

In Brief

Kenyan banana quarantine

Agricultural researchers in Kenya are calling for government action to prevent banana bacterial wilt from being imported, reports the Daily Nation newspaper in Nairobi.

AFDB-AU solidarity

Omar Kabbaj, the President of the African Development Bank, emphasised the shared aims of the Bank and the African Union, at the Union's Head of State Assembly in Addis Ababa on Tuesday.

China talks up Arab free trade zone

The Chinese Minister of Commerce said that a planned free trade zone between China and Arab states would "forge a more stable base between long-term cooperation", reports the state-run Xinhua news agency.

Angolan bumper crop

Angola has escaped the drought affecting much of Southern Africa, and has had an excellent crop this year, says the UN Food and Agricultural Organization.

Infosys gets global award

The Indian computer software manufacturer Infosys has been awarded the Excellence in Practise Award 2004 by the American Society for Training and Development.

Kenya railways to be privatised

The Kenya Railways Corporation is to be privatised next year, said Transport Minister John Michuki last week.

374 kilos of cocaine intercepted off Togo

A Togo-registered tugboat was intercepted by a French warship last week on its way from Venezuela to Spain, and 374 kilos of cocaine seized.

Multinationals in Burma named

The International Confederation of Free Trade Unions has continued its campaign against forced labour and poor human rights in Burma, with the release of a list of companies with contacts there. The list includes major multinationals like Adidas, Deutsche Bank, and Mitsubishi.

Whilst some companies have comparatively minor involvements like sports sponsorships or a single meeting with government officials, other involvements have been more extensive. The Belgian SWIFT international payments company comes in for particular criticism for facilitating the financial transfers of the regime, and the South Korean Daewoo Corporation is heavily criticised for its major gas developments in the country.

Links: <http://www.global-unions.org/burma/default3.asp>

New Nigerian solvency rules are major challenge for banks

Nigerian banks will have to meet stringent new solvency rules, said the Governor of Central Bank of Nigeria, Professor Charles Soludo, in Abuja on Wednesday. They will require a new minimum capital of US\$190 million, up from the present level of \$15 million. Professor Soludo said that the move was intended to promote stronger and larger banks, and encouraged banks to consider mergers and acquisitions as a means of meeting the requirements. The rules will equally apply to subsidiaries of foreign banks.

Half of Africa-Asia software is pirated, says industry

53% of software installed on computers in Asia Pacific and 56% of software in Africa and the Middle East is pirated, claims a new study by the Business Software Alliance, a group representing software producers worldwide. The study examined the US dollar value of software using a combination of surveys, analyst research, and industry figures, and concluded that software manufacturers lost \$7.6 billion in Asia Pacific last year, and \$1.0 billion in Africa and the Middle East.

China is alleged to be the country with the highest piracy rate (92%), followed by Vietnam (91%), Indonesia (88%), and Zimbabwe (87%). South Africa had the lowest rate among the developing countries considered, at 36%. The United Kingdom had a rate of 29%.

Links: <http://www.bsa.org/globalstudy/>

TotalFinaElf Nigeria shuts for six days

TotalFinaElf resumed its oil production in Nigeria on Thursday, after six days in which it suspended its entire 230,000 barrels-a-day oil output and substantial gas production. The suspension was due to disputes between the management and the Pangassan union, although TotalFinaElf initially ascribed it to technical difficulties. The disagreement was wide-ranging, covering corporate approach and structure, as well as the relative authority and salaries of foreign and local workers. The company has now addressed many of the concerns raised.

Lightening the load...

In an unusually strongly worded speech given in Addis Ababa last week, a senior international economist called on developing countries to consider refusing to pay their debts. Jeffrey Sachs, special advisor to the UN Secretary General and counsel to Boris Yeltsin when he was President of Russia, said that Western countries should be ashamed of the level of aid they give to developing nations, and urged them to give 0.7% of their GDP.

Jeffrey Sachs was in Addis for the release of a report assessing Ethiopia's progress towards its Millennium Development Goals.



IRIN/Anthony Mitchell

Proton continues Asia push with Indonesian joint venture

Malaysia's car industry is set to expand its regional reach, with a deal signed between manufacturer Proton and parts maker Tracoma to assemble automobiles in Indonesia. The joint venture will be 51% owned by Proton and 49% by Tracoma, and will have an authorised capital of \$8 million, with plans for further expansion. Proton said that it intends to increase sales in South East Asia.

New Libya expands oil interests

Just months after the US ended sanctions on Libya, the Libyan state owned company Tam Oil has purchased the Niger assets from one of the largest American petroleum firms, ExxonMobil. The deal covers all of ExxonMobil's service stations in Niger, and a large proportion of the fuel sold at the country's airports. It follows Tam Oil's acquisition in March of Royal Dutch Shell's storage and distribution network in Eritrea, which gave it a market-leading position.

The most dangerous Coca-Cola bottling plant in the world

The opening of a new Coca-Cola bottling plant would not make headlines in many countries, but in war-torn Somalia, the largest investment in a decade has won the attention of the international media and attracted a reported 500 people to its inauguration last week. The US\$8 million investment is a franchise owned and operated by Somalis who have been encouraged to invest despite the difficult operating environment. There were reportedly 100 security guards to guard the factory on its opening day, with a total workforce of 150.

China loosens grip on Yuan

In a sign that Chinese Government is willing to loosen its tight control on the national exchange rate, it has agreed in principle to allow the Asian Development Bank (ADB) to issue a bond denominated in the Yuan. The news emerged in an interview given by Khempeng Pholsena, the ADB Vice President for Finance and Administration, to the Dow Jones news agency. The ADB will use the revenues to support its development goals in the region.

