

[Algeria, a key power in north Africa, has given tacit approval for African-led military intervention to stop Islamic militants in neighboring Mali, sources in Algeria and France said. The former French colony shares a 1,200-mile border with Mali, and is wary of any outside interference and conflict spilling over its borders. It fears military action in Mali could push al-Qaida militants back into southern Algeria as well as triggering a refugee and political crisis, especially among displaced Malian Tuaregs heading north to join tribes in Algeria.]

BURUNDI :

**Burundi : le Parlement adopte un projet de loi modifiant le code foncier**  
( Xinhua )/26.10.2012

L'Assemblée nationale burundaise a adopté à l'unanimité jeudi un projet de loi portant modification de certaines dispositions de l'actuel code foncier, concernant notamment les immeubles de l'Etat et d'emphytéose, alors que le ministre en charge de l'Environnement Jean Marie Nibirantije a proposé la mise en place d'une agence de gestion des contrats de ces immeubles de l'Etat.

Les députés étaient inquiets de la durée du droit de l'emphytéose qui peut aller jusqu'à 50 ans et de la faiblesse de son prix alors que le preneur à bail qui est appelé à investir bénéficiaire des droits et charges d'une importance exceptionnelle.

Ils fondent leurs inquiétudes sur l'emphytéote qui pourrait être incapable de rembourser le crédit hypothécaire alors qu'il peut avoir érigé des constructions d'une valeur telle que le propriétaire n'est pas capable de rembourser le créancier hypothécaire.

L'emphytéose est le droit d'avoir pour une période déterminée ( 18 ans au minimum et 50 ans au maximum) la pleine jouissance d'un immeuble appartenant à autrui, à la charge de le mettre en valeur, de l'entretenir et de payer au propriétaire une redevance en nature ou en argent comme convenu dans le contrat.

Il constitue un droit réel immobilier susceptible d'hypothèque, cessible, transmissible et saisissable. L'emphytéose étant limitée dans le temps, la durée de l'hypothèque sera celle de l'emphytéose et tout le fonds va revenir au propriétaire.

Proposant la création d'une agence de gestion des contrats de bail des immeubles de l'Etat, le ministre Nibirantije a souligné que "les contrats, bien qu'ils soient enregistrés au service des titres fonciers, ne sont pas régulièrement suivis" et que "la plupart des redevances n'entrent pas dans les caisses de l'Etat".

**Burundi : les défenseurs de Hassan Ruvakuki affichent leur confiance**  
Par RFI/vendredi 26 octobre 2012

Une nouvelle audience s'est tenue le 25 octobre à Gitega dans le procès en appel d'Hassan Ruvakuki et de ses 22 coaccusés. En première instance, le correspondant de RFI en swahili avait été condamné à la prison à perpétuité après avoir effectué un reportage sur une nouvelle rébellion burundaise basée en Tanzanie. Depuis le début du procès en appel le 8 octobre, seules deux audiences s'étaient tenues et selon la défense du journaliste, la troisième, hier, n'a pas permis de faire de grandes avancées.

Onésime Kabayabaya

Avocat de Hassan Ruvakuki

Au fur et à mesure, nous découvrons qu'il n'y a pas de fond dans cette affaire. Nous sommes très confiants.

RWANDA :

RDC CONGO :

**Doing Business 2013 : La RDC à la traîne**

jeudi, 25 octobre 2012/afrikarabia2.blogs.courrierinternational.com

Classée 181ème pays sur 185, la République démocratique du Congo (RDC) peine à améliorer son climat des affaires. La RDC perd une place dans le nouveau classement de la Banque mondiale. Corruption et mauvaise gouvernance expliquent les mauvais résultats de la RDC. Le gouvernement congolais promet que les réformes en cours porteront leurs fruits sur le classement 2014.

Capture d'écran 2012-10-25 à 21.13.49.png Cantonnée au fond du classement Doing Business depuis plusieurs années, la République démocratique du Congo recule d'une place dans l'édition 2013. La RDC est placée à la 181ème position sur 185. Le classement de la Banque mondiale est basé sur dix indicateurs : la création des entreprises, l'octroi des permis de conduire, le raccordement à l'électricité, le transfert des propriétés, l'obtention des prêts, la protection des investisseurs, le paiement des impôts, le commerce transfrontalier, l'exécution de contrat et le règlement de l'insolvabilité.

Les raisons du mauvais climat des affaires qui règne en RDC sont connues depuis longtemps : corruption et mauvaise gouvernance. En République démocratique du Congo, les surcoûts associés à la corruption se chiffrent entre 30 à 40% de la valeur de la transaction, alors qu'ils ne sont que de 10 à 30% dans le reste de l'Afrique. Dans le pays, 90% de l'économie est dite "informelle" et seulement 400.000 comptes bancaires sont ouverts pour pratiquement 70 millions d'habitants.

Selon l'économiste congolais, Oasis Kodila Tedika, la corruption est inscrite dans les moeurs du Congo et touche toutes les strates de la société. Au niveau de l'Etat, Oasis Kodila Tedika, estime que 55% des recettes échappent au Trésor congolais à cause de la fraude fiscale liée à la corruption. Le manque à gagner serait estimé à 800 millions de dollars, soit environ 12% du PIB du pays.

Le rapport du conseiller anti-corruption des Nations unies, en visite dernièrement à Kinshasa, ne laisse entrevoir aucun progrès en matière de lutte anti-corruption. "Les résultats ont été mitigés. L'une des raisons majeures est le manque de volonté politique pour lutter contre la corruption, même au plus haut niveau de l'Etat", a affirmé le professeur Muzong sur Radio Okapi.

Pourtant, le gouvernement congolais affirme avoir fait de nombreux efforts. Plusieurs réformes ont été lancées récemment : un nouveau code des douanes, la mise en place récente de la TVA (taxe sur la valeur ajoutée), ainsi qu'un "remodelage" du code minier de 2002. Les autorités congolaises ont

également mis en place récemment un Comité de pilotage pour l'amélioration du climat des affaires et des investissements (CPACAI). En avril, la RDC a aussi adhéré à l'OHADA, l'Organisation pour l'Harmonisation en Afrique du Droit des Affaires. Le Comité de pilotage estime que la RDC est "sur la bonne voie" et que "le rapport Doin Business 2014 sera totalement différent. Des réformes courageuses ont été initiées". Prenons donc rendez-vous pour l'année prochaine. Mais, pour ne parler que du code des douanes, sa réforme était déjà en cours en 2005, lors de mon premier voyage en RDC, sous la houlette du ministre des finances de l'époque, André-Philippe Futa. Et depuis cette date... peu de progrès ont été réalisés.

Paradoxe du classement, le Rwanda voisin est classé dans les 3 pays d'Afrique les mieux placés. Le Rwanda est également cité en exemple par la Banque mondiale pour sa réussite économique. Kigali est surtout accusé par un rapport des Nations-unies de soutenir la rébellion du M23 à l'Est et de "s'approvisionner" en matières premières dans les Kivus, riches en minerais... ceci explique peut-être cela.

Christophe RIGAUD – Afrikarabia

**RDC: en Europe, Augustin Matata Ponyo tente de rassurer les investisseurs – Jeune Afrique**  
le 26 octobre, 2012/radiookapi.net

Le Premier ministre congolais Augustin Matata Ponyo poursuit sa tournée en Europe. Après la Belgique en début de semaine, le chef du gouvernement était en Allemagne, mercredi 24 et jeudi 25 octobre. Objectif : rassurer les investisseurs européens.

Opération séduction en Europe pour le Premier ministre congolais Augustin Matata Ponyo. Après la Belgique en début de semaine, le chef du gouvernement était à Berlin, mercredi 24 et jeudi 25 octobre, où il a rencontré les ministres allemands des Affaires étrangères et du Développement, ainsi qu'un conseiller diplomatique de la chancelière Angela Merkel.

Le Premier ministre congolais était accompagné de Thryphon Kin-Kiey Mulumba et Justin Kalumba Mwana Ngongo (respectivement ministre des Télécommunications, et des Transports), de l'ambassadeur itinérant du chef de l'État, Séraphin Ngwej, et d'hommes d'affaires congolais. « Nous avons également rencontré des parlementaires, des hommes d'affaires, des industriels et des diplomates », a précisé à Jeune Afrique Thryphon Kin-Kiey Mulumba. À Bruxelles, le Premier ministre a eu un entretien avec le ministre des Affaires étrangères Didier Reynders et des opérateurs économiques belges, avant d'être reçu par son homologue belge, Elio Di Rupo, qu'il a invité à Kinshasa pour une visite officielle. Matata Ponyo a profité de cette escale pour rencontrer le président du Conseil européen Herman Van Rompuy.

Rassurer les investisseurs

Après un sommet de la Francophonie plutôt bien maîtrisé, ces deux étapes européennes étaient pour Matata Ponyo l'occasion d'expliquer l'action de son gouvernement et de « faire entendre la voix du Congo ». Quelques jours après la publication de la dixième édition du rapport « Doing Business », qui a vu la RDC chuter au 181e rang, le chef de l'exécutif a tenté de rassurer les investisseurs européens. « On est en train de remettre l'économie sur la trajectoire des fondamentaux », a-t-il assuré à l'occasion d'un déjeuner-débat organisé par la Chambre de commerce, de l'industrie et de l'agriculture et le Cercle Royal Africain.

« Nous voulons montrer que le climat des Affaires a changé, que des réformes ont été faites. Le taux de croissance n'a jamais été aussi haut. Il est temps que les investisseurs reviennent au Congo »,

précise Thryphon Kin-Kiey Mulumba.

UGANDA :

### Uganda: World Bank Tips Africa On Food Security

25 October 2012/The Observer (Kampala)

A new World Bank report says that Africa's farmers can potentially grow enough food to feed the continent and avert future food crises if countries remove cross-border restrictions on the food trade within the region.

According to the bank, the continent would also generate an extra US \$20 billion in yearly earnings if African leaders can agree to dismantle trade barriers that blunt more regional dynamism.

The report was released on the eve of an African Union (AU) ministerial summit in Addis Ababa on agriculture and trade. With as many as 19 million people living with the threat of hunger and malnutrition in West Africa's Sahel region, the bank report urges African leaders to improve trade so that food can move more freely between countries and from fertile areas to those where communities are suffering food shortages.

The World Bank expects demand for food in Africa to double by the year 2020 as people increasingly leave the countryside and move to the continent's cities. According to the new report Africa Can Help Feed Africa: Removing barriers to regional trade in food staples, rapid urbanization will challenge the ability of farmers to ship their cereals and other foods to consumers when the nearest trade market is just across a national border.

Countries south of the Sahara, for example, could significantly boost their food trade over the next several years to manage the deadly impact of worsening drought, rising food prices, rapid population growth, and volatile weather patterns.

With many African farmers effectively cut off from the high-yield seeds, and the affordable fertilizers and pesticides needed to expand their crop production, the continent has turned to foreign imports to meet its growing needs in staple foods.

"Africa has the ability to grow and deliver good-quality food to put on the dinner tables of the continent's families," said Makhtar Diop, World Bank Vice President for Africa. "However, this potential is not being realized because farmers face more trade barriers in getting their food to market than anywhere else in the world. Too often borders get in the way of getting food to homes and communities which are struggling with too little to eat."

