

BUSINESS AND POLITICS IN THE MUSLIM WORLD

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Summary of Report

Political Developments

S. Africa's Malema faces disciplinary hearing

ANC youth leader Julius Malema, in trouble for singing banned apartheid-era songs, faced a disciplinary hearing on Monday, the ANC said.

Zimbabwe media commission urged to issue licences

Zimbabwean journalists on Monday accused a commission set up to drive media reforms of delaying the registration of new newspapers, but a cabinet minister said the issue was being used for anti-government propaganda.

No Unity Deal After Latest Madagascar Talks

Political rivals in Madagascar have agreed to reconvene in two weeks to continue their talks aimed at creating a unity government.

Talks Resume on Madagascar Crisis

Talks aimed at ending the year-long crisis in Madagascar have resumed in South Africa. The parties reportedly have given themselves a final 24 hours to reach an accord.

Opposition Leader Says, President Khama Has Weakened Botswana's Democracy

A leading member of a breakaway faction of Botswana's ruling Democratic Party (BDP) says President Ian Khama's repeated refusal to address their concerns "clued-up" their decision to form a new opposition party to challenge what he described as the status quo.

Ahmadinejad Trip Tempts African Trade Hopes

Iranian President Mahmoud Ahmadinejad's two-day visit to Zimbabwe last week has stirred up dissension within Zimbabwe's unity government. Members of the Movement for Democratic Change (MDC), including Prime Minister Morgan Tsvangirai, stayed away from official welcoming ceremonies, as they assailed the Iranian leader's stand on human rights and other issues. The MDC argued that Mr. Ahmadinejad's visit would send a wrong message about Zimbabwe, which is trying to restore democracy and revive a shattered economy with western aid.

Economic Developments

South Africa's Zuma promises laws curbing casual labor

South African President Jacob Zuma on Saturday urged unity in a fragile alliance with a key workers' union and communist allies, promising new laws to end casual labor and improve workers' living conditions.

Angola to get first credit rating soon: government source

Angola should receive its first credit rating in the next few days, paving the way for the African nation to issue up to \$4 billion in bonds to foreign investors, a government source said on Monday. This credit rating is being assessed by representatives of Moody's, Fitch Ratings and Standard and Poor's.

Zimbabwe, China in \$400 mln power plant deal

Zimbabwe has signed a \$400 million agreement with China's Sinohydro to expand its Kariba hydro electricity plant at a time when rolling power cuts are threatening to dim the country's economic recovery prospects.

S.Africa to tighten c.bank shareholding rules

South Africa's government will amend the country's Reserve Bank Act to tighten rules on shareholding in the central bank and will undertake a wider review that may change it to public ownership.

S.Africa union in wage dispute with De Beers

South Africa's biggest union (National Union of Mineworkers) said on Monday it had declared a wage dispute with the world's top diamond producer De Beers, and had asked an arbitration authority to mediate.

ZIMBABWE: Court ruling tests patience of blood diamond activists

A leading light in establishing the Kimberley Process Certification Scheme (KPCS), a global system to prevent "blood diamonds" being sold into the market, is facing a "dilemma" now that the Zimbabwe High Court has allowed the sale of stones from the Marange diamond fields.

SWAZILAND: Not much benefit in preferential trade agreement

A decade after the African Growth and Opportunities Act (AGOA), a preferential US trade agreement, became law on 18 May 2000, there are questions over the benefits, if any, derived from the initiative.

Zimbabwe's Controversial Diamonds Not for Sale

A Zimbabwe judge has denied an urgent appeal by the diamond mining company African Consolidated Resources to block a controversial sale of diamonds. Despite initial reports by state-controlled media in Harare that the ruling lifted a two-month ban on the sale of Zimbabwe's diamonds, a higher court's original order remains in effect.

Zuma Says Changes Coming to Land Policy

South African President Jacob Zuma has said the country needs to change its land reform policy but will not engage in Zimbabwe-style land seizures.

U.N. Report says 1.6 Billion Still Lack Access to Electricity

The Secretary-General's Advisory Group on Energy and Climate Change report - Energy for a Sustainable Future - says many people still lack access to electricity, describing it as a "significant barrier" to development. The U.N. report calls for expanding access to energy to more than two-billion people and boosting efforts for clean, efficient and renewable energy.

Social Developments

SOUTH AFRICA: Give me a home, but not in a Temporary Relocation Area

The victims of emergencies and xenophobia in South Africa and of other African countries, which were residing in Cape Town, are sent to reside in temporary shelters which are build outside the city. They are relocated to the temporary relocated area (TRA) due to the event of world that is going to be held in South Africa in June 2010.

ANGOLA: The death of one man does not end a war

The final chapter in the long-running separatist war in Angola's Cabinda Province may not be decided by a military showdown in dense jungle terrain, but by the imminent death of a "sick old man" on a distant continent.

Detailed Report

Political Developments

S. Africa's Malema faces disciplinary hearing

(Reuters)

03 May 2010

JOHANNESBURG (Reuters) - ANC youth leader Julius Malema, in trouble for singing banned apartheid-era songs, faced a disciplinary hearing on Monday, the ANC said.

Malema has defied calls from South African President Jacob Zuma to cease making inflammatory comments and earned a rebuke last month from Zuma for supporting Zimbabwean President Robert Mugabe and his controversial land reform policies, under which white-owned farms have been given to black Zimbabweans.

While Malema's Youth League has denied knowledge of any disciplinary action, the ruling party confirmed the committee met. Malema is accused of bringing the party into disrepute.

"