



# Tradequity

A Newsletter of CUTS Africa

Year 9, No. 3/2010

## Right to Information Law: *Recipe to Achieve Consumer Sovereignty in Zambia*

Poverty has a deep and wide-ranging negative impact on any country's economy and unless it is significantly reduced, development of any kind is bound to fail. Almost 46 years after independence, Zambia's poverty level stand at over 65 percent and the country is regarded to be among the poorest nations in the world. The Government of Zambia has instituted several welfare schemes for the benefits of the impoverished but the question is that how many people benefit from these.

In the past reports, the Auditor General's Office has revealed that billions of kwacha are either misapplied or stolen in the public service in Zambia. Not that the government is not allocating resources to certain sector/ministries/schemes but, due to the leakages in the system which need to be corrected.

Participation in governance is at the heart of any successful democracy. Citizens should not only participate during election time but on a day to day basis – when the decisions on policy, laws and development are being made and projects and activities are being implemented.

The right to information (RTI) law help improve the governance structure in any country and helps governments to detect some of these problems through citizen's participation. The RTI will enable citizens detect misconducts on behalf

of the government and help improve the system.

Further, making information known to the citizens is simply a part of normal government functioning because the public have a right to know what public officials do with their money and in their name.

All citizens are ultimately consumers of government services and the RTI including the right to basic needs are among the most important consumer rights. It is worth highlighting that the sole purpose of economic planning in, as far as possible, is to the satisfaction of consumer's needs. And then, there is a logical, moral and political force in proposition that the right person to make the decision about the allocation of resources to her/his needs is the consumer him/herself.

Therefore, if accessing information especially from public offices is bureaucratic and difficult, then consumer sovereignty is undermined. It is undisputable that, that the government tries to meet the requirements under the right to basic needs, but because of the existing leakages in the system, most end users (consumers) do not benefit. The right to basic needs and information are important for survival and dignified living.

Further, it is also worth mentioning that, having this Act on information

in place is not a solution in itself but it's a first step to sealing up the gaps that exist. For example, using this Act may not get anyone a new electricity or water meter connection but it may help someone find out who is responsible for taking action on an application, what progress has been made, how soon one can/should have gotten the connection under the service norms of the department concerned and why action has been delayed in the presented case.

Lastly, Zambia should consider learning from other countries like India who have enacted such a law aimed at improving their governance structure and ensuring that there is transparency and accountability in the utilisation of public resources. India enacted this law in 2005 and this day is celebrated as their second independence day. This can also be replicated in Zambia. All that is needed is the political will and commitment.

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### China Takes to Africa like Bushfire

The Chinese influence, in the form of its people, investment and business, is sweeping across the African continent like a wild fire. Be it financing and executing massive infrastructure projects – roads, power plants and mineral extraction, or small time commercial ventures such as textile, electronic and other household goods, the Chinese are literally driving the African economies.

It is a phenomenon that has triggered a strong wave of reaction from various African countries, including Kenyans, ranging from open-arm welcome to indifference, to even hostility bordering on Sino-phobia.

In its 11<sup>th</sup> Five Year Plan (2006-2010), China's Ministry of Commerce is encouraging its leading companies to establish offshore operations in designated Chinese special economic zones in foreign countries, a "Going Global" kind of strategy. *(www.nation.co.ke, 29.08.10)*

### Zimbabwe Mulls Investment Bill

Zimbabwe is enacting a new Investment Bill to do a legislative make-over of its investment profile, but the provisions being proposed fall too short of what the country requires to effectively regulate foreign and domestic investments.

The proposed legislation adds to the inclusive government's string of investment promotion measures engendered since its formation in February 2009, including agreeing bilateral investment treaties with potential sources of foreign direct investment (FDI). It principally aims to improve the country's economic rating and attract the interest of international fund managers.

*(www.newsday.co.zw, 13.07.10)*

### Uganda Leads East Africa in FDI

Uganda leads other countries in the East African region in attracting FDI, according to the United Nations World Investment Report 2010. The report states that despite the global economic crisis that created unease in world economies for the better part of 2009, Uganda continued to witness growth in FDI from US\$787mn in 2008 to US\$799mn in 2009.

