US demanded further clarity on the diseases that would be covered by the decision, thus, holding off a conclusion. Is it not the influence of the US pharmaceutical companies over the trade negotiations at the WTO that has resulted in this impasse? It is now hoped that the TRIPs Council will reach a formal agreement by the first meeting of the General Council in February 2003.

The failure to conclude the negotiations on S&D treatment and access to cheaper drugs for the countries of sub-Saharan Africa casts a dark cloud on the Doha round of negotiations, as a development agenda. While recognising the economic benefits of free trade, these countries have found themselves marginalised in terms of accessing the developed country markets, thereby constraining their efforts aimed at export-led growth. Thus, the negotiations on S&D treatment are a key measure of the extent to which the estimated benefits of being part of the multilateral system will accrue to them.

With tight deadlines before the September 2003 Cancun ministerial, the progress is critical as these developing countries could easily lose confidence in the multilateral trading system and turn to regional trade groupings that have proliferated in the recent years.

IN THIS ISSUE

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Namibia to Halt Licences

The Namibian Government plans to halt the issuance of Exclusive Prospecting Licences (EPL) that is, diamond licences, to formerly disadvantaged people. This follows the findings that many of those who availed themselves of the facility were selling their concessions to rich investors for anything between US$0.5mn and US$1.0mn.

The Government announced that there would be a moratorium on the licences to allow the Mines and Energy Ministry to introduce a system that would ensure that the licence agreements were properly controlled.

(TP, 16.11.02)

Currencies to Depreciate

The currencies of Kenya, Tanzania and Uganda are expected to depreciate against major international currencies towards the end of 2002. A poll conducted by the Standard Chartered Bank regional office in Nairobi reports that 100 top finance managers from the region expected the Kenyan shilling to depreciate by 1.32 percent, to a level of 80.55 shillings to the US dollar by December 31st this year.

This reflects an increasing demand for dollars, as corporations with foreign currency exposure slowly close out their obligations. Coupled with this is the uncertainty over the general elections scheduled for December 27th in Kenya. *(ZDM, 26.11.02)*

Japan to Write Off Debt

The Japanese Government, in a bid to help indebted countries create self-help efforts for them to stand on their own, has made a pledge to write off loans worth ¥900mn, through the Japanese Bank for International Cooperation. The debt cancellation, which is to commence next year, in 2003, will benefit 32 heavily-indebted poor countries (HIPCs).

The decision was taken following observations that many of the countries that were indebted to Japan were over-burdened and not in a position to repay their debts. While these countries mostly had to repeatedly borrow in order to repay their debts, often, they were financially unable to comply, resulting in the Japanese Government having to reschedule the debt. *(TOZ, 16.12.02)*

Nampac Appeals against ZCC

Nampac holdings of South Africa have appealed against the Zambia Competition Commission's (ZCC) decision to block its take-over of Crown Cork Zambia. ZCC is currently studying the grounds of the appeal before coming up with a final position. In October 2002, the ZCC prevented Nampac from taking over the local firm because it envisaged that such an acquisition would enhance the dominant position that Nampac currently had in the local packaging materials, to add 100 percent dominance of the market in bottle tops and metal drums and 90 percent in metal cans.

Section 7 (1) of the 1994 Competition and Fair Trading Act of Zambia prohibits abuse, by one or more undertakings, of dominance in a market, which would affect trade or the economy, in general. Nampac is rated as Africa's largest and diversified packaging manufacturer, with the major market share in South Africa and manufacturing facilities in nine other countries in the region.

(TOZ, 19.11.02)

Merger Approved

The Zambia Competition Commission (ZCC) has approved a merger between Shilton Zambia Limited and Eureka Chicken Limited to form Eureka Chickens Limited. The joint venture, according to the ZCC, was allowed to prevent the domination of the poultry sector by Hybrid Poultry Limited. Also, the ensuing competition would benefit the consumers in terms of price, quality and availability.

