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Regional Integration a Tool for Promoting Sustainable Development in Africa

Hanna S Tetteh, Ghanaian Foreign Minister unveiling the plaque of CUTS Accra together with Ernest Aryeetey & Pradeep S Mehta on August 26, 2013



Regional integration has been identified as one critical factor in efforts to achieve sustainable development in Africa. This was echoed during two public lectures to celebrate the 30th Anniversary of CUTS International in Nairobi, Kenya on August 19, 2013 and in Accra, Ghana on August 26, 2013.

Ambassador Richard Sezibera, Secretary General, East African Community (EAC), during the lecture in Nairobi, under the theme *Regional Integration for Sustainable Development in East African Community* opined "Sustainability, should not mean the maintenance of the *status quo* but should look at the long-term development needs of a region. The region should integrate because it is the right thing to do at this time". He applauded CUTS for its contribution to regional integration process, especially through applied research, advocacy and networking.

The lecture also had Mukhisa Kituyi, the current Secretary General of United Nations Conference on Trade and Development (UNCTAD); Frank Matsaert, Chief Executive Officer, TradeMark East Africa; Pradeep S Mehta, Lamin Manneh, Chief Regional Integration Officer, African Development Bank; and Jasper Okelo, Board Chair of CUTS Nairobi.

It was also observed that cultural homogeneity is not a prerequisite for regional integration; rather it is the will, determination and enactment of the right policies which spurs the process.

Pradeep S Mehta, Secretary General, CUTS International said, "A good example is India which is multilingual, multiracial, multi-religious, multicultural and has managed to hold on together as a country and achieve much in terms of development. Therefore, different cultures in East Africa should not be seen as an obstacle to integration".

The lecture in Accra also marked the launch of CUTS third office in sub Saharan Africa (SSA). Speaking during the lecture under the theme *Regional Integration as Tool for Poverty Reduction in West Africa*, Hanna S Tetteh, Ghanaian Minister for Foreign Affairs and Regional Integration stated, "The short term pain that we have to bear in our bid to overcome the challenges of regional integration would lead to long-term gain for everyone."

She welcomed the opening of CUTS Centre in Accra and expressed optimism for its active participation in providing research support to Ghana and the West African region on critical economic issues.

The lecture and the inaugural ceremony of CUTS Centre at Accra was

held in association with Institute of Statistical, Social and Economic Research (ISSER), a long-time partner of CUTS.

The lecture was chaired by Prof Ernest Aryeetey, the Vice Chancellor of University of Ghana. The discussants included Pradeep S Mehta, Secretary General, CUTS International; Toga Gayewea McIntosh, Vice President, Economic Community of West African States; and Ishmael Yamson, Board Chair of Standard Chartered Bank, Ghana.

Professor Aryeetey in his opening remarks said regional integration will lead to competition, which in turn, will drive down prices meaning new jobs and additional incomes for consumers. He added that "regional integration is the wave of the future. It will not solve all of our problems, but we are convinced that the gains to winners far exceed the losses to losers".

CUTS is organising another Lecture in Lusaka, Zambia which will also focus on regional integration as a strategy for promoting development. It is expected that this dialogue will also generate a discourse, which can further enrich the CUTS regional integration agenda forward.

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Liberalising Fuel Sector

The Zambia Association of Manufacturers (ZAM) has advised the government to liberalise the fuel sector and allow oil marketing companies to enter into direct importation of finished products. The Energy Minister Christopher Yaluma said oil manufacturing companies (OMCs) are free to import as long as they meet requirements from the Energy Regulation Board.

ZAM President Bright Chunga said government should give up its current monopoly in the petroleum sector. Fuel costs may come down if government liberalised the fuel sector and allow OMCs to enter into the direct importation of finished products.

By giving up the current monopoly, government would by a stroke of the pen do away with the current five percent imported crude oil as well as the current 25 percent duty on finished products.