The new report suggests that if the continent's leaders can embrace more dynamic inter-regional trade, Africa's farmers, the majority of whom are women, could potentially meet the continent's rising demand and benefit from a major growth opportunity.

It would also create more jobs in services such as distribution, while reducing poverty and cutting back on expensive food imports. Africa's production of staple foods is worth at least US\$50 billion a year.

Moreover, the new report notes that only five per cent of all cereals imported by African countries

come from other African countries while huge tracts of fertile land, around 400 million hectares, remain uncultivated and yields remain a fraction of those obtained by farmers elsewhere in the world.

Poor roads and high transport costs blunt progress

Transport cartels are still common across Africa, and the incentives to invest in modern trucks and logistics are weak. The World Bank report suggests that countries in West Africa in particular could halve their transport costs within 10 years if they adopted policy reforms that spurred more competition within the region.

Unpredictable trade policies a liability:

Other obstacles to greater African trade in food staples include export and import bans, variable import tariffs and quotas, restrictive rules of origin, and price controls. Often devised with little public scrutiny, these policies are then poorly communicated to traders and officials. This process in turn promotes confusion at border crossings, limits greater regional trade, creates uncertain market conditions, and contributes to food price volatility.

Establishing a competitive market will enhance food distribution networks:

A competitive food market will help poor people most, the report notes. For example, poor people in the slums of Nairobi pay more for their maize, rice, and other staple food than wealthy people pay for the same products in local supermarkets.

The report underlines the importance of food distribution networks which in many countries fail to benefit poor farmers and poor consumers.

"The key challenge for the continent is how to create a competitive environment in which governments embrace credible and stable policies that encourage private investors and businesses to boost food production across the region, so that farmers get the capital, the seeds, and the machinery they need to become more efficient, and families get enough good food at the right price." said Paul Brenton, World Bank's Lead Economist for Africa and principal author of the report.

Source: The World Bank

### Uganda: Phone Vendors Join Communications Commission in Anti-Counterfeit Fight

By David Mugabe/The New Vision/ 25 October 2012

MOBILE phone vendors are willing to subsidise the price of handsets to support attempts to clean the market of counterfeit devices.

The Uganda Communications Commission (UCC) has set November as the deadline for subscribers and operators not to connect counterfeit phones.

Robert Ngeru, the Samsung deputy managing director for East Africa, said the decision follows a similar one in Kenya, where price rebates of up to 30% were offered when the crackdown on fake phones began.

Other vendors like ZTE and Huawei are reportedly also ready to offer price cuts to promote the use

of genuine devices.

About 120,000 smart hand devices are shipped in every month by vendors, including ZTE, Samsung and Huawei.

UCC has said it will de-link fake phones from the country's mobile network once the intelligence data base is set up.

Fred Otunnu, the UCC communications and consumer affairs manager, said the industry should not connect any new phones that do not pass the test of recognised IMEI because it is provided for in the law.

The International Mobile Equipment Identity (IMEI) number is a serial number assigned every genuine phone.

Otunnu says executing this directive will be at two levels, starting with the consumer who should ensure that they buy genuine devices from the point of purchase.

"If you decide to purchase the counterfeits, you will fail to connect that phone," said Otunnu in a recent interview.

The second stage is that the operator who accesses IMEI will be obliged not to connect fakes because before the network is connected, operator networks search for genuine identity.

Amos Mulago, the Samsung country manager, estimates that almost 30% of the mobile devices on the market are counterfeit.

There are 17 million mobile phone subscribers in Uganda, according to UCC. The high uptake of mobile phone makes Uganda one of the most attractive markets for genuine and fake dealers.

Mulago says the biggest danger with counterfeit devices is that once a buyer acquires a fake device and after two weeks it breaks down, he loses hope.

"He says a particular brand is fake and never buys that brand again, affecting sales for the brand," Mulago adds.

But there are bigger risks to using counterfeits. The duplicate phones are difficult to track and thus abate crime because of duplicated IMEI numbers.

Counterfeit devices most times do not have an IMEI number or use a fake one.

Counterfeit mobile devices can imitate all the facets of a genuine phone, making it almost impossible to identify a genuine phone from a fake one.

SOUTH AFRICA :

**South Africa falling between two stools in a rapidly changing world**

By: Keith Campbell/engineeringnews.co.za/26th October 2012

Recently, the World Bank reported that it expects sub-Saharan Africa to experience economic growth of 4.8% this year. But, it added, if you exclude South Africa, that growth jumps to 6%. Elsewhere in this edition, I report on the sad state of the country's microsatellite maker, Sun Space & Information Systems (SunSpace), which, basically, is hamstrung because of continuing delays in implementing the African Resources and Environmental Monitoring Constellation (ARMC) programme. This currently involves South Africa, Algeria, Kenya and Nigeria.

Which country is responsible for the delay? South Africa. Algeria and Kenya are raring to go, it seems, and very willing to buy SunSpace satellites – provided South Africa orders one first (so that they can be assured that SunSpace will survive to support their own satellites). But South Africa, still the richest economy in Africa, has not budgeted enough money for the proposed programme. Meanwhile, Nigeria is driving on steadily with its own space programme, growing and deepening its expertise and capabilities and using an assured budget to systematically develop its own satellite design and assembly capability. Indeed, Algeria also has such a programme, although probably less advanced than Nigeria's. Of course, South Africa is currently going through its roughest patch since 1994. But Algeria and Nigeria have serious internal problems of their own, while Kenya is at war in Somalia and also has its own domestic stresses.

Meanwhile, globally, the economic crisis is still with us. It could very well have profound long-term consequences on the global balance of power, with, to give the most obvious example, the return of China as a leading power, after a couple of hundred years in eclipse.

Some see the West as being in irreversible decline. This is clearly most welcome to many in South Africa's political elite. But economic growth in China and the other leading emerging economies is slowing down. And a number of the currently beleaguered Western countries are currently carrying out major reform programmes to revamp themselves for the twenty-first century. These will take some years to take effect, but their long-term consequences are likely to be highly beneficial. So, although the major emerging powers will be important actors on the world stage in the future, the shape of that future is far from settled.

What have all these things got to do with one another? Quite simply, South Africa is falling between the two stools. True, the country has much better growth than the major Western economies. But its growth is much slower than that of most of the emerging economies and certainly than those of many other sub-Saharan African economies.

Several local economists have estimated that South African economic growth this year will, thanks to the strikes in the mining sector, come out at between 2.2% and 2.4%, while next year the figure will be between 2.5% and 2.7%. In August, the International Monetary Fund (IMF) estimated that the South African economy would grow 2.6% this year. Remember, the World Bank has predicted that the rest of sub-Saharan Africa will grow at 6% this year – more than twice as fast as South Africa.

This month, the IMF predicted India's economy will grow at 4.9% this year, rising to 6% next year, while the World Bank expects the Russian economy to achieve 3.5% in 2012, rising slightly to 3.6% in 2013. In September, Swiss banking group UBS predicted China's growth this year to be 7.5%, while Goldman Sachs forecast 7.6%; their respective predictions for next year are 7.8% and 7.9%. In Brazil, a survey of local economists by the Central Bank of Brazil released earlier this month revealed that they forecast economic growth of only 1.54% for this year, but rising to 4% next year. It should be noted that, confronted by slow growth this year, the Brazilian government announced major tax reforms in the energy sector, completely abolishing one tax (the fuel consumption account tax) and cutting another (the general reserve reversion tax) by 25%. These measures will come into effect in January and will reduce power tariffs for industry by between 19.7% and 28% and for homes by 16.2%.

Thus, compared with the rest of sub-Saharan Africa and Brazil, Russia, India and China, South Africa is a declining country. But, unlike many Western countries, South Africa is not undertaking any significant reform programme to restore the country's competitiveness.

While other countries act, South Africa drifts. The country is in a crisis, but there has been an amazing lack of leadership. Now, President Jacob Zuma is a consummate politician. Recently, I saw

him in action with the 'masses' – as I am not a political journalist, this was a first for me – and he was impressive. Addressing local people in a big tent in a small town in the Karoo, he was far more relaxed than he appears on formal occasions, such as addressing Parliament or presiding at high-level conferences. As a result, he spoke much more fluently than when you see him on TV. He is not a great orator, but he knew how to connect with his audience and he had them eating out of his hand.

He was speaking in his role as head of State, not head of government, and his speech was properly national, not political, but still, he roused his audience. But South Africa needs him to act as head of government, as well. It needs him to take decisions and implement them.

The world is changing, yes, but at the moment South Africa is in danger of ending up on the losing side, failing to deliver either adequate growth or adequate reform. Already, as the ARMC delay and the growth figures show, South Africa is in danger of moving from being an engine for Africa to being a brake on Africa.

Edited by: Martin Zhuwakinyu

### South Africa: SA Targets Corruption, Overspending

25 October 2012/SouthAfrica.info (Johannesburg)/allafrica.com

The National Treasury is to introduce reforms aimed at developing a procurement system that prioritises value for money while strengthening the fight against corruption in South Africa.

The reforms, to be led by a Chief Procurement Officer in the National Treasury, are among several initiatives announced by Finance Minister Pravin Gordhan on Thursday to reign in South Africa's widening deficit and improve the impact of public spending in the country.

Presenting his Medium Term Budget Policy Statement in the National Assembly in Cape Town, Gordhan said the Treasury had completed the preparatory work needed to set up the position of Chief Procurement Officer, drawing on international best practice, and that key appointments would be announced shortly.

#### Additional anti-corruption measures

The Treasury also plans to introduce safeguards, such as reviews by the Auditor-General and the Parliamentary standing committee on public accounts, for tenders above a certain amount.

It also wants to assign authority and improve capacity within the Treasury to investigate the value for money associated with tenders, as well as to institute a series of detailed expenditure reviews to consider the outcomes that are achieved from the use of public finances.

There is also a plan to strengthen South Africa's anti-corruption system by providing additional resources to agencies such as the Office of the Public Protector, the Anti-Corruption Task Team and others, Gordhan told Parliament.

#### State spending

The government is expected to spend R1.06-trillion in the current financial year, rising to R1.1-trillion in 2013/14, R1.2-trillion in 2014/15 and R1.3-trillion in 2015/16.

Of the government's R1.1-trillion expenditure for 2012/13, the bulk will be spent on health and social protection (R246-billion) and education (R220-billion).



The biggest rises in spending between 2012/13 and 2015/16 are in employment and social security (9.1%) and local government and housing at nine percent.

The government has decided not to make any upward adjustment of the spending projection set out in the 2012 Budget, tabled in February, over the next two years - namely in 2013/14 and 2014/15.

In preparing their medium-term plans - for spending over the next three years - departments have been required to reprioritise spending away from underperforming programmes and identify savings within existing budgets.

Over the next three years, the real growth in compensation of state employees would average 1.3%, while capital payments would grow at 4.3%, according to the Treasury.

### Managing the public sector wage bill

Gordhan wants the government, in the coming years, to take a more deliberate approach to managing overall employment and wage trends across the public sector, including state-owned entities, in particular by curtailing unwarranted growth in personnel numbers.

The wage agreement reached this year between the government and public sector unions was higher than projected in Gordhan's 2012 Budget tabled in February, and will cost the R37.5-billion over the next three years.

This will absorb a large portion of the allocations the National Treasury had made available through reprioritisation.

