

In Brief

Malawi food production to fall

The UN Famine Early Warning Systems Network expects Malawi food security to fall this year. Maize production will be an estimated 1.73 million metric tonnes, down 13% from 2003.

Lao dam construction to start soon

Construction of a US\$273 million dam in Lao's Sekong province will begin in the third quarter of the year, reports the Vietnam News Agency. The project is a partnership between Lao and Vietnam.

Ceasefire breaks in DR Congo

The uneasy peace in the Democratic Republic of Congo was broken last week when rebels occupied the Eastern town of Bukavu. The UN has since reoccupied it.

Bhutan waves goodbye to Indian secretaries

The Kingdom of Bhutan has banned foreign workers in sixteen service sector occupations. The Government said that the move was necessary for security and employment reasons.

Major Niger market hit by fire

Wadata market in the capital of Niger, Niamey, was badly damaged by a fire last Monday, reports AFP. The source of the fire is unknown.

Lao protects fish

A two kilometre fish conservation zone has been established in Lao's Savannakhet province, with the aim of improving fisheries management and protecting biodiversity, reports the state-run Lao News Agency.

Vodacom out of Nigeria

In another twist to one of Africa's most complicated corporate takeovers, the South African telecommunications giant Vodacom suddenly ended its management agreement with Nigeria's Vee Networks last week. The decision followed allegations that Vee had made improper payments to various brokerage firms as part of a scheme for raising equity. It marks the end of Vodacom's year long involvement with Vee, which at one point seemed to be on the verge of takeover by the South Africa company.

Vodacom's failed strategy has proved costly for its senior personnel, with the deputy CEO Andrew Mthembu dismissed and strategy director Robert Pasley leaving the company. It is unclear whether Vee's former suitor, Econet Wireless of Zimbabwe, will again attempt to gain control of Vee. South Africa's MTN now has a dominant position in the Nigerian market.

Hilux to clean up in Angola

The Angolan company Hilux Limited is to build and equip a new detergents factory just outside the city of Lobito in the province of Benguela, reports the AngolaPress state news agency. The factory will cost US\$2 million, and will be able to produce 3 million litres per year. Twenty five new jobs will be created. The southern province of Benguela is strategically important for the Angola state, with a major deep sea port, a railway connecting Angola with Namibia, and offshore oil deposits.

Indian airports on private sector radar

Larsen & Toubro, India's largest engineering company, is planning to take part in a bid for the management of the Bombay and New Delhi airports, it emerged last week. The airport management is due for privatisation by the Government, and it intends to invite private sector participation in two management committees. L & T said that for the Bombay bid they intend to participate with Bharti Enterprises and Singapore's Changi Airport. For the Delhi bid, their partners will be Piramal Enterprises and Germany's Hochtief.



On the edge of science...

The UN Food and Agriculture Organization has published guidelines on whether a genetically modified organism could turn a normal plant into a weed. (FAO/23293)

China enters Nuclear Suppliers Group

China was admitted to the Nuclear Suppliers Group of nuclear equipment exporting countries, at a Group meeting on May 28 in the Swedish city of Gothenburg. The Group aims to control the export of nuclear materials. A spokesperson for the Chinese Foreign Ministry said "China supports the NSG's positive role, objectives and principles in nuclear non-proliferation".

Consortium to invest US\$600 million in Mauritanian oil

A consortium of oil companies is to invest US\$600 million in the Chinguetti petroleum project off the Mauritania coast. The decision was announced in a stock exchange release by Woodside Petroleum, the majority partner in the project. Production is expected to start by March 2006.

The field is at a depth of 800 metres, and will have six production wells. The initial output is expected to be 75,000 barrels per day. Woodside expects to expand production in the future, saying that approval of the deal was just its first step in Mauritania.

HIV/AIDS concern high among African companies, says WEF

African companies have a high level of concern at the effects of HIV/AIDS, but are not responding adequately. That was the message of a survey published last week by the World Economic Forum, during their annual African Economic Summit in the Mozambican capital Maputo. The survey found that just 12% of businesses had a written policy on HIV/AIDS, although it also found that those companies which had a strategy were among the most effective in the world at dealing with the disease.

The picture varied by country, with Southern African enterprises very aware and active. Gambian and Rwandan companies had taken the most pre-emptive action against the disease, while Cameroonian managers had the least confidence that business response was adequate. Only one in sixteen Zambian businesses had a written policy, despite one in four adults having HIV.

Take holidays and build televisions in North Korea

North and South Korea reached wide ranging agreement on economic cooperation on Saturday in the North's capital Pyongyang. The agreement includes the establishment of roads and railways connecting the South with a major industrial park and a tourist resort in the North. The industrial park is being built near the border, and will be open to Southern companies who want to employ the North's cheap, skilled workforce. The South agreed to donate 400,000 tonnes of rice to the North, "out of brotherly love".

