

In Brief

DR Congo rail links restored

A railway in the east of the Democratic Republic of the Congo has reopened after six years of closure, connecting the cities of Lubumbashi and Kinshasa.

Angolan company builds for success

The Angola-based manufacturer Lupral will export spades and nets to Europe this year for use in the building trade, reports the state news agency AngolaPress.

Cambodia gets rid of intestinal worms

Cambodia has become the first country to reach the World Health Organization target of protecting 75% of children from intestinal parasites.

Guinea set adrift

The World Bank has stopped all lending to Guinea and suspended field projects. Guinea has debt arrears of US\$2.4 million.

Face of Lao sponsored by Lux soap

The national Lao women's beauty competition was held in the capital Vientiane on Saturday, sponsored by the Unilever brand Lux soap.

Globalisation begins at home, says ILO

The International Labour Organization has published a new report "A Fair Globalization: Creating Opportunities for All", which argues that local cooperatives can help people take part in globalisation.

San people take on Government over land

San people of the Kalahari desert are challenging in the courts this week a Botswana Government decision to resettle them outside their ancestral lands.

Global regulation for tobacco moves closer

A global treaty on tobacco control came closer to implementation last week, with the closing of the signature period for the World Health Organization Framework Convention on Tobacco Control. Nearly 90% of countries have signed the Convention, which sets international standards on pricing, advertising, and labelling, as well as second-hand smoke. So far twenty-three countries have passed the convention into their domestic law, although it only enters into force when forty countries do so.

The twenty-three are: Bangladesh, Brunei Darussalam, Cook Islands, Fiji, Hungary, Iceland, India, Japan, Kenya, Maldives, Malta, Mauritius, Mexico, Mongolia, Myanmar, Nauru, New Zealand, Norway, Palau, Seychelles, Singapore, Slovakia and Sri Lanka.

Africa, a battleground for Airbus and Boeing

Air Senegal has bought a new Boeing 737-700 aeroplane, it announced in a communiqué last week. The US\$55 million purchase has been made in response to growing demand for flights, with Air Senegal transporting 360,000 passengers in 2003, compared to 250,000 in 2002. The company also announced the opening of a air route running from the tourist city of St Louis to Paris.

Air Senegal's decision is a small victory for Boeing in its global battle with Airbus for aircraft sales. It is rather insignificant compared with Airbuses ongoing contract with South African Airlines for the replacement of its fleet of ageing Boeings, which has seen another plane delivered in the last few months.

Bharat to build \$380 million thermal power stations

Bharat Heavy Electricals strengthened its hold on thermal power station construction in India last week, with the announcement that it had won the contract to build two 250 Megawatt units in West Bengal. The deal is worth \$380 million, and was awarded by the Damodar Valley Corporation. Bharat has a strong tradition in the field, having built all of the nine 250 MW thermal units in the country, and it is currently building eight more. Construction of components will occur at the company's plants throughout India.



Talking tigers... President Natsagiyn Bagabandi of Mongolia travelled to China on a state visit last week, reports Mongolian state media. He visited the Motor Corporation of Hainan, and discussed tourism and free trade zones with regional governors. (FAO/20041/H.Zhang)

Vietnam shipbuilder moves closer to Denmark deal

The Viet Nam Shipbuilding Industry Corporation Vinashin has agreed in principle to build ten container ships for the Danish company Clipper. Although prices remain to be finalised, it is expected that the deal will be concluded within the next few months. The ships will be able to hold 332 twenty-foot containers, and are the latest construction project signed by Vinashin with domestic and foreign buyers. It is currently producing fifteen 53,000 tonne ships for a UK company, worth a total of US\$323 million.

Gambia power company seeks outside boost

Gambia's National Water and Electricity Company needs US\$5 million to repair two of its main national generators, its chairman said last week. Amigo Jeng's comments were reported in the state-approved national media, and came during a tour of Kotu power station by the British High Commissioner Eric Jenkinson.

Mr Jeng said that current generating capacity is 18.6 Megawatts, but that it would be increased by 13 Megawatts if the two generators were repaired. He added that the rate commercial banks charge on loans is too high at 37%. Mr Jenkinson expressed sympathy about the situation.

Zimbabwe's Wankie Colliery left with unusable mine

Zimbabwe's Wankie Colliery Company is unable to open its new "3Main" underground coal mine, because it can not raise the necessary US\$25 million of finance, it emerged last week. The mine had been considered to be a way for Wankie to escape its current difficult financial state, which had led it into payment arrears with its suppliers. 3Main has a total output capacity of 150,000 tonnes of coal a month, which would treble Wankie's current production.

The mine, which was due to be opened last month, will now open in December instead, if sufficient funds can be raised. The company has already invested a reported US\$82 million in it.

African Water Week

"Building Partnerships for Water in Africa" was the theme of the first African Development Bank Water Week, which was held in Tunisia on July 1-3. It was attended by seventeen Ministers, as well as over four hundred other private, public, and charity participants involved in the sector. Sessions were held on water supply and sanitation, financing water infrastructure, and water resources management. The relevance of water availability to the UN Millennium Development Goals was stressed throughout, and the week concluded with an agreement to accelerate the implementation of rural water supply and sanitation programmes.