(ZDM, 26.12.02)

Air Tanzania Sold

South African Airways (SAA) concluded the purchase of 49 percent shares of the formerly government-owned Air Tanzania Corporation (ATC), following an initial deposit of US$20mn in December 2002. SAA, which has since changed the airline's name to Air Tanzania Corporation Limited (ATCL), said it would, starting in January 2003, increase the number of aircraft for ATCL from one to four as well as the number of flights to various parts of Africa and the rest of the world.

And, while the Tanzanian Government will retain 51 percent shares of ATCL, SAA will be charged with improving technical, commercial and managerial expertise in ATCL operations, through the provision of training of ATCL pilots, air crew and paying salaries to the 250 employees. All ATC assets and liabilities would, however, be transferred to Air Tanzania Holdings Corporation, which is to be solely owned by the Tanzanian Government. *(EAS, 09.12.02)*

IMF, WB Blamed for Crisis

The Malawian Government has blamed the International Monetary Fund (IMF) and World Bank (WB) for the acute maize shortage that the country is currently experiencing. The IMF and the WB were responsible for the situation that forced the Government, just a few months before the shortage began, to sell the country's reserve grains to repay the loans it owed.

However, the IMF has dismissed the accusation, saying it never gave such advice. In the meantime, the President, Bakili Muluzi, has since appointed a commission to investigate the sale of the country's emergency grain reserve.

More than 3.2 million people are in need of urgent food aid in Malawi.

(ZDM, 02.12.02)

Zambia Joins Global Network

Zambia has been nominated to the 18-member steering committee of the International Competition Network (ICN), a newly inaugurated global competition advocacy body. The decision was taken at an ICN meeting in Naples recently.

The Naples meeting brought together competition authorities from both the developing and developed countries to address practical enforcement and policy issues on competition matters. ICN aims at improving competition law enforcement and administration in the global market place for the benefit of both the business and consumers. *(TOZ, 05.10.02)*

Zimbabwe Freezes Prices

In November 2002, the Zimbabwean Government announced price freezes, sweeping over a wide range of goods, in a move to tackle the country's deepening economic crisis, with inflation running at 135 percent and nearly half of the country's 12 million people facing starvation. In October, the Government imposed food controls on some staple foods, which seemed not to be working and, rather, led to shortages and more black market trading operations.

Zimbabwe still faces critical shortages of cornmeal, sugar, milk and cooking oil, among other goods. The latest price freeze was meant to stop manufacturers from evading price controls and re-branding and reducing the size of some products that were not controlled. However, it was not clear how the price controls would be enforced.

(ZDM, 17.11.02)

Belgium to Cancel Debt

The Belgium Government has decided to cancel Tanzania's official debts owed to it, amounting to a total of US$21.4mn. The debts, under the Paris Club and Heavily Indebted Poor Countries (HIPC), were expected to enable the country to improve the cash flow to the government budget for spending on key poverty alleviation and development activities. *(ZDM, 24.11.02)*

Mining in Zimbabwe Hard Hit

Zimbabwe's two largest mining concerns, Rio Tinto Zimbabwe Limited and Bindura Nickel Corporation Limited, have stumbled into serious crises, owing to the stringent foreign currency controls recently introduced by the Government. The two have even issued separate cautionary statements to their shareholders, indicating the seriousness of the new measures on their future survival.

With a view to saving the mining houses, discussions are underway between the management, the Chamber of Mines, the Reserve Bank of Zimbabwe and other key ministries.

(ZDM, 31.12.02)

Privatisation Halted

Thousands of the Zambian workers and the civil society on December 14th 2002 took to the streets of Lusaka in protest against the intended privatisation of the government owned Zambia National Commercial Bank (ZNCB) and that of two other nationally owned institutions: the Zambia Telecommunications Ltd (Zamtel), and the Zambia Electricity and Supply Corporation (ZESCO). The government has since taken a position to maintain statusquo of the three major parastatals. *(TP, 17.12.02)*

Vodacom Expands

South Africa-based Vodacom International has won a bid to be Mozambique's second cellular service provider, after outbidding three other consortia with a US$15mn offer. The Managing Director of the Company said that expanding to Mozambique was a good investment for Vodacom, as currently it was the fastest growing economy in the Southern African Development Community (SADC) region.