The report stated that developing economies absorbed half of the global FDI flows in 2009 and accounted for a quarter of the global outflows. It added that Uganda's foreign investment over the last 10 years had increased from US\$807mn to US\$4,988bn. Besides attracting investments from European countries, Uganda was witnessing an increase in investments from China and India.

*(NV, 26.07.10)*

### Tourism Sector Spurs Growth

Since the beginning of 2010, Cape Verde's tourism sector has been growing rapidly after a year of low revenues. The sector is a main factor behind Cape Verde's projected six percent gross domestic product (GDP) growth in 2010. In 2009, Cape Verde's tourism-driven economy basically reached a stand-still. There were major concerns that the global crisis, which hit many of Cape Verde's main tourist markets especially hard, would dramatically reduce tourist arrivals to this long distance destination and halt investments in the booming hotel and holiday apartment construction industry.

During the crisis year, FDI and remittances from Cape Verdeans abroad slowed. Also revenues from the tourism industry decreased and the transportation and construction sectors contracted.

*(AN, 29.09.10)*

### Tunisia Secures Growth

Although Tunisian exports were adversely affected by the global crisis, real GDP growth exceeded three percent in 2009. In 2010, growth could be back at pre-crisis levels. The Tunisian economy is strongly dependent on exports to its European neighbours.

According to Tunisian authorities, the new growth was driven by "the upturn in demand for manufacturing sector exports, especially mechanical and electrical goods and textiles". This had been achieved despite a very slow growth in the European Union (EU).

Tunisian authorities, however, plan to lessen their economic dependence on the EU to assure higher growth rates in the future. A 2010-14 economic diversification government programme is to develop a geographic and product diversification strategy to bolster access to new markets. *(AN, 16.07.10)*

### Single Currency in EA by 2012

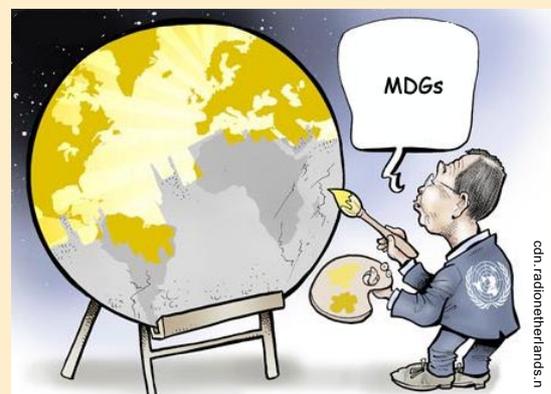
With the East African Community (EAC) Common Market Protocol now in effect, the region is looking to launch a single currency by 2012. Many hope the integration will break down economic barriers across the region, but there is much work to be done before the regional dream is realised.

The members of the EAC – Kenya, Rwanda, Tanzania, Burundi and Uganda – officially launched the Common Market Protocol on July 01, 2010. Under the Protocol, the region hopes to unlock the economic potential of its vast natural resources and more than 130 million inhabitants. The member states have agreed to open their borders to each other and allow goods and services to move between countries without fees or restrictions. *(VOANews.com, 30.07.10)*

## Ethiopia to Reach MDGs

"Ethiopia would have no trouble in achieving the Millennium Development Goals (MDGs)", said Prime Minister Meles Zenawi. He advised other African countries to follow Ethiopia's example by designing their own, proper development policies.

Meles felt sure Ethiopia could reach the MDGs based on his country's high and stable economic growth rates. Ethiopia, however, remains one of the world's poorest countries, with millions of people living in utmost poverty and food security still not being assured. He said the failure on the parts of Africa sub-Saharan countries (SSA) to register an economic development like Asian countries was their "inability to design sound policy and strategies". *(AN, 22.09.10)*



**SAPSAN Rejects EPAs' Imposition**

The Southern African Development Community (SADC) Customs Union (CU) set for launch in 2010 has been postponed and various models for a future union will be investigated over the next 14 months. The Southern African People's Network has called on regional governments to reject the imposition of the Economic Partnership Agreements (EPAs).

