



## MEMORANDUM N° 114/2011

12/07/2011

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## ONE) – EGYPT-TO-SOUTH AFRICA FREE TRADE ZONE ON THE MOVE

African leaders some days ago to renew their push for a free trade zone that would stretch from Egypt to South Africa. The zone would connect 590 million consumers in the 26 member countries of three existing trade blocs: the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), and the South African Development Community (SADC).

The 12 June gathering was only the second major meeting on the subject, with the first one being a summit in October 2008. At this weekend's meeting, South African Trade Minister Rob Davies announced a three-year time frame for developing the trade zone, which is often referred to as the Tripartite Free Trade Agreement, or the Grand Free Trade Area.

According to Davies, the trade zone negotiations will occur in two phases: phase one will focus on reaching an agreement on goods trade and the removal of tariff barriers, and phase two will focus on trade in services and intellectual property. Notably, membership in the tripartite agreement would not require member countries to renegotiate existing trade pacts.

The zone's objective is to stimulate intra-African trade, which the [UN Economic Commission for Africa](#) estimates at being between 10 and 12 percent.

The Wednesday prior to the summit, Davies extolled the proposed bloc's potential benefits in an article published in South African newspaper The Independent. He noted that such a large regional zone would have the potential to diversify markets, increase foreign investment and business market accessibility, and provide more opportunities for development and poverty reduction.

The trade zone would also resolve redundancies and ambiguities in the existing system, as the COMESA, EAC, and SADC blocs have substantial overlaps in country membership. Davies argued that the current arrangement "raises the transaction costs of trade and hinders efforts to deepen regional economic integration."

The Grand Free Trade Zone also came up at the African Growth and Opportunity (AGOA) Forum (see the lead story in this issue). US Secretary of State Hillary Clinton, in her [closing remarks](#) at the event, addressed the importance of a tripartite agreement, emphasising that "expanding trade within Africa is one of the best ways to promote growth, to put more pay checks into pockets." Between the 26 member countries, the free trade zone would result in a combined gross domestic product (GDP) of approximately US\$624 billion.

The road to establishing this new trade zone is likely to have some challenges, however. In his [closing remarks](#) at the end of the weekend's summit, South African Prime Minister Jacob Zuma noted that the tripartite agreement would be challenged by "uneven and unequal development between countries and regions, economies of scale, trade integration, supply chain and manufacturing output constraints, as well as infrastructure limitations."

Given these challenges, critics have voiced concerns that the Grand Free Trade Area may take much longer to implement than the proposed timeframe. Some critics have argued that efforts should first focus

## TWO) - AFRICA'S BIGGEST MARKET LIES WITHIN

Global demand for African oil and precious metals has fuelled a continental surge in exports, helping some of the world's poorest countries rebound from the 2009 economic shock.

African countries also stand to benefit from trade deals with donors and development agencies. Seeking to boost "south-south" trade, the Asian Development Bank (ADB) and its African counterpart, the AfDB, launched a programme Jun. 27 to provide investment loan guarantees to nations that are locked out of international financial markets.

The arrangement comes on the heels of recent commitments by the European Union to strengthen its approach to reducing poverty in Africa, including more development aid and efforts to diversify trade beyond the minerals, petroleum and a handful of agricultural products that account for the bulk of African exports.

But such efforts could undercut development of what may be Africa's most important market - Africa. Despite its rapidly growing marketplace of 1 billion people - 856 million of who live in sub-Saharan Africa -

regional commerce is almost an afterthought. From 2000-2007, exchanges between African states accounted for just 8.5 percent of overall trade, according to the United Nations' Economic Commission for Africa (ECA).

The imbalance highlights what analysts say is a bias toward external trade at the expense of African integration.

"The way that Africa was constructed historically was that all roads led out of Africa," says Dawda Jobarteh, acting director of the Africa Progress Panel (APP), a Swiss organisation that monitors development on the continent. He says connecting Africa to itself "would have benefits to both trade and economic growth, and hopefully equitable growth."

African governments continue to compete for overseas trade and investment deals, but their outward vision is beginning to shift, perhaps aided by a few success stories. One success has been the continent's mobile telecommunications revolution, which has spawned side industries such as mobile banking and empowered non-traditional entrepreneurs, including growing numbers of women and young people.

There have also been gains in transportation through regional highway interconnections, ports and a dramatic growth in the airline industry. Jobarteh's organisation reports that inter-African flights grew by 49 percent from January 2005 to January 2011, helping unite a continent that only a few years ago had a spotty and notoriously unreliable airline service.

Meanwhile, African exports have risen in the past decade and are rebounding after falling 32.4 percent in 2009. Africa's merchandise trade jumped 24 percent in 2010 and accounted for 3.2 percent of world trade, up from 2.1 percent in 2000, when a growth spurt ended a three-decade slump, according to a joint ECA-Organisation for Economic Cooperation and Development (OECD) report.

The EU is Africa's biggest trading partner, accounting for 35 percent of imports and exports in 2010, with China and the United States competing for second.

The trade is largely one-sided. Africa's main exports are petroleum and precious metals while the continent imports the technology and equipment that nurture economies, including mobile phones.