Vodacom Mozambique expects to get as many as 160,000 subscribers in its first year of operations, which it projects will rise to 2 million within the next 10 years. The Company will be competing with the Mozambique Cellular (mCel), jointly-owned by the state telecommunications firm and Detecon, a German group.

(TP, 04.12.02)

Oil Industry Stumbles

General Secretary of the Association of Oil Producers (AIOPA) in Mozambique, Feliciano Muchine says the vegetable oil industry is on the verge of collapse and risks throwing over 1,500 workers out of their jobs. The problems being faced by the industry, which was currently working at less than 25 percent of productive capacity, is said to be largely attributable to the massive smuggling of cheap cooking oil into the country from neighbouring countries. It is estimated that 50 percent of the cooking oil being sold on the market was contraband.

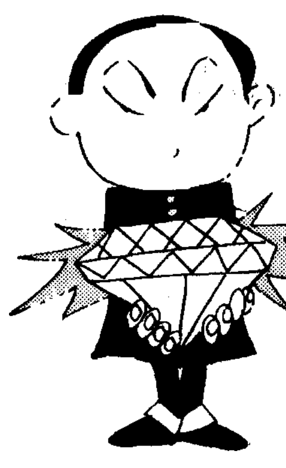
Furthermore, the shortage of raw material and obsolescence of the machinery in the Mozambican factories is said to have only worsened the situation. AIOPA wanted the customs service to clamp down on illegal oil imports, and the government to ease the tax burden on the domestic industry.

(N, 26.12.02)

De Beers Back in Angola

Diamond giant De Beers, which had suspended its investment in Angola in May 2001 following a dispute with the state-owned diamond company Endiama over repaying a US$50mn loan, plus millions in interest, is to resume operations. De Beers said it planned to resume the marketing of all diamonds produced by a new venture with Endiama early next year.

The two companies have both reiterated that talks were going well on new contracts. The deadline for the signing of the new diamond mining deal and settling of the debt, which made the company pull out, has been set for 28th February 2003. De Beers currently controls about 65 percent of the world's US$8bn rough diamond market. *(TP, 31.12.02)*


The Economic Times

Dos Santos Chairs SADC

The Angolan President, Jose Eduardo dos Santos, has taken over the Chairmanship of the Southern African Development Community (SADC), in a recent conference in Luanda. In taking over the Chairmanship from Malawi's Bakili Muluzi, Dos Santos pledged to strengthen regional and economic growth, with peace and stability being the greatest priorities for the region.

The SADC, which came into being in 1992, has 14 member countries, which replaced the Southern African Development Co-ordinating Conference (SADCC). While Angola was part of the founding countries, it had never been given the chance to hold the Chairmanship due to the civil war.

(TOZ, 03.10.02)

US to Form FTA with SACU

The US has announced plans of forming a free trade agreement (FTA) with the countries included in the South African Customs Union (SACU): Lesotho, Botswana, South Africa, Namibia and Swaziland. The announcement was made by the US Trade Representative (USTR), who indicated that the negotiations were expected to commence within three months from 4th November 2002.

SACU is already the US's largest sub-Saharan export market, accounting for about US$3bn in exports per annum. According to the trade statistics for 2001, the combined two-way trade between the US and the region was estimated at almost US$8bn. While the South African business community in the US has hailed the initiative, some civil society groups are, however, questioning the real intentions of the US's initiative.

(BRIDGES Weekly, 14.11.02)

Will Africa Be One?