The main challenge SADC was facing was whether the existing five-member Southern African CU (SACU), which is 100 years old, should be enlarged or incorporated into the future SADC CU. According to the resolution of the just-ended SADC Heads of State summit in Windhoek, the Heads of State endorsed the decision of existing CU Task Force to appoint a team of experts to map out various scenarios and models for the future CU which is to accommodate all the community's member states. Meanwhile, key SADC civil society organisations (CSOs) have resolved that regional governments should reject the EPAs.

*(TP, 24.08.10)*

**Zambezi Eyes SADC, COMESA**

It is undisputable fact that Chilanga cement Plc now trading as Lafarge has enjoyed monopolistic profits in the building industry in Zambia. Until recently when other companies that manufacture cement came on board, it appears that the industry has to a larger extent become more competitive.

Zambezi Portland cement seems to be a force to reckon with. The company wants to go an extra mile by not supplying to the Zambian market, but to extend even to SADC and COMESA region. The penetration of Zambezi cement would enhance good trading between Common Market for Eastern and Southern Africa (COMESA) and SADC member countries. This will also make Zambia to be on the spotlight as a destination for good trading in the region. *(ZD, 03.09.10)*

**Ban on Import of Animal Products**

Zimbabwe has lifted a ban on importation of animal products that are prohibited by the veterinary department from entering the country in March 2010. Both the ministers of finance and agriculture, Tendai Biti and Joseph Made respectively stated that now the country

**Kenya, China Addresses Trade Imbalances**

Kenya is moving to boost its exports to China, following talks between Kenya's Minister for Trade and Vice Minister of Commerce of the People's Republic of China. Among other things, the ministers proposed that the zero-tariff treatment on products from Africa be scaled up to 95 percent, with 60 percent being considered in 2010; that an African commodities trade centre be set up in China and that preferential policies such as fees reduction be adopted.



Since 1964, the two countries signed a bilateral trade agreement, an imbalance existed in favour of China. The value of exports and imports in the past five years show an average trade imbalance US\$223mn. The two countries would exchange trade and investment related information, and participate in trade fairs/exhibitions in each other's countries. *(TEA, 30.08.10)*

would allow the importation of all animal products regardless of the country of origin and quality.

The suspension was as a result of due diligence of the Veterinary Department in a bid to monitor outbreaks of identified disease in order to safeguard consumer welfare. The Department would still thorough inspect all imported animal and poultry products to ensure that all imports were of good quality and Zimbabwe did not become a dumping ground for substandard products. *(TP 01.09.10)*

**Zambia Records Trade Surplus**

The international trading environment has been leveraging opportunities for countries to trade fairly through the provision of market access at reduced tariff range. However, many countries including Zambia face a number of supply side constraints.

Notwithstanding this challenge, Zambia has recorded a trade surplus. The Central Statistical Office which is the government resource centre for population and other statistical related issues, disclosed that Zambia's major export products included copper cathodes and selection of refined copper and copper blister which accounted for 81.8 percent of exports. Other exports were cobalt ore and copper ore and concentrates which accounted for 8.3 percent. *(ZD, 30.08.10)*

**Agric Subsidies Choke OECD**

The latest report of the Organisation for Economic Cooperation and Development (OECD) has slammed

rising subsidies for agriculture in developed countries thus distorting trade and destroying livelihoods of poor farmers in developing countries.

The continued increase in agriculture subsidies comes at a time when the EU is simultaneously forcing developing countries in the African, Caribbean and Pacific (ACP) to further open their markets through the 'unfair' trade deals called EPAs. The EU spends about US\$75bn on subsidies for agriculture even though the sector represents only about two percent of the total GDP of the union. *(TP, 12.08.10)*

**RoO Denies Free EAC Access**

Kenyan firms engaged in value addition, including subsidiaries of global conglomerates, are yet to know their customs status, slowing their expansion as rivals race to exploit the EAC Common Market. The firms were initially blocked from enjoying tariff-free status in January 2010 when Tanzania and Uganda completed the five-year process of phasing out duty on Kenyan goods after regional custom officials contested their origins.