(TP, 16.07.13)

Mine Workers to Lose Jobs

About 4,000 mine workers in Ghana are to be retrenched by mining companies because of high operational cost and falling prices of gold on the world market.

Chief Executive of the Chamber of Mines, Tony Aubynn said, "Over the years the cost build-up has gone up and most inputs such as cyanide, fuel and heavy duty truck tyres have gone up

considerably. Additionally, internal cost, labour and taxes have also seen significant surges with time".

One of the ways out of the predicament, according to Aubyn, was for the government to take a second look at the tax system in the mining sector. The country has 23 large companies mining gold, diamond, bauxite and manganese, and over 300 registered small-scale mining groups and 90 mine support service companies.

The local mining industry accounts for five percent of the country's gross domestic product (GDP) and minerals make up 37 percent of total exports.

(www.gbceghana.com, 07.09.13)

Think Beyond Maize

Scientists are thinking beyond maize as Kenya's staple, given erratic rainfall and declining land sizes. The steady increase in the number of hungry mouths and declining production are not making matters any easier. The devastating effects of the striga weed and the maize lethal necrosis disease are also worrying potential maize farmers.

Researchers now want growers, particularly in lowland areas where maize does not thrive, to diversify into drought-tolerant and fast-maturing crops, which include finger millet, sorghum, cassava, and sweet potatoes.

Concerns that finger millet has been relegated to the periphery, its economic

and nutritional value notwithstanding, have seen some scientists shift their focus to the crop.

(DN, 13.08.13)

Projects to Conclude by 2016

The Angolan Head of State, José Eduardo dos Santos, in Luanda said the Executive intends to complete all projects in the sector of water and power by 2016. He was speaking at the opening of the 2nd session of the 3rd legislative Period of the National Assembly (Angolan Parliament).

He pledged to work to improve the education services and increase the national job plan for the youths, thus facilitating their absorption into the market. He also stated that there has been a rise in the quality of the health services, but admitted much more is still to be done to meet the needs of the citizens.

(www.allafrica.com, 16.09.13)

SA Gains in Industrial Funding

"The Industrial Development Corporation (IDC) made record high industrial funding disbursements in 2012-13, saving around 4,000 jobs while creating over 18,000 new ones", Economic Development Minister Ebrahim Patel said.

He said that despite difficult global and domestic economic circumstances, government was able to invest strongly in infrastructure, with about R200bn invested in energy, transport and other key infrastructure.

The economy created 199,000 new jobs. The GDP reached R3.2tn in value. These achievements are significant. Patel highlighted a number of gains made in the past year by public entities.

(www.southafrica.info, 09.09.13)

Cotton Farmers Complain

See-sawing cotton prices are threatening to stifle growth in the textile industry, which is among those identified as potential key drivers of industrialisation in the Vision 2030 blue print, a guide to Kenya achieving a medium level economic status in the next 17 years.

Farmers are complaining that they are unable to break even due to the low prices compared to the high cost of inputs. The situation is made worse by unpredictable swings every year. Cotton prices in the international market fell in 2012, leaving farmers uncertain about which way to go. The prices hit an all-time high in 2010.

(DN, 13.08.13)

Ghana Faces Liquidity Challenges

The economy of Ghana is still facing liquidity challenges, with both revenue receipts and expenditure falling below their targets, nine months into the year. The Finance Minister Terkper explained that measures

to resolve the temporary challenges were yielding modest results, with better prospects for the rest of the year, especially with the election petition now dealt with.

"Although the performance of domestic revenue from the traditional sources has been weak, oil revenue performance for the period under review has been very strong as a result of higher-than-expected crude oil price, higher production levels and higher corporate income taxes from the sector," Terkper said.

(www.graphic.com.gh, 03.10.13)



Kenya as Regional Trade Hub

The new berth at Mombasa port, to be opened, is expected to boost Kenya's standing as the hub of regional trade, in the face of growing competition from Tanzania.

