

# Daily Bulletin

Conference updates, daily



This week, the United Nations Conference on Trade and Development (UNCTAD) is holding its 14th quadriennial conference in Nairobi, Kenya. Until Friday, July 22, this **UNCTAD 14 Conference** will set the UN agency's mandate and work priorities, and development stakeholders from all backgrounds will dialogue on global responses to the key issues affecting the global economy. With this bulletin, CUTS is keeping you posted on the proceedings.

[#UNCTAD14](#)



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Main Track

World Leaders Summit, Roundtables, High-Level Events etc.

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## **HIGH LEVEL EVENT: BOLSTERING PUBLIC POLICIES FOR VIBRANT AND INCLUSIVE MARKETS**

Joakim Reiter, Deputy Secretary-General, UNCTAD, in his opening remarks highlighted the increased sense of distrust in markets. He mentioned that a focus on competition, consumer protection and infrastructure development was important to address this situation and enable public policies work for sustainable development. There is a need for increasing transparency and accountability of the private sector; and stakeholders need to work together for inclusive and sustainable development.

The panellists mentioned the need to include quality of life considerations along with GDP growth in development strategies of countries. Digital financial inclusion, competition between private and public sector, and the use of information and communication technology tools are necessary to create effective public policies. In addition, a comprehensive approach comprising a multitude of policies focusing on ease of doing business, skills development, and commercial dispute resolution is necessary for creating vibrant and inclusive markets. It was also mentioned that in order to be inclusive, policies must take into account concerns on small and medium enterprises, and address information asymmetry between consumers and industry.

The relation between trade and inclusive markets was also discussed and the importance of both producer and consumer welfare in making trade related policies. As such, capacity building of consumers to interact with producers is also necessary. The need for local sourcing of raw materials by private sector was also highlighted, and the role of private sector in training and capacity building of raw material providers was emphasised. Sustained and coherent policies based on multi stakeholder partnership are necessary for sustainability.

The session stressed the importance of consumer empowerment and protection for a vibrant and inclusive economy. The critical role of global value chains in developing countries was emphasised and it was noted that policies need to enable access to finance and credit to small and medium sector based in developing countries.

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## **MINISTERIAL ROUNDTABLE: EMPOWERING CONSUMERS AND FOSTERING COMPETITION TO TRANSFORM ECONOMIES**

Guillermo Valles, Director, Division on International Trade in Goods and Services and Commodities, UNCTAD, in his opening remarks, mentioned that it is impossible to talk about competition policy without consumer protection at its centre. He highlighted the need of human development in digital economy and requirement to protect and empower individual consumer.

The panellists noted that there is a need to put consumer at the driver's seat. Consumer protection and competition is crucial for trade and economy. Consumers must have the power to purchase quality products at affordable price. Strong consumer grievance redressal mechanisms including economical mediation process is important to empower consumers. The prohibition of anti-competitive practices that adversely affect consumers is also necessary.

It was highlighted that the linkage between trade and development with consumer needs has been growing. Increased choices for consumers can help in achieving sustainable development

goals. Competition gives choices and consumer protection empowers consumers to confidently take part in the market and made decisions. It was also noted that consumer protection is necessary in a scenario when trade is global, frauds are global, but jurisdiction of competition authorities is national. This is a challenge that needs to be addressed. Cross border coordination between competition agencies to share information, best practices, and enable enforcement, and building standards is necessary. Misleading advertising is another challenge that needs to be encountered to promote consumer protection.

It was noted that consumers could be irrational and fallible, and there is a need to prevent information overload and put in place early warning system (such as consumer Interpol) to protect consumers. It was suggested that UNCTAD speak with other bodies on health, safety to develop a comprehensive agenda on consumer protection. Education about consumer rights, risks and grievance redress mechanisms is also important.

It was also pointed out that World Competition Day could be used to generate discourse on the importance of competition for consumer protection, and the inter-linkages between these areas. It was also noted that regulations around consumer protection need to undertake regulatory impact assessment to consider impact of such policies on different stakeholders.

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## **ROUND TABLE DISCUSSION: ESCAPING THE MIDDLE INCOME TRAP**

This session recognised that economic growth over the last half century has allowed many middle-income countries to reduce poverty. However, they have not been able to close the per capita income gap with the advanced economies. The session raised the challenges that middle-income economies face and identified the domestic policy measures to overcome the issues of productivity and slow growth.

The speakers recognised that global value chains (GVCs) are led by transnational corporations from developed economies and there is a genuine need for countries to upgrade and diversify. It was highlighted that diversification is the key for economies to come out of poverty. Additionally, high-end innovation is necessary for countries move up the value chain. Panellists noted that governments need to infuse confidence in the system for the private sector to invest. They asserted that a good trade policy is not possible without a good industrial policy and that local industrial policy within a country is an important policy approach.

