

In Brief

Local to head Shell Nigeria

Shell Nigeria has named Basil Omiyi as its new managing director, the first Nigerian to earn the position.

Japan-ADB funds food fortification program

Japan is to fund a US\$2 million Asian Development Bank program for iron and iodine food fortification in Central Asia.

Don't kill wild birds over flu, says FAO

The UN Food and Agricultural Organization has advised countries that killing wild birds will not control the spread of avian influenza and may worsen it.

UN experts: Rwanda violated weapons sanctions in DRC

A UN Group of Experts has found that Rwanda exported arms to rebels in Democratic Republic of the Congo, despite an embargo during the civil war.

De Beers positive about diamond sales

De Beers, the world's largest diamond producer, said in a statement on Friday that diamond sales are set to rise with increased consumer confidence, according to South Africa's Business Report.

DRC cheating on fish stocks, says Zambia

Fishermen from Democratic Republic of the Congo are fishing illegally in Zambian waters, claimed a Zambian union official last week, reports the Times of Zambia.

UN Human Development Report

The UN Human Development Report 2004 was released on July 15 with the theme "Cultural Liberty in Today's Diverse World".

Sierra Leone seeks German business links

A delegation of leading Sierra Leonean business people visited Germany between June 13-17, to discuss trade and economic cooperation with the German private sector. The delegation visited the leading financial and economic cities in the country. Significantly, it was accompanied by the head of the Sierra Leone Privatisation Commission, Abdul Turay, ahead of large scale privatisations in the utility, financial, and natural resource sectors.

Figures published by the Foreign Trade Gate of Hamburg show that Sierra Leone imported US\$137 million of German goods in 2003, and the head of the Sierra Leone Indigenous Business Association is reported to have said that they are looking to import German technology as a way of attracting their investors.

Locust swarms threaten a third of Africa

After months of warnings, large scale invasions of locusts have started throughout the Sahel region of Africa. The countries affected so far are Mauritania, Senegal, and Mali. The locusts have bred in Morocco and Algeria, before moving South where summer rains have provided good conditions for laying eggs. The UN Food and Agricultural Organization and regional governments have undertaken preventative and remedial action against a problem which could damage crops as far west as Sudan.

Yemen oil expansion

The Canadian oil company Calvalley is to drill a further two exploration wells and four development wells in Yemen, it announced last week. The drilling in the central Hadramawt region follows Calvalley's establishment of two wells earlier this year.

The company will invest US\$13.4 million in the project in 2004, and reports that it will generate a positive cashflow from production of just 1,000 barrels of oil a day. It has a 50% capital ownership of the project, with the remainder spread between India's Reliance Industries and Yemen's Hoodoil.



Photo: IRINNews

Foreign success...

France has given the Government of Burundi US\$1.8 million to help improve its economic administration, reports the Burundian state news agency. President Domitien Ndayizeye, however, has severe problems at home in establishing any government which includes the former warring parties in Burundi.

Burundi bank struggles for survival in court

The Burundian Bank of Commerce and Development, or BCD, confronted the Burundi central bank in court last week in a case which could see the BCD closed. The central bank alleges that BCD is insolvent, and should be stop operations. Although BCD is trying to remain open, there have been divisions among its shareholders about the appropriate course to follow, with some willing to accept the closure and the return of their initial investment, while others urge continuation and an increase in capital. The case was suspended until August 2 to allow BCD's lawyer to determine its proposed recovery plan.

Entrepreneur-evangelist clash takes two television companies off air

A clash between two church ministers spilled over to television in Democratic Republic of the Congo on July 15, and forced the private station CKTV off air for several minutes, according to credible reports by the lobby group Journalist in Danger. The interruption to broadcasts came when Denis Lessie of the Noah's Ark Church demanded a live apology for the remarks made on CKTV by Theodore Ngoy of the Gombe Church, accusing Mr Lessie of fraud.

Mr Ngoy is the opposing lawyer in a case brought by Mr Lessie relating to the temporary closure of Mr Lessie's own television station, Nzondo TV, and the arrest of his former chief shareholder at Nzondo.

Tanzania energy production jumps

Energy output in Tanzania is set to increase substantially with the start of electricity production from natural gas at the Ubungu power station in Dar es Salaam on Wednesday. The power station will raise total Tanzanian power output by 115MW within three months, up from its current level of 572MW. The majority of the present production uses hydropower, and declining water levels have been blamed for power shortages in the country. Together with rising demand, this has been one of the driving forces behind the Ubungu project, which brings natural gas by a 225 kilometre pipeline from Tanzania's Songo Songo Island. The opening was reported by the United Nations news agency IRIN.

Malawi Telecom keeps it local

A 30% share in loss-making Malawi Telecommunications Limited is to be partially sold to two Malawi investors, it emerged last week. Press Corporation and the insurer Nico Holdings are to take a 30% share in the company as part of the Malawi Government's privatisation programme. The German consultants Detecon will act as a technical partner. The executive director of the privatisation commission, Maziko Sauti-Phiri, said that he hoped the deal would help improve telecommunications in Malawi, which has one of the lowest rates of telephone usage in the world.