Precious metals bounce

After climbing through the US\$400 per troy ounce barrier on May 25 for the first time in ten weeks, the gold price in London fell \$7.50 to \$396.75 on Tuesday morning trading. A similar trend was shown in the markets for silver, and for platinum which fell \$11 on Monday to close at \$795 per troy ounce, then down to \$778 on Tuesday. The markets recovered slightly towards the end of the week, but not before they had dragged down mining stocks on the Johannesburg Stock Exchange.

New York ethanol trading has slow, steady first month

Ethanol trading on the New York Board of Trade had a quiet month since it started on May 10. It closed its first short-term futures contract on Wednesday for June delivery of ethanol, with a total of 583 contracts held on the basis of steady growth over the last six weeks. The contract was priced at US\$0.928 per gallon, showing a strong gain from its May 10 value of US\$0.770. The longer term contracts have also gained over the period, but fell slightly over the last week. The contract delivering ethanol in September closed the week at US\$0.9050, down from US\$0.9350 the previous week.

African textiles gets US boost

The United States extended the trade privileges it offers to Africa on June 24, with the passage of the third African Growth and Opportunity Act through the U.S. Senate. The Act grants duty-free access to selected goods from qualifying African countries. It is expected that President Bush will sign the Act into law shortly. The Ugandan Ambassador to the United States reportedly said that it marked "a new day for Africa and the United States".

Presidential payback to Nigerian unions

President Olesegun Obasanjo of Nigeria has proposed new legislation aimed at reducing the power of trade unions. The law limits the ability of unions to cooperate, gives the government the right to veto union formation, and outlaws compulsory union membership.

The law also breaks up the Nigeria Labour Congress (NLC), the national union umbrella organisation. The NLC was central in organising the recent general strike against the government's fuel price policy, and many people have seen President Obasanjo's action as revenge for the strike. Representatives of the Congress remained defiant, and promised to challenge the legislation.

Market Watch

(Week ending 2/7/2004)

Equity market leading indices and (increase in week)

Casablanca MASI	4,446 (-1.9%)
Bombay SENSEX	4,871 (2.4%)
Cairo CASE 30	1,441 (1.0%)
Mauritius SEMDEX	656 (0.5%)
Nairobi NSE 20	2,635 (-1.3%)
Lahore LSE-25	2,859 (4.3%)
Indian National NIFTY	1,538 (3.3%)

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

Ethiopia Birr	9.0 (0.0%)
Gambia Dalasi	30.2 (-1.7%)
Ghana Cedi	8,900 (3.7%)
India Rupee	45.9 (-0.1%)
Indonesia Rupiah	9,308 (1.2%)
Kenya Shilling	79.7 (-0.2%)
Malawi Kwacha	106.5 (0.0%)
Nigeria Naira	130.0 (4.8%)
Pakistan Rupee	60.2 (-0.1%)
Tanzania Shilling	1,139 (-0.3%)

Equatorial Guinea fires at Norwegian ship

Equatorial Guinea coastguards fired at a Norwegian ship last week in waters off the coast of the oil-rich West African nation, said a spokesperson for the Norwegian Government. The ship was briefly seized, and its captain detained overnight before being released. It is not clear why it was considered necessary to board the ship, which was conducting research for the United Nations World Food Program. Tensions have been rising in Equatorial Guinea recently, with the Government accusing Spain and foreign mercenaries of attempting to overthrow it. President Teodoro Obiang Nguema won the last two general elections with 99% of the vote.

Zambia Government judges its own policy performance

The Zambian Government's Poverty Reduction Strategy Paper Progress Report was released by the IMF at the end of June. The key points were:

- Slippages occurred in fiscal policy, notably in respect of salaries
- Domestic deficit was 4.1% of GDP
- Deficits have been financed through borrowing
- Inflation (17.2%) and interest rates (>35% nominal rate on lending) remained higher than expected
- GDP growth was 3.7% in last two years, compared with 8% targeted for poverty reduction
- Terms of trade are weakening
- Slippages meant that Zambia did not get major debt relief under the HIPC initiative
- Measures against HIV/AIDS and malaria improved
- Privatisation is progressing well
- The general business environment strengthened

Multivitamins delay HIV

An inexpensive source of hope for HIV sufferers was presented on Thursday by the results of a new US-Tanzanian study, which found that a daily dose of vitamins B, C, and E can slow down the progression of the disease towards AIDS. The study, which appeared in The New England Journal of Medicine, examined the effect of multivitamin tablets on 1,000 HIV-positive pregnant women in Tanzania from 1995 to 2003. In addition to a 6% lower rate of severe disease, symptoms such as oral thrush and diarrhoea were reduced. The lead author, Wafaie Fawzi, said that multivitamin supplementation could be given for \$15 per person per year.

Comment: Economic shocks

The Government of Zambia, in its review of economic policy just published by the IMF, expressed its dissatisfaction with the 3.7% GDP growth the country showed last year. 8% growth is necessary to obtain the Millennium Development Goals of poverty alleviation. This is a high target; the last time the economy grew at such a pace was in 1972. There are some precedents in other countries, however. Uganda has come close for two decades, and Ethiopia looks set for even faster expansion in 2004. If Sub-Saharan wars are settled, the East African policy environment improves, and West African petroleum comes on stream, it is possible – probable – that double-digit growth could be registered for the entire region, excluding South Africa. Several years of 10% growth could perhaps lead to rising savings, capital formation, and workforce mobilisation, and give recovery its own momentum. Africa could be viewed as a new centre of growth, and high expansion rates could creep up on the continent.