To free up additional allocations, the National Treasury has also reprioritised R40-billion in funds, which, combined with drawdowns from the contingency reserve, will allow budget baselines to be revised without effecting an increase in government spending.

The funds will be shared between national, provincial and local government, to help pay for the higher cost in the public sector wage bill and to meet government priorities.

### South African gold miners sign pay deal

Friday, October 26, 2012/ by AFP

#### Union members accept new pay structure

Striking South African gold miners have signed a pay deal to end months of often violent labour unrest that has cost the economy at least \$1.2 billion (€900 million), the country's main mining union and mine owners said yesterday.

"The worst in the gold sector is over," National Union of Mineworkers spokesman Lesiba Seshoka said. "Members have accepted a new pay structure."

The Chamber of Mines' offer, coupled with a package already on the table, will see miners get a wage increase of between 11 and 20.8 per cent, depending on their role.

The violent work stoppages have halted production at numerous mines in the country's vital sector, with strikers spurred on by a wage increase of up to 22 per cent won by Lonmin platinum miners in August. The Lonmin strike left more than 50 people dead, in the worst spasm of violence to hit

South Africa since apartheid ended 18 years ago.

Gold mine owners welcomed yesterday's deal, although it is unclear how much resistance there will be to the deal among non-NUM miners. The agreement does not cover the platinum and coal sectors, but mine owners are starting to count the cost of what may prove to be the worst labour unrest in South Africa since the 1980s.

The Government estimates illegal strikes have cost the economy at least 10 billion rand (\$1.2 billion, €900 million) already this year.

Finance Minister Pravin Gordhan told Parliament yesterday the damage caused by production interruption resulted in revised growth forecast, down from 2.7 per cent last year to 2.5 per cent.

The deal is also good news for the National Union of Mineworkers, which was left red faced last week when miners rejected a deal brokered by their leadership.

Several gold mining firms had resorted to mass dismissals of striking workers in an attempt to force them to return to work.

That gambit appears to be paying off, but tensions remain.

AngloGold Ashanti has threatened 12,000 workers could lose their jobs after failing to meet a deadline to return to work.

Gold Fields has sacked as many as 10,000, but many workers have appealed the dismissal.

"It is probable the worst part of the industrial action should be over," said Dave Mohr, a chief economist at financial firm Citadel.

"The only risk is that it might raise expectation in other industries that serial industrial action can get these kinds of wage increases," he said.

TANZANIA :

### **Tanzania: Education Should Be First Priority - Former Leader**

By John Kulekana/Tanzania Daily News (Dar es Salaam)/26 October 2012

FORMER Prime Minister Edward Lowassa at one time told a public rally at a village in Mwanza Region, that the Fourth Phase Government under President Jakaya Kikwete had three priorities.

Listing the priorities, Mr Lowassa said the first one was education. He went on to say that the second, education and the third one was education as well.

Mr Lowassa's remarks some five years ago reflects the importance that the government in Tanzania has consistently given priority to education since the country's independence in 1961.

At independence the Father of the Nation, Mwalimu Julius Nyerere declared ignorance, along with poverty and disease, as the nation's major enemies. Presenting their views to the Constitutional Review Commission (CRC) at Milola and Nyengedi Villages in Lindi Rural District, the residents

expressed deep concern over poor conditions in primary and secondary schools in the country.

"We have many challenges in the education sector ranging from lack of teachers, textbooks to desks, classrooms and even latrines," said Mr Ali Bakari Maliwata, a resident of Milola B Ujamaa Village. He said pupils and students in primary and secondary schools were not learning properly due to lack of teachers. "Education is the right of every citizen in this country. This right should not be ignored or infringed," Mr Maliwata stressed.

Mr Ali Abdallah Kidole of Kilwa Masoko, on the other hand, said Swahili should be the medium of instruction at all levels of education.

"Our children want education but they fail to cope in secondary schools and universities because everything there is in English," he said. Education is treated as a strategic agent for transformation of the mindset and for the creation of a well educated nation, that is sufficiently equipped with the knowledge needed to competently and competitively solve development challenges facing the nation.

The International Covenant on Economic, Social and Cultural Rights (ICESCR) is among the core international human rights documents that guarantee the right to education. Education is recognised by various human rights instruments as a basic right for all people. Article 11 of the Constitution of the United Republic provides for the right to education.

It is provided under 11(2) that every person has the right to access education, and every citizen shall be free to pursue education in a field of his choice up to the highest level according to their merits and ability.

The government on its part shall make efforts to ensure that all persons are afforded equal and sufficient opportunity to pursue education and vocational training at all levels of schools and other institutions of learning.

Tanzanian education policies lack clear and well defined targets and are not thoroughly co-ordinated to produce desired outcomes. The policies seem to concentrate on quantity and not focused on quality, thus making it difficult to transform the community.

The government, however, deserves to be commended for its efforts in increasing the number of students at all levels of education - from pre-school to university. Tanzania has managed to build both new primary and secondary schools, although the quality of these facilities could still be improved.

However, the number of enrolment at all levels has posed many challenges including concerns about the quality of education, inequality in terms of gender and social status, lack of human resources and allocation of funds.

The quality of teaching in regions that are in the periphery, including those in the southern coastal regions of Lindi and Mtwara, are extremely poor due to substandard facilities. Access to secondary education in formal centres is restricted due to many factors, including poverty, lack of community sensitisation, school girl pregnancies and inadequate facilities and teachers.

These problems are not restricted to rural areas. In Dar es Salaam, for example, Saranga Primary School in Kinondoni municipality has only 10 classrooms and 17 teachers, who cater for more than 1,080 pupils.

Some classrooms hold more than 200 pupils which is well above the government's recommended limit of 45. The teacher to pupil ratio is 1:60 due to shortage of teachers. This means some pupils have to squat on the floor for up to eight hours per day in a crowded classroom, mostly for lack of desks.

Tanzania has also experienced rampant increase of dropouts and poor performance due to many factors including lack of sufficient facilities, especially desks, classrooms, latrines, dormitories and residential houses for teachers.

An official report on Mtwara shows that the region has 802 secondary school teachers out of the required 2,820, which represents a shortage of 71.4 per cent. A region with such a shortage of teachers will find it difficult to provide quality education for students.

Thousands of girls drop out of school along the way from primary school to higher learning institutions due to pregnancy. Despite the fact that net enrolment in secondary school is above the MKUKUTA level of 25 per cent, the gender parity index is very poor in many government secondary schools.

According to the LHRC's 2010 survey, a major hindrance to the ability of girls to access education is pregnancy. This problem is particularly serious in southern regions of Lindi, Mtwara and Ruvuma. This situation, according to the LHRC is also experienced in other countries including Kenya, Malawi, Australia and Uganda.

The Ministry of Education and Vocation Training in 2003, created a regulation of aiming at punishing people who make school girls pregnant or those who assist in making underage girls get married, but the situation has not helped much in reducing drop outs.

Much as the practice of expelling pregnant girls from schools is common in many parts of the world, some countries like Malawi, Australia and South Africa have developed policies of accepting parenting girls in schools.

KENYA :

#### **Kenya: Bensouda to Seek Court's Help**

By Judie Kaberia/ Capital FM (Nairobi)/25 October 2012

Nairobi — International Criminal Court (ICC) Prosecutor Fatou Bensouda has expressed optimism that the Kenyan government will supply her office with crucial information that it requires before the deadline of submitting evidence to the court in January next year.

Addressing a press conference after visiting Internally Displaced Persons in Nakuru, she revealed that she was given assurances that the information will be submitted on time during a meeting with President Mwai Kibaki and Prime Minister Raila Odinga.

"I conveyed concerns regarding delays in the government's response to a number of OTP (Office of the Prosecutor) requests related to our investigations. They assured me of their willingness to ensure timely and effective execution of the pending requests and instructed the Attorney General and the Cabinet Sub-Committee (on the ICC) to facilitate expeditious responses to my office's requests," she said.

Despite being sure she will get the information, she said she may be forced to file an application before judges if Kenya fails to cooperate by releasing information required by investigators.

Bensouda made it clear that the information was critical in delivering justice to the victims and also giving the accused persons a fair trial.

In regard to a possible presidential runoff, Bensouda said the court can only agree to change the trial dates depending on whether any of the accused - two of whom are interested in the top seat - make an application.

"It will depend on the merits of the request like any other applications by parties and judges will always ask for the other parties to comment on that," she said.

Kenya's Deputy Prime Minister Uhuru Kenyatta and Eldoret North MP William Ruto who are seeking the presidency are among four suspects facing trial at The Hague.

The two others are former Civil Service chief Francis Muthaura and journalist Joshua arap Sang.

In her meeting with Chief Justice Willy Mutunga on Wednesday, Bensouda was informed that a committee was already working on a special division of the High Court to deal with lower and middle level perpetrators.

Apart from that, she was also able to raise concerns over intimidation and threats to victims and witnesses which the government pledged to deal with to ensure their safety.

Earlier on Thursday, Bensouda assured IDPs in Nakuru that their concerns, including discrediting witnesses lined up at the trial, will be passed over to the judges hearing the Kenyan cases.

The ICC Prosecutor is on Friday expected to tour Kiambaa in Eldoret where people were burnt alive in a church during the 2008 post election violence before winding up her five-day visit to Kenya.

### **Kenya: Cabinet Fully Backs March 4 Poll Date**

By Lordrick Mayabi/Capital FM (Nairobi)/25 October 2012

Nairobi — The Cabinet has firmed up its stand to support March 4, 2013 as the date for the country's next General Election.

A brief from the Presidential Press Service (PPS) said that the government has facilitated the delivery of Biometric Voter Registration kits for use in the listing exercise scheduled for next month.

"Cabinet has today re-affirmed its position in support of the holding of General Elections on 4th March 2013," the brief indicated.

The Cabinet's resolve came hours after the government signed letters of credit for the payment of the remaining balance of Sh3.8 billion to acquire the BVR kits.

The assurance also comes a day after the Independent Electoral and Boundaries Commission (IEBC) warned that the March 4 General Election would be hampered if the Biometric Voter Registration kits are not delivered to the country by Tuesday next week.

IEBC chairman Isaack Hassan made it clear that they expected to have all the kits delivered in the country by November 5 to facilitate the voter registration exercise.

The Cabinet which met at State House, Nairobi under the chairmanship of President Mwai Kibaki also issued a strong reminder to all young people to immediately register for Identity Cards so that they receive them on time.

The government's top decision making organ warned all vetting committees, registration clerks and chiefs to desist from asking for any money because the government has gazetted the free issuance and replacement IDs.

"Anyone charging the illegal fees for the acquisition of IDs will be dealt with accordingly," the brief from PPS said.

The Cabinet further re-assured chiefs across the country that their jobs are secure and that they should work without any fear of job losses, explaining that necessary legislation would be brought to secure their employment.

The Cabinet also discussed the 2012 Budget Review and Outlook Paper which reviews the performance of the budget and how the government performed in the previous financial year.

"This is in line with the Constitution and Public Finance Management Act 2012. The paper will provide the overall framework for revenue, expenditure and taxes and the allocation of funds for various sectors in the next budget." read the Cabinet brief.

The Budget Review Paper is supposed to be tabled in Parliament not later than seven days after Cabinet approval.

At Thursday's meeting, the Cabinet also passed the National Policy for the Prevention of Internal Displacement, Protection and Assistance of Internally Displaced Persons in Kenya.

