News: 9.20.2024

By:

Afronomicslaw

20 September 2024

Dangote Refinery Begins Domestic Gasoline Sales

Afolake Oyinloye, writing for *Africa News*, reports that Nigeria's Dangote refinery, with a capacity of 650,000 barrels per day, has started selling gasoline domestically, initially selling exclusively to the state-owned NNPC for $736 per ton. The retail price in Lagos is set at approximately $0.55 per liter, reflecting recent price hikes due to reduced government subsidies. While NNPC has relied on imports for gasoline, it aims to decrease this dependence as Dangote ramps up production, currently supplying only 16 million liters compared to its full capacity of 57 million liters per day. Full operations are expected by October or November, with NNPC planning to provide 385,000 barrels per day of crude to the refinery.

Putin Discusses BRICS Expansion Amid Security Summit

According to *Africa News*, Russian President Vladimir Putin met with BRICS representatives in Saint Petersburg on September 12, signaling a potential expansion of the group, which currently includes Brazil, Russia, India, China, South Africa, Iran, Egypt, Ethiopia, and the UAE. He noted that 34 countries

have expressed interest in joining BRICS, prompting discussions on creating a new category of partner states. The two-day security summit aims to address the evolving parameters of the global order, with founding members advocating for a multipolar world and reform of international institutions like the UN, IMF, and World Bank. Russia will hold the rotating presidency of BRICS in 2024.

Egypt Seeks Increased EU Investment

All Africa reports that Egypt's Minister of Finance, Ahmed Kouchouk, expressed eagerness to enhance investments from European Union countries in Egypt during a meeting with EU Ambassador Christian Berger. He highlighted the incentives offered by the Egyptian government to create a competitive and sustainable investment landscape. Kouchouk emphasized the importance of the EU as a key economic partner and noted that recent tax facilitation measures aim to build trust with both local and foreign investors. He stressed the necessity of private sector support to foster a favorable environment for investment.

AGOA, Agoing, Agoner? Risks of U.S. Trade Policy for Africa

Ronak Gopaldas, writing for the *Institute for Security Studies*, opines that the African Growth and Opportunity Act (AGOA), set to expire in 2025, faces an uncertain future as U.S. industrial policy grows more nationalistic and security-focused. Established to provide duty-free access to the U.S. market for eligible sub-Saharan African products, AGOA's relevance may diminish due to increasing U.S. scrutiny of African countries' geopolitical alignments and a shift toward bilateral trade deals. The upcoming U.S. elections could further influence AGOA's trajectory, with potential implications for African nations based on their governance standards and alignment with U.S. strategic interests. As policymakers consider options for AGOA's renewal or reform, there is an opportunity to modernize the framework to emphasize sustainability and innovation, potentially strengthening U.S.-Africa relations in the process.

Nigeria to Import Milk and Coffee from Uganda

According to *All Africa*, Nigeria plans to start importing milk and coffee from Uganda, enhancing economic ties between the two nations. This initiative

follows a visit by former Nigerian President Olusegun Obasanjo to President Museveni, where he expressed eagerness to purchase Ugandan processed milk and coffee, noting Uganda's impressive annual milk production of 5.7 billion liters. President Museveni emphasized Uganda's potential to supply both local and international markets, while encouraging farmers to adopt more profitable practices. This partnership could significantly boost Uganda's agricultural exports and strengthen its economy.

African Development Bank Explores Partnerships in India

All Africa reports that a delegation from the African Development Bank, led by Vice President Solomon Quaynor, recently completed a four-day visit to India to explore trade and investment opportunities in pharmaceuticals, agriculture, and technology. The visit included meetings with Indian companies and participation in the 19th India-Africa Business Conclave, where Quaynor highlighted Africa's robust growth potential and the importance of industrialization in the continent. The delegation discussed collaboration on local pharmaceutical production and infrastructure, addressing an estimated $111 billion investment gap by 2030. India's recent contributions to the Bank's initiatives, including a $6 million trust fund and $2 million for digital financial inclusion, were also noted, reinforcing the commitment to enhancing South-South cooperation.