The Rules of Origin (RoO) recognise goods produced wholly or partially from materials imported from outside the partner states as long as the value of the imported materials does not exceed 60 percent of the total cost of the materials used in the production of the goods and the value added resulting from the process of production accounts for at least 35 percent of the ex-factory cost. *(BD, 07.07.10)*

## Common Market Good for Farmers

The EAC Common Market will bear a lot more benefits in the long term to the producers, consumers, as well as traders in the five Partner States. The Common Market has extended the boundaries of Kenya to entry and exit points of the community, a region now comprising of more than 126 million people and characterised with free movement of people, goods and services.



This large population gives both the producers and consumers alike a wide range of commodities which hitherto were not available at the right prices. The dynamism in the marketing landscape in the common market for East Africa will offer alternative coping mechanisms to the farmers such as diversifying from consumer grain production to contractual seed maize production for seed companies which are struggling to meet the regional seed demand.

(BD, 07.09.10)

### EAC Beat Market Laws Deadline

Regional governments are under renewed pressure to clear outstanding cross-border administrative barriers following the lapse of a deadline to provide supporting legislation for the EAC Common Market. Three member states of the EAC including Kenya, Uganda and Rwanda have already missed the deadline and now look up to December 31 when all members are required to have completed a comprehensive audit of their domestic laws to match those of the bloc.

The other EAC partners, Burundi and Tanzania, failed to attend a joint meeting called to provide updates on the matter and their positions are unknown. Kenya, Rwanda and Uganda however said task forces appointed to handle the provision of enabling legislation for the common market arrangement were at advanced stages of work and are optimistic of meeting the December deadline.

(BD, 01.09.10)

### Panel Helps on Mineral Trade

Developed states should pay for African governments to get advice on negotiating deals for exploiting their natural resources, a panel set up by former British Prime Minister Tony Blair said. The Commission for Africa, which includes serving and former African leaders and financial figures among its 17 members, also called on donor governments to provide an extra US\$10bn-US\$20bn a year to help Africa adapt to climate change.

Five years after the commission's initial report helped focus international efforts to boost development on the poorest continent, the panel issued a new report praising the progress African countries had made on the economy and on lifting spending on health, education and agriculture.

(Reuters, 13.09.10)

### Ghana to Manage IPRs

Ghana has set out structural indicators for modernisation of the country's intellectual property right (IPR) regime in conformity with international best practices. These include the provision of transfer of technology among key stakeholders on operations of IPR, create avenue for innovation to enhance productivity and facilitate trade and industrial competitiveness.

A National Intellectual Property Policy Committee and Technical Coordination Group were charged with the mandate to establish national IP policy development. The committees are to enable formal exchange of information on annual basis, provide strategic guidance to ensure that IPR operates in line with the country's development trend.

(GNA, 06.07.10)

### India Linked to Africa's Food

Trade between Africa and Asia is booming like never before. India is currently South Africa's sixth-largest Asian trading partner, with total trade between the two countries reaching US\$4.4bn in 2008, thanks to increases in both exports

and imports of agriculture, food, and technology based products. Today, a number of African countries have become increasingly reliant on Indian demand for their products.

African purchasing power is becoming relevant to Indian companies, searching for a firm foothold in emerging markets. The five prime sectors considered engines for boosting India-Africa trade are water management, food processing, education, pharmaceuticals and health, and information technology. Up till now India's total approved overseas direct investment in Africa is US\$49701.6mn.

(FnBnews.com, 23.07.10)

### Boosting Energy Production

Africa could experience a major boost in its renewable energy generation capacity in the next 10 years if a recent energy deal with Europe is fully implemented. If achieved, the plan would bring access to modern and sustainable energy services to at least an additional 100 million people in Africa. The continent has a target to reach an additional 250 million people by 2020.

The EU-African initiative would therefore benefit at least 40 percent of the continent's target. The signing of the energy deal between Africa and the EU is thus expected to see more CDM projects being exploited in the continent. The Africa-EU partnership added that the energy targets would be reviewed and updated periodically.

(AN, 28.09.10)

### Namibia Asks EU to 'Step Back'

Namibia has called on the EU to "take a step backwards from the current excessive demands in the EPA negotiations to allow Africa the policy space which it requires to advance its development". The EPA negotiations, which would grant Namibian beef, fish and grapes tariff and quota free access to EU markets, have been dragging on for eight years.