Lusaka SE shows exceptional short-term performance

Zambia's stock exchange in Lusaka was broadly unchanged over the week, with only Chilanga Cement and Zambia Breweries falling slightly. The LuSE Index closed the week down 3.93 at 617.11. Nevertheless, the market is in one of its best runs in its history, with an above-inflation rise of the LuSE Index since March of around 170 points. The current growth is comparable only with a run in the second half of 2000, and another run shortly after the index started in 1997. In both previous cases, the gains were eroded by inflation and a stagnant market.

Coffee contract falls to lowest value of year

The September coffee futures contract on the New York Board of Trade closed the week at US\$0.6985 per pound, its lowest value of the year. It has fallen 20% since it reached \$0.8760 on May 28. There had earlier been concerns raised among market participants that the substantial Brazilian crop would be damaged by frost or flood, but they have not had a major influence on current prices.

Millions affected by South Asian floods

Twenty million people in Afghanistan, Bangladesh, Eastern India, and Nepal have been affected, and hundreds killed, by the worst floods for seventeen years. In Bangladesh, millions of people have been left isolated in their villages by rising water, with falling supplies of food and clean water. Monsoon rains occur annually in the region, and it remains to be seen how extensive the medium-term economic damage will be.

Teachers lead Afghan return

Qualified Afghans who have applied to return to Afghanistan from the European Union since 2001, by their industry:

Field of expertise	Applicants
Administrative / Managerial	191
Construction / Engineering	146
Education / Training	232
Health	148
Other	377
Total	1094

Data is from the start of June.

Source: The European Union Return of Qualified Afghans Programme. The EU-RQA is running a workshop in London, June 26-27, for Afghans interested in returning.

Link: <http://www.ion-rqa.org>

Market Watch

(Week ending 23/7/2004)

Equity market leading indices and (increase in week)

Casablanca MASI	4,515 (1.6%)
Bombay SENSEX	5,073 (2.5%)
Cairo CASE 30	1,592 (0.8%)
Mauritius SEMDEX	649 (0.1%)
Nairobi NSE 20	2,615 (-2.2%)
Lahore LSE-25	2,806 (0.2%)
Indian National NIFTY	1,602 (2.7%)

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

Ethiopia Birr	9.0 (0.2%)
Gambia Dalasi	30.2 (0.2%)
Ghana Cedi	9,103 (1.2%)
India Rupee	46.3 (-0.5%)
Indonesia Rupiah	9,052 (-0.8%)
Kenya Shilling	80.9 (-0.1%)
Malawi Kwacha	110.1 (0.3%)
Nigeria Naira	136.3 (1.3%)
Pakistan Rupee	60.3 (0.1%)
Tanzania Shilling	1,126 (0.4%)

My kitchen appliances cost US\$381, claims Gambian Information Minister

A public examination of the wealth of Gambian public officials opened in the capital Banjul on Monday. It is part of President Yahya Jammeh's anti-corruption program, and is set to last three months. The first day of disclosure saw the ministers of finance, sport, information, and works all take to the stand. Finance Minister Musa Bala-Gaye provided an early surprise, revealing that he does not own a car, while Information Minister Amadou Janneh announced that his refrigerator, microwave, and generator cost US\$381. Public interest is already high in the case, and looks set to increase further.

Most developing countries are economically repressive, says report

The economic environment in developing countries is usually characterised by large government, insecure property rights, and a policy environment hostile to free markets. So says a new report "Economic Freedom of the World" by the pro-market policy group, the Cato Institute, which examined the current situations of both developed and developing countries, and ordered them against each other. The best placed developing nation was Botswana, in eighteenth place worldwide, but other parts of the developing world generally came low on their list

Link: <http://www.cato.org//pubs/efw/index.html>

World Bank concerned over Angola soldier reintegration

The head of the World Bank in Angola, Laurence Clark, said on Thursday that increased funds would be required to reintegrate former combatants on a permanent basis. Speaking to the United Nations IRIN news agency, he also said that more efforts would have to be made to repair the transport infrastructure, and that a necessary first step was for the Government to reach agreement with the IMF on economic reforms and poverty reduction.

The parties involved are preparing a long-term development plan, following the end of the immediate stabilisation period at the end of the thirty year civil war.

Rapid growth is achievable in Africa, says UNIDO

Sub-Saharan Africa will face major challenges if it wishes to reverse the increase in extreme poverty, says a new report by the United Nations Industrial Development Organization. The Industrial Development Report 2004 deals exclusively with the region, and presents ways and opportunities by which it can develop more quickly. Whilst the Report presents an unhappy picture of economic progress in the region since 1980, it is ambitious for the future, arguing that Africa should be able to achieve the same type of growth as East Asia.

Link: <http://www.unido.org/idr>

Comment: Industrial specialisation

The delegation of Sierra Leonean business people who travelled to Germany last week were reportedly intending to import German equipment so as to make Sierra Leone more attractive to their investors. It is an appealing approach, extending industrial specialisation to industrial equipment specialisation. Investors like everyone else find it easier to work with familiar tools, and Sierra Leone can hardly afford to buy every piece of equipment to attract every investor. A similar scheme is occurring in Ethiopia, where the specialisation goes even further and a single Italian company provides machinery for much of the Ethiopian textiles industry. It is also a way of turning tied aid – still the primary means of disbursing aid by developed nations – to some advantage of the recipient nation.