

In Brief

Bangladesh and Singapore investment guarantee

Bangladesh and Singapore signed an investment guarantee agreement on Thursday, following meetings between their two prime ministers aimed at developing their economic relationship.

African polio epidemic warning

West and Central Africa is threatened by the largest polio epidemic in recent years, said the Global Polio Eradication Initiative on Tuesday.

Kenya titanium mining

The Kenyan Government has approved a project for the mining of titanium in Kwale district with the Canadian company Tiomin Resources. The project will bring US\$120 million of investment and create 350 long term jobs.

Drought in Eritrea

Several regions of Eritrea are suffering from severe shortages of drinking water, says the United Nations Office for Coordination of Humanitarian Affairs. The shortages have been blamed on poor rains between March and May.

Somali money transfer

The Somali Financial Services Association is to strengthen rules governing money transfer schemes, the Association's acting secretary general Mohamed Djirdeh Houssein told the BBC on Thursday.

Mekong region development forum

Senior representatives of the state, business, and non-governmental sector will gather in Paris on June 28-29 for the Mekong Development Forum 2004.

Oxfam renews calls for arms treaty

Oxfam renewed its calls for an international treaty on the armaments trade last week with the release of the report "Guns or Growth". The report is part of its ongoing campaign on control of arms which presses for arms deals to occur only when sustainable development is not hindered, except in the case of legitimate security needs. The report outlines a methodology it says is key for the implementation of such a treaty, and lists the world's most militarised states, and the world's biggest arms dealers.

The arms trade: facts

- Seven developing countries spend more on the military than on education and health combined: Oman, Syria, Burma, Sudan, Pakistan, Eritrea, and Burundi
- Eritrea spends almost four times as much on its military as on health and education
- The five permanent members of the UN security council sell 90% of the arms sent to the Middle East, Asia, Latin America and Africa
- The US alone accounts for 41% of the sales

Blood diamonds get cleaned up

The diamond industry took another step on Wednesday towards cleaning up its image, with the launch of a new certification scheme guaranteeing that the diamonds do not come from conflict areas. The certification follows an agreement in Paris between representatives of the industry and the charity Global Witness, which has been actively pressing for increased accountability. The business has been affected by allegations of funding some of Africa's bloodiest civil wars, and the demand for diamonds in Europe has reportedly fallen by up to 20% over the last decade.

Tata Motors reveals Indian military deal

India's Tata Motors has revealed that it has been granted a license to supply up to 9,000 vehicles every year to the Indian Department of Defence. The announcement was made to the Bombay Stock Exchange following press reports on the subject. The license, which allows Tata to bid for contracts to build tanks, armoured vehicles, and troop carriers, will put the company in a strong position to extend its power from civilian industry to the military sphere.



A market in quarantine...

Producers, agricultural experts, and traders met in Canada on June 17-21 for the 20th session of the Intergovernmental Group on Meat and Dairy Products, to discuss production in the face of animal disease outbreaks and rising meat prices. (FAO/15226/A.Conti)

Australia's Gold Aura looks at PNG mine

Gold Aura, the Australian mining company, has commenced a study into the feasibility of gold mining on Fergusson Island in Papua New Guinea. It follows a preliminary study which Gold Aura describes as suggesting "a highly profitable mining operation can be established". Current gold resources are estimated at 880,000 ounces, and the estimated rate of extraction will be 40,000 - 50,000 ounces per year. The deposits are described as low-grade, but with numerous high-grade zones.

Corruption, murder, and show-down: no change at Goldenberg trial

Observers at Kenya's Goldenberg fraud hearings on Thursday saw the director of public prosecution Philip Murgor levy serious corruption charges against one of the defence lawyers, Gibson Kamau Kuria. Mr Murgor alleged that Mr Kuria was colluding with a witness, Kamlesh Pattni, in order to implicate Mr Murgor in the Goldenberg scandal. He claimed that it was part of a plan to get a separate murder charge against Mr Pattni lifted, and made further allegations relating to Mr Pattni's business dealings. The fraud case, which has already involved some of Kenya's top business and government officials, looks set to become even more complicated.

KFC drops Tibet plan after Dalai Lama pressure

The Kentucky Fried Chicken fast-food chain has abandoned plans to expand into Tibet, it announced last week. It follows an open letter written by the Dalai Lama requesting KFC not to follow through their plans, in which he said that KFC's treatment of chickens and their industrial slaughter violates traditional Tibetan values. KFC has a large presence in China, but it has come under global pressure for practises such as cutting off bird beaks and forcing birds to live in cramped conditions.

Pakistan's largest investment bank posts US\$1 million profit

Islamic Investment Bank Limited (IIBL), Pakistan's largest investment bank, made US\$900,000 in profit in the last calendar year, it announced on Thursday. The bank, which operates on Shariah principles, has been heavily restructuring and expanding its capital base, and pursuing loan defaulters. It is currently acting as advisor to many foreign and local investors, as part of its plan to move beyond its base activity of lending.

Falls on Casablanca SE wipe out gains early in the month

The Casablanca Stock Exchange fell last week, with the MASI index closing at 4,531 down 38 from the previous week's close. The market has fallen for three weeks, reversing its gains early in the month. Casablanca remains a strong performer, and has risen 14.9% over the year. But it has lost its initial momentum, and its value has changed little since mid-March.