Presidents Uhuru Kenyatta of Kenya, Yoweri Museveni of Uganda and Paul Kagame of Rwanda are expected to officially open the US\$66.7mn berth the space where ships dock or anchor as they are offloaded or loaded which is expected to raise the port's capacity by 33 percent.

Kenya Ports Authority said that the facility will be officially commissioned by President Museveni, who is also the chairman of the EAC.



(TEA, 24.08.13)

Flexibility in Trade Liberalisation

Nigeria's Minister of Industry, Trade and Investment, Olusegun Aganga has called for flexibility in the adoption and implementation of trade liberalisation policies to protect local industries within the continent.

He said that there was a need to design and adopt a tariff regime that would support industrialisation and ultimately reduce member countries' dependence on imports.

He said, Within the Economic Community of West African States (ECOWAS), we have achieved political integration, but we need to also achieve economic integration through trade. And to be able to achieve this, Nigeria recognises the need to work together with other ECOWAS member countries.

(www.dailytimes.com.ng, 30.09.13)

WTO Extends Waiver on TRIPs

Uganda, Burundi, Tanzania and Rwanda are among World Trade Organisation (WTO) members that will benefit from a waiver extension to implement a key trade agreement.

The EAC member states, categorised as least developed countries now have an additional eight years in which they will not be obliged to implement the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

Kenya is categorised as a developing country. Early in July 2013, a joint petition of the EAC and the East African Legislative Assembly sought extension of the transition period on the implementation of the agreement.

(TEA, 06.07.13)

EU's Stance on Trade with Africa

The European Union (EU) has dropped its controversial demand for

reciprocal treatment by African states, if only they do not extend special preferences to the likes of China and the US. This allows countries, such as Kenya to pursue Economic Partnership Agreements (EPAs) alongside deepening regional integration.

The EU Commissioner for Trade Karel De Gucht said the treatment demanded under EPAs' Most Favoured Nation clause would be limited to Africa's dealings with other developed nations and emerging markets.

Karel said "If preferential treatment is extended to developed and emerging economies which are our fierce competitors at the moment, we are going to demand equal treatment."

(BD, 16.07.13)

Trade Rule Blocks Exports

Manufacturers are fighting to save regional export business as Ugandan and Tanzania increasingly charge full duty on imports from Kenya. The arbitrary protectionist measures are undermining the East African Common Market forcing the Kenya Association of Manufacturers (KAM) to seek an urgent meeting with the Treasury and the Trade Ministry.

KAM officials stated that 95 percent of companies under its wings had been affected. The lobby brings together 750 manufacturers classified under 14 sectors. In some cases, Kenyan companies exporting under the duty remission scheme are facing demands of backdated taxes of up to five years.

(BD, 24.07.13)

Banks Feel Heat of Competition

Commercial banks are feeling the heat of rising competition from alternative lenders, such as Saccos which charge lower interest rates and have more relaxed

demands for collateral security, a survey by the Central Bank of Kenya has showed.

In a Credit Survey Report for up to June 2013, banks said they had seen a decline in the pace of uptake of new loans attributable mainly to competition from other financial institutions and a slump in government related spending.

"For respondents who reported decreased demand for credit, they cited salaried customers opting to source for micro loans from other lenders rather than commercial banks and delay in government payments as the new government was constituted," said the survey.

(BD, 07.08.13)

Africa-EU Compete in Exports

The West African (WA) sub-region is set to overtake the EU as the largest contributor to revenues from Ghana's non-traditional exports. This follows the increasing preference by Ghanaian exporters, who are facilitated by the Ghana Export Promotion Authority (GEPA), to export more of their wares to the sub-region than to the EU.

The development is highly influenced by the EU's stringent requirements and distance, which means that companies exporting to the region would have to incur a comparatively higher cost before their cargo can be sent there.