The policy provides a framework that will enable the country to prevent, manage and mitigate against internal displacement for whatever reasons ranging from conflict, other forms of violence, natural disasters, development projects or any other cause.

### **Kenya: National Exam Body Warns Cheats of Hefty Penalties**

By Simon Ndonga/Capital FM (Nairobi)/25 October 2012

Nairobi — The Kenya National Examination Council (KNEC) has vowed to enforce a new law that imposes a 10 year jail term or Sh2 million fine on exam cheats.

KNEC Chief Executive Officer Paul Wasanga said the KNEC Act 2012, which was recently signed by the president has given them powers to crack down on students who cheat as well as fraudsters who con students and parents that they can supply examination papers.

"Nairobi is the biggest place where we have a lot of fraudsters who extort money from candidates and parents with the pretence that they are going to supply them with examination papers," he said.

Under the new laws, teachers, school workers or any individual found aiding students to cheat in the examinations will not be spared either.

"We know that some of the candidates in some private schools in certain regions like Mombasa have collected money with the sole intention of cheating in the examinations and in fact they have coined a colloquial word 'Gomba,' to mean examination leakage," Wasanga said. "We are aware of that and they are being tracked."

Wasanga revealed that tight security measures have been put in place in schools countrywide, including areas which experienced ethnic violence like Tana River to ensure examinations are not disrupted.

KCSE and KCPE candidates displaced from Tana River due to violence have also been urged to report to any school where they will be allowed to sit for the examinations.

Students sitting the KCSE exams are due to commence their written papers on Friday.

The Kenya National Examinations Council further stated that any KCPE candidate who was displaced should report to any school to be registered for the exams set to begin on December 4 this year.

Wasanga said any such individual should report to their respective District Education Officers who will facilitate their transportation to an examination centre.

He indicated that no candidate will be allowed to miss sitting their examinations due to circumstances beyond their reach.

"Candidates also need to have a bit of initiative because if they are taking the examinations, by now they should be knowing whether they are tasking them or not and take the initiative to use that window," he said.

He observed that those who may not have been registered as a result of their school head's actions should also use the opportunity.

"I want to assure all the candidates that all measures have been put in place so that they are able to take the examinations in a conducive environment. We have also given a window to those may not have been registered by headmasters who used their money. If they appear, we will be able to see if they can be offered an examination and follow these principals," he stated.

### **Kenya: Milk Deal Turning Sour for Gor FC**

By Francis Wadegu/The Star (Nairobi)/ 25 October 2012

Gor Mahia'S technical bench led by coach Zdravko Logarusic (R) and Bobby Ogolla ( 2nd R ).

Money matters are proving to be an unwelcome distraction to Kenya Premier League title contenders Gor Mahia ahead of arguably the most decisive fixture for them in their quest to end their 17-year league drought.

A visibly disappointed coach Zdravko Logarusic blamed the club's sponsors Brookside Dairy for failing to meet their contractual obligations. He said the company had not only paid the players their salaries but has also shown little commitment to the team as they pursue the coveted trophy.

"I am deeply disappointed with the sponsors. They have shown an element of unprofessionalism

that we did not anticipate and expect at this crucial moment for us," lamented Logarusic.

It has emerged that Gor Mahia players did not receive their September salary from the sponsors, forcing club chairman Ambrose Rachier to chip in and deliver the payments from his own resources.

"I can't understand if the sponsors are doing this on purpose or what. May be they are not familiar with issues of football, but for me, I think the club is big and need to get on board serious sponsors," added Logarusic, who sees his stay at the club being jeopardised by the non-supportive sponsor.

The coach, who was accompanied by the club secretary general George Bwana, pointed out the glaring absence of Brookside Dairy in the aftermath of their Top Eight triumph over Ulinzi Stars as a sign that Tuzo was not committed to the welfare of the team or didn't appreciate their success.

"Our win ensures Tuzo are given a massive exposure through all media but they have not come to even commend the players for their success. We are worried about their indifference," he opined.

Gor skipper Jerim Onyango appreciated his team-mates were facing hard time but said they are fully focused on the job at hand.

He said they are very much committed to winning the league this year, starting with this Sunday's match against Tusker.

"Money issues come and go and in as much as we are disappointed, we want to win the league and play well because our performance on the pitch might open up greater opportunities for us as players," he said.

Onyango said they are in a must-win situation against Tusker and are not even contemplating losing because a five-point gap will be too much to overcome in two matches, should the brewers beat them.

"We do not expect Tusker to drop any points now and therefore, we are the ones who must beat them and erase the two point lead they enjoy," stated Jerim. The contract between Brookside through their Tuzo brand and Gor Mahia ends in April next year.

### **Kenya: Energy Ministry to Hike Exploration License Fees**

By Victoria Rubadiri/Capital FM (Nairobi)/25 October 2012

Nairobi — Firms seeking to prospect for oil, gas and other mineral resources in the country will have to part with more in license fees once the Ministry of Energy finalises new energy laws.

The Commissioner for Petroleum in the ministry Martin Heya said the newfound interest Kenya's energy sector has gained with the discovery of oil in Turkana and natural gas in the offshore area around Malindi, boosts the country's potential in exploration.

"We are reviewing the energy policy and the enabling Acts, like the Energy Act, Petroleum and Exploration Act and Geothermal Act to align them to the new Constitution," he said.

The government has 10 to 20 percent participation interest in the Production Sharing Contract (PSC) with exploration firms.



Currently the one-off payment signature bonus is \$300,000 per block, which will be reviewed upward along with surface fees that range from \$5, \$10 and \$15 per square kilometre per annum depending on the period of exploration.

"Initially the interest was very low so we had an open door policy on licenses. We could not attract the kind of companies with technical, financial and professional capabilities to look for oil in a serious manner," Heya said.

Now that Kenya's geological risk has reduced with the new resource finds, the ministry will soon require exploration firms to compete for blocks.

Kenya currently has 46 blocks, 45 of which are licensed, while one is under the National Oil Corporation of Kenya.

These blocks exist on four sedimentary basins in the country including Lamu, Mandera, Anza and Tertiary Rift that cumulatively cover 485,000 km<sup>2</sup>.

The East African region as a whole has 500 wells drilled so far, however this is well below the 20,000 drilled wells in West Africa, presenting a major opportunity for explorers in the region.

The petroleum reserves discovered in the East African region (excluding Sudan) are currently estimated to be in excess of two billion barrels of oil in place and four Tcf (trillion cubic feet) of natural gas.

ANGOLA :

**Angola: Namibia Defends Joint Programmes to Fight Bovine Illnesses**  
25 October 2012/AngolaPress

Ondjiva — The National Director of Veterinary Services of Namibia, Albertina Shilumbo, on Thursday here defended the harmonization of the preventing programmes of fight to fever and contagious peripneumonia of bovines on the border between Angola and Namibia, Angop has learnt.

The official said so in the fringes of the opening of the meeting that gathered veterinarians of Angola and Namibia, for co-ordination of prophylactic programmes of fever and contagious peripneumonia of bovines.

She said Namibia has been working with Angolan staff, considered as the greatest partners for the eradication of bovine illnesses and in statement of free zones of the foot and mouth fever, in the North of Namibia and South of Angola, with highlight to Cunene province.

"The participation of Angola is very important for the development of this project, reason why the harmonization of these programmes are necessary due to the cross border illnesses, that hit the cattle and hinder the development of the sector of both countries", she said.

AU/AFRICA :

**Sudan: Communique of the AU Peace and Security Council Meeting On the Situation Between Sudan & S. Sudan**

25 October 2012/SudanTribune

document

Communique of the 339th Peace and Security Council meeting on the situation between Sudan and South Sudan

The Peace and Security Council of the African Union (AU), at its 339th meeting held on 24 October 2012, adopted the following decision on the situation between Sudan and South Sudan:

Council,

1. Takes note of the Interim Report of the African Union High-Level Implementation Panel on Sudan (AUHIP) on the Matters Detailed in the 24 April 2012 Communiqué of the Peace and Security Council [PSC/MIN/2(CCCXXXIX)], which includes recommendations for the resolution of the outstanding issues outlined in the Roadmap contained in the communiqué of 24 April 2012 [PSC/MIN/COMM/3.(CCCXIX)], as introduced by the Commissioner for Peace and Security and the Chairperson of the AUHIP. Council further takes note of the statements made by the Ministers of Foreign Affairs of the Republic of Sudan and the Republic of South Sudan, as well as by Ethiopia, as Chair of the Inter-Governmental Authority on Development (IGAD), the United Nations and other bilateral and multilateral partners;
2. Recalls communiqués PSC/MIN/COMM/3.(CCCXIX) and PSC/AHG/COMM.2(CCCXXVII), adopted at its 319th and 327th meetings held on 29 April and 14 July 2012, respectively, as well as the communiqué adopted at its 329th meeting, held on 3 August 2012, which, among others, extended the timeframe for the resolution of all issues to 22 September 2012 [PSC/PR/COMM.(CCCXXIX)];
3. Commends the AUHIP and its members, namely former Presidents Thabo Mbeki, Abdulsalami Abubakar and Pierre Buyoya, as well as the Panel Support Team, for their tireless efforts to assist the Parties to resolve their differences, finalize their negotiations on all outstanding issues in their post-secession relations, and establish cooperative and mutually supportive relations. Council further commends the Chair of IGAD for his continued positive and supportive role to the work of the AUHIP and to both Parties;
4. Recalls resolution 2046 (2012) adopted by the United Nations Security Council (UNSC) on 2 May 2012, which endorses the Roadmap, and reiterates, once again, the AU's appreciation to the UN, including its Special Envoy and the United Nations Interim Security Force for Abyei (UNISFA), as well as other bilateral and multilateral partners, for their unwavering support to the AU-led efforts;
5. Commends the Governments of the Republic of Sudan and the Republic of South Sudan for the agreements reached on 27 September 2012, namely the Agreement on Security Arrangements, the Framework Agreement on the Status of Nationals of the Other State, the Agreement on Border Issues, the Agreement on Trade and Trade-related Issues, the Agreement on a Framework for Cooperation on Central Banking Issues, the Framework Agreement to Facilitate Payment of Post-service Benefits, the Agreement on Certain Economic Matters, Division of Assets and Liabilities, Arrears and Claims and Joint Approach to the International Community, the Agreement Concerning

Oil and Related economic Matters, and the overall Cooperation Agreement. In this regard, Council commends President Omar Hassan el Bashir and President Salva Kiir Mayardit, for the courage and statesmanship they have shown in reaching these landmark Agreements in the face of difficult circumstances. Council recognizes that these Agreements represent a major achievement for the people of Sudan and South Sudan, as well as for the African continent as a whole to resolve its own problems;

6. Welcomes the ratification of the 27 September 2012 Agreements by the two countries and encourages them to ensure the effective and timely implementation of the Agreements signed, as well as other Agreements reached with the facilitation of the AUHIP;

7. Notes with regret, nonetheless, that despite these major achievements, certain key issues included in the Roadmap remain unresolved between the two States, namely the Final Status of the Abyei Area and the resolution of Disputed and Claimed Border Areas;