Botswana Awards 15-Year Manganese Mining License to Giyani Metals

According to *All Africa*, Botswana has granted a 15-year mining license to Canadian firm Giyani Metals for the K-Hill project, which aims to produce battery-grade manganese essential for electric vehicle batteries. Located in Kanye, about 90 kilometers from Gaborone, the project is expected to significantly contribute to local development and aligns with the government's goal of adding value to Botswana's mineral resources through in-situ processing. With a projected net value of $984 million and an estimated lifespan of 57 years, the project is seen as crucial for advancing Botswana's role in the green energy transition, particularly as global demand for manganese rises alongside the electric vehicle market. Environmental advocates emphasize the importance of focusing on value addition beyond extraction to maximize benefits for Botswana in the renewable energy value chain.

Ethio-Djibouti Corridor Authority Aims to Boost Trade and Investment

According to the Ministry of Transport and Logistics (MoTL), the establishment of the Ethio-Djibouti Corridor Management Authority is expected to significantly enhance Ethiopia's investment inflows and improve export competitiveness, reports *All Africa*. Minister Alemu Simie emphasized that a port agreement between Ethiopia and Djibouti would improve logistics efficiency, which is vital as over 95% of Ethiopia's trade relies on this corridor. Ongoing discussions aim to modernize port services, with support from various development partners to improve regional connectivity. Djibouti’s Trade and Tourism Minister Alidawud Abdu highlighted the need for diversified port accessibility to enhance competitiveness across East Africa, ultimately promoting regional integration and economic growth.

Displacement and Promises: The Impact of Lithium Mining in Zimbabwe

According to *All Africa*, Zimbabwe's burgeoning lithium mining industry, particularly the Sabi Star mine, has led to the displacement of local communities, including 41 families in Buhera. Promised new homes and jobs, these families faced coercion from the mining company and received inadequate housing, alongside loss of vital resources like water and grazing land. My research reveals that the communities were not informed of their rights and compensation was significantly lower than requested. The findings highlight the urgent need for responsible resettlement policies that ensure affected communities are treated fairly and involved in decision-making processes, in line with international human rights standards.

Namibia Prepares for Free Trade under AfCFTA

All Africa reports that Namibia is poised to leverage the African Continental Free Trade Area (AfCFTA), with Industrialisation and Trade Minister Lucia Iipumbu announcing plans to send the country's first consignment under the agreement in October 2024. This readiness follows the approval of Namibia's tariff offer through the Southern African Customs Union, aimed at enhancing local industrialisation and export capabilities. The AfCFTA seeks to create a single continental market by eliminating tariffs on 90% of goods and addressing non-tariff barriers. Additionally, Minister Iipumbu discussed the Namibia

Investment Promotion and Facilitation Bill, which aims to attract sustainable investments and protect local businesses amid concerns over foreign competition.

Biden's Upcoming Visit to Angola: Balancing Engagement and Critique

Reports of President Biden's planned visit to Angola signal an effort to enhance U.S. engagement in Africa, particularly to promote the Lobito corridor project linking mineral-rich regions to Angola's port reports All Africa. However, Angola's troubled political landscape poses significant challenges; the government faces widespread disapproval among its youth, high unemployment rates, and severe corruption. While the U.S. seeks to strengthen ties with Angola as a strategic partner, such a visit risks being seen as an endorsement of President Lourenço's unpopular regime. To foster a meaningful relationship, the U.S. must address the country's issues of repression and corruption, ensuring that partnerships translate into tangible benefits for Angolans. Without this, the bilateral relationship may lack the necessary substance to create lasting change.