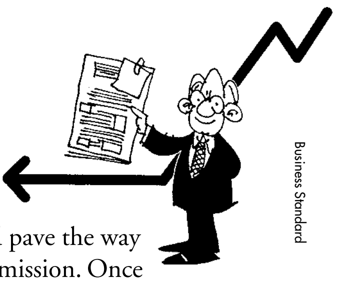
The African Union (AU), early next year, is scheduled to hold a special summit where the primary focus will be to debate Libya's proposal to make the African continent one single country with one army. The summit will be hosted by Ethiopia in its capital city Addis Ababa, which continues to be the headquarters from the Organisation for African Unity (OAU), the predecessor of the AU. This was intimated by the South African Foreign Ministry spokesman, Ronnie Mamoepa, following a meeting of the African Foreign Ministers who met in Tripoli, Libya on the 9th of December 2002.

(ZDM, 11.12.02)

EC Assistance to COMESA

COMESA has signed an agreement worth •223mn with the European Commission (EC) for the development of a single Regional Strategy Paper (RSP) and Regional Indicative Programme (RIP). This is to be financed under the 9th European Development Fund, which commits money to regional projects in economic integration, natural resource management and transport and communication infrastructure. It is hoped that the timely implementation of the RIP would complement the Economic Partnership Agreements (EPA) negotiations and would help add the needed development dimension by assisting to remove supply side constraints. *(ZDM, 26.11.02).*

COMESA Draft Policy



The Common Market for Eastern and Southern Africa (COMESA) says its Draft Regional Competition Policy has been finalised and circulated to member states for further consultation. The Draft Policy, which is scheduled for adoption in February 2003, would pave the way for the setting up of a regional Competition Commission. Once set in place, the competition policy would address the regional anti-competitive tendencies like trade monopolies, issues relating to barriers to entry into the market, predatory pricing mechanisms, take-overs, mergers and cartel arrangements.

However, the developing countries have reservations about adopting a multilateral framework on the competition policy proposed by the rich countries, which, they believe, should be approached with caution. This is despite recognising the need for a competition policy at both regional and national levels. *(TOZ, 22.11.02)*

COMESA Standards for AGOA

The Common Market for Eastern and Southern Africa (COMESA) is working on a pest risk assessment (PRA) permit for raw agricultural produce. This would enable companies in its member countries to export to the United States of America. COMESA, the African Growth Opportunity Act (AGOA) Linkages Africa Manager, disclosed this in an interview. Once the PRA permit was acquired, it would enable most of the stakeholders in the 13 eligible countries to penetrate the US market and export more of their fresh products.

(ZDM, 23.12.02)

Harmonisation of Standards

The Common East African Market (CEAM), which is scheduled to come into effect in 2004, has warned the firms operating in the region to ensure that they have their products certified for quality. Unless products bear the quality certificate mark, they would not be allowed free access under the East African Community protocol on standards and quality. And, all uncertified products would be subject to stringent conformity inspections that could end up not only in delay but also rejection. The CEAM member countries, Uganda, Tanzania and Kenya, have all agreed to recognise each other's quality certificates, while inspecting goods and services for imports. *(TM, 27.12.02)*

NEPAD Peer Review

As one of the pillars of the New Partnership for Africa's Development (NEPAD), twelve African countries on November 4th 2002 appended their signatures to the Declaration on the Peer Review Mechanism (PRM), which empowers leaders to monitor each other's performance in virtually all aspects of national leadership. The peer review mechanism's design is based on the fact that imprudent policies undertaken by one country necessarily affect its neighbours.

However, President Abdoulaye Wade of Senegal called upon the international community, particularly the G-8 nations, not to make the performance of the PRM a condition for their assistance for the NEPAD.

(NEPAD Press Release, 10.12.02; www.nepad.org)

Oil Prices Escalate

As the United States of America ordered more troops, aircraft and ships to the Gulf for a possible war against Iraq in early 2003, the oil prices have pushed to two-year highs. Combined with the crippling strike in Venezuela, oil prices have reached an all-time high of US$33 per barrel, as the situation in the world major producers remains uncertain.

The OPEC is, however, considering holding a special meeting to discuss the possibility of raising the group's production ceiling, if oil prices remain high for a prolonged period. *(Reuters, 30.12.02)*

More Aid for Southern Africa

A statement released from the European Union's Maputo Office says that the EU has pledged a further • 310mn for the current drought-related humanitarian crisis in southern Africa. Of the amount pledged, the EU will directly manage • 177mn earmarked for the acquisition of 272,000 tonnes of foodstuffs and humanitarian aid.

