

## In Brief

### Zimbabwe Minister loses farm number two

Zimbabwe's Justice Minister Patrick Chinamasa has been evicted from his farm in Mashonaland, reports the Financial Gazette. It was his second farm, whereas government rules prohibit people owning more than one.

### Tajikistan HIV/AIDS cases double in first four months of 2004

Tajikistan's registered cases of HIV/AIDS increased by 109 in the first four months of 2004, compared with 117 cases during the period 1991-2003.

### EWI not finished with Vodacom

Vodacom, the South African telecoms company, is to be sued by its Zimbabwean competitor Econet Wireless International for damages in relation to its failed takeover of the Nigerian company Econet Wireless Nigeria, reports South Africa's Business Day.

### Singaporeans get excited over Chinese sex workers

Police in Singapore have been active against Chinese sex workers in recent weeks, with ongoing raids in Geylang district and arrests and deportations from the People's Park area, according to local reports.

### Burkina Faso-Ghana railway investigated

A feasibility study is beginning soon for a US\$750 million railway from Kumasi in Ghana to the manganese-mining regions near Dori in Burkina Faso, said the Ghanaian Minister of Ports, Harbours and Railways last week.

## Nigeria fuel strike goes for the money and power

A strike called last week by Nigerian trade unions brought to a standstill much of the commercial capital Lagos and the administrative capital Abuja. The unions had organised the strike in response to dramatic increases in petrol prices over the last year. The strike ended on Friday when petrol stations began to reduce prices following a court order and government requests.

The strike lasted only two days, but nevertheless violent scenes occurred in Abuja, with two people injured in clashes with the police. The Nigerian Labour Congress, the country's largest union, was influential in the stoppages in the cities. The National Union of Petroleum and Natural Gas Workers of Nigeria and the Petroleum and Natural Gas Senior Staff Association of Nigeria organised a walk-out by their staff from oil fields in the Niger Delta, but a spokesperson for Shell Petroleum said the effect on oil exports had been minimal.

## Heads of state throw party for Chad oil pipeline

A day of state-organised celebration marked the official opening of the petroleum pipeline between the landlocked nation of Chad and its Atlantic neighbour Cameroon. The pipeline has been operational since last year, bringing Chad's oil for export to the United States, and is expected to bring huge revenues to both countries. The celebrations in the coastal town of Kribi were attended by five regional heads of state.

The event prompted comments from many activists and organisations locally and internationally. The Cameroon representative of the World Bank, which has supported the development of the pipeline, requested the participants to ensure that the profits were used for the benefit of the population, and that environmental standards are respected.

## Legalise football gambling says Asian football chief

Peter Velappan, the General Secretary of the Asian Football Confederation, last week called for authorities across Asia to legalise betting on soccer matches. He also said that tough action should be taken against illegal gamblers. His call came as the Thai and Malaysian authorities have pledged to act against the activity that is criminalised in many countries in the region.

Estimates of the amount gambled vary enormously. In Singapore, where soccer gambling is legal, a reported US\$70 was spent per person during the 2002 World Cup, or 0.2% of annual Gross National Income. Estimates in Thailand are even higher. Supporters of legalisation would like to mobilise the revenue to develop the domestic game.

## ASEAN acts on oil security

Southeast Asia countries renewed their commitment to mutual support in petroleum supply at a meeting of energy ministers from the regional grouping ASEAN in Manila last week. The chairperson, Philippine Energy Secretary Vicente Perez, called for closer links between the member states of ASEAN to achieve this goal. Mr Perez said that ASEAN's economic growth was threatened by high petroleum prices.

He announced the Philippines' support for Thailand's planned oil pipeline between the Andaman Sea and the Gulf of Thailand, which would facilitate oil delivery from the Middle East to Cambodia, China, Laos, and Vietnam. According to media reports, Japan, an observer at the meeting, agreed to fund investigations into the establishment of strategic petroleum reserves.

## Ten million children in domestic labour

There are ten million children employed as domestic labourers around the world, says a report published on Friday by the International Labour

Organisation. *Helping Hands or Shackled Lives? Understanding child domestic labour and responses to it* was released to coincide with the third World Day Against Child Labour, and highlights what the ILO says is a widespread and growing phenomenon. The report says that children working outside of their own home are vulnerable to exploitation, abuse, and violence.



### Standing out...

Zuhro is one of only two girls in her class in the former Soviet Republic of Tajikistan. (IRIN)

## 3G comes to Africa

Vodacom, the South African telecommunications multinational, has won the first license in Africa for third generation, or 3G, telecommunications services. The license will cost a reported US\$900,000 a year, and will help to consolidate Vodacom's leading position in the world's fastest growing mobile telecoms market. The company has seen its pre-eminence challenged in the last year, with loss of share in South Africa, and an embarrassing exit from Nigeria.

### Africa – UK research sharing

Chief executive Alan Knott-Craig said that he expects significant growth from 3G technologies, which deliver services such as video messaging and high-speed internet access. He refused to rule out a return to Nigeria at some point in the future, saying that it remains an important market. He also revealed that Vodacom has entered into an agreement with its part owner, Vodafone of the UK, to share the British company's research.

## West African SE reaches annual high

The French West African Stock Exchange in Côte d'Ivoire rose last week, with the BRVM 10 index of largest shares rising by 0.71 to close at an annual high of 90.90. The market has been climbing in bursts since mid February. The gain was led by growth in the industry and public services subsectors. The largest company on the exchange, the Senegalese telecommunications business Sonatel, was the most notable gainer, up CFA Francs 250 to CFAF30,250.