Leaders of the 53-nation African Union (AU) have approved an "action plan" to promote regional commerce and provide a more inviting manufacturing climate. The AU plan calls for the free movement of people and commerce, and multinational cooperation to address the sub-continent's pitiful infrastructure.

"There is a concerted effort at the moment to try to harmonise the systems and structures, and reduce the travel time and the fees and the soft corruption elements of it as well," Jobarteh told IPS in an interview. But the challenges are nonetheless daunting.

Economic and trade growth remain below pre-crisis levels, and even when statistics paint a positive image, the vast majority of Africans rarely benefit. A decade of economic improvement "has not been translated into commensurate reductions in unemployment and poverty," according to the 2011 ECA- AU Economic Report on Africa.

With notable exceptions, many African countries offer uninviting climates for investment because of bureaucracy, protectionism, mercurial politics and poor infrastructure. Transport, infrastructure and banking for the most part remain rudimentary.

Rob Davies, South Africa's trade minister, told in a [recent interview](#) that Africa needs more balance, saying that it "cannot continue to live on the basis of a commodity boom, nor anticipate that it will carry on forever. We have to develop more value-added activity."

Fed by the commodity boom and weak governance, corruption also hampers development.

"We can talk as much as we like about investment into Africa, but unless we staunch the flow of illicit capital coming out the other side, we're always going to be running to keep up and Africa's going to be running to keep up," Diarmid O'Sullivan, Europe adviser for the corruption-fighting organisation Global Witness, and former Transparency International campaign director, told a recent forum on Africa's growth potential in Brussels.

The British-based organisation urges African countries to be more transparent in their mineral and oil concessions and wants European regulators get tough on banks that facilitate illicit payments.

Stephen N. Karingi, one of the authors of the ECA-AU economic report, says Africa can become stronger globally by first building success at home. He says developing continental trade, and improving regional infrastructure and services, will better prepare Africans to compete in international markets while improving quality of life at home.

"These are the things that will enable Africa to be able to implement its industrialisation strategies," Karingi told IPS in a telephone interview.

For now, African nations with rich petroleum and mineral reserves will enjoy a windfall of export profits to foreign markets. But longer-term gains may be found closer to home, in both trade and development

cooperation. If that happens, Africans could one day be manufacturing the mobile phones and other products they must now import from Europe, Asia and other markets.

### THREE) - GREENPEACE WARNS WEST AFRICA: NO MORE FISH BY 2030

In the framework of a presentation of its activities in West Africa, Greenpeace organized a public event at the House of Culture Doua Seck on 29 June 2011. At the meeting, several fisheries specialists predicted that the West African fishing grounds will be depleted by 2030. The European Union is said to be the main threat to fishing grounds and animal diversity in the region. "Until 2030 there will not be any fish left in Africa," says Dip Thioune, spokesperson for the small fishermen who made the authorities aware of the threats and consequences of overfishing in the most popular African fishing waters. Every year, giant fish trawlers and massive industrial boats rid the West African waters of its sea life. This organized plunder, he says, while feeding European customers "brings along the gradual extinction of some species like the Thiof". To counter the threat and help African states understand the danger that these trawlers represent, Greenpeace Europe and Greenpeace Africa have joined forces in a project called African voices. Better even, six African fishermen have been chosen to meet ministers, Members of the European Parliament and civil society. (AllAfrica/Sud Quotidien)

### FOUR) - EQUATORIAL GUINEA SLAMS FOREIGN INTERVENTION IN AFRICA

The president of Equatorial Guinea and current head of the African Union launched a scathing attack on foreign intervention on the continent on Thursday, saying moves to defend human rights had instead deepened problems. Speaking at the opening of the AU summit he is hosting, President Teodoro Obiang Nguema Mbasogo also said the body was suffering financially and had to find its own funding to stop outsiders having to step in, and therefore have a say. Obiang's thinly veiled criticism appeared to target NATO's operations in Libya, a crisis that is likely to dominate the two-day summit, alongside Sudan's imminent split and pressure on Africa's leaders to manage its surging youth population. Analysts have said Obiang, widely criticised for rights abuses at home, is also keen to use his country's oil wealth to make up for the loss of Libya as a key source of AU funds, part of efforts to bolster his standing on the international stage. Obiang said "extra-African agents" were taking advantage of a lack of African unity to interfere on the continent, either to defend the interests of other countries or individuals. "As a result of these imposing policies, the interventions for human rights are nowadays causing a massive scourge to mankind in various parts of the world," Obiang said. "Instead of giving solutions to problems, we are thus complicating and worsening world conflicts," he added. The 68-year old leader rejected as "lies" foreign criticism of his country, which frequently highlighted the discrepancy between high per capita income and poverty levels. (Reuters)

### FIVE) – AFRICAN UNION DIVIDED OVER LIBYA

As African heads of state gather to discuss the future of the youth of the continent, Libya's Colonel Muammar Gaddafi is a noticeable absentee at the African Union (AU) summit in Equatorial Guinea.

While the summit's focus is on youth employment, the situation in Libya and the United Nations-backed, International Criminal Court (ICC's) indictment against Gaddafi and his top lieutenants and the continuing NATO bombardment threatens to dominate discussions as some African leaders have denounced the indictment while others support the forced removal of Gaddafi.