It was noted that the African continent is facing the key issues of how to upgrade, how to move up the value chain and how to build industrial capacity. It was also noted that growth needs to be more inclusive and that economies create meaningful jobs as inequality is growing between and within countries. Furthermore, it was recognised that these challenges are common for most middle-income companies. It was observed that countries need to focus on regional development and as such connectivity is an important issue.

The panellists noted that even with investments in infrastructure, education and investor friendly environment, the problems of middle income have still persisted. Innovation ecosystems, industrial policy, trade policy, hand-holding of small and medium sized enterprises (SMEs), incentive mechanisms for private sector development, promoting multinationals to localise etc. are measures that should be looked at. Middle-income countries need to find ways to make their industries and companies trade internationally. The financing of innovative SMEs is a critical issue and much more needs to be done. Technical education, development of soft skills and enhancing vocational skills are important tools to this end.

The panellists recognised that there is a need to put all experiences together and facilitate exchange of information between countries that will facilitate the sharing of best practices. As a word of caution, it was noted that while national and regional challenges are the primary focus areas today, countries should not lose sight of the international architecture.



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## **MEASURING AND QUANTIFYING THE IMPACT OF THE REMOVAL OF NTBS IN THE EAC**

The meeting focused on the steps towards eliminating the non-tariff barriers (NTBs) that affect intra-regional trade in the East African Community. A presentation by Mark Mendez Parra, Overseas Development Institute (ODI), showed the evidence of the impacts of these barriers, the challenges in resolving them, the time it takes for NTBs to be resolved and the key policy issues that need to be developed to solve these problems.

Regular reporting mechanisms of the NTBs through bottom up reporting was one of the key methods identified in tackling complaints raised on NTBs. It was noted that different issues associated with NTBs increase costs of goods.

Other issues identified on NTBs were the hidden NTBs that cannot be easily seen or are seen as normal such as tax-like measures that are mostly applied by Kenya and Tanzania for trade facilitation measures, hence affecting other countries from accessing the port. These again take significantly more time to be resolved and cause possible greater resistance to their resolution. Another issue that seemed to hinder NTBs removal is that some governments impose NTBs for revenue motives.

The issue of the effect of NTBs on informal cross-border traders due to the dynamic nature of the NTBs was also raised, and how they impact on poverty and production levels. A clear policy plan is needed to solve these issues to cut limiting these traders.

A way forward was that the development of regional infrastructure was noted as key to addressing challenges arising from the NTBs, and using the available opportunities to discuss the unresolved unidentified issues to reduce time and costs related to it. Again, presenting the identified concerns to policy makers for quick resolution is needed.

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## **HOW CAN THE CFTA SUPPORT MEETING THE SDGS**

The side event was organized by CUTS in collaboration with UNCTAD, the African Union and TRAPCA to bring together stakeholders from the public sector, private sector, civil society, academia, and trade practitioners to discuss the role of the proposed Continental Free Trade

Agreement (CFTA) in achieving the sustainable development goals (SDGs).

During the session, UNCTAD's Secretary General Dr. Mukhisa Kituyi emphasized that the CFTA is key to Africa's trade and economic development. He stated that the CFTA is important in boosting intra-Africa trade since the mega free trade agreements (FTAs) that are currently being negotiated by developing countries will completely erode the trade benefits that African countries enjoy in export markets such as Europe through preferential treatment accruing from Economic Partnership Agreements (EPAs).

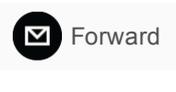
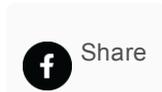
The CFTA is therefore important in promoting infrastructure development, improving business competitiveness, promoting economic development, and the achievement of SDGs. Other panellists concurred with the Secretary General on the importance of the CFTA in reducing poverty and enhancing regional trade, which in turn will enhance achievement of the SDGs in Africa.

The panellists and other participants acknowledged that several challenges exist and must be addressed for the CFTA to be a success. These include tariff and non-tariff barriers; reluctance in implementation of agreements; lack of information on trade measures; inadequate human resource capacity to negotiate and implement trade agreements; insufficient financial support from African governments; and a lack of a clear understanding of the trade and economic issues that have to be addressed to achieve the CFTA.

The measures suggested to address these challenges included the removal of tariff and non-tariff barriers, the development of physical infrastructure to enhance intra-Africa trade, improving the business environment to attract FDI, capacity building in both private and public sector, and providing adequate financial support by national governments to improve ownership and success of the CFTA.

Local universities were urged to play a lead role in research to inform policies that will lead to realization of the CFTA. They were also urged to support capacity building initiatives through training on areas such as trade negotiations.

The meeting ended with the launch of the multi-stakeholder platform of the CFTA by H. E. Mrs. Fatima Haram Acyl, Commissioner for Trade and Industry, African Union Commission.



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