

BUSINESS FOR DEVELOPMENT: IMPLICATIONS FOR EXPORT STRATEGY-MAKERS

BENIN

THE TRADE RELATED TECHNICAL ASSISTANCE: STRENGTHS AND WEAKNESS

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Introduction

Benin joined the WTO since 1996. The lack of mastery of the rules of the WTO didn't permit to grab the opportunities offered by the multilateral commercial system. But the implementation since 1998 of the Joint Integrated Assistance Program ITC - CNUCED - WTO to the Least Developed and other countries in Africa (JITAP) permits to fill progressively this hiatus.

It is useful to recall that the economy of Benin is essentially based on the agricultural sector that contributes for about 75% of the export returns and for 35% of the gross domestic product. Among the export products, cotton occupies a major place. Benin also imports most of the food products mainly from Europe. As a matter of fact, the current negotiations on agriculture constitute a very important stake for Benin.

1. The strengths of the Trade related technical assistance: case of the JITAP in Benin

JITAP has permitted to implement in Benin the inter institutional Commission from 1998.

Missions and composition of the Commission

The inter institutional Commission is responsible for the follow-up of the setting up of the WTO Agreements and to make to the Government propositions on the positions during the negotiation of these Agreements. This Commission has been created by decree and is composed of the representatives of various structures of the private sector and the public sector, notably the concerned Ministries, the Chamber of the Trade and Industry, the Chamber of agriculture, the Body of employers, the NGO, etc.

Three task groups derived from the Commission, notably:

- the task group on Goods ;
- the task group on the TRIPS;
- the task group on the Services.

A new task group on the new questions (Trade and the investments, Trade and the environment, Trade and the transparency of the public market), has just been created.

The realizations of the JITAP

Partnership and better relationship : The first positive result due to the inter institutional Commission in Benin is the improvement of the partnership between private and public sectors. This will enable to grab profit from the opportunities offered by the multilateral commercial system. Henceforth, the governmental workers know that they must and can count on the representatives of the private sector for the development of commercial exchange and wealth creation, where the relations were marked by suspicion of each other.

More involvement of the private sector : the involvement of the private sector and the civil society within the Commission permits today discussions and taking in account of their preoccupations on the questions related to the multilateral trade, mainly the hindrances of the implementation of the WTO Agreements in the enterprises. As the same, private sector professionals benefit more in terms of comprehension of the Agreements, due to the organisation of information meetings through the country.

Information Centres on WTO : Three information centres have been put in place to inform and to counsel the users, one for the public sector and another for the business community. Henceforth, the private sector professional know they can address these centres to have responses to their needs in relation with trade, otherwise they can be reoriented to other more indicated structures.

A national expertise on the multilateral trade : The JITAP organises trainings, seminars and workshop throughout, which permitted to put at the disposal of Benin a national expertise composed of trainers on specific and/or general topics related with the multilateral trade.

A national appraisal on the export strategies : The JITAP also permitted to have national expertise on export strategy formulation and implementation, at enterprise, sector or national level.

Formulation of the negotiation positions: Under the inter institutional Commission, national positions on the current negotiations are debated and adopted before they are set to the government. This enable to include the preoccupations of the private sector as well as those of the civil society.

2. The weakness of the technical cooperation

The JITAP program, as its realizations showed, is aimed essentially on the support of the human resources and institutional capacities building concerning the mastery of the multilateral commercial rules.

These capacities, are certainly indispensable to Benin and all other Least developed countries to participate efficiently on current negotiations, unlikely to their absence at the Uruguay Rounds.

However, other important domains where this technical support is also necessary for the takeoff of economic development of the country didn't receive the same requisite. These domains are:

Weak production capacities: in spite of the understanding of the rules of the multilateral trade and the mastery of the export strategy processes, if no attention is aimed to develop production capacities of the Least developed countries, they cannot meet economic development. JITAP does not help to mobilize financial support to enhance and diversify the production bases of the country, so it seemed more theoretic than practical for the private sector.

New obstacles to market access : New SPS measures in developed countries cause more hindrances to market access of the agricultural products originated from least developed countries. As an example, pineapple from Benin must faced more severe pesticide residue tolerance. Benin was obliged to suspend shrimp exportation to Europe due to more severe harmonised rules. All these difficulties do not give a better opinion on the program among the exporters.

Increase of the agricultural subsidies: Recent increase of the agricultural subsidies (mainly cotton) in the developed countries which reinforce poverty and weak competitiveness of our country without any response from the technical assistance do not improve opinion on the program.

Private sector need more implication: in spite of the technical support of the JITAP for the development of the exports, the needs of the private sector are not completely satisfied. Among the most important needs, it can mention the access to the investment capitals, and shared grants loan, capacity building in business partnership and business advocacy, etc.

These are some of the problems that the trade related technical support do not permit to solve entirely, in order to make trade issues a factor of economic development in the least developed countries.

3. Propositions and suggestions

Building of the private sector capacities in business advocacy: The private sector, with its missions of creation and vector of national wealth, has need of a real support for the internal capacity building in the setting up a real business advocacy.

Building a body of elite negotiators : These agreements necessarily impact the activities of the enterprises. It is therefore imperious that the private sector perfectly masters them and could use them in their business plan making. Beyond the sittings of information sessions, it is of real needs to build a training programme for the private sector. This must derive the creation of a permanent body of elite negotiators, composed with the representatives of the private and public sector implied in the national, regional and international negotiations.

Acquisition of the Market Access Map of ITC : This software developed by the ITC is a data base and a tool of analysis of the fluxes and the tariff reduction impact on the commercial exchanges. It permits to elaborate a control panel in general on the positions of international negotiations. It is necessary that private and public sector acquire this software shortly.

The strengthening of the second phase of the JITAP is a necessary condition for the realization of these various recommendations