Data from the GEPA currently shows that as of 2012, export revenues from the sub-region was about US\$1.42mn behind the US\$7.48mn that was raked in from exports to the EU.

The EU's contributions for 2012 translated to about 34.1 percent of total export earnings for that year, while that of the West African sub-region's contributions, which was about US\$6.1mn.

(http://graphic.com.gh, 09.10.13)

Decision on EPA Soon

The Government of Ghana, will by end of October 2013, declare its stance on the EPA. This has been recently disclosed by the Ghanaian Deputy Minister of Trade, Hon'ble Vanderpuje. A special committee set up by government to determine whether Ghana should sign or not the EPA will submit their report to Cabinet for an informed decision by end of October.

Mr. Vanderpuje added that the government is not rushing to conclude on the agreement until the committee has presented their final report. In July (2013), the Government of Ghana announced a round of consultations with the main relevant stakeholders on the signing of the EPA with the EU.

It is believed that Ghana's declaration will be determined largely by the ECOWAS position on the trade agreement as the sub-region is yearning for a collective agreement which will favour all member States.

(<http://brussels.cta.int>, 13.09.13)



Kenya Removes Trade Barriers

Kenya has moved to tear down some of the barriers that were responsible for slowing down the movement of cargo along the Mombasa-Kampala trade corridor. As such, traders in the EAC are to witness smooth flow of goods and services after the introduction of the single border territory.

Uganda Revenue Authority Commissioner for Customs Richard Kamajugo said they had also ordered the removal of all weighbridges on the Uganda side.

He said Kenya used to have a large number of weighbridges between Mombasa and Malaba border, but all have been removed except one at Mombasa port.

"This means goods will be weighed once at the port and be left to move without any checks," he said. He also stated that 10 roadblocks that Kenya had between Mombasa and Nairobi have been removed. (www.ftwonline.co.za, 29.08.13)

Addressing Trade Barriers

The Speaker of the National Assembly, Dr Theo-Ben Gurirab said that Namibia cannot fully exploit the benefits associated with increased intra-regional trade, before the country addresses the existing barriers in the movement of goods and people within the Southern Africa Development Community (SADC).

He said Namibia must come up with innovative strategies and mechanisms to engage the private sector in order to increase connectivity between the existing infrastructures within the SADC region.

He stressed that there is also a strong need to enhance awareness among policymakers of the role of infrastructure

in reducing trade costs and how best developing countries can develop infrastructure systems to support economic development by considering national characteristics, both from the aspects of trade patterns and infrastructure conditions. (www.allafrica.com, 03.07.13)

Ghana ranked 5th on Global Trade

Ghana has been cited as the fifth best country in Africa in connecting well to the global trade system. This depicts improvement in how the country trades with the rest of the world and how information and finances move in and out of the country.

The country comes behind Mauritius, South-Africa, Nigeria, and Togo in the DHL Global Connectedness Index 2012, which has been developed to provide stakeholders with the most comprehensive and timely source of hard data and analysis to show the actual extent and direction of globalisation around the world.

The DHL Global Connectedness Index measures more than 140 countries and looks at how connected they are with the rest of the world in terms of how much trade a country does, how easy it is to move people, information in and out of the country, and also how capital moves in and out of the country.

(www.ghanaweb.com, 19.08.13)

Ghana to Lose under EPA

Ghana will lose on the average, about US\$88.575mn annually if it signs onto the EPA with the EU, Osman Mensah, a consultant said. Mensah said the trade agreement would erode government's opportunity to raise revenue from imports, saying that the country could lose US\$1.12bn in import revenue by 2022.

ActionAid-Ghana in collaboration with the General Agriculture Workers Union of the Ghana Trade Union Congress convened the meeting on the research initiative. He said the research was to propose policy alternatives for socio-economic development for the country in relation to smallholder agriculture, food security, domestic and regional trade, for a sustainable development in the agriculture sector.

He called on ECOWAS government to renegotiate the terms of the full EPA as a bloc, to maximise the benefit of EU market access while minimising the cost of EPA on the economy.