## Pakistan cotton market lively

Pakistan cotton trading became lively on Thursday with large purchases particularly in the cotton producing areas. Analysts say that the purchases were driven by price increases on the New York Board of Trade futures contracts, as local traders bought Pakistan cotton in anticipation of price rises on the spot market. It is estimated that 1.5 million bales will have to be imported in order to meet demand from textile manufacturers.

## Partial debt relief from G8, but campaigners want more

The group of eight leading industrialised countries, the G8, last week announced partial debt forgiveness for some of the world's poorest countries. The forgiveness will take the form of an extension to the Highly Indebted Poor Countries initiative, which has so far reduced the debt burden on twenty seven nations, mostly in Africa.

The G8 also announced the establishment of a forum for sharing information and promoting collaboration on development of an HIV vaccine. Some campaigners were dismissive of the announcements, with Irungu Houghton of Oxfam UK saying the steps on Africa "are simply not up to the challenges the continent faces".

## Zimbabwe struggles to control money supply

The Reserve Bank of Zimbabwe last week allowed the interest rate the Government pays on its borrowings to rise to 127.7% per year. The Treasury Bill yield had previously been held below 120%, but the Bank was concerned that previous issues of government debt had not been bought by investors. They had perceived the interest rates as too little compensation for buying in a risky, high inflation environment, and the market was full of unsold government debt. Interest rates may have to rise again, as an issue on Tuesday of three year debt at 120% interest payments was undersubscribed.

## Market Watch

(Week ending 11/6/2004)

Equity market leading indices and (increase in week)

Casablanca MASI	4,584 (-0.3%)
Bombay SENSEX	4,833 (-1.2%)
Cairo CASE 30	1,465 (1.1%)
Mauritius SEMDEX	663 (1.1%)
Nairobi NSE 20	2,640 (-0.9%)
Lahore LSE-25	2,923 (0.2%)
Indian National NIFTY	1,508 (-0.8%)

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

Ethiopia Birr	9.0 (-1.4%)
Gambia Dalasi	29.7 (-0.2%)
Ghana Cedi	9,171 (-3.6%)
India Rupee	45.1 (0.4%)
Indonesia Rupiah	9,376 (0.9%)
Kenya Shilling	79.7 (-0.5%)
Malawi Kwacha	106.5 (3.3%)
Nigeria Naira	130.0 (0.0%)
Pakistan Rupee	59.9 (-0.1%)
Tanzania Shilling	1,139 (0.1%)

## E. African budgets prepare for union

Kenya, Tanzania and Uganda announced their annual budgets on Thursday. The budgets outlined the spending plans that the governments will adopt in the run-up to their customs union which is scheduled to start within a year.

### Tanzania

The effect of the union was most noticeable on Tanzania's budget, with a large number of measures aimed at supporting business and boosting trade, like the abolition of several business license fees, and reduction in business visa charges.

### Kenya

Kenya's budget was generally well-received. Its major spending commitment was US\$1 billion for road building. There were also measures aimed at alleviating the tax burden on the poorest households, with the threshold for income tax payment raised and value added tax exemption provided for cooking gases. The budget

did not mention tax exemption for other types of fuel, and the press and opposition took this as a line of attack in the following days.

### Uganda

The Ugandan budget contained several tax rises, notably on tobacco and spirits excise duties, and there were large increases in the pay of health workers. Uganda's growth in the 2004/5 financial year was expected to be 5.9%, continuing the impressive 6.0% registered last year. Notably, military expenditure is set to rise by 12.5%, which is likely to fuel speculation about possible major activity against northern rebels. The budget received a mixed reception, but critically it was supported by the ambassador from the European Union, which helps to fund a substantial proportion of central government operations.

## Donors target Lao human resource development

The implementation plan of a European Union grant of US\$20 million to Laos over the period 2002-6 was announced by Pierre Amilhat, the EU's representative for South East Asia on Thursday. He was speaking in Vientiane City during a meeting with Lao Deputy Prime Minister Somsavat Lengsavad, during which time they talked about a recent EU supported seminar on human resources development held in Singapore. The Japanese International Cooperation Agency also provided funds to Laos last week, in order to support science and mathematics teaching in the country. Under the funding arrangement, between 2004 and 2008 teaching institutions will be improved, and ten Lao teachers a year will receive scholarships to train in Japan.

## Comment: Euro 2004 and equity markets

A report in the Asian press last week suggested that stock market activity would slump during Euro 2004, as traders abandon their trading screens and switch on to Beckham, Zidane, and the rest. Clearly, some things are more important than economic growth. There was a similar – possibly false – story during the Taliban regime in Afghanistan, when they tried to ban football for not being sufficiently Islamic. Despite their success in outlawing displays of the female body and secular music, they encountered such opposition from football fans that they were forced to back down.

There are some obvious comparisons between football betting and stock market investment. In both cases, outcomes are reasonably predictable over the long-term, but are subject to significant short-term fluctuations. A single numerical value is the result of a complex set of human and technical interactions. But on a stock market investment a positive financial return is expected, whereas supporting a football team gives no expected return. The return from a football bet comes purely from the risk bearing component, not from the positive growth of the underlying asset. What football fans get from watching their team is something few people get from watching stock prices – pleasure. And some fans do not even get that.