8. Commends the AUHIP for the efforts exerted towards the resolution of the Final Status of the Abyei Area. In this respect, Council accepts the proposal submitted by the AUHIP on 21 September 2012, as representing a fair, equitable and workable solution to the dispute between the two countries, which takes into account existing Agreements entered into by the Parties, as well as the needs and interests of the communities on the ground. Council welcomes the acceptance of this proposal by the Republic of South Sudan, and notes the position of the Republic of Sudan;

9. Requests the Parties to engage each other, with the facilitation of the AUHIP, on the basis of the AUHIP's Proposal on the Final Status of Abyei Area of 21 September 2012, seeking to reach consensus on the Final Status of the Abyei Area, within a period of six weeks from the date of the adoption of this communiqué. Council further requests the AUHIP to report to it on the results of this engagement, immediately upon the expiration of the six-week period mentioned above;

10. Decides that, in the event that the Parties fail to reach agreement on the Final Status of the Abyei Area within the six-week period mentioned above, Council will endorse the 21 September 2012 Proposal as final and binding, and would seek the endorsement by the UN Security Council of the same;

11. Calls on the Parties immediately to implement, in its entirety, the Agreement on Temporary Arrangements for the Administration and Security of the Abyei Area, by ensuring the establishment of the Abyei Area Administration and the Abyei Area Council, pending the resolution of the Final Status of the Abyei Area. Council calls on the Abyei Joint Oversight Committee to assist in the establishment of the above bodies;

12. Further calls on the international community urgently to assist the Parties to effect the safe and dignified return of all displaced persons to Abyei and requests the Commission, in this regard, to convene an international conference bringing together relevant stakeholders and partners to coordinate assistance for the rehabilitation and reconstruction of Abyei, including addressing the economic needs of the nomadic population;

13. Calls on the Parties, under the facilitation of the AUHIP, to reach agreement, within two weeks, on the process for the negotiations for the resolution of the Five Disputed Areas they have already identified, as well as any other Claimed Border Areas. In this context, Council endorses the Draft Terms of Reference of the Team of Experts, and urges both Parties to accord the Team of Experts all the necessary cooperation in the conduct of its work, and further requests the AUHIP to submit to it a report on the outcome of these negotiations and the work of the Experts, including any recommendations as relevant;

14. Decides that, in the event that the Parties fail to reach agreement on the process for the resolution of the Five Disputed Areas as well as the Claimed Border Areas, the AUHIP will present a proposal to Council, which will then make a final and binding determination and seek the endorsement of the UN Security Council of the same;

15. Expresses profound regret that the Government of Sudan and the Sudan People's Liberation Movement-North (SPLM-North) have failed to convene direct negotiations, and calls on them immediately to do so no later than 10 November 2012, facilitated by the AUHIP with the support of the IGAD Chair, on the basis of the 28 June 2011 Framework Agreement Between the Government of Sudan and the Sudan People's Liberation Movement-North on Political Partnership between NCP and SPLMN, taking into account the Draft Agreement submitted to them by the AUHIP on 17 September 2012;

16. Recalls that communiqués PSC/MIN/COMM/3.(CCCXIX) and PSC/PR/COMM. (CCCXXIX) of its 319th and 329th meetings called on the Parties, immediately to implement the Joint Proposal for Access to Provide and Deliver Humanitarian Assistance to War-affected Civilians in South Kordofan and Blue Nile States. Council expresses its serious concern that, despite the signing by both Parties, on 4 and 5 August 2012, of the Memoranda of Understanding on the modalities for the delivery of humanitarian assistance to affected populations, there has to date been no orderly delivery of any humanitarian assistance in the SPLM-North held areas;

17. Reiterates its call to the Parties to permit and facilitate immediate humanitarian access to the affected populations of the Two Areas, in accordance with the Joint Proposal and the Memoranda of Understanding. To this end, Council urges the Parties to agree to an immediate cessation of hostilities as the first priority during their direct negotiations, as referred to in paragraph 15 above, in order to facilitate the urgent and long-overdue delivery of humanitarian assistance to the affected populations. Council commends the efforts of the Commission in this regard to deploy 12 humanitarian monitors to ensure that assessments and delivery of assistance is done in accordance with international humanitarian principles, and calls on the Government of Sudan and the SPLM-North immediately to facilitate the deployment of these monitors to affected areas to commence their work, together with those from the United Nations and the League of Arab States;

18. Recognizes the need for continued facilitation of dialogue between the Governments of Sudan and South Sudan to resolve the outstanding issues in their relations, namely the final status of the Abyei Area and the resolution of Disputed and Claimed Border Areas, as well as in the negotiations to end the conflict in the Two Areas and other matters requiring facilitation that may arise in the implementation process. Council decides, in this regard, to extend the mandate of the AUHIP until the next meeting of Council to be held at the level of Heads of State and Government. Council requests the Commission to engage in consultations with the AUHIP to agree on the way forward with regard to the other aspects of its original mandate, namely the implementation of the recommendations of the AU High-Level Panel on Darfur (AUPD), the promotion of the democratic transformation in Sudan and South Sudan, and the mobilization and coordination of support for these processes within the international community;

19. Decides that the AU High-Level Implementation Panel for Sudan shall henceforth be referred to as the AU High-Level Implementation Panel for Sudan and South Sudan;

20. Calls on the international community to provide the necessary political, economic and financial assistance to the Parties as they strive to implement the Agreements reached, especially those related to Transitional Financial Arrangements, as agreed to by the Parties. Council urges the international community to include, as part of such assistance, in particular, debt relief and the

lifting of sanctions;

21. Requests the AUHIP to submit a comprehensive narrative and analytical report, covering all matters falling within its mandate and scope of work since it was established in October 2009, to a meeting of Council to be convened at the level of Heads of State and Government, during the next meeting of the Ordinary Session of the Assembly of Heads of State and Government, in January 2013. Council further requests the Commission to take the necessary steps to support the implementation process of the Agreements reached and the work of the AUHIP and, to this effect, to upgrade its presence on the ground in both States. Council also requests the Commission to undertake a lessons-learned exercise of this AUHIP-led mediation process;

22. Decides to remain actively seized of the matter.

**In shift, Algeria accepts possible Mali intervention, sources say**

By Reuters/2012/10/25

Algeria, a key power in north Africa, has given tacit approval for African-led military intervention to stop Islamic militants in neighboring Mali, sources in Algeria and France said.

The former French colony shares a 1,200-mile border with Mali, and is wary of any outside interference and conflict spilling over its borders.

It fears military action in Mali could push al-Qaida militants back into southern Algeria as well as triggering a refugee and political crisis, especially among displaced Malian Tuaregs heading north to join tribes in Algeria.

Although Algiers would not be able to veto an operation, it would be diplomatically risky for African countries backed by Western powers to intervene in Mali without Algeria's consent, especially as the conflict could drag on for many months.

However, after weeks of diplomatic cajoling led by France, Algiers has now reluctantly agreed that foreign troops will be needed to eradicate the Islamist threat.

Algeria is Africa's biggest country and a top oil and gas exporter and has the largest military in Africa, and second-largest in the Middle East after Egypt.

It continues to rule out any direct support to the mission.

'The new Afghanistan'? West turns its attention to Mali

"At the end of the day, we won't oppose a military intervention in Mali as long as foreign troops are not stationed on our soil," said an Algerian source informed about discussions on Mali.

With six hostages held by the Islamists and fearful of an attack on home soil, France is eager for swift action.

"Algeria now accepts the principle of a military intervention, which wasn't the case before," a senior French diplomat said.

He said the change in position came after a high-level meeting in the Malian capital Bamako on Oct. 19 that brought regional and international players to the negotiating table.

A French defense ministry source said there was "tacit" agreement and that Paris did not expect more from Algiers.

Algeria has repeatedly advocated a diplomatic solution in Mali since Tuareg rebels and Islamists captured two thirds of the country after an army coup in Bamako in March. The Islamist militants, some linked to al-Qaida, later hijacked the revolt.

The Bamako meeting followed a French-drafted U.N. Security Council resolution urging Mali to engage in dialogue with Tuareg Islamist rebels Ansar Dine if they cut links with radical groups, a move that satisfied Algiers' calls for dialogue.

Paris had until now considered Ansar Dine among the al Qaida-linked groups and refused to negotiate with them.

The resolution also asked African states and the United Nations for a Mali military intervention plan within 45 days.

A second Algerian official said Algiers would do its best to find a diplomatic solution, but could also potentially support Malian troops by providing weapons for a future operation.

#### Terrorist dens

When a coup in March removed President Amadou Toumani Toure, it revealed a deep rot in a country once seen as a model of democracy for the region. Bamako had tried to run Mali's north through alliances with a local elite involved in criminality — rather than by tackling long-standing issues — and that accelerated the collapse as a power vacuum persisted.

Al-Qaida's north African wing, led by two Algerians, Mokhtar Belmokhtar and Abou Zeid, has extended its influence partly through loose alliances. Its partners include Ansar Dine, a group of Tuareg-led rebels seeking to impose sharia, and the Arab-dominated MUJWA, say both local and Western officials.

Money from criminal enterprises has enabled the Islamists to outgun rival rebel groups. "(The Islamists) can afford to pay people but we cannot," said Mohamed Attaher, a senior official with MNLA, a rebel group that kicked off an uprising in January but in June was pushed out of areas it controlled by MUJWA.

The United Nations has evidence that Islamists enlisting children in Mali's north are paying their families a one-off fee of about \$600 for each new young fighter, plus monthly payments of about \$400, according to Ivan Simonovic, the U.N.'s Assistant Secretary-General for Human Rights.

In Washington, U.S. Defense Secretary Leon Panetta voiced concern about the presence of AQIM in Mali, but stressed the need to work with countries in the region to address it.

"We need to work with the nations in the region. They all agree that we're facing the same threat there from AQIM," Panetta said, adding any future operations would have to be developed and executed "on a regional basis."

"And so our goal right now is to try to do everything we can to bring those countries together in a common effort to go after AQIM."

U.S. Secretary of State Hillary Clinton is expected to talk with Algerian officials about Mali when

she visits the country early next week.

Diplomats say any intervention in northern Mali is still some months away with a three-phased plan likely to consolidate the south first, followed by an operation to re-take northern cities and finally a mission to go after militants.

In anticipation, Algerian Prime Minister Abdelmalek Sellal told lawmakers extra troops had been sent to secure Algeria's borders.

"We won't allow any threat to harm our nation," he said. "Algeria wants to avoid having terrorist dens at its frontiers."

The change in Algeria's position comes amid an improvement in ties with France 50 years after it gained its independence.

In a symbolic gesture before a state visit to Algeria in December, President Francois Hollande acknowledged for the first time last week that Algerians were massacred at a 1961 pro-independence rally in Paris. Historians say more than 200 may have been killed in the police action.

Riccardo Fabiani, North Africa analyst at Eurasia Group, said there was still a clear red line for Algeria which was that it would not intervene or commit troops.

"They are adopting a sort of benevolent neutrality. The Algerians are going to stand by and watch. I can't see collaboration at any level other than intelligence sharing."

#### Algeria accepts last-resort Mali intervention: sources

By John Irish and Lamine Chikhi/Reuters/Thu Oct 25, 2012

#### PARIS/ALGIERS

(Reuters) - Algeria has given its tacit approval for an Africa-led military intervention in northern Mali to rout Islamist militants despite reservations the operation could spill over into its territory and neighboring countries, Algerian and French sources said.

Africa's biggest country and a top oil and gas exporter shares a 2,000 km (1,242 mile) border with Mali and sees itself as the major regional power, wary of any outside interference.