(www.ghanaweb.com, 28.09.13)

World Bank tips Zambia on Trade

The World Bank says infrastructure linkages and regulatory reforms of services could create efficiency in Zambia's trade on the regional market. World Bank Senior Trade Economist Nora Dihel said inefficient services in Zambia have limited the country's competitiveness and exports.

Dihel said this in Lusaka at a seminar hosted by the Bank in collaboration with the National Implementation Unit of the Ministry of Commerce, Trade & Industry to share findings and proposed targeted areas of reform for Zambia related to trade services.

She said despite Zambia having large investment in infrastructure, returns are constrained by inefficient logistical services.

Dihel said trade in services in Africa and Zambia, in particular, is key for economic growth, job creation and poverty reduction. Dihel said this calls for domestic and regional efforts to co-ordinate liberalisation with regulatory reforms. (DM, 25.09.13)

Regional Round Up

SADC to Invest in Infrastructure

Southern Africa is seeking investment and finance for a US\$64bn programme to improve transport, energy and other infrastructure over the next five years.

The plan for 106 cross-border infrastructure projects covering the priority sectors of energy, transport, tourism, water, information communication technology and meteorology was presented to an Infrastructure Investment Conference hosted by the SADC in Maputo.

Projects cover the development of transboundary infrastructure including alternative energy sources, information communication technology and civil aviation, and are expected to be implemented by 2017.

It was noted that while the development of physical infrastructure was essential, effective access to infrastructure services required regulatory reform and regional harmonisation of regulations. (*www.allafrica.com, 11.07.13*)

EAC to Review Currency Law

The search for East Africa's single currency enters a critical stage as top advisers for governments gather in Arusha to review its legal framework. The region's Legal and Judicial Affairs Committee is expected to approve the draft Monetary Union Protocol at the three-day forum.

The document was drafted in July after three years of protracted negotiations that saw a team of economists and capital markets specialists assembled by member states in early 2011 agree on all its 77 articles.

"The text has been reviewed by solicitors and attorneys general," said Richard Sindiga, Head, Economic Affairs Division at Kenya's EAC Affairs Department. (*BD, 23.09.13*)

German Cooperation with SADC

The Federal Republic of Germany and the SADC agreed to extend their development cooperation and signed a summary record of their negotiations to the value of •56.9mn for bilateral technical and financial cooperation projects.

This amount comprises of •16.4mn for Technical Cooperation and •40.5mn for Financial Cooperation from the Federal Ministry for Economic Cooperation and Development (BMZ). All technical

cooperation will be implemented by the five GIZ programmes supporting SADC.

The delegations also re-confirmed the three priority areas for cooperation as: transboundary use and protection of natural resources; regional economic integration; and transboundary water management. (*SADC, 19.07.13*)

Consolidating Regional Market

A two-day emergency session of the Council of ECOWAS Foreign Ministers extended to ministers in charge of Trade and Economy and Finance of the Community took place in Abidjan to discuss the consolidation process of the regional market.

During the meeting, ministers mainly reviewed issues pertaining to the setting up of the Common External Tariff (CET) of the Community, regional monetary cooperation and the signing of the EPA with the EU.

President of the ECOWAS Commission, Kadre Desire Ouedraogo stressed on the importance of the CET, which could "offer a basis for discussion" in the EPA negotiations with the EU.

(*www.en.starafrika.com, 01.10.13*)

Free Trade in Farm Produce

NTBs on agricultural produce should be scrapped to allow farmers, who constitute the bulk of the population, to exploit the wide market in the region.

The Common Market for Eastern and Southern Africa (COMESA) Secretariat said during the meeting of its Fifth Sub-Committee on Sanitary and Phytosanitary (SPS) NTBs, in Kampala.

The statement said restrictions on SPS NTBs slow trade in the region and has left member countries trade more with the outside world than among partners.