The food is to be bought from the local regional markets "so as not to disturb the functioning of the local markets or interfere with local consumption habits". So far, arrangements have been made to buy 45,000 tonnes of food, particularly maize, from the northern provinces of Mozambique, to be distributed in Malawi. Zimbabwe, Malawi and Zambia are to receive the largest share of this support, being identified as the most needy countries in the region.

(TOZ, 06.11.02)

COMESA Seeks Right

Common Market for Eastern and Southern Africa (COMESA) has applied to the WTO for the right to start manufacturing cheap AIDS drugs.

The application, which was expected to be approved by December 2002, came in as 24 Trade Ministers of the world, meeting in Sydney, discussed putting a broad plan before the WTO to allow poor countries to manufacture generic copies of drugs that were protected by intellectual property rights in developed countries. In its application, COMESA desired to be treated as one region so that drugs manufactured in one country could be sold in all member countries without restrictions.

The AIDS scourge, according to the COMESA Secretary General, was strangling trade and development across Africa because it was killing the continent's most qualified and economically active people. More than 20 million people in the region are infected with HIV and AIDS and COMESA countries were spending a lot of money on importing anti-retroviral drugs. *(TOZ, 19.11.02)*

Demand for Oil Quotas

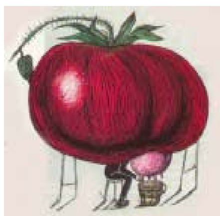
Oil giants operating in Nigeria have urged the Government, under the aegis of the Nigeria Association of Petroleum Explorationists, to push for higher oil quotas for the country from the Organisation of Petroleum Exporting Countries (OPEC).

The five multinational oil companies, Shell, Exxon Mobil, Chevron Texaco, Agip and Elf, in a joint venture partnership with Nigeria, account for more than 90 percent of the country's oil output of about 2.0 million barrels.

While Nigeria's capacity had grown to 2.8 million barrels per day, the production quota has remained fixed at 1.757 million barrels per day by the OPEC. This, according to the operators, was a disincentive, capable of affecting the volume of investment in the country.

(TOZ, 12.11.02)

EU-US Trade War on GM Foods



United States trade officials are urging the Bush Administration to begin proceedings against the European Union (EU) in the World Trade Organisation (WTO) for blocking imports of genetically modified (GM) foods. The European Union has, for long, maintained a ban on any US biotech food based on the "precautionary principle", saying that GM foods were unsafe, until proven otherwise.

With the rising number of debates around the world on GM foods, and especially in Africa, the US, which has refrained from any formal complaint against the EU, is set to take the issue to the WTO.

Several years ago, the US fought, and won, a similar action when the EU officials banned US beef exports on the grounds that they contained unsafe growth hormones. *(BBC, 02.12.02)*

EU Proposes Cuts

The European Union (EU) has pushed in a proposal to the World Trade Organisation (WTO) on the reduction of agricultural export subsidies, farm-good tariffs and domestic farm support as a step in translating the WTO's Doha Round of negotiation into reality.

The 15-member European trading bloc is proposing a 36 percent cut in farm-good tariffs, a 45 percent drop in agricultural export subsidies and a 55 percent fall in trade distorting domestic farm support.

With their dependence on trade in agricultural products, developing countries have been eager to see both tariff and non-tariff barriers export subsidies and domestic farm support reduced so that exporting to developed countries could be easier.

To the feelings being aired that the Union could have offered more especially to include dairy and sugar products, the EU said that the proposal offered a "progressive and substantial (trade) liberalisation on a fair and balanced basis". *(BD, 19.12.02)*

African Countries to Sell Ivory

Three Southern African countries, South Africa, Botswana and Namibia, have been granted permission for a one-off sale in which about 60 tonnes of ivory, collected from elephants that died of natural causes or as a result of government regulated animal control, would be disposed of in 2004. This follows a consensus among the delegates who attended the 12th Conference of the UN Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), held in Chile on 4-15 November 2002.