Gaddafi will not be in attendance at the 17th AU Summit being held in the Equatorial Guinea capital of Malabo until the Jul. 1. However, in the past he was a force to be reckoned with at AU summits and once described himself as the "King of Kings", and dished out money freely to African heads of States.

#### ***ICC indictment slammed by African leaders***

African leaders have denounced the ICC's indictment against the Libyan leader, slamming the decision by the Hague body.

"It is important that the ICC is not used to try and resolve a political crisis. We believe political dialogue should be the way forward and that the military engagement is not going to deliver the peace that we require in Libya," said Kenyan Ambassador to the AU, Monica Juma.

With 32 African members of the ICC's 116 members, the continent is a significant block but there is concern that its only African leaders who are being indicted and thus being victimised by the court. Gaddafi is the second sitting African head of state, after Sudan's Omar El-Bashir, to be indicted by the court. African foreign ministers denounced the indictment accusing the body of "failing to collect enough evidence to prove that Gaddafi has committed war crimes" and accusing it "as an instrument by powerful Western governments to punish and humiliate African leaders." But the ICC hit back. In an interview in the Ivorian capital, Abidjan, the body's deputy prosecutor, Fatou Bensouda, rejected charges it unfairly targets Africa. "Any time I hear this about the ICC targeting Africa, ICC doing double justice (standards), it saddens me, especially as an African woman," she said on Jun. 30. "Most of these conflicts are happening on the continent. The ICC's concentration on Africa is always as a result of the engagement of the African people with ICC."

### ***South Africa set to lobby for an end to NATO strikes***

South Africa is also lobbying African leaders to pass and adopt a resolution calling for an immediate halt of NATO-led attacks. This, however, comes amid criticism that the AU has not done enough to denounce the NATO airstrikes that have killed hundreds of innocent civilians.

"We are saying suspension of hostilities first," said South Africa's international relations minister, Maite Nkoana-Mashabane in Malabo.

The country has been criticised at home and abroad for endorsing the U.N. Security Council resolution authorising NATO forces to enforce a no-fly zone in Libya.

Speaking during the opening ceremony, the AU Chairman and President of Equatorial Guinea, President Teodoro Obiang, said: "Africa desires that non-African countries and organisations that have the power to use force should not intervene in a solution of African problems without prior consensus of Africa because they might result in the violation of international law."

The AU's Jean Ping was equally scathing of the NATO air strikes: "Our conviction is that the Libyans themselves should take ownership of this democratic change in their country. Without prejudice of the outcome of your deliberations, I would like to stress my conviction that Africa will be useful in the service of the Libyan people."

"We have come for the AU to support our position and that the position of Africa will be strong," said Libyan representative, Joma Ibrahim Amer.

### ***Breaking ranks***

But it seems some African leaders are not supporting Gaddafi and not speaking with one voice at all. Senegal's Abdoulaye Wade and Ethiopian Meles Zenawi are supporting moves by the West to use force to unseat Gaddafi. Mauritania also joined the chorus and has called on Gaddafi to step down.

The U.N.'s deputy secretary general Asha Rose Migiro defended resolution 1973 that mandated NATO forces in Libya and said, "There should be no doubt about our aims. The objective is to protect civilians and work for a durable peace that meets the aspirations of the Libyan people."

### ***Millions spent to impress foreign dignitaries***

Meanwhile human rights bodies have criticised the lavish spending on the AU summit. Human Rights Watch says close to 830 million dollars was spent to construct a luxury complex outside the capital Malabo. Obiang's government, which holds the rotating presidency of the AU chairmanship, has rolled out the red carpet for the heads of state.

"The Obiang government hopes that foreign visitors will be favorably impressed by the deluxe facilities, but visitors should instead question why the government is building villas for the rich while Equatorial Guinea's poor live in slums without reliable electricity or drinking water," said Tutu Alicante from the Washington-based EG Justice.

Oil revenue make the country's per capita wealth in 2010 equivalent to that of Germany and Japan, but living standards remain poor.

According to a 2009 UNICEF report, the country is ranked 14th-worst in the world with regards to human poverty. A statistic the government denies: "The president has launched an ambitious program called Horizon 2020, which is aimed at using the nation's revenues to improve health, education, and the economy in the country."

And whether the issue of youth employment will get its moment in Malabo remains to be seen.