According to figures, trade between COMESA and the rest of the world rose from a net worth of US\$240bn in 2011 to US\$262bn in 2012, while intra-COMESA trade grew by only five percent over the same period.

(*www.allafrica.com, 31.07.13*)

Portal to Track Grain Exports

The US Agency for International Development (USAid) has developed a regional information portal to track production and export of grains in the five EAC states in an effort to boost intraregional commodities trade.

The online platform www.rfbs.in developed by USAid would produce monthly regional food balance sheet based on production and export data supplied by industry players, paving the way for goods to move from surplus to deficit areas.

"The EAC region is ideal for this system because part of it is always harvesting when the other is experiencing deficit," said Isaac Tallam, Regional Grain Trade Adviser, USAid. (*BD, 31.07.13*)

EU-Nigeria Improve Trade Ties

The EU has projected a further rise in its trade volume with Nigeria if the country and other ECOWAS member states become signatories to the EPA. The EU's projection came even as the issue of tariff regime adoption lingers amongst the trade partners.

Specifically, the EU noted that with about •40bn recorded in trade transactions between Nigeria and the EU in 2012, bilateral trade between the two partners would be fostered with the signing of the trade deal.

Indeed, despite the potential increase in trade brought about by the different regional

integrations, there have been concerns about how regions can reach a consensus on the level of trade to be done, benefits accruable to each country and essentially the CET. The EU is already a common economic zone, therefore the forum creates an opportunity for businesses to foster relationships.

(*www.ngrguardiannews.com, 23.09.13*)



New Tax Measures Begin to Bite

Commercial banks in Kenya will be raising their charges in as they seek to cushion themselves against excise duty. In an amendment to the Customs and Excise Act through the Finance Bill 2013, Treasury Cabinet Secretary Henry Rotich introduced a 10 percent excise tax on money transfers.

The move was aimed at financing growing government expenditure with revenue shortfall in the next financial year (2013-2014). Consulting firm Deloitte said the overall impact of the new tax would be to increase the cost of financial services offered by banks with consumers bearing the final burden.

The intention is to expand the excise tax base but since excise tax is an indirect tax, the cost will be borne by the consumers. (TS, 18.07.13)

VAT Law Stirs Milk Market

It will be a long time before the 'Milky Way' becomes clear. Not the 13 billion-year-old galaxy, but the country's milk industry which has in the last few months been in turmoil.

The latest storm, being the introduction of Value Added Tax (VAT), on processed milk that comes shortly after the government banned hawking of the commodity.

Abraham Kaigwa has been a dairy farmer for longer than he can remember.

He joined the Githunguri Dairy Cooperative in the early 1990s and has been supplying milk on a daily ever since. The income supplemented his salary as civil servant and helped see all his four children through school. (DN, 04.09.13)

Electricity & Water Tariffs Rise

Ghana's Public Utilities Regulatory Commission (PURC) has announced a near 79 percent increase in electricity tariffs and 52 percent for water to enable providers to recover cost and to improve capital investment. The new tariffs took effect October 01, is a major adjustment since June 2010.

This tariff adjustment is going to assist the utility service providers to undertake critical investments that impact and ensure the availability of adequate and reliable supply in electricity. The PURC said in arriving at the decision on the tariff increase, the actual increases averaged 150 percent, but the Commission took into consideration concerns of stakeholders regarding a one-time quantum increase.

In this regard, the Commission had agreed to stagger the tariff increase over a period, using the Automatic Adjustment Formula in line with suggestions by key stakeholders. (www.vibeghana.com, 25.09.13)

Mystery of Whale Deaths

An "alarming" number of whales have died off the coast of Ghana, prompting

concerns for marine life in Ghana. Campaigners believe that a record number of whales have been washed ashore in western Ghana in recent days, and claim they have been affected by oil exploration activities in deep waters off the Ghanaian coast.