The one-off sale of ivory stockpiles, however, will only go ahead once a monitoring system is in place to gauge the baseline data on population and poaching levels. The CITES Standing Committees can suspend trade, if they find that the importing or exporting countries are not complying with their regulations. India and Kenya, however, strongly opposed the reopening of ivory trade, citing fears that it would revive the ivory industry and lead to widespread poaching. Many conservation groups have described the decision to allow limited sales for the three African countries with anger as a "death warrant" for elephants. At present, the African elephant population is estimated to be between 300,000 and 450,000, in comparison to 1.3 million in 1980.

(ZDM, 14.11.02 & BW, 14.11.02)

Schools Close in Ethiopia

More than 3000 students in Jijiga, Ethiopia, have abandoned studies, resulting in the closure of about eighteen schools. The students have left school as parents have moved from the capital of Ethiopia's eastern state of Somalia. The Ethiopian Information Minister has ascribed this to this year's drought and has called it the worst-ever humanitarian crisis, citing reports of people dying of starvation.

(ZDM, 20.12.02)

New Dam on Niger River

The Niger River, which starts from the Futa Jalon Hills in Sierra Leone, winding its way through four other countries before entering Nigeria, has been a bone of contention when it comes to the construction of a dam on its course. Consequently, the western African stakeholder countries, in the 1960s, reached a multilateral agreement that none of them would construct a dam on the river. Nigeria, which built the Kainji dam, has had to supply electricity to the other countries at subsidised rates.

Now, Niger has decided to construct a dam on the Niger River at Kandaji. Nigeria has described the decision as disastrous since it is likely to negatively affect Nigeria's electricity supply, fisheries and farming, including distracting the country's plans to provide potable water to millions of its people. The decision could lead to water conflict between the two countries.

(V, 19.12.02)

Meningitis Hits Burkina Faso

The Government of Burkina Faso has called on the World Health Organisation (WHO) to help it curb meningitis during the 2002-03 meningitis season. The Ministry of Health reported a regular increase in the number of suspected cases since November 2002. Between 9th and 15th December, 123 cases, of which 16 were fatal, had been reported by 53 of Burkina Faso's health districts.

It was intimated that the analyses of the first cases revealed the "persistence" of a new strain, W135, which killed 1,474 persons out of 12,794 infected between February and May 2002, as early vaccination could not be carried out due to the non-availability of the W135 vaccine. Thus, Burkina Faso has called on the WHO to provide, "as soon as possible", Burkina Faso with one million doses of W135, in order to avert a crisis.

(UNIRIN, 30.12.02)

Africa Hunger Alert

The World Food Programme (WFP) has launched a campaign called 'Africa Hunger Alert'. The campaign, according to the WPF Deputy Executive Director, Jean-Jacques Graisse, is aimed at drawing international attention to the unprecedented hunger crisis gripping the African continent, where 38 million people face starvation.

He said that, following a growing concern among ordinary citizens, the WPF had recently received hundreds of unsolicited on-line donations from people of different nationalities, all of them eager to help avert a humanitarian catastrophe. The campaign is said to represent a global response to a growing number of spontaneous grass roots initiatives in North America, Europe and Asia.

(TP, 20.12.02)

Malaria Net Tax Costing Lives

The Malaria Foundation International has criticised the policy of the African countries to continue to tax imported anti-malarial mosquito nets, saying it was hampering the fight against the disease. More than 3000 people are said to die from mosquito-transmitted diseases in Africa each day.

While experts say the best way to reduce the deaths is by increasing the use of nets to prevent bites, particularly bed nets impregnated with insecticide, 26 countries continue to tax imported nets, often more than doubling their costs and placing them beyond the reach of the consumers. This is despite the pledge made at the malaria conference in 2000 to phase out such taxes by 2010.