## SIX) – U.S. HAS NO OBJECTION TO FRENCH ARMS SUPPLIES TO LIBYAN REBELS

Les livraisons d'armes aux rebelles libyens effectuées par la France ne violent pas les résolutions du Conseil de sécurité de l'ONU, ont estimé les Etats-Unis jeudi, exprimant au passage leur désaccord avec la Russie qui demande des explications à Paris sur le sujet. "Nous estimons que les résolutions 1970 et 1973 du Conseil de sécurité de l'ONU, prises ensemble, (...), n'évoquent, ni n'interdisent la livraison de matériel de défense à l'opposition libyenne", a indiqué Mark Toner, porte-parole du département d'Etat. "Ceci pour dire que nous sommes respectueusement en désaccord avec les demandes russes", a-t-il ajouté. Dans la journée, le ministre russe des Affaires étrangères Sergueï Lavrov, cité par les agences russes, a indiqué que la Russie avait "demandé aujourd'hui (jeudi) à nos collègues français s'il était bien vrai que des armes avaient été livrées aux rebelles libyens. Nous attendons la réponse". "Si cela se confirmait, ce serait une violation grave de la résolution 1970", a ajouté M. Lavrov. Mercredi, l'ambassadeur de France à l'ONU, Gérard Araud, a estimé que les livraisons d'armes effectuées par Paris aux rebelles libyens respectaient les résolutions du Conseil de sécurité. Le Conseil a voté deux résolutions sur la Libye: la 1970 le 26 février et la 1973 le 17 mars, imposant des sanctions sévères au régime du colonel Kadhafi, notamment un embargo sur la vente d'armes à la Libye et appelant à protéger les civils "par tous les moyens nécessaires". (AFP)

## SEVEN) – WORLD BANK WARNS OF DANGERS OF LIBYA WAR

A protracted struggle for Libya could leave it in the hands of extremists instead of the liberal economic technocrats who now lead its rebel movement, the World Bank's representative for Libya said on Thursday. "If this civil war goes on, it would be a new Somalia, which I don't say lightly," said Marouane Abassi, World Bank country manager for Libya who has been in Tunisia since February. "In three months we could be dealing with extremists. That's why time is very important in this conflict, before we face problems in managing it." Abassi, who is Tunisian, said the World Bank had been working with Libya since 2006 on plans for economic reforms led by leader Muammar Gaddafi's son Saif al-Islam, although many of those reform plans were scuppered by Gaddafi. He described some of the leaders of the rebel Transitional National Council as among those most strongly associated with economic reform plans. "...We know them, we did good work with them," Abassi said, citing Ali Issawi, a former economy minister and ambassador, and Mahmoud Jebril, who resigned from a state economic think-tank after Gaddafi overruled his suggestions for liberalising the economy. "These guys tried inside (Gaddafi's government). In 2009 Gaddafi stopped the connection between us and them," said Abassi. Nevertheless, parts of Gaddafi's government and local councils were still seeking World Bank advice up to February, when pro-democracy protests broke out, he said. "In the last two years it was a battle between reformists and the old guard. But even the last minister of economy who was against us... accepted the rules of the game," he said. Abassi said he left the World Bank's Tripoli office on Feb. 20 after government forces began suppressing protesters. "Now we are trying to understand how we can help Libya after the conflict," he said. Tunisia, where he is now based, is also suffering financially, losing some \$200 million a month in remittances and other revenue from Tunisian expatriates who have returned. "Over 65,000 Tunisians have returned out of 125,000 who were living in Libya. They are like refugees in Tunisia without revenue. Tunisia gave them some cash handouts and we are trying to provide funds and grants," Abassi said. "Over 1.7 million Libyans come each year to Tunisia and for the Tunisian economy it's very important. They spend a lot of money on health -- maybe 50 percent of the revenue in clinics in the south is from Libyans," Abassi said. (Reuters)

## EIGHT) – CHINA DEEPENS ENGAGEMENT WITH LIBYAN REBELS

A Chinese diplomat met with leaders of Libya's National Transitional Council (NTC) at their base in Benghazi, state media said on Thursday, building deeper relationships with rebels seeking to oust Muammar Gaddafi. The visit by Chen Xiaodong, China's foreign ministry chief for North African affairs, was the second official meeting between China and Libyan opposition leaders in less than a month and comes as rebels advanced on Gaddafi's stronghold in Tripoli on Wednesday. Chen told the deputy head of the NTC Ali Essawi that China considered the faction "an important dialogue partner," echoing comments made by senior Chinese officials on rebel diplomatic chief Mahmoud Jibril's visit to Beijing in late June. Chen is the most senior official yet to hold talks with the NTC in Libya, although a Chinese diplomat based in Egypt visited the Libyan rebels in Benghazi for the first time in early June. China, never very close to Gaddafi, also hosted Libya's Foreign Minister

Abdelati Obeidi in early June. But Beijing's courting of the rebels has marked something of a practical policy adjustment for China, which generally avoids entangling itself in nations' domestic affairs. (Reuters)