Ghana's Environment Protection Agency said there were no links between the oil industry and the beached whales and stated that similar incidents occurred in other countries. But there is concern over the lack of transparency in regulating the impact of oil extraction on whales and other sea creatures.

(www.theguardian.com, 05.09.13)

Zambeef Burns Imported Meat

Following the government's findings that some Zambeef products contained Aromatic Aldehyde, Zambeef destroyed all its imported beef products. The Zambian government commended Zambeef for destroying the contaminated meat.

Zambeef Board Chairperson Jacob Mwanza said following the events that had happened, the company had taken a clear decision to return to its roots and deal exclusively in Zambian beef products only.

Mwanza said the disposal of all imported beef products was done in consultation with the Ministry of Health and that it has been done to give Zambian consumers the company's unwavering commitment to selling locally bred and produced beef. (TP, 25.07.13)

People to Benefit from Subsidies

The International Monetary Fund (IMF) Resident Representative of Zambia Tobias Rasmussen advised the government to identify needy and vulnerable people who should continue benefiting from subsidies.



Recent IMF research finds that in sub-Saharan Africa, on average, the richest 20 percent of households capture about 45 percent of fuel subsidies, while the bottom 20 percent only receives 8 percent. The situation regarding agricultural subsidies

is more complicated and will take more time to correct, but also here it is clear that the current system is not effective in terms of targeting the needy.

With the right competitive environment, markets can greatly increase the efficiency of production and distribution, bringing benefits to producers and consumers alike.

(DM, 11.07.13)

CAMA Aims at People's Welfare

The Consumer Association of Malawi (CAMA) has appealed to authorities to urgently assess ordinary people's welfare and reverse some hardships which have come because of adopting to every governance proposal by western Africa.

CAMA said that households in Malawi have been hit by skyrocketing electricity tariffs. The prices for electricity have gone up by 84 percent in 12 months despite continued lack of power by utility company ESCOM.

CAMA Executive Director John Kapito said it is the duty of government to lessen hardship experienced by its people through policies that will lift expenses in cost of living and not further squeeze the little hard earned cash by citizens. (NT, 28.07.13)

Can Trade Make a Difference in Africa?

Sandra Chao*

That Africa is on a major ascendance path is undisputed. The trend is shared by the rest of the rising 'South'. Despite the global economic downturn of recent years, the continent has experienced unprecedented growth.

While erratic at times, there has been progress in the reduction of poverty, and the improved quality of life has brought economic opportunities for many Africans.

Trade has significant potential to help achieve sustainable development and has increasingly played an important role in the strong economic performance of African economies during the past decade.

Indeed, trade performance has shown great resilience even in the face of the ongoing economic crisis.

Still, Africa needs to look at its continuous economic growth in light of the three pillars of sustainable development and assess whether its 'development meets the needs of the present without compromising the ability of future generations to meet their own needs', as set out by the Brundtland Commission in its report 'Our Common Future.'

Enhancing Africa's competitiveness

Intra-regional formal trade in Africa has historically hovered around 10-12 percent, although this could be much higher.

These figures do not take into account statistical deficiencies and informal trade. Still, trade within regional economic communities is growing faster than African exports to the rest of Africa, and to the rest of the world.

The COMESA alone has increased its intra-African trade almost fivefold since it launched its free-trade agreement in 2000. SADC trade grew more than threefold and EAC it rose more than twofold.

Regional value chains can help Africa gain the critical capacity needed to compete as the continent moves up the global value chain, promoting cross-border opportunities that allow countries to contribute with different inputs to the production of intermediate and finalised products.

Trade has yet to serve a transformational process for the benefit of human development in Africa as it has done in many other developing economies, and it is through positive linkage to development that trade can play a pivotal role.

Developing the capacity and improving the quality of its human resources is another way for Africa to enhance its competitiveness.

According to the Africa Progress Panel led by former UN secretary-general Kofi Annan Africa is on the brink of a demographic dividend with the current median age in the continent at 18.