(ZDM, 25.11.02)

Financial Times

Harare

On 28-30 October 2002, CUTS-ARC, in collaboration with MWENGO, Zimbabwe, and the Institute for Global Dialogue, South Africa, hosted a regional workshop entitled "Interface between Trade and Regional Partnership Agreements – WTO, Cotonou, AGOA and NEPAD". The Workshop was organised under the Project Fostering Equity and Accountability in the Trade System (FEATS) being conducted by CUTS-ARC.

The purpose of the Workshop was to discuss economic development and other gains such as poverty reduction in Africa through the involvement of the various stakeholder representatives in policy-making at both the national and regional levels.

Highlights of the Discussions

- From the Cotonou agreement, the Africa Caribbean and the Pacific (ACP) Countries were likely to benefit little due to their lack of clarity on the proposed economic relationship with the EU.
- The compromised stand by Africa in the Cotonou agreement on certain issues, like trade and labour standards vis-à-vis the WTO, could weaken the African nations' bargaining power at the WTO, given that the EU had greater influence and leverage at the global trading level.
- There was a need for a thorough understanding of both the New Economic Partnership for Africa's Development (NEPAD) and the WTO and co-ordination between the two, in order to improve Africa's position in the global economic system.
- The Africa Growth Opportunity Act (AGOA) would undermine Africa's regional economic integration efforts, particularly due to its rules of origin requirements. The time frame of the AGOA did not give enough time for Africa to obtain the maximum benefits from the trade arrangement.

The Way Forward

- Countries in the region need to focus on developing a comprehensive national development strategy and an appropriate trade policy package, instead of focusing their energies on sectoral and divisive programmes such as Cotonou, AGOA and NEPAD.
- Advocacy and public education on what lies in these trade negotiations and agreements are crucial elements that need to be addressed by the stakeholders.

Kampala

Consumer Unity and Trust Society – Africa Resource Centre (CUTS–ARC), in collaboration Consumer Education Trust (CONSENT), Kampala, Uganda, organised a regional workshop entitled "Strategies for Consumer and Civil Society Organisations in Influencing Economic Policy-making" at Kampala on 20-21 December 2002. This Workshop was also organised under the Project "Fostering Equity and Accountability in the Trading System (FEATS).

The main objective of the Workshop was to devise ways in which civil society organisations in Eastern and Southern Africa could effectively influence the policy-making process.

Highlights of the Discussions

- It was felt that building of the capacity of civil society organisations in analysing socio-economic realities at regional, national and international levels was necessary. Networking with such organisations in the North, which had a pronounced influence on policy making, would also be beneficial.
- Building strong alliances among civil society organisations sharing the same interests was needed. Such well-informed organisations could articulate on issues of consumer policy, negotiations in trade and their impact on countries of Africa, thereby influencing socio-economic policy-making.
- There was a need to strengthen the integration of various information sources on relevant regional issues (such as for COMESA or SADC countries) in the context of the on-going multilateral negotiations, so as to better inform the stakeholders.
- The media should be involved in dissemination of information.

The Way Forward

- Seek the right information and, thereafter, disseminate it to the various stakeholders.
- Information should be shared among the stakeholders at the regional level also.
- The need to influence economic policies through co-operation with both public and private sector agencies was stressed.
- Understanding the operational environment and how these affect the various constituencies was necessary.

Nairobi

CUTS Centre for International Trade, Economics and Environment (CUTS-CITEE), Jaipur, India, is conducting a two-year research project entitled 'Investment for Development'. Seven countries – Bangladesh, Brazil, Hungary, India, South Africa, Tanzania and Zambia – have been selected for the purpose of the Study. The Project envisages increasing awareness and capacity-building on investment regimes and international investment issues. A regional seminar under the Project was organised at Nairobi, Kenya, on 18-19 October 2002. CUTS-ARC, as a partner for Zambia, attended the Seminar.

The main objective of the Seminar was to build capacity in civil society on investment issues, using the Project results.

Highlights of the Discussions

- Investment levels in Africa are too low to achieve the millennium development goals.
- There were a lot of arguments against a multilateral investment agreement at the WTO.
- Privatisation efforts in the region have thrown up mixed results.
- Researchers from South Africa, Zambia and Tanzania presented their findings of the research.