#### **NINE) – UN URGES FRENCH-INSTALLED IVORY COAST'S OUATTARA TO RESTORE THE RULE OF LAW**

Le chef de l'Opération des Nations unies en Côte d'Ivoire (Onuci) Choi Young-jin a appelé jeudi le gouvernement à restaurer rapidement l'état de droit en réorganisant l'armée, et a annoncé le renforcement de la présence de l'ONU dans l'Ouest, en proie aux exactions. "Je voudrais souligner l'importance de la restauration rapide de l'état de droit parce qu'elle est une condition nécessaire au succès" des autres chantiers prioritaires, réconciliation, organisation des législatives en fin d'année et reprise économique, a déclaré M. Choi lors d'une conférence de presse à Abidjan. "Nous avons besoin d'une vision claire de l'établissement d'une structure nationale de sécurité et une ligne de commandement bien établie qui permettrait le déploiement effectif des éléments de la police et de la gendarmerie à travers le pays", ce qui ouvrirait la voie au "retour des éléments armés dans les casernes", a-t-il poursuivi. La réorganisation des forces armées est le chantier le plus urgent pour le gouvernement du nouveau président Alassane Ouattara. La sécurité est encore essentiellement du ressort des Forces républicaines (FRCI) qui l'ont porté au pouvoir mais qui commettent régulièrement des exactions. Quant aux policiers et gendarmes, en place sous le régime de l'ex-président Laurent Gbagbo, ils tardent à reprendre du service. "Les autorités ivoiriennes font de leur mieux", a cependant ajouté M. Choi, réaffirmant la volonté de l'ONU de les "accompagner". Dans l'Ouest, région la plus durement frappée durant la crise postélectorale récente, et toujours en proie à l'insécurité, l'Onuci va créer d'ici fin juillet "huit nouveaux camps militaires", notamment dans la zone frontalière du Liberia, très instable. Après les destructions et les pillages, la mission onusienne va aussi rééquiper en mobilier et véhicules des préfectures, commissariats et brigades de gendarmerie endommagés, avec un budget de 2 milliards de francs CFA (3 M EUR), a indiqué M. Choi. (AFP)

#### **TEN) – MOZAMBIQUE AND EU SIGN NEW FISHERIES AGREEMENT**

Mozambique and the European Union in June signed a three year extension to the current fisheries partnership agreement that is due to expire at the end of this year. Under the agreement 75 European boats will be allowed to fish off the coast of Mozambique. The main fish sought by the boats is tuna. The agreement sets a quota for catches by boats from the European Union, which will drop to 8,000 tonnes (down from 10,000 tonnes). This is due to the fall in the number of boats fishing the waters because of the increased risk of piracy. The European Union pays the Mozambican government for the right to fish in its territorial waters. Because of the drop in quota, the amount paid will fall under this agreement from 650,000 euros (917,000 US dollars) a year to 520,000 euros per year. However, the European Union points out that this drop will be more than offset by increased financial support for the fisheries sector. Over the new period support for the sector will rise from 250,000 euros to 460,000 euros per year. According to the European Union, this will take financial contributions for the fisheries sector to 980,000 euros per year and "demonstrates the good partnership relations between the EU and Mozambique". (AllAfrica/Mozambique News Agency)

#### **ELEVEN) – SUDAN GRANTS UN LIMITED ACCESS TO TENSE BORDER AREA**

Sudan's government is allowing limited U.N. access to Kadugli, capital of a tense border state where fighting and looting has taken place ahead of southern secession, a U.N. spokesman said on Thursday. But unhindered access by the United Nations to the state capital of South Kordofan remains out of reach, spokesman Farhan Haq told reporters. South Sudan is due to become an independent African country on July 9 after voting for secession in a January referendum agreed under a 2005 peace deal that ended decades of civil war. Tensions have flared in South Kordofan, an oil-producing state in northern territory that will be home to much of the country's future oil wealth after the southern secession. The northern military has been fighting southern-aligned armed groups. All U.N. agency offices were looted of their stocks and office equipment in Kadugli, with the exception of the UNICEF children's foundation and another agency, Haq said, citing information from the U.N.'s Office for the Coordination of Humanitarian Affairs (OCHA). While the government

of Sudan has granted access to parts of Kadugli town, "unhindered access to the affected population continues to be denied," Haq said. "U.N. agencies continue to discuss the pressing need to have access to other areas with the government of Sudan," he said. Fighting has continued in recent days in parts of South Kordofan state, OCHA's latest situation report said. OCHA cited unverified reports of aerial attacks this week causing civilian deaths and severe injuries in the Kauda area, as well as aerial bombing in Talodi, Kadugli and Umm Durein and sporadic gunfire east of Talodi. Southern Kordofan is important to the north because it has the most productive oil fields that will remain under Khartoum's control after the split. The south could take as much as 75 percent of Sudan's 500,000 barrels per day of oil output. Southern Kordofan also borders the disputed Abyei territory and Darfur, a western region that is the scene of another insurgency. The U.N. Security Council unanimously approved a U.S.-drafted resolution authorizing deployment of 4,200 Ethiopian troops to the Abyei region for a six-month period. (Reuters)

## TWELVE) – **SUDAN: THE POINT OF NO RETURN**

From across the border, they anxiously watch the drama unfold. As their home land of South Sudan prepares itself to split from the Islamic north, fighting continues across the disputed oil-rich areas. During the decades of civil war, almost 400,000 refugees dreamt of the day independence would come. But now it is finally there, many are not ready to go home.

Jacob Meltong was a teenager when he entered Kakuma Refugee Camp in northwest Kenya in 2005. The journey from Aweil in the South Sudanese state of Northern Bahr el Ghazal was long and dangerous. Although the Comprehensive Peace Agreement (CPA) between North and South Sudan had been signed just months earlier, tensions were still high and many of the roads were scattered with landmines. After days on the road, Jacob had arrived in a foreign country where his parents hoped he would escape the aftermath of the war and get an education. He was hungry, tired, and alone.

He joined almost 50,000 other refugees, many of whom had fled the brutal South Sudanese civil war over the years. Since its establishment in 1992, the camp has expanded to serve refugees from other neighbouring countries like Somalia and Ethiopia.