Over the past 10 years the number of youths aged 15 to 24 in Africa has increased from 133 million to 172 million. By 2020 that figure is expected to rise to 246 million.

Investment in skills development, technical and vocational training, as well as in higher university education is necessary to



Assessing the development needs of Africa while being mindful of economic, environmental and social concerns

transform this natural resource into a profit for the entire continent.

Governments have to play a better role through proper regulation of production, and put in place the right mix of trade and industrial policies needed to support local manufacturing industries that provide employment and create jobs.

Moreover, African leaders must implement policies that ensure access to capital, technology and labour. Measures must be put in place that create equity in global trade negotiations, ensuring fair trade and import tariff regimes for the continent's growing industries.

Up to 90 percent of Africa's total income from coffee, calculated as the average retail price of a pound of roasted and ground coffee, goes to consuming countries. The provision of regular, affordable and reliable energy to industries must also be assured. And there must be adherence to minimum standards of sustainability in the exploration of mineral and natural resources.

Africa's minerals sector has experienced the commodities boom of recent years but, sadly, this has not translated into greater returns on investment.

Expanded avenues

A clear vision on the inclusive use and management of resources for Africa's development is needed.

The Africa Mining Vision endorsed by African leaders in 2009 seeks to do exactly this through a framework that integrates the goals of economic, social and environmental sustainability.

The expanded avenues for South-South cooperation, notably intra-African trade through the proposed continental free-trade area, break the monopoly developed countries hold by providing a better environment for policymaking and trade partnerships.

* Executive Secretary, UN Economic Commission for Africa. Abridged from an appeared in Business Daily, on August 20, 2013

Economiquity

The July-September 2013 issue of Economiquity carries an article entitled, 'Food for Thought at Bali' in its cover story which states that as we draw closer to the Ninth Ministerial Conference of the WTO to be held in Bali, Indonesia in December 2013, there is growing optimism that members may finally be able to strike a deal. Although the proposed small package remains a far cry from the conclusion of the protracted Doha Development Round, it could provide the impetus for members to finally break through the impasse that has characterised these talks since their breakdown in 2008.

A special article by Meghnad Desai opines that the problems of indebtedness that plagued developed economies have been transferred to emerging ones.

Another special article by Nicholas Stern states that businesses will watch governments to check they understand the IPCC findings.

This newsletter can be accessed at: www.economiquity.org/



Recent Event



ADVANCE COPY

Assessing the extent of
Trade Policy Mainstreaming
in the Development Agenda
A Case of Zambia

CUTS

Better Exploration of Trade as a Means for Poverty Reduction

CUTS International Lusaka with the support of the Finnish Embassy in Lusaka, Zambia undertook a two-year project entitled, 'Better Exploration of Trade as a Means for Poverty Reduction' (BETAMPOR). The Project was a continuation of Lusaka's intervention in plugging leakages in Zambia Aid for Trade (AfT) agenda with the aim of contributing to meaningful development and reduction of poverty.

The objective of the project therefore, was to build capacity of state and non-state actors (especially at the grassroots) in order to strengthen and influence participation in the EIF process thus helping promote the utilisation and ownership of the process. A research report was produced and the findings of the research were disseminated on the state of trade mainstreaming in Zambia at a national-level meeting on September 27, 2013.

We want to hear
from you...

Please e-mail your
comments
and suggestions to
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We put a lot of time and effort in taking out this newsletter and it would mean a lot to us if we could know how far this effort is paying off in terms of utility to the readers. Please take a few seconds and suggest ways for improvement on:

- Content
- Number of pages devoted to news stories
- Usefulness as an information base
- Readability (colour, illustrations & layout)

Sources

BD: Business Daily; DM: Daily Mail; DN: Daily Nation; NT: Nyasa Times; SADC: Southern African Development Community; TEA: The East African; TP: The Post; TS: The Standard

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