The agreement-in-principle is conditional on the proceeds remaining in Yuan, rather than being converted to other currencies. The ADB has issued just US\$500 million in debt this year, compared with the 2002 Chinese trade surplus in goods and services of \$37,383 million. The Chinese decision is unlikely to make immediate impact on its ability to control the exchange rate, and it is not clear whether this is a one-off concession granted to the ADB, or part of a larger plan for developing the overseas Yuan bond market.

Future of Islamic finance sketched in Labuan

Bankers and decision makers from around the world gathered for the first Labuan International Islamic Finance Conference, held on the Malaysian island of Labuan on Tuesday and Wednesday last week. Speakers reviewed the growth of Islamic finance, which prohibits the payment of interest, and outlined the directions they believe it should take for further growth. Participants stressed that there is scope for significant scope for Islamic financial products in the markets for capital, mutual funds, bonds, and derivatives. They said that such products should not aim exclusively at the Muslim world, but rather should be attractive to non-religious investors and follow international best practise.

Bird flu here to stay, says international study

The influenza virus which causes bird flu has become endemic in South East Asia, says a new study published on Thursday in the journal Nature. The research paper, "Genesis of a highly pathogenic and potentially pandemic H5N1 influenza virus in eastern Asia", was conducted by an international team of academics and suggests that the disease originally occurred in domestic ducks. The researchers argue that the disease is now difficult to eradicate, and presents a long-term risk of human pandemics. They further argue that pigs are potential intermediate hosts for transmission between birds and humans, and say it is critical that outbreaks should be quickly controlled.

Market Watch

(Week ending 9/7/2004)

Equity market leading indices and (increase in week)

Casablanca MASI	4,440 (-0.1%)
Bombay SENSEX	4,945 (1.5%)
Cairo CASE 30	1,451 (0.7%)
Mauritius SEMDEX	651 (-0.7%)
Nairobi NSE 20	N/A
Lahore LSE-25	2,843 (-0.6%)
Indian National NIFTY	1,553 (1.0%)

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

Ethiopia Birr	8.9 (1.0%)
Gambia Dalasi	30.1 (0.1%)
Ghana Cedi	8,901 (0.0%)
India Rupee	45.8 (0.3%)
Indonesia Rupiah	8,996 (3.4%)
Kenya Shilling	80.0 (-0.4%)
Malawi Kwacha	105.8 (0.7%)
Nigeria Naira	130.0 (0.0%)
Pakistan Rupee	60.1 (0.2%)
Tanzania Shilling	1,125 (1.2%)

ILO: 50 million more workers will die from HIV within ten years

HIV/AIDS will result in the death of 50 million people from the global workforce, and will lower GDP per capita growth by 0.1% a year in even moderately affected countries. These are some of the conclusions of a report issued by the International Labour Organization on Sunday. "AIDS and work: global estimates, impact and response" recommends that policy makers provide support for human capital and public good provision.

HIV cost to Asia could rise to US\$17.5 billion a year, claims ADB

The conclusions of "Asia-Pacific's Opportunity: Investing To Avert An HIV/AIDS Crisis" will make alarming reading for policy makers in the region. The study was jointly released last week by the Asian Development Bank and UNAIDS, and argues that only early response will restrain an epidemic which cost Asia-Pacific US\$7.3 billion in 2001, more than the GDP of Cambodia and Laos combined. Economic losses are projected to rise to \$17.5 billion a year by 2010.

HIV has the face of a young woman, says UN report

The burden of HIV/AIDS is increasingly falling on women, says the "UNAIDS 2004 Report on the global AIDS epidemic", which was released on Tuesday. It states that they represent close to 50% of HIV sufferers globally and 57% in sub-Saharan Africa. It suggests that they also bear a far greater burden of the extra work which arises when someone is infected, because of their role as "carers, producers and guardians of family life". Pressure arises to care for patients and orphans, and raise money through transactional sex.

Link: http://www.ilo.org/public/english/protection/trav/aids/publ/global_est/index.htm
 Link: <http://www.adb.org/Documents/Reports/Asia-Pacific/APO-HIV.pdf>
 Link: <http://www.unaids.org/bangkok2004/report.html>

UNSC debates Sudan sanctions

The United Nations Security Council last week called for increased pressure on the Government of Sudan to act to end the violence in the country's Darfur region, but stopped short of implementing sanctions. The US advanced a draft resolution proposing sanctions against the Arab militias responsible for the attacks on the black residents of Darfur, but it was opposed by France despite German support. Speaking on Radio France Internationale, the French junior foreign minister Renaud Muselier said that he doubted that sanctions were the best way of stopping the conflict.

Comment: Darfur and Rwanda

The debates in the UN Security Council on Darfur have some echoes with those occurring during the Rwandan genocide of 1994. In both cases, there are disagreements among the permanent members about the best way of preventing ongoing large-scale, ethnically based killing. Ten years ago, the council remained inactive, and France took unilateral action. Currently the US is threatening to unilaterally implement sanctions on Sudan in the face of a stubborn council. There are many differences between the two situations, however. The rate of killing in Rwanda was far higher than in Sudan, driven both by more compact geography and the desperation of the Hutu extremists. The identities of actors in the Rwandan conflict were far more historically fixed than in Sudan, and in Rwanda there were no valuable natural resources like the oil deposits in southern Sudan. Many of the similarities between Darfur and Rwanda arise in the behaviour of the actors in the Security Council, rather than in the situation in Africa.