Although the Meltong family had suffered during the war, fleeing abroad for them was not an option. Only after the signing of the CPA did Jacob's father consider it safe enough for his son to make the journey south. The parents stayed behind to look after the younger children and elderly relatives.

According to the International Organisation for Migration (IOM)'s 2011 report 'Migration in Sudan' between 1.2 and 1.7 million Sudanese fled abroad during the decades of war. Despite the large number of returns following the signing of the peace agreement, 390,000 Sudanese refugees are still living in camps or urban settings in neighbouring countries, in particular Egypt, Chad, Uganda, Kenya and Ethiopia.

Life in the camp was tough for Jacob. He struggled for a year -without any opportunities for schooling or work- before he decided to make the jump and try his luck in Nairobi. He managed to trace down an uncle, who let him stay and helped him to scrape together some money for school fees. Like many South Sudanese, Jacob only started his education as an adult. He is currently in fourth form and is awaiting the results of his final exams.

Together with over 15,000 fellow South Sudanese in Kenya, Jacob made his way to the official Out of Country Voting Centre in January. Crossing the box for separation on the ballot paper was a moment he will never forget. "All these years we have been waiting for this. My family back home and everybody here is waiting for the 9th of July, it is all that is on our minds."

### **Lost**

For James Mabior, 24, Kenya was a safe haven during the last leg of the civil war that ruined his childhood. When fighting became too intense, the family split up and went different ways for safety. James fled across the border to Kakuma. He had told his younger brother Peter to try and flee to the camp as well, but he did not arrive.

James had no way of contacting his brother and thought he might not have survived. Worried, he travelled to Nairobi, where a large community of South Sudanese from his home town had settled in the slums. No one had seen his brother and James received no news in the months following his arrival.

That is - until last year, when a new arrival from Kakuma bumped into James on the street. "He said to me: 'Hey, are you James? Your brother is looking for you, he is in Kakuma.' I could not believe it. I didn't think I would see him again." Weeks later, the brothers were reunited in Nairobi. They managed to get through to their mother on the phone. She was so overwhelmed that she could not speak.

In early January, James and Peter packed their few belongings and made the journey back home. Peter was

amazed at what he saw. When he left South Sudan as a child, the war dominated everything. "There was no tarmac, no food, no buildings. Now, we could see people building. The referendum was very well organised, everything seemed so stable and peaceful. It was amazing to see that together with my brother."

After meeting their family, James and Peter made their way to the polling station to vote. James' eyes light up when he recalls the moment: "It was the best day in my life. Next to my people, I felt very strong. We all want independence. We said it to each other as we stood in line: our children will not suffer like we did."

However hopeful they felt the day they voted, the Mabiior brothers soon realised their chances in Kenya are better than in South Sudan. James is currently enrolled in college and Peter is finishing form 3. Their parents have urged them to stay in Kenya until they get their qualifications. It broke Peter's heart to leave his country for the second time, but deep down he knew his family was right.

"My plan is to get teaching qualifications here and then go back. I want to help to build South Sudan. I know some people don't want to leave their new lives, but I think that is wrong. All of us who left, whether they are in the U.S., Uganda or Kenya, should come back. Our country needs us."

### **Violence**

The anxiety to return felt by many exiled South Sudanese is not helped by the recent violence in the country. The peaceful referendum leading up to independence was no predictor for the conflict that has started again in the past weeks.

According to the United Nations, more than 360,000 people have been displaced in Sudan over the past six months, and more than half were displaced in the past month alone. The heaviest fighting has been concentrated in the three oil-rich border areas that have been disputed ever since the signing of the north/south peace agreement in 2005: Abyei, Blue Nile and Southern Kordofan.

Across the Border States, the northern government has deployed its SAF armed forces. Abyei was a key battleground during the civil war and both sides see it as a symbolic emblem. Most of its citizens want to be part of the south, but they were excluded from voting in the January referendum.

Sudan's President Omar al-Bashir recently threatened to block a pipeline that exports oil from the south to the harbour in the north. The soon to-be autonomous south relies on oil for 99 per cent of its revenues but is dependent on a pipeline in the north for export.

Khartoum demands that the south continues to share revenues or pays a transit fee on every barrel they export. South Sudan currently splits oil revenues equally with the north - despite producing 80 per cent of output. Abyei is the source of 75 per cent of the country's 500,000 barrels a day oil production.

Aid workers in Southern Kordofan in the meantime report ethnically targeted attacks, which are largely directed at the African peoples of the Nuba Mountains. Eyewitnesses from local churches and charity groups report intensifying violence and warn of a "new Darfur," when more than 200,000 people in western Sudan were systematically killed by Khartoum's forces and at least two million made homeless. As many as 75,000 people have fled the fighting in Southern Kordofan. The U.N. reports that "the security situation continues to deteriorate".

The violence broke out in early June when the government started to disarm rebels. Although the province will remain part of the north, it is home to many pro-south communities, especially in the Nuba Mountains, some of whom fought with SPLA rebels during the war.

Now they find themselves on the wrong side of the border from former comrades, and have resisted surrendering weapons to the northern forces they see as hostile. Khartoum has said it will not tolerate the existence of two armies within its borders. Nuba activists emphasise this is not a north-south conflict but a battle to protect basic rights and their way of life.