Namibia has provisionally initialled the agreement, but insists that the EU treat the country as an equal partner and put certain agreed concessions about food security, infant industry protection, free flow of goods and export taxes in writing before signing the final EPA. Another main concern of Angola, Namibia and South Africa is that it will undermine regional integration.

(TN, 17.09.10)

### SACU An Unsustainable Institution!

As the debate around the continued existence of the SACU rages on, some experts have acknowledged that an unsustainable institution was created a century ago. SACU comprises South Africa and Botswana, Lesotho, Namibia and Swaziland.

Zwelibanzi Masilela, Department of Trade and Industry, South Africa said the creation of SACU was in itself its Achilles Heel as there was never macro-economic convergence or trade policy convergence. He said in contrast to the EU, it was declared a CU rather than an organic and incremental process. He noted that SACU was currently characterised by disagreements on trade policy, on the approach to deeper regional integration, and on the revenue sharing formula. Furthermore, if left unchecked, this would lead to increasingly differentiated arrangements with third parties and SACU being of less strategic relevance as an instrument for regional development and integration, he said. *(SO, 23.09.10)*

### Zambia Assumes AGOA Mantle

Zambia has taken over chairmanship of the African Growth and Opportunity Act (AGOA) forum for 2011 following an African Ministerial Consultative Group meeting held in Washington DC. Zambia's Minister of Commerce, Trade and Industry, Hon. Felix Mutati emphasised the importance of AGOA in promoting trade and economic development in SSA.

He said Africa is a continent with significant potential for the US market, and offers greater financial returns as it has been enjoying its strongest economic growth since the late 1970s. Africa had shown great improvement and taken big steps in reducing corruption in 38 countries, introduced business reforms as well as stabilised exchange in the last decade. It allows eligible countries' officials to review the implementation of AGOA and explore new ways of enhancing and strengthening trade integration.

*(www.lusakatimes.com, 04.08.10)*

### Addressing Power Shortages

The COMESA member states should expect increased regional electricity trade exchange that is expected to reduce power shortages in the region. This follows the announcement by the US Agency for International Development/East Africa

that they are giving a total of US\$2.5mn to provide capacity building and technical assistance to the East African Power Pool (EAPP).

EAPP is a specialised institution under COMESA aimed at improving access to affordable, clean energy through regional electricity trade exchange. The project codenamed Powering Progress will further develop the Eastern Africa regional electricity market by assisting the pool to promote reliability, address shortages, lower access costs, and expand regional power capacity within the Eastern Africa region. *(EABW, 22.07.10)*

### SADC Commits Growth

The SADC Executive Secretary, Tomás Salomão, said that the regional bloc remains committed to the stability, economic growth, and well-being of the population of the region. He said that the 30 years of the foundation of SADC show the long period that has gone by, recalling that the first years of the organisation were marked by the challenge to bring to an end the South Africa apartheid regime and its direct and indirect manifestations.

He said the 30 years witnessed the proclamation of the independence of Namibia and battles such as that of Kuito Kuanavale, which led to the collapse of the apartheid regime. Although a high price was paid by each country of the region for the end of apartheid, all of them are enjoying peace, political stability, and security. *(AP, 16.08.10)*

### No Customs Union in 2010

The SADC has postponed the launch of its CU to an unnamed date, a major highlight of the problems the regional bloc is facing in implementing some of its economic integration targets.

Pushing forward the launch of the CU, which was supposed to be commissioned in 2010, could mean that the regional bloc might have to push forward its monetary union and single currency targets which were expected to be in 2015 and 2018 respectively. SADC Executive Secretary Dr. Tomaz Salomao told that a CU was not possible in 2010, adding that a SADC taskforce would report to the Summit. To set timelines for regional integration, and move from an FTA to a CU to a monetary union, new realistic timeframes would need to be set.