Strengthening Egyptian-South Korean Industrial and Transport Cooperation

All Africa reports that Deputy Prime Minister Kamel el Wazir met with South Korean Ambassador Kim Yong-Hyun to enhance cooperation in Egypt's industrial and transport sectors. Wazir expressed optimism about deepening the already fruitful collaboration, particularly in manufacturing and transportation. They reviewed ongoing joint ventures, including the modernization of signaling systems on key railway lines and the production of new trains for Cairo's metro, in partnership with Hyundai Rotem. Both sides emphasized the importance of further meetings with major South Korean companies like Samsung and LG to explore increased investments and support for localizing industries in Egypt.

Rwanda Implements Forex Trading Regulations to Protect Investors

Tesi Kaven, writing for *All Africa*, reports that the Rwanda Capital Markets Authority (CMA) has introduced new regulations for leveraged foreign exchange trading to safeguard investors in the increasingly popular but unregulated

market. As many Rwandans engage in online forex trading, often with foreign brokers, the CMA aims to mitigate risks associated with fraud and protect the local currency from large outflows. The regulations establish licensing requirements for dealing brokers, non-dealing brokers, and money managers, including minimum capital requirements and the necessity to keep client funds in Rwandan banks. Despite these efforts, no online forex traders have applied for licenses yet, raising concerns about illegal trading practices. The CMA emphasizes the importance of investor verification before engaging with forex trading entities.

Ethiopia-China Trade Relations Strengthen at CIFTIS

Meseret Behailu, writing for *All Africa* reports that Ethiopia's trade ties with China are experiencing significant growth. Ambassador Tefera Derbew at the China International Fair for Trade in Services (CIFTIS) in Beijing emphasized the importance of the fair for promoting Ethiopia’s tourism and facilitating new business connections. The ambassador noted a strong partnership between the two countries, particularly in the trade of services, supported by various agreements. Notably, Ethiopian coffee exports are surging due to rising demand in China, alongside other agricultural products like sesame and beans. Efforts are underway to diversify exports, including potential access for Ethiopian avocados in the Chinese market.

China Commits $50.6 Billion to Strengthen Africa Partnership

According to *All Africa*, the Chinese government has pledged $50.6 billion in financial support to African nations over the next three years, following the recent Forum on China-Africa Cooperation (FOCAC) summit. This funding includes $29.5 billion in credit lines, $11.3 billion in various assistance, and $9.8 billion in investments from Chinese companies. The partnership aims to enhance cooperation in sectors such as agriculture, energy, and infrastructure while promoting mutual benefits for both regions. Key initiatives include zero-tariff treatment for least developed countries and the implementation of 1,000 livelihood projects to improve conditions for African citizens. The summit underscores China's commitment to deepening its relationship with Africa, built on shared prosperity and respect.

Six Ex-Glencore Employees Charged with Bribery in West Africa

Writing for *African Law and Business*, Dippy Singh reports that six former employees of Glencore, including ex-oil head Alex Beard, face bribery charges linked to corrupt payments for oil contracts in Cameroon, Nigeria, and Ivory Coast from 2007 to 2014. The charges, brought by the Serious Fraud Office (SFO), include conspiracy to make corrupt payments and falsification of invoices. All individuals have been granted unconditional bail and are scheduled for a hearing at Southwark Crown Court on October 8. This development follows Glencore's ongoing legal troubles related to widespread bribery, including a recent $2.3 million fine from Swiss prosecutors for failing to prevent corruption in the Democratic Republic of Congo. The SFO emphasizes its commitment to tackling corruption and holding accountable those involved.

Strengthening Africa's Economic Growth Through Local Capital Markets

Cheryl Buss of Absa International, writing for African Law and Business, emphasizes that local capital markets are crucial for Africa's economic growth and development, especially as the continent is projected to become the world's fastest-growing region. With intra-African trade currently at just 16%, enhancing these trade ties and developing capital markets can empower African nations to finance their own growth and reduce reliance on external funding. The Absa Africa Financial Markets Index indicates positive trends in market transparency and infrastructure development, as seen with initiatives like the upcoming Ethiopian Securities Exchange. Strong governance and regulatory practices are essential to attract investment and ensure the benefits of trade are widely distributed, supporting sustainable development across the continent.