Khartoum banks on the fact that the south is reluctant to challenge the north's mightier army and risk a war that could threaten independence. This strategy has angered the international community, who are soon to decide on the north's 38 billion dollars in debt relief.

U.N. peacekeepers in Sudan have been criticised for a lack of response to the recent violence. International aid organisations struggle to get access to the conflict zones. US President Barack Obama urged an immediate ceasefire, but so far, the fighting continues across the border areas.

Back in Nairobi, Jacob Meltong believes that independence will eventually bring longed-for change and development to the country. At the same time he acknowledges there is an enormous job to be done. "People want no more war. What we need are opportunities for work and for schooling."

He well knows that these opportunities currently are far greater in Kenya and Uganda, where some of his siblings have been stranded, than back in South Sudan. Depending on funding possibilities, he says he might try to get into a college in Nairobi. But -like the Mabiior brothers- he says South Sudan will be his end station either way: "I will go back. Home is home." (Street News Service)

## THIRTEEN) - BRAZIL AND AFRICA READY TO DO THE SAMBA

African trade with India and China flourished over the past decade but, with unemployment rising and industrialisation failing to take hold, cracks are appearing in Africa's much-vaunted "Look East" doctrine. Meanwhile, from across the Atlantic, Brazil is making inroads into the continent.

Could relations with the Latin American powerhouse present a more viable alternative to the East in Africa's South-South relations?

In June a newspaper photo of former Namibian president Sam Nujoma must have raised some eyebrows at breakfast tables across the country. A grinning 82-year old stared up from front pages, intimately flanked by a pair of equally jubilant but scarcely clad Samba dancers.

The former president's chirpy mood was - at least in part - explained by the Brazilian oil and gas exploration company High Resolution Technology (HRT) hosting a prestigious launch party in the Namibian capital, where the photo was taken.

HRT will be drilling for the black gold off the Namibian coast and expressed confidence that the southwest African nation will soon join the ranks of oil producers.

As remarkable as its 400 million dollar investment is the commitment to the continent's wellbeing that Brazilian investors express.

In Namibia, Brazil was instrumental in setting up a navy equipped with Brazilian ships and, on the country's northern border, stores stock Brazilian furniture to service the Portuguese-speaking Angolan market.

HRT Chief Executive Officer Marcio Rocha Mello at the launch praised the country's stable economy and accommodating legal framework. He also committed one Namibian dollar (0,15 U.S. dollar) per barrel to the preservation of marine reserves.

While perhaps a hollow offer as so far no oil has been found, it's also a gesture few of the Chinese state-owned firms presently rummaging through the continent for resources would care to match.

And, in a nutshell, it perhaps signifies the different approach the Brazilians are thought to take to investment which, in contrast to China's no-strings-attached policy, is often accompanied by social programmes or aid.

Of course Namibia is not the only African country targeted by Brazil. Brasilia has historically looked towards Lusophone Africa.

In Mozambique, for instance, diversified Brazilian mining company Vale in May opened a 1.7 billion dollars coal plant, the largest once-off investment the southeast African country has ever seen. In two years the world's second largest miner will export 11 million tons of coal annually from the Moatizi mine.

At a recent mining conference the company announced it would continue to invest in Africa a total of 12 billion dollars over the next five years.

This is not an isolated event. Some 500 Brazilian companies are active in over 30 African countries. Writing in a recent paper, researcher Gerhard Seibert from the Lisbon University Centre for African Studies says Angola alone hosts more than a 100 Brazilian companies.

Some giants with long-standing interests in Africa are oil company Petrobras, active in Angola since 1979 and now present in virtually every oil-producing country, and construction company Norberto Odebrecht that in the early 1980s started operations in Angola, using the country as a gateway into the continent.

Many companies are supported by extensive credit lines from the state-owned Brazilian Development Bank (BNDES).

While Brazil's relationship with Africa precedes the recent upsurge in Chinese involvement by decades, President "Lula" da Silva revived Brazil's interest in the continent, in step with the objectives of the India-Brazil-South Africa (IBSA) forum.

During his 12 official visits he doubled the number of Brazilian embassies in Africa and boosted trade from three billion dollars in 2000 to 26 billion dollars in 2008.

"Politically and historically the context of Brazil's engagement in Africa has changed considerably," notes Seibert about the "Lula years".

Adds Sanusha Naidu, senior researcher at the Human Sciences Research Council, a statutory body in South Africa: "Companies have used Brazil's diplomatic efforts as a springboard to deploy their African activities, especially in the countries with which they have an affinity based on the Lusophone heritage." Brazil's trade with the continent stood at 20 billion dollars in 2010. This is still dwarfed by China's 107 billion dollars' worth of trade with Africa, but is not much lower than that of the other emerging market giant India, which stands at 32 billion dollars.

Impressive figures, especially when taking into account the billions of dollars in aid that Brazil poured into Africa during the same time. Still, critics argue Brazil simply doesn't have the muscle to match China's African footprint.

"The argument often is that Brazil and, to an extent, India lack the support of the state which in China is the champion of foreign investment," is Naidu's analysis. "But you do have an extensive private sector in Brazil that for decades has nurtured its global contacts. The private sector should be the motor of promoting Africa as an investment destination."