It fears military action in Mali could push al Qaeda militants back into southern Algeria as well as triggering a refugee and political crisis, especially among displaced Malian Tuaregs heading north to join tribes in Algeria.

Although Algiers would not be able to veto an operation, it would be diplomatically risky for African countries backed by Western powers to intervene in Mali without Algeria's consent, especially as the conflict could drag on for many months.

However, after weeks of diplomatic cajoling led by former colonial power France, Algiers has now reluctantly agreed that foreign troops will be needed to eradicate the Islamist threat. It continues to rule out any direct support to the mission.

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## TERRORIST DENS

In Washington, U.S. Defense Secretary Leon Panetta voiced concern about the presence of al Qaeda's North African arm, AQIM, in Mali, but stressed the need to work with countries in the region to address it.

"We need to work with the nations in the region. They all agree that we're facing the same threat there from AQIM," Panetta said, adding any future operations would have to be developed and executed "on a regional basis."

"And so our goal right now is to try to do everything we can to bring those countries together in a common effort to go after AQIM."

U.S. Secretary of State Hillary Clinton plans to visit Algeria early next week before a trip to the Balkans, and is expected to press her hosts on Mali.

"Mali is one of the subjects that the secretary does want to talk to Algerian officials about," State Department spokeswoman Victoria Nuland said. "So we look forward to continuing that discussion when we're there on Tuesday."

Diplomats say any intervention in northern Mali is still some months away with a three-phased plan likely to consolidate the south first, followed by an operation to re-take northern cities and finally a



mission to go after militants.

In anticipation, Algerian Prime Minister Abdelmalek Sellal told lawmakers extra troops had been sent to secure Algeria's borders.

"We won't allow any threat to harm our nation," he said. "Algeria wants to avoid having terrorist dens at its frontiers."

The change in Algeria's position comes amid an improvement in ties with France 50 years after it gained its independence.

In a symbolic gesture before a state visit to Algeria in December, President Francois Hollande acknowledged for the first time last week that Algerians were massacred at a 1961 pro-independence rally in Paris. Historians say more than 200 may have been killed in the police action.

Four French ministers, including the foreign and interior ministers, have traveled to Algiers in recent weeks to pave the way for the trip aimed at normalizing relations and ensuring the visit is not clouded by differences over the Mali crisis.

"This changes things considerably for Hollande's trip. We are no longer at risk of a discord over Mali," said a French diplomatic source. "It's no longer the idea of a bellicose France demanding intervention and the Algerians saying never."

Riccardo Fabiani, North Africa analyst at Eurasia Group, said there was still a clear red line for Algeria which was that it would not intervene or commit troops.

"They are adopting a sort of benevolent neutrality. The Algerians are going to stand by and watch. I can't see collaboration at any level other than intelligence sharing."

(Additional reporting by Phil Stewart in Washington; Writing by John Irish; Editing by Alistair Lyon and Mohammad Zargham)

### African Markets - Factors to watch on Oct 26

Fri Oct 26, 2012 /af.reuters.com

NAIROBI, Oct 26 - - The following company announcements, scheduled economic indicators, debt and currency market moves and political events may affect African markets on Friday.

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#### EVENTS:

- \* East African Oil and Gas Upstream summit

#### GLOBAL MARKETS

Asian shares declined on Friday as investors kept a wary eye on corporate earnings results under way, worried about the outlook for corporate performance as the region's exporters struggle against shrinking global demand.

#### WORLD OIL PRICES

Brent futures held steady above \$108 on Friday as investors awaited key data on the health of the

U.S. economy to gauge the demand growth outlook for oil, with additional support coming as Hurricane Sandy headed towards the U.S. East Coast.

#### AFRICA FOOD TRADE

Africa could avoid food shortages if it reduces the tangled web of rules, fees and high costs strangling regional food trade and by putting large swathes of uncultivated land to productive use, a World Bank report said on Wednesday.

#### AFRICA FX WEEKAHEAD

Zambia's kwacha, which slumped to a four-month low last week, is seen under strain in the coming week due to strong demand for dollars in the energy sector, while Uganda's shilling is expected to trade within a tight range ahead of the central bank's interest rate decision.

#### EMERGING MARKETS

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#### AFRICA STOCKS

For the latest news on African stocks, click on

#### AFRICA FIXED INCOME

For news on African fixed income, click on

#### SOUTH AFRICAN MARKETS

Stocks edged higher on Thursday as strike-battered mining companies such as Impala Platinum were lifted by higher commodity prices and signs some of the country's crippling mine stoppages may be coming to an end.

Rand firmed against the dollar on Thursday after Finance Minister Pravin Gordhan promised to keep a tight lid on spending despite having to widen his 2012 budget deficit forecast due to the worst mining strikes since apartheid.

#### NIGERIA OIL

Nigerian oil exports in December are expected reach the highest level since May, pointing to a swift recovery of production after floods knocked out a fifth of the output in the top African producer.

#### KENYA MARKETS

Kenyan shares hit a 20-month high on Thursday, propelled by gains in blue chip firms that investors bet will post strong third quarter

results. The shilling finished the day unchanged against the dollar.

#### KENYA T-BILLS

The yield on Kenya's benchmark 91-day Treasury bills rose to 9.945 percent at an under-subscribed auction on Thursday from 9.437 percent last week, the central bank said.

#### KCB 9-MONTH PROFIT

Rising interest income buoyed Kenya Commercial Bank (KCB), the country's largest bank by assets, which posted a 43 percent jump in earnings in the first nine-months of the year.

#### KENYA OIL

\* Kenya will revamp its tax rules to benefit more from profits earned by foreign oil and gas exploration, Permanent Secretary of Energy Patrick Nyoike said on Thursday.

\* Kenya said it plans to switch to bidding rounds to license its oil exploration blocks, moving away from one-on-one negotiations with firms, as interest in east Africa's largest economy increases following a recent oil discovery.

#### TANZANIA SECURITY

The "spice island" of Zanzibar would seem to have little in common with Somalia, torn by Islamist rebellion, and with Kenya, where a storm is brewing over demands for the touristic coastal strip to secede.

#### TANZANIA OIL

Tanzania and its semi-autonomous islands of Zanzibar have agreed on the sharing of any future hydrocarbon revenues, ending a standoff which delayed exploration projects, a Zanzibar minister said on Thursday.

#### TANZANIA T-BILLS

The weighted average yield on Tanzania's 91-day Treasury bills fell to 11.98 percent at auction this week, from 12.59 percent at the last sale two weeks ago, the central bank said on Thursday.

#### UGANDA TELECOMS

A crackdown in Uganda on counterfeit mobile phones because of safety issues will not slow subscriber growth in the country, where mobile phone use jumped to 60 percent this year.

#### UGANDA/U.N. STANDOFF

Uganda will reassess its military and peacekeeping operations in regional hotspots, a government minister said on Thursday, after the United Nations accused it and neighbouring Rwanda of backing Congolese rebels.

#### GHANA T-BOND

The Bank of Ghana has accepted 1.4 billion cedis (\$747 million) in bids for its three-year bonds, with an average yield of 21 percent, Ghana's finance minister said on Thursday.

#### IVORY COAST BUDGET

The European Union granted Ivory Coast 115 million euros (\$149.04 million) in budget support on Thursday, aiming to help the West African nation back on its feet following a decade of political crisis that ended in a brief war last year.

#### MAURITIUS T-BILLS

The weighted yield on Mauritius' 91-day Treasury bills fell to 2.97 percent at auction on Thursday from 3.10 percent at a previous sale in September, the central bank said .

#### ZAMBIA INFLATION

Zambia's inflation quickened to 6.8 percent year-on-year in October from 6.6 percent in September, the Central Statistical Office said on Thursday.

#### MOZAMBIQUE COAL

Brazilian mining company Vale SA plans to sell underperforming assets to control costs and boost profit, executives said on Thursday, a day after reporting weak earnings and halting work on a giant iron ore mine in the West African nation of Guinea.

#### ZIMBABWE ECONET

Zimbabwe's largest mobile phone operator, Econet Wireless , reported a 4.5 percent rise in half-year earnings on Thursday, mainly driven by subscriber growth.

For the latest precious metals report click on

For the latest base metals report click on

For the latest crude oil report click on

## African Union Peace and Security Council discuss Mali

Xinhua/26102012

Africa is faced with complex and worrying developments in northern Mali, the Sahel region and the east of the Democratic Republic of Congo.

ADDIS ABABA (Xinhua) -- The Peace and Security Council (PSC) of the African Union (AU) on Wednesday opened a ministerial meeting on issues between Sudan and South Sudan and the crisis in Mali in the Ethiopian capital Addis Ababa.

The meeting was set to hear the interim report of the AU High Level Implementation Panel on Sudan (AUHIP) and the report of the chairperson of the commission on the situation in Mali.

Speaking at the opening of the meeting, Nkosazana Dlamini Zuma, chairperson of the AU Commission, noted that the session was held against the background of a mixed peace and security landscape on the continent.

The chairperson hailed remarkable achievements made in Somalia, between Sudan and South Sudan and in a number of countries emerging from conflicts.

Meanwhile, she noted that Africa is faced with complex and worrying developments in northern Mali, the Sahel region and the east of the Democratic Republic of Congo.

The situation in those parts of the continent needs renewed and robust efforts, Zuma said, reiterating the AU's commitment to address the issues and achieve a goal of conflict-free Africa.

Lauding Sudan and South Sudan for reaching agreement over conflicts, the chairperson encouraged the two sides to stay the course as the implementation phase creates confidence.

"I assure them that the AU will stand by them shoulder-to-shoulder in this process," she said.

Final status of Abyei, disputed border areas and the conflict in the Southern Kordofan and Blue Nile States of Sudan are the three outstanding matters to be tackled between the two countries.

"The establishment of sustainable and cooperative relations between Sudan and South Sudan requires the final delineation of their common border, a decision on the future status of Abyei Area, as well as the peaceful resolution of internal conflicts within each state," said Zuma.

Regarding the crisis in Mali, the chairperson said it is a serious threat to peace and security of Africa.

She stressed that the recent high-level meeting in the Malian capital Bamako welcomed the Draft Strategic Concept for a resolution, which was developed by the AU Commission in consultation with the Malian authorities, the West African bloc ECOWAS, the United Nations, the European Union and other stakeholders.

"As part of the approach contained in the Strategic Concept and in line with relevant decisions of this Council and the UN Security Council, we are working with the Malian authorities, ECOWAS, the UN, the EU and other partners to finalize the joint planning for early deployment of an African-led international force to help Mali recover the occupied territories in the North," said the chairperson.

“At same time, we will leave the door of dialogue open to those Malians willing to negotiate on the basis of a clear commitment to the respect of Mali’s unity, territorial integrity and rejection of links with terrorists and criminal groups,” she added.

Zuma called for Africa’s utmost solidarity with Mali, which has scrambled with the crisis since the March 22 coup and rebels took advantage of the coup to control the north of the West African country in April.