Enhancing Labor Mobility and Skills Portability in Ghana

The *Economic Commission for Africa* (ECA) and the African Union Commission (AUC) recently held a National Stakeholder Consultation Workshop in Ghana to review a study on improving the free movement of people and labor mobility. This workshop is part of a broader ECA/AUC project aimed at fostering a positive narrative around migration and removing barriers to mobility across Africa. Mr. Sabelo Mbokazi highlighted that while 80% of African migration occurs within the continent, the global narrative often misrepresents this trend.

The initiative seeks to align with the African Union’s Agenda 2063 and leverage the African Continental Free Trade Area (AfCFTA) to enhance economic integration and create accessible pathways for labor mobility. Participants will discuss findings and develop recommendations to support the ratification of the AU Free Movement Protocol, ultimately aiming to bolster Ghana’s role in promoting regular migration and skills portability.

ICC Dismisses Micheletti's Arbitration Claim Against Ghana

Gibril Abdul Razak, writing for the *African Arbitration Association*, reports that the International Chamber of Commerce (ICC) has dismissed Micheletti Company Limited's arbitration claim against the Government of Ghana, which sought $400,000 in damages related to the rehabilitation of the Ohene Djan Sports Stadium. The ICC Tribunal ruled that while it had jurisdiction, the claim was filed beyond the statute of limitations set by Ghanaian law, which allows six years for such actions. The claim stemmed from a 2006 agreement for stadium rehabilitation that was terminated by the government, leading to negotiations with subcontractors like Micheletti. Although Micheletti argued that the government had waived its right to dispute resolution, the Tribunal found that the claim was inadmissible due to being time-barred. The Tribunal is now considering the costs to be awarded to the Government of Ghana following the dismissal.

U.S. Supports Permanent U.N. Security Council Seats for Africa and Small Island States

According to CNBC, U.S. Ambassador to the U.N., Linda Thomas-Greenfield, will announce the United States' support for two permanent seats for African states and one rotating seat for small island developing states on the United Nations Security Council. This initiative aims to strengthen U.S. ties with Africa amid dissatisfaction over U.S. support for Israel in the Gaza conflict and to enhance relations with Pacific Island nations amid rising Chinese influence. The proposal is part of a broader push for Security Council reform, which has seen little progress over the years. While the U.S. backs permanent seats for India, Japan, and Germany as well, it does not support expanding veto power. U.N. Secretary-General Antonio Guterres has also advocated for reform, citing the Council's outdated structure since its founding in 1945. The potential changes

would require amending the U.N. Charter, needing approval from two-thirds of the General Assembly, including the current veto-holding members.

Tackling the Energy Crisis in Eastern and Southern Africa

The Eastern and Southern Africa region faces a severe energy crisis, with around 365 million people lacking electricity, which hampers socio-economic development and exacerbates the digital divide reports COMESA. To address this, the "Accelerating Sustainable and Clean Energy Access Transformation" (ASCENT) initiative, launched by the Common Market for Eastern and Southern Africa (COMESA) and the World Bank, aims to provide 100 million new electricity connections by 2030. At a recent high-level panel in Berlin, COMESA's Amb. Dr. Mohamed Kadah highlighted financial barriers, noting that upfront costs for carbon projects can reach up to $1 million, limiting funding for small and medium-sized initiatives. Panelists discussed leveraging carbon markets to support transitions aligned with the Paris Agreement and emphasized the need for better access to financial resources and effective methodologies for carbon credit measurement. Despite significant challenges, initiatives like ASCENT offer a pathway for innovation and structural transformation in the region.

Events – 09/20/2024

"**Biashara Afrika**." AfCFTA. *Kigali, Rwanda*. 9-11 October 2024.

"**5th AfAA Annual Conference**." African Arbitration Association. *Douala, Cameroun.* 9-11 October 2024.

View online: News: 9.20.2024

Provided by Afronomicslaw