While there is a trade agreement between the Southern African Customs Union and Mercosur (Latin America's Southern Common Market), observers say this is not used optimally.

Researchers of the Trade Law Centre of South Africa (TRALAC) point out in their analysis of the trade agreement between the two blocs, aptly titled "Shall we Samba?" obvious possibilities for trade, especially in the agricultural sector.

"Of interest, as well, is Brazil's focus on renewable energy, especially biofuels," adds Naidu. "Its focus on innovation and research and its willingness to transfer skills make it an attractive partner."

"Now the question is how Brazil will move into the greater available space in Africa. So far Lula's successor, President Dilma Rousseff, seems to have adopted his policies and is moving along the same trajectory."

#### **FOURTEEN) – EU SUGAR PRICE CUT LEAVES MAURITIUS UNCONCERNED**

Mauritius' Sugar Syndicate said on Monday producers would be paid 15,000 rupees per tonne of sugar this year as the Indian Ocean island shifts to exporting refined sugar. When the European Union cut its guaranteed price for African, Caribbean and Pacific (ACP) sugar by 36 percent in phases, with the final tranche taking effect in October 2009, Mauritius switched to exporting value added sugars instead of raw sugar. Sugar producers received 13,535 rupees per tonne in 2010. "This rise in prices over the previous crop year is the result of the ... industry's focus on the development and the commercialisation of value added sugars, both refined and special, coupled with better conditions prevailing on our export markets," the Sugar Syndicate said in a statement. Mauritius' sugar output is seen falling to 420,000 tonnes this year from 452,473 tonnes in 2010, largely due to a reduced area under cultivation and poor weather. However, the Sugar Syndicate expects revenue to increase on the back of the production of refined sugar. Last year, Mauritius produced 256 267 tonnes of refined sugar and 110 000 tonnes of special sugar. Sugar, a centuries-old pillar of the Indian Ocean island's now almost \$10 billion economy, accounts for roughly 1.2 percent of gross domestic product according to Prime Minister Navinchandra Ramgoolam. The Chamber of Agriculture says the country has been losing about 2,200 hectares of sugar cane fields annually. Mauritius, which has a population of 1.3 million, is the leading sugar exporter from the ACP bloc to the EU. (Reuters)

#### **FIFTEEN) – KENYA EXPORTS TO EU FACE TAXATION IN TRADE AGREEMENT STALEMATE**

Europe has issued a fresh warning of possible revenue losses for Kenya should the East African Community (EAC) fail to reach a trade deal soon. Kenya risks taxation on its exports to Europe by virtue of economic strength if the trade talks stall, Mr. Bernard Rey, head of the European Delegation told players in the horticulture sector last week. "EAC should realise the risks of the current situation of uncertainty. Burundi, Rwanda, Tanzania and Uganda, all are least-developed countries, will enjoy duty-free quota access to the EU markets even if the EPA (economic partnership agreement) is not signed," Mr Rey said. "But Kenya will risk seeing tariffs imposed on a good number of exports to Europe including horticulture products," he said.

An EPA is the only recognisable trade instrument through which East Africa will safeguard its preferential relations with Europe in the future as the world shifts from the previous non-reciprocal trade deals. The government has set the official growth target at six per cent this year, up from last year's five per cent, making Kenya's economy by far the largest in the East African region. This raises fears that only its produce faces tariffs and export quotas in Europe, since the rest of the members are least developed countries (LDCs). Under the pact's legal framework, EU has offered 100 per cent duty free market access with exception to ammunition and transitional arrangement for sugar and rice in exchange for 82.6 per cent liberalisation of trade with EAC subject to an exclusion list accounting to 17.4 per cent to the trade.

#### ***Trade pact***

The EU said it was concerned that negotiators from the East African team are yet to respond to its latest move to relax their position over the terms that need to be met for a new trade pact with East Africa to be concluded, frustrating the talks. "We have decided to focus on a limited number of open issues and

postpone discussions in areas like services since this approach appears to be the only chance to conclude the EPA in a reasonable time frame. However, the EU has not received any feedback on this proposal,” Mr Rey said.

Kenya exported a total of Sh100.3 billion worth of goods to Europe under preferential terms last year, and imposing the tariff before the talks are finalised will expose the country to huge losses in foreign exchange. The region —under the EAC bloc— has been negotiating the contents of EPAs with European Commission since 2007 — the deadline that World Trade Organisation gave its members to scrap all the non-reciprocal preferential trade agreements such as the ones Europe used to extend to its former colonies. For Kenyan exporters, this legal void has created a lot of uncertainty. They cannot tell for how long the European Commission will continue to extend the preferential trade relations.

And even as those preferential terms last, exporters are well aware of the enormous risk they are exposing themselves to since there is no treaty to turn to in case of a dispute.

“Growers are looking to the EU being an important destination for the Kenyan products to hasten the negotiations and provide assurance that whatever happens, Kenya, under special circumstances, will not be worse off,” said Kenya Flower Council in a statement.

Close to 80 per cent of the Sh70 billion worth of horticultural produce that Kenya exports every year is purchased in Europe

Fernando Matos Rosa

Brussels