The Way Forward

- The respective governments should understand the WTO issues, which would strengthen their bargaining powers.
- There should be strategies focussing on internal loopholes and leakages to contain wastage for privatisation to succeed.
- Foreign Direct Investment data in most African countries being unreliable, should be improved upon.

CUTS-ARC Policy Briefs

WTO and Competition Policy: A COMESA Perspective

Although the issue of trade and competition policy is very much present in many of the existing WTO agreements, it has not, as yet, been systematically addressed. Similarly, while several agreements under the WTO relate to investment issues, there is no multilateral accord.

This Briefing Paper emphasises the need for co-operation among national competition authorities to counter the anti-competitive practices. Moreover, it stresses the need for COMESA members to engage in dialogue and exchange their experiences and for developing countries to build their capacities to take full advantage of the existing agreements at the WTO.

(For further information please visit: www.cuts.org)

From Uruguay Round to Doha: Developing Countries' Experiences with Trade Negotiations

The passage from the GATT to the WTO represented a major turning point for trade policies in developing countries. However, it has been almost eight years since the inception of WTO in 1995, developing countries face new challenges and priorities related to their participation in multilateral trade negotiations.

This Briefing Paper argues that there are some clear lessons, which need to be learnt by the developing countries. The results of the UR indicate that countries, which participated actively and for longer period, gained most. In other words, absence is damaging in trade negotiations. Another crucial factor discussed in the paper is the need for crafting alliances, not necessarily regional and among the countries of same developmental level, but with countries of similar interests.

(For further information please visit: www.cuts.org)

NEWSLETTERS

ECONOMIQUITY

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

(October-December 2002)

The last quarter of the year 2002 was very crucial for the ongoing Doha round of trade negotiations as three important deadlines had to be met. Unfortunately, when negotiators broke for the winter holiday in December, none of the deadlines could be met. First, the US stubborn posture resulting in TRIPs and public health talks ending in a stalemate. Second, the issue of farm talks did not move forward as per the desired pace. Third, on the review of special and differential treatment, a pet issue of many developing countries, the Chairman Smith failed to meet even the second deadline. Overall, the year 2002 ended on an extremely disappointing note for the poor countries.

The latest issue of Economiquity besides covering the developments regarding the current Doha Round, also carries excerpts of an interview with eminent economist, Jagdish Bhagwati and trade related news. To know more, please subscribe.

Investment For Development

(November 2002)

Do developing countries face a trade-off between foreign investment-led higher growth and greater equity through creation of more jobs? The effect of FDI on employment is a debated issue. The November 2002 issue of the quarterly CUTS' newsletter "Investment for Development" has the theme "investment and employment". It looks into some of the issues relating to foreign investment, labour and employment in Hungary, Bangladesh, India and South Africa.

The issue also deals with the current news on FDI performance and trends, policies, investors and business responsibility. It covers news related to services and privatisation.

ReguLetter

(December 2002)

Differing decisions in the GE-Honeywell merger case led to a spat between the US and the EU in the area of competition policy enforcement. The conflict has now been resolved to a great extent, as they have agreed in principle for simultaneous review of mergers, so that the merging companies do not have to face uncertainties in one jurisdiction after getting clearance in another. What is missing is that such a cooperative effort would not include developing and other countries where the merging firms operate. Often parent body mergers lead to an absolute dominance in a developing country, when their subsidiaries merge. The cover story of the issue deals with more of it. It also includes several other stories on regulatory issues.

SOURCES:

BBC: British Broadcasting Corporation; BD: Business Day; EAS: The East African Standard; MS: The Malawi Standard; N: Noticias; NV: New Vision; TA: The African; TH: The Herald; TM: The Monitior; TOZ: Times of Zambia; TP: The Post; UNIRIN: UN Integrated Regional Information Networks; V: Vanguard; ZDM: Zambia Daily Mail; ZI: Zimbabwe Independent

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