Mixed results for metals in June

The value of zinc and copper has fallen throughout June on the London Metal exchange, with zinc hitting an annual low of US\$966 / tonne on Tuesday. The market in copper has been better, closing the week at US\$2,700 / tonne. It is down from US\$2,829.50 / tonne at the start of the month, but substantially up from its 2004 opening value of US\$2,320 / tonne. The nickel and aluminium markets have moved closely together to show strong gains in June after a mid month jump. Nickel reversed a large part of its early year losses between June 16-18, gaining 15.9% of its value.

Drugs divide world into America, Eurasia, and Africa

The world is divided into three distinct zones of drug consumption, according to new study by the United Nations Office on Drugs and Crime published in Austria on Friday. The World Drug Report 2004 shows that African drug users most commonly seek treatment for cannabis use, while Asian, European and Oceania users are much more likely to seek treatment for heroin abuse. The largest problem in the American continent is with cocaine.

Global drug use is continuing to increase, but there is evidence that it is slowing down. There are regions where use remains at high levels, like central Asia, with heroin and other opiates readily available from Afghanistan, Laos, and Myanmar, the world's main suppliers. Intravenous drug use is reported to be fuelling the spread of HIV/AIDS there. In many countries like Cote d'Ivoire and Saudi Arabia, users appear to switch between drugs, with declines in use of cocaine or heroin occurring at the same time as an increase in the other.

Market Watch

(Week ending 25/6/2004)

Equity market leading indices and (increase in week)

Casablanca MASI	4,531 (-0.8%)
Bombay SENSEX	4,756 (-0.3%)
Cairo CASE 30	1,426 (-1.9%)
Mauritius SEMDEX	653 (-1.1%)
Nairobi NSE 20	2,669 (-0.7%)
Lahore LSE-25	2,740 (-2.8%)
Indian National NIFTY	1,489 (-0.2%)

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

Ethiopia Birr	9.0 (-0.9%)
Gambia Dalasi	29.7 (0.0%)
Ghana Cedi	9,239 (-0.9%)
India Rupee	45.9 (-0.8%)
Indonesia Rupiah	9,424 (-0.2%)
Kenya Shilling	79.6 (0.5%)
Malawi Kwacha	106.5 (0.0%)
Nigeria Naira	136.6 (-5.0%)
Pakistan Rupee	60.1 (-0.2%)
Tanzania Shilling	1,136 (0.1%)

World Bank confirms Kenya HIV funding

The World Bank on Thursday reconfirmed its commitment to funding Kenya's AIDS/HIV programme. Earlier in the week, it was reported that the Bank was refusing to fund any more projects until the coordinating body, the Kenya National AIDS Control Council or KNACK, sent it an audit-report on activities in the past financial year. The state-run KNACK has not accounted for spending over the last six months.

Clean water projects sweep World Business Awards

Projects which bring clean water to the world's poor were foremost among the projects recognised at the World Business Awards 2004 in Morocco earlier in the month. The awards were founded by the United Nations Development Program amongst others, and exist to recognise private sector contribution towards the UN's "millennium development goals". The ten projects selected for special praise included three projects promoting clean water, the De Beers HIV/AIDS program, and a commercial beekeeping scheme in Kenya.

South African protests against US spending priorities

Hundreds of activists gathered in South Africa on Thursday to protest against high United States spending on its military and far lower spending on global anti-HIV/AIDS initiatives. They held peaceful demonstrations outside the US consulates in Johannesburg and Cape Town. Although similar activities had been planned in other cities around the world, they were not widespread.

The activists also accused the Bush administration of limiting access to condoms and generic medicines. A spokesman for the US consulate in Cape Town is reported as responding that "the U.S. is the largest contributor in the world to combating HIV and AIDS."

Ethiopian growth expected to be 11% this year

The Ethiopian economy is expected to grow by 11% this year, according to the IMF Deputy Director for Africa, Anupam Basu. Mr Basu's comments were reported on the state-run Ethiopian News Agency, after he met Ethiopia's Prime Minister Meles Zenawi in the country on Thursday. Mr Basu is reported to have said that Ethiopia "has strengthened its reserve position. The government of Ethiopia's budget performance is very strong. The deficit is much lower than we expected." As recently as April, the IMF had predicted a growth rate of 6.7%.

Comment: Route one to China

Kentucky Fried Chicken abandoned its plans to enter Tibet this week following a request by the Dalai Lama, on grounds that large-scale slaughter of chickens is not ethical. For the US animal rights group Peta, which has been coordinating action against KFC, it is a success, but it will achieve far more if it alters KFC practices throughout the rest of China, which has a quarter of the world's chickens. The group's activity in other countries has used governmental, non-governmental, and private sector means of influencing behaviour. In China, it has been argued that the non-governmental sector is particularly weak, and there are few local groups suitable for major campaigns. Lobbying government is possible, if technically difficult – there is no particular challenge to the prevailing political viewpoint. The most direct route to achievement of such non-challenging ethical goals would change corporate behaviour in the country. There are a variety of means of attaining this end, with the majority focussing on the US company headquarters. Ethical arguments, financial pragmatism, or plain persistence may all work. The structure of successful globalised companies tends to be quite tight, particularly where reputations or large amounts of money are at risk. In such structures, the dissemination of corporate best practice from the parent to subsidiaries is rapidly enforced, and presents an ideal means of achieving the ends of the lobby group.