“We have to provide this country with whatever means at our disposal to help it restore in earnest State authority over the northern part of the country. We have to do everything in our power to consolidate Malian leadership and ownership of the ongoing efforts,” she said

UN /AFRICA :

US/AFRICA :

CANADA/AFRICA :

AUSTRALIA/AFRICA :

#### **BHP casts doubt on new iron ore basin in West Africa**

by: Alex MacDonald/From: Dow Jones Newswires/theaustralian.com.au/ October 26, 2012

BHP Billiton cast doubt on the future of a new iron-ore basin in West Africa, saying that Brazil and Australia have enough iron-ore resources on their own to satisfy global demand growth for the key steelmaking raw ingredient.

Many mining companies and steelmakers flocked to West Africa over the last decade to develop new iron-ore projects in order to satisfy robust demand from China, the world's largest steelmaker, as it continued to undergo fast-paced urbanisation and industrialisation.

Mining companies are now taking a more conservative approach to their capital expenditure plans in light of concerns about the health of the global economy.

The world's top three iron-ore producers, Brazil's Vale and Anglo-Australian mining companies Rio Tinto and BHP Billiton, were once keen to develop projects in West Africa, particularly in Guinea, but only Rio Tinto is still in the process of developing its project.

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Vale, the world's largest producer, decided Wednesday to put its Zogota iron-ore project in Guinea on hold due in part to an uncertain regulatory environment in the African country and said it would focus on its projects closer to home. BHP also is reviewing its plans for its Mount Nimba project in Guinea, a BHP spokesman said.

"On West Africa in general, we have for years and years been of the [view] that Brazil and Australia combined can substantially supply the additional incremental" iron-ore demand growth, said BHP Billiton chief executive Marius Kloppers on the sidelines of the company's annual general shareholders' meeting.

"We believe the production in Brazil and in Australia will be sufficient to meet demand, and there is increasing consensus, and a recognition by investors and the market, that this is indeed the case," he said.

"You've progressively seen the other companies come to a conclusion that is closer to our position than to the position that they occupied a couple of years ago," he added.

Vale said Wednesday it decided to put its Zogota iron-ore project in Simandou, Guinea, on hold until it has more clarity about royalties and the government's stake in the project, among other things. Chief Financial Officer Luciano Siani said that the time required to resolve the regulatory questions surrounding the project fits with Vale's current strategy, allowing the company to focus on projects closer to home and keep Simandou as a future growth option.

Zogota, which is already fully licensed by the Guinean government, was on track to produce two million tons of iron ore from 2012, eventually rising to 15 million tonnes a year, at a cost of \$US1.26 billion.

Rio Tinto, the world's second-largest iron-ore producer, is still developing its Simandou project in conjunction with Aluminum Corp of China, or Chalco. The company plans to start producing iron ore from the project by mid-2015 and increase iron-ore output to 95 million metric tonnes a year in the future at a total cost of more than \$10 billion. It has invested around \$US1.5 billion to develop the project to date, according to its website.

### **BHP questions West Africa's iron ore ambitions**

Fri Oct 26, 2012/By Clara Ferreira-Marques/Reuters

LONDON (Reuters) - BHP Billiton, the world's largest miner, cast doubt on the fate of dozens of West African iron ore projects on Thursday, arguing Australia and Brazil alone can feed global demand for the steelmaking ingredient.

The remarks come hot on the heels of a decision on Wednesday by Brazil's Vale, the world's top iron ore miner, to put on hold plans for its \$5 billion Simandou project in Guinea, a move analysts have blamed on weaker iron ore prices and an uncertain political situation in the country.

Though not unexpected given its focus on the \$19.5 billion Serra Sul project in Brazil and the slow pace of development in Guinea, Vale's decision is a blow for Conakry and for a broader West African region battling to break in to the iron ore market.

"We believe the production in Brazil and in Australia will be sufficient to meet demand and there is increasing consensus, and a recognition by investors and the market, that this is indeed the case," BHP Chief Executive Marius Kloppers told reporters on the sidelines of a shareholder meeting.

"Progressively, you have seen other companies come to a conclusion that is closer to our position."

BHP, whose own iron ore production is concentrated in Australia's Pilbara region, told Guinea in July that it planned to pull out of its Mount Nimba project there.

Vale itself, battling weaker profit, said on Thursday there were simply too many uncertainties in Guinea and it was reviewing its slice of Simandou, thought to be one of the world's biggest untapped iron ore deposits.

It took a stake in 2010, for \$2.5 billion, entering a partnership with BSG Resources, a group controlled by diamond magnate Beny Steinmetz.

So far, Vale has paid only \$500 million. Industry analysts estimate the project could cost more than \$10 billion to develop.

A spokesman for the Guinea government said Conakry had yet to be officially informed about Vale's decision, and said no comment or decision would be made until then.

Vale warned earlier this year that it needed clarity on political issues and compromise to push ahead.

The whole of the Simandou concession initially belonged to Rio Tinto, but in 2008 the Guinean government sold half of the concession to BSGR, arguing Rio had taken too long to develop the deposit, though many analysts questioned the group's ability to develop the asset without a partner.

Rio Tinto declined to comment on Thursday and BSG Resources was not immediately available for comment.

Rio has said it remained committed to its deadline for its Simandou blocks - first shipment in 2015 - though timing is also dependent on the government's approvals and its funding.

## POLITICAL RISK

Analysts questioned the timing of Vale's decision but said the move itself was not unexpected, given lower prices, demand for tighter capital allocation from investors, the lack of clarity over Guinean contract reviews and what many say is pressure from the Brazilian government to prioritise domestic projects.

Guinea relies on mineral extraction for 70 percent of its exports but has dragged its heels on the review.

The Vale BSG project is among those under the microscope. Adding to the plight of the project, an attack by local villagers in July at the Zogota mine, which taps the Simandou deposit, killed at least five people, left behind millions of dollars of damage and prompted Vale to evacuate staff.

"The social unrest at Zogota last month may have expedited Vale's decision. But ultimately it is the project's high up-front costs combined with slow and unpredictable decision making processes on the Guinean government's side that have driven this move," analyst Alexandra Reza at Africa Practice said.

Reza emphasised the tough position for BSGR, left without the partner expected to weigh in with



technical expertise.

"This deposit in Africa (Simandou) is one of the last great, quality iron ore deposits, similar to (Vale's) Carajas in terms of purity," analyst Pedro Galdi at Sao Paulo-based brokerage SLW. "However, there are very significant geopolitical risks, which are prompting Vale to rethink its involvement."

West African projects like Simandou, Belinga in Gabon or Mbalam on the border between Congo and Cameroon, have huge potential, but most face political uncertainty and significant infrastructure hurdles.

EU/AFRICA :

### Anglo's Carroll Quits as First Woman CEO as Miner Lags

By Thomas Biesheuvel and Renee Bonorchis /bloomberg.com/Oct 26, 2012

Anglo American Plc (AAL) Chief Executive Officer Cynthia Carroll, the first woman, external hire and non-South African to run the company, will quit after it lost almost a quarter of its value during her five-year tenure.

Carroll, 55, born in Princeton, New Jersey, will remain in her post until a successor has been appointed, London-based Anglo said today in a statement. Carroll will also step down as chairman of Anglo American Platinum Ltd. (AMS) and De Beers. Anglo's biggest shareholder called for Carroll's swift replacement.

"It's about how quickly the board gets an appropriate replacement to drive shareholder value," said Dan Matjila, chief investment officer of the Pretoria, South Africa-based Public Investment Corp. "Anglo's performance has been poor."

Anglo declined to a three-year low in September as the CEO, appointed in 2007, struggled with cost overruns at the Minas-Rio iron-ore project in Brazil and a legal battle with Codelco in Chile, while its platinum mines missed targets. The company has slumped 22 percent in London trade during 2012, while Rio Tinto Group gained 0.8 percent and BHP Billiton Ltd. (BHP) rose 6.3 percent.

"Anglo missed opportunities in Africa and invested in poorly performing companies," said Matjila. "The performance was more about poor decision making than it was about tough markets." The PIC holds 5.58 percent of Anglo, data compiled by Bloomberg show. Anglo advanced as much as 3.1 percent in London after the announcement and was at 1,904 pence at 8:21 a.m.

Carroll, one of only four female CEOs among companies making up the FTSE 100 Index (UKX), shook up the hierarchy at Anglo within weeks of her appointment, eliminating a layer of three business-unit chairmen that stood between her and managers running operations. In the next two years, she also replaced 12 of the 13 senior executives reporting directly to the CEO.

Job Cuts

In 2009, the holder of bachelor's and master's degrees in geology began an efficiency drive the company says created \$3.2 billion in value, partly by consolidating purchasing operations and tailoring products more closely to clients' needs. Carroll, ranked the world's fourth most-powerful woman by Forbes magazine that year, also reduced costs by cutting 26,000 jobs.

She reorganized Anglo around the mining of seven core metals and minerals: iron ore, metallurgical coal, thermal coal, copper, nickel, platinum and diamonds, with a plan of putting Anglo in a position to double output across these areas by 2020.

Her goals shook up operations, and Anglo lost almost a quarter of its value between March 1, 2007, when Carroll started, and Oct. 23, 2012, compared with a 16 percent jump in the Bloomberg World Mining Index. (BWMING)

Ernest Oppenheimer

The shakeup also extended the company's long-standing aim of returning to roots it lost when currency controls during apartheid forced it to diversify beyond mining.

Ernest Oppenheimer, son of a German-Jewish cigar merchant, founded Anglo in 1917 to mine gold in South Africa's East Rand, near Johannesburg. The country's isolation during the apartheid era and currency controls forced it to invest mostly within South Africa and become a conglomerate with divisions in a dozen fields, from brewing to banking. Following apartheid's 1994 collapse, it began selling non-mining assets.

In 1998, Anglo also began spinning off gold mining and buying more assets outside South Africa, acquiring mines in South America and Australia. It moved headquarters and its primary stock listing to London in 1999 to attract global investors.

Carroll's championing of four international mega projects including Chile's Los Bronces, one of the world's richest copper mines, represented a wager in excess of \$1 billion each on the global importance of emerging markets such as China and India.

Brazilian Costs

At the same time, the Los Bronces and Brazilian Minas-Rio mines are among Anglo's toughest challenges. Los Bronces was at the center of a legal battle with Codelco, Chile's state-owned miner. The dispute -- over whether Anglo could block Codelco from exercising an option to buy half of Anglo's Chilean unit -- was settled in August. Anglo was left with 50.1 percent of the unit, with a Codelco-Mitsui & Co. venture buying 29.5 percent.

Minas-Rio has had delays and budget overruns since Anglo bought it in 2008. Anglo has revised costs for its largest project at least four times to as much as \$5.8 billion and pushed back the completion date to the second half of 2014. Anglo said yesterday it was increasing its cost estimate for the venture again.

Anglo Platinum yesterday cut its production forecast for this year, citing the impact of wildcat strikes over pay that have spread through South Africa's mining industry.

Endemic Problems

"We believe overall she has done a good job of transforming the company since taking the helm in 2007," Cailey Barker, an analyst at Numis Securities Ltd. in London, said in an note to investors. "Only in the recent year or so have things started to falter, mainly around the platinum sector and the recent industry problems endemic in South Africa. In our view, she should leave with her head held high."

Anglo angered some shareholders by suspending its 2009 dividend rather than delaying spending on the mega projects: Los Bronces, its nickel and iron-ore mines in Brazil and a South African iron-ore venture. The dividend was reinstated later.

The company also paid \$5.2 billion to almost double its diamond business, expanding its stake in De Beers to 85 percent from 45 percent in a deal completed in August, just as rough- diamond demand has fallen.