*(TST, 11.08.10)*

### A Simplified Trade Regime

Zambia and Zimbabwe, under the COMESA framework, have launched a simplified trade between Zambia and Zimbabwe for small scale cross border traders

The COMESA simplified trade regime (STR) is a system which will allow small traders to import or export goods not exceeding US\$500 between Zambia and Zimbabwe without paying duty provided traders comply with conditions that the goods must be produced in the two countries and appear on the list of eligible list. The STR will enhance trade between the two countries and also ensure that there is fair trade where both the big and small traders will be on the same level.

*(ZD, 04.08.10)*

## Nepad to Monitor Aid Pledges

African leaders kicked off debate on role of the New Partnership for Africa's Development (NEPAD) in ensuring the economic success of the continent. Ethiopian Prime Minister Meles Zenawi said the NEPAD must begin to play the role of an African watchdog, with a responsibility of monitoring the release of billions of dollars pledged for the continent's economic, social and environmental development over the years.



Meles, who chairs the NEPAD Heads of State Implementing Committee, which comprises some 20 African leaders, said the monitoring of the responses from the international donors was important for enhancing the debate and Africa's participation at international development forums. The five-year aid pledge, which would increase to US\$10bn by 2015, was among the latest aid pledges, the others being the pledges to help improve food security and agriculture in Africa.

*(www.afriquejet.com, 24.07.10)*

**Food Prices on the Rise**

A general rise in prices of wheat products kicked off, ending nearly eight months of low food pricing that kept inflation below the target five percent and helped rebuild consumer confidence after two years of economic slowdown. A general rise in the cost of living or inflation means consumers have to spend more to acquire the same amount of goods.

The combination of rising inflation, a weakening currency and rising import bill should throw monetary policy up in the air. It will also make it much harder for the Central Bank to realise low interest rates regime it has been pushing for since 2009 because commercial banks will factor the new inflation rate in what they charge borrowers, pushing the lending rates up. *(BD, 23.08.10)*

**CCK Reviews License Charges**

The Communications Commission of Kenya (CCK) – telecom industry regulator – is reviewing licensing and spectrum fees to enable broadcasters and courier operators reach rural areas. The regulator said the lower fees would be announced by March 2011 while the operators are expected to pass on the benefits to consumers in the form of lower prices.

“To facilitate access of technologies to consumers, we will review downwards all spectrum and licensing fees in 2011. We will introduce market-based methods of assigning frequencies such as auctions”, said Charles Njoroge, Director General, CCK when he issued a 3G license to mobile operator Telkom Kenya. *(BD, 24.07.10)*

**Climate Change in Africa**

The African Development Bank (AfDB) Group is taking a lead in addressing climate change issues which are adversely impacting on the African continent. The continent has real opportunities and potentials to respond to climate change, but the problem is that the countries are not effectively sharing information among themselves.

The AfDB was making great effort to ensure a clear understanding of its investment approaches and responses to climate change issues in Africa. This was necessary to strengthen overall confidence in the Bank’s ability to deliver results on climate change, particularly among relevant stakeholders, including donor agencies, development partners, CSOs, public and private sector operators. *(www.afdb.org, 07.09.10)*

**Reduction in Call Rates**

Zain Zambia – one of Zambia’s leading telecommunication company – announced the reduction in the cost of international calls after being given the go ahead by the Zambian government to manage its own international gateway.

It has also been announced that that as a special incentive for Zain customers to get used to the reduced rates, the network would be offering a special discount of 20 percent off the new rates.

The go ahead to manage its own international gateway was given to Zain Zambia in mid June 2010 by the Zambia Information Communication Technology Authority as part of the continued deregulation of the communication sector in Zambia. *(TP, 08.07.10)*

**Nigeria Struggles with Cholera**

Nearly 800 people died in Nigeria in a cholera pandemic, worst ever to be reported in two decades, spreading over to neighbouring countries where it claimed lives. The outbreak has mostly been blamed on the heavy seasonal rainfall and poor sanitation. Health workers in affected regions are going round providing the public with information on how to avoid contracting the disease apart from spraying anti-bacterial disinfectants on the streets and chlorinating wells.