Malaysia SE falls despite good news

The Malaysian Stock Exchange Composite Index fell 5 last week to close at 802.82. The change was driven in part by profit taking among leading shares, and in part by continued concern over the methods China will use to control its rapidly expanding economy. Commentators say that Malaysia's recent good economic news, and even improvements in the Japanese economy, are insufficient to maintain market growth in the face of a possible Chinese downturn.

The last two months have seen an unusual slump in Kuala Lumpur. The market has dropped 10.1% from 901.85 at the end of March, although it remains up 2.1% on the year.

Johannesburg SE launches social responsibility index

The Johannesburg Stock Exchange has started to publish a single measure of the average performance of companies which meet certain minimum ethical standards in their behaviour. The Social Responsibility Index commenced on May 20, and is based on the share prices of the companies on the Johannesburg Stock Exchange. The index makes it easier for investors to put money into a well-diversified portfolio, without compromising on their ethics.

Other social responsibility indices are already available on the major established markets, but the Johannesburg authorities claim that it is the first in an emerging market. The components of the index include some of the largest companies in Africa, like SABMiller and AngloGold Ashanti. Companies entering the index must meet the three criteria of environmental, economic, and social sustainability.

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Hangover on coffee market

Coffee futures prices declined last week on the New York Board of Trade, falling to US\$0.8300 per pound on the July contract from US\$0.8555 at the start of the week. The market was correcting the very large increase recorded the previous Friday, when prices rose by over half a US cent. The changes have been mirrored in the underlying commodity market.

Market Watch

(Week ending 4/6/2004)

Equity market leading indices and (increase in week)

Casablanca MASI	4,598 (1.2%)
Bombay SENSEX	4,889 (1.1%)
Cairo CASE 30	1,450 (2.1%)
Mauritius SEMDEX	656 (0.9%)
Nairobi NSE 20	2,662 (-0.7%)
Lahore LSE-25	2,918 (-2.2%)
Indian National NIFTY	1,521 (0.8%)

Selected currencies value to US\$1 and (strengthening in week)

Ethiopia Birr	8.9 (1.1%)
Gambia Dalasi	29.7 (0.0%)
Ghana Cedi	8,850 (0.0%)
India Rupee	45.2 (0.5%)
Indonesia Rupiah	9,463 (-2.1%)
Kenya Shilling	79.3 (1.0%)
Malawi Kwacha	110.2 (0.4%)
Nigeria Naira	130.0 (4.2%)
Pakistan Rupee	59.8 (-0.2%)
Tanzania Shilling	1,140 (0.0%)

Gambia ranked as Africa's most competitive low-income economy

The World Economic Forum published its Africa Competitiveness Report last week. The report is edited by a team of international economists, and presents the reasons for Africa's economic performance to date – which it describes as the “economic tragedy of the 20th century” – and their expectations for the future. The report was accompanied by a table of ranking the competitiveness of African economies.

Country	Rank
Botswana	1
Tunisia	2
South Africa	3
Gambia	6
Malawi	12
Uganda	14
Kenya	15
Nigeria	16
Angola	24

Among the countries assessed, Botswana tops the list due to the quality of its public institutions and macroeconomic environment. Among the low income countries, Gambia is assessed to be most competitive, while Kenya is most technologically advanced.

UNCTAD: trade alone has not reduced poverty

A new report published by the United Nations Conference on Trade and Development challenges much of the current thought about the benefits of trade for developing countries. The “Least Developed Country Report 2004” finds that increased trade is often associated with rising poverty. The report calls for development to be given a central place in policy, with trade as a secondary option, rather than the other way around.

Carnivals in Africa and workshops in Asia for World No Tobacco Day

World No Tobacco Day 2004 was held on May 31, with the World Health Organization (WHO) helping to arrange events worldwide. The theme for this year's event was “tobacco and poverty”, and it aimed to raise awareness about the connection between tobacco and income losses in developing countries. The WHO publicity quoted figures saying that poor households spend tens of billions of US dollars each year on tobacco, and it is responsible for millions of deaths annually.

Activities included anti-tobacco carnivals in Kenya and Togo, a mass media campaign in Vietnam, workshops for taxi drivers in New Delhi, and research conferences in Mongolia.

Comment: The Burundi Daily

The website of the Burundian state news agency, Burundi Quotidien, has been offline since the start of March. The website for the Burundian Government has followed it. Burundi's ongoing civil war may have claimed it as a casualty, or maybe the limited resources for administration were redistributed elsewhere.

Whatever has happened, for foreigners interested in the Burundi economy it is a loss. Burundi Quotidien provided the most comprehensive information available anywhere, online or in print, about economics and business in the Central African state. It described company start-ups, privatisations, foreign aid projects, infrastructure construction, power shortages, industrial workshops, poverty alleviation schemes, capital inflows, counterfeiting, market projects, and transport routes. In short, it was one of the best economic information sources anywhere in Africa.

Perhaps running an Internet news agency was not a justifiable expense in Burundi, the poorest country in the world with few computer users and an interminable civil war. All the same, it is another sign of what could be done in Burundi, and is not.