On July 27 it reported that first-half underlying earnings, excluding one-time items, dropped 46 percent to \$1.69 billion from a year earlier as metal prices declined and costs rose.

Anglo Chairman John Parker is leading the search for a replacement. "The most important thing is to find the right person to build on the strong foundations that Cynthia has already laid," Parker said in a statement.

Carroll moved to Anglo after almost two decades at Canada's Alcan Inc., where she rose to become president of the primary metals group, a business with \$10 billion in sales, and operations in 21 countries. She built and ran aluminum smelters, oversaw ingot sales and sold smelting technology. She spent five years prospecting for oil and gas for Amoco Corp. before enrolling in Harvard University's MBA program in 1987.

"It is a very difficult decision to leave, but next year I will be entering my seventh year as chief executive and I feel that the time will be right to hand over to a successor who can build further on the strong foundations we have created," Carroll said in the statement.

### Under pressure, Anglo CEO Cynthia Carroll steps down

By Clara Ferreira-Marques/Reuters/ Fri Oct 26, 2012

LONDON |

(Reuters) - Anglo American's (AAL.L) Chief Executive Cynthia Carroll stepped down on Friday after more than five years in the job, under increased pressure from investors over the miner's lagging share price and continued dependence on troubled South Africa.

A geologist by training, Carroll became the first non-South African, the first woman and the first outsider to take the top job at Anglo when she became CEO in 2007.

Brushing aside suggestions she was pressured to leave, Carroll and Chairman John Parker, her long-standing supporter, said the decision was her own, as she entered a seventh year in a "very grueling and demanding role".

Carroll's efforts to streamline what was a sprawling conglomerate, to cut billions in costs and to shift Anglo's centre of gravity away from South Africa initially won support.

But her relationship with investors became more troubled after acquisitions like the Minas Rio iron ore project in Brazil, an early bid to diversify Anglo's portfolio, became mired in cost overruns and delays.

Anglo has yet to give a final cost estimate for the project but analysts say they could rise to \$8 billion from current figures of \$5.8 billion.

"Institutional pressure has been building for some time to replace Cynthia, so the news will be welcomed," one of Anglo's 15 largest shareholders said.

"Ultimately, running Anglo is one of the toughest jobs around and, although Cynthia made a good start as CEO, the feeling is the company has gone backwards in the last two to three years."

Other investors also pointed to a mixed record at the top.

"Her strategic moves didn't always hit the mark. The acquisition of Minas Rio, promptly followed by a dividend cut, was a particular low point," another of Anglo's 15 biggest investors said.

Crippling strikes in platinum and iron ore mines in South Africa over the last weeks have revived long-standing worries over Anglo's exposure to the country, aggravating concerns about a share price that has underperformed its peers.

Despite cost cuts, analysts at Macquarie say that under Carroll, Anglo has lost one-third of its value on a U.S. dollar market capitalization basis and is now worth \$25 billion less.

Other major miners are worth at least the same as they were at the start of 2007.

So far this year, Anglo stock has lagged the sector by almost 20 percent. Shares jumped on news of Carroll's departure and at 0825 GMT were up 1.6 percent at 1887.5 pence, while the European basic resources index .SXPP was down 0.7 percent.

#### WHO'S NEXT?

The board said it would not rush to pick a successor for Carroll and that the 55-year-old would stay in place until a replacement was appointed, which could take months.

"For whoever comes in, the challenge of Minas Rio and the challenge of restructuring the platinum industry in South Africa doesn't go away," said analyst Des Kilalea at RBC in London. "To some extent, it's probably the most difficult mining company to manage at the moment."

Industry analysts, industry sources and investors point to at least two likely successors for Carroll - Brazilian Alex Vanselow, the former chief financial officer of BHP Billiton (BLT.L) and South African-born Mick Davis, the outgoing chief executive of Xstrata (XTA.L).

Parker - in a reference to a storm over Davis' pay, one of the highest on Britain's FTSE - said Anglo could not afford him.

The biggest immediate challenge for Carroll's successor is likely to be South Africa, where strikes have spread to Anglo American Platinum (AMSJ.J), the world's top producer of the precious metal. The unrest has revived talk of a split or a cut in Anglo's stake in Amplats - something Carroll opposed.

Strikes also hit Anglo's Kumba iron ore (KIOJ.J) unit, which alone accounted for almost half the group's operating profit in the first half of the year.

Kumba's Sishen mine has begun to ramp back up, but Amplats workers have not yet returned to the Rustenburg, Union and Amandelbult operations, which include some of its most labor intensive shafts, and those that have suffered deepest margin compression since 2008.

(Reporting by Clara Ferreira-Marques; Additional reporting by Sinead Cruise, Kate Holton and Brenton Cordeiro; Editing by Jane Barrett)

## EU grants Ivory Coast 115 million euros budget support

Fri Oct 26, 2012 /Reuters

ABIDJAN (Reuters) - The European Union granted Ivory Coast 115 million euros in budget support on Thursday, aiming to help the West African nation back on its feet following a decade of political crisis that ended in a brief war last year.

The world's top cocoa grower, Ivory Coast suffered from years of stagnation during the conflict which saw the country divided between northern rebels and southern government loyalists.

President Alassane Ouattara's government has received strong support from foreign partners since fighting ended and the economy is expected to record growth of 8.6 percent this year, following a 4.7 percent contraction in 2011.

"The European Union will remain beside Ivory Coast to help it quickly become once again a pillar of stability and growth in West Africa," European Commission President Jose Manuel Barroso told journalists in Abidjan following the signing of the accord.

The EU, one of the West African nation's top donors, has mobilised 430 million euros to aid Ivory Coast's reconstruction since April 2011. The first disbursement of the new funding is expected before the end of the year.

Ivory Coast increased spending by 17 percent in a 3.814 trillion CFA franc 2013 budget adopted by the cabinet earlier this month that targets long-neglected infrastructure, power production and agriculture.

CHINA/AFRICA :

INDIA/AFRICA :

## Honda forays into Africa with India-made cars

SME Times News Bureau / 26 Oct, 2012

A ship laden with India-made 390 Honda Brio cars set sail for South Africa Thursday, marking the automobile manufacturer's maiden foray into South Africa and the South African Development Community (SADC) countries, an official said in Mumbai.

At a brief ceremony in Mumbai port this afternoon, Honda Cars India Ltd (HCIL) President & CEO Hironori Kanayama flagged off the first consignment shipped to South Africa, where it will be on sale from December.

"The expansion of Honda's export business is the first step towards developing India as another hub for export of certain models," Kanayama said on the occasion.

After Thursday's first step, HCIL will export another 1,600 Brios to South Africa and SADC by

March 2013, contributing significantly to the company's growth and the Indian automobile industry.

Kanayama said it was a matter of pride that the Brio manufactured in India was "of best quality and ready to be introduced in the international markets," starting with South Africa and SADC - Malawi, Mozambique, Tanzania, Kenya, Zimbabwe, Zambia, Mauritius and the Seychelles.

The Brio is presently rolled out from the company's first plant in the country at Greater Noida, with the export model also being manufactured in the same premises.

While the engine and transmission components of the Brio sold in India and those for export markets are being manufactured at the Tapukara plant in Rajasthan, it will export both MT and AT versions of the vehicle.

"The export model will be similar to the Brio manufactured and sold in India along with some customization to suit local regulations," Kanayama added.

HCIL, which established operations in India in Dec 1995, launched the much-awarded Brio in Sept 2011 and has so far sold around 25,000 units.

Signifying advanced design and technology, durability, reliability and fuel-efficiency, HCIL's India product portfolio also includes the Jazz, City, Civic and Accord, while the CR-V is imported from Japan as a completely built units.

### State Bank of India expands its presence in South Africa

By Vaibhav Aggarwal/rupeetimes.com/Oct 26, 2012

In an effort to expand its reach to the locals and expatriates in South Africa, India's largest bank, State Bank of India, has set up its seventh branch in the Indian township of Laudium, near Pretoria.

The new branch was inaugurated by Indian High Commissioner Mr. Virendra Gupta, who said that South Africa is considered to be a launch pad by Indian business houses, for investing in Africa, and as a result many big players of Indian business have offices there.

He added, "The increasing trade between South Africa and India, growing political and economic ties between the two nations and the admission of South Africa into the BRICS community of nations have provided the impetus for SBI's expansion in South Africa."

On the matter, the Regional Head (Africa) of SBI, Mr. M.G. Vaidyan said, "SBI's banking presence in the African continent, apart from South Africa, extends to Mauritius, Nigeria, Egypt and Angola. SBI is also in the process of setting up its subsidiary bank in Botswana and is keenly looking to expand to other growing economies of the continent."

### Airtel hits 60m-subscriber base in Africa

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WITH over 20 million active mobile subscription in Nigeria and about 40 million subscribers in other African markets, telecommunications service provider- India's Bharti Airtel, has announced the crossing of the 60 million-customer mark in Africa.

Airtel, which presently operates in Nigeria and 19 other countries across Asia and Africa, recently moved up one notch in global rankings to become the fourth largest mobile operator in the world in terms of subscribers.

It added 10 million customers across its operations in 17 African countries in less than 12 months of crossing 50 million-subscriber base.

Airtel Africa's Chief Marketing Officer, Andre Beyers, said "since launching the Airtel brand in Africa in 2010, Airtel has been on a steady growth path. The ability to communicate with each other is no longer a privilege on this continent, but a necessity.

"Airtel remains committed to ensuring that it continues to provide innovative and relevant communications solutions to all, which positively impacts as many lives as possible."

It will be recalled that in August, at a press briefing in Lagos, Airtel Nigeria announced crossing the 20 million active mobile subscriptions in the country, stressing that it has also deployed largest 3.75G network across Africa.

The company said it moved from 15.5 million to 20 million active mobile subscriptions within seven months of the year.

Speaking at the press briefing, Chief Executive Officer of Airtel Nigeria, Rajan Swaroop, said within the two years of operations in the country, it has invested over \$1.2 billion.

Beyers further explained that access to telecommunications plays a crucial role in driving economies within Africa.

"This includes access to both voice and data services. The biggest transformation on the continent is in bridging the digital divide and connecting the continent to the rest of the world; this remains Airtel's commitment to the communities that we serve," he said.

With the recent launch of Airtel Money- Airtel's mobile money platform, in Madagascar and Burkina Faso, the product is now live in 14 countries across Africa. The service, allows communities to take maximum advantage of the mobile commerce reality sweeping through the industry by enabling them to conduct a range of financial transactions quickly, securely and easily.

The telecommunications firm claimed to have achieved maximum success in the provision of good environmental services, stressing that it has undertaken a series of "green" initiatives that deliver tangible results.

According to the company, over the last year, it has reduced the number of sites running solely on diesel by more than 50 per cent through the use of innovative models such as a Hybrid Battery Bank.

Airtel posited that by 2013, it would completely eradicate the constant use of diesel to power its network. This means no site will rely solely on diesel power 24 hours a day.

"As a global company we need to ensure that we stay committed to the long-term well being of the environment in order to be truly successful and make a positive impact on the community.

"Reaching this goal will be a huge accomplishment for us, and we intend to do whatever it takes to ensure that we completely reduce our dependence on diesel power and instead focus on alternative

forms of energy like solar power,” Beyer stated.

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