Cholera, an acute diarrhoeal infection is caused by bacteria contained in contaminated food or water. It continues to be a global threat to public health and key indicator of lack of social development due to ever increasing size of vulnerable population living in unsanitary conditions. *(www.newsfromafrica.org, 16.09.10)*

**Pirated Sweets up in Flames**

Pirating is a crime which is common among traders. It is for this reason that the Intellectual Property Unit of the Zambia Police Service has now become vigilant in destroying the pirated properties.

The sweets belonging to Himalaya Enterprises were disposed off following a court order. More than 4,292 packets of sweets bearing the label of Trade King were seized in Mwinilunga, while 18,991 packets were seized in Solewzi. The sweets were produced in India and packaged in Zambia under the label Super, the property of Trade Kings. The owners of pirated sweets will appear in the court for copyright infringement, which is contrary to Section 28 Cap 406 of the Copyright and Performance Act. *(ZDM, 21.07.10)*

**Corn to Combat Famine**

Increasingly frequent droughts across Africa threaten to destroy the livelihoods of millions across the continent, but a new study has found the adoption of drought resistant corn could save African farmers and earn them nearly US\$1bn in the coming years.

Hundreds of millions of Africans rely on corn production for income, as well as basic sustenance in their daily lives. But in recent decades, drought has wreaked havoc on populations across the continent, killing many and forcing others to rely on handouts to survive.

New breeds of corn could help farmers fight the effects of drought and provide food throughout periods of low rainfall. The study found widespread adoption of so-called “drought-tolerant” corn could result in collective economic benefits of around US\$900mn for African farmers by 2016.



*(www.voanews.com, 25.08.10)*

# Zambia to Address Supply-side Constraints to Attain Competitiveness

– Simon Ng’ona

*Zambia’s trade policy aim is to pursue an outward-orientated, export-led trade strategy based on open markets and international competition. The aim is to create opportunities for the country to integrate into the world trading economy. Trade policy, therefore, aims at directing resources to the most productive areas necessary for export production.*

*As Zambia is endowed with natural resources which could be turned into valuable products for both consumption and trade, it is worth highlighting that the country is faced with a number of supply side constraints which include among others, the economic infrastructure (physical infrastructure) and behind the boarder policies.*

## Behind the boarder polices *vis-a-vis* economic infrastructure

Behind the border policies (though they have nothing to do with anti export bias), are very important in Zambia’s efforts to expand export production. “Behind the border” policies will reduce costs for exports and promote the overall competitiveness of the domestic economy. Therefore, Zambia’s increased participation and integration in the world economy hinges on increased market access opportunities and the competitiveness of the domestic economy.

Further, behind the border policies fall into four categories. The first category concerns policies that will improve customs administration. These will remove inefficiencies in the clearing of the exportation and importation of goods. Over the years, Zambia has worked on the modernisation of its customs procedures through introducing risk assessment, adopting the WTO customs valuation agreement and has actively participated in regional programs on customs cooperation and harmonisation. However, there are still inefficiencies in customs administration that can be improved.

The second set of behind the border policies have to do with the organisation and quality of the key infrastructure services in the domestic services sector. Improving the capacity, efficiency and competitiveness of these services is extremely important given Zambia’s situation as a landlocked country and the long distances from the major ports for the Zambian economy. However, it is worth highlighting that landlockedness should not be seen as a hindrance anymore but as an opportunity. Once the quality of infrastructure services are improved Zambia can serve as an administration hub for its eight neighbouring countries including the entire region.

The third set of behind the border policies are quality and safety standards. The standards infrastructure in Zambia consists of three bodies – Zambia Bureau of Standards (ZBS), Food and

Drug Agency (FDA) and the Ministry of Agriculture. The government needs to make further policy decisions on how the standards infrastructure should be organised so as to reduce the costs of testing and accreditation, shorten delivery time and assist with quality improvements of both local and export products.

The last set of behind the border policies have to do with a set of policies that improves the business environment. Growth in the economy and export production will depend on the private sector operating in an environment that encourages investment, risk taking and innovation.

Although efforts are being made to create such an environment, the country is still very far from achieving it. This owes to lack of momentum for reforms among certain sectors in the economy. Where as the Private Sector Development Reform Programme is trying to address issues and problems that are adversely affecting the business environment in the country, certain ministries like tourism and labour seem to be dragging the ambitious programme.

It is worth utilising this opportunity to welcome the deliverables that have ensued from the PSDRP (both the former and latter) which have made Zambia today being recognised as one of the top ten reformers in the world.

The recent World Bank and the International Finance Corporation Annual Doing Business Report for 2011 has ranked Zambia among the top 10 countries worldwide that have improved the ease of doing business for local firms in the past year. The report indicates that Zambia, Rwanda and Cape Verde were among the top 10 economies worldwide that have moved up for the past year. Rwanda moved up 12 places in the global rankings, while Cape Verde and Zambia raised 10 and eight spots, respectively. Ghana led the world in making it easier for businesses to obtain credit and Malawi led in improving contract enforcement.

\* Research Assistant, CUTS ARC Lusaka.

## A Time for Action

**A** Time for Action is the research report that summarises the findings of the two year competition policy and law project entitled, 'Strengthening Constituencies for Effective Competition Regimes in Select West African Countries' implemented by CUTS in seven countries of West Africa: Burkina Faso, The Gambia, Ghana, Mali, Nigeria, Senegal and Togo, Ghana and Nigeria. This document is a unique source of information on the situation in each country and the comparative inter-country analysis leads to very useful observations relating to the sequencing of policies in the process of economic liberalisation, the institutional design of competition law systems at the national and regional levels, and the prerequisites for a successful transition to a market economy. A must read for scholars, experts and international development partners with an interest in the region.

*This publication is also available in French as: Un Temps pour Agir*



## Reguletter

**T**he July-September 2010 issue of newsletter, 'ReguLetter' encapsulates 'Fighting Poverty and Economic Stagnation in LDCs Through Competition Law & Policy' in its cover story, urges the least developed countries to take immediate steps to enforce competition laws, if these are absent or dormant, and implement a competition policy to generate sustainable economic growth and through such growth or otherwise to alleviate poverty.

The lead story is followed by regular sections focusing on news, views and policies related to corporate restructuring, regulations of utilities and finances, corporate governance etc. of different countries in particular, the developing nations. Besides, annual roundup of competition laws, mergers & acquisitions, corporate issues etc. is another highlight of the edition.

A special article by Martin Wolf says that the regulators are trying to make the existing financial system less unsafe, incrementally. The world cannot afford another such crisis for at least a generation. Another special article by Andrew Jack argues that with a top diabetes drug under threat of curbs on safety grounds, the question is whether regulators are stifling innovation or the industry is marketing products too widely.

About a Competition Law dwells on the competition scenario in Pakistan, the institutions of competition law in the country and the scope of improvement in the law.

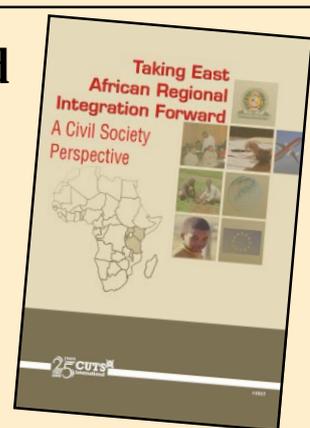
*This newsletter can be accessed at: <http://www.cuts-ccier.org/reguletter.htm>*



## FORTHCOMING

### Taking East African Regional Integration Forward *A Civil Society Perspective*

**T**his paper brings together key messages, conclusions and recommendations from the research conducted under the Building an Inclusive East African Community (BIEAC) project. Apart from helping to continue raising awareness of issues relevant for regional integration, the paper is also intended to serve as a comprehensive collection of the wishes and desires of the civil society of EAC. It is also an assurance of the civil society to policy makers, researchers and businesses that it will continue to support regional integration efforts that bring about development and prosperity in the region and an offer to join hands as equal stakeholders in the process.



#### Sources

AN: Afrol News; AP: Associated Press; BD: Business Daily; EABW: East African Business Weekly; GNA: Ghana News Agency; NV: New Vision; SO: Swazi Observer; TEA: The East African; TN: The Nation; TP: The Post; TST: The Straits Times; ZD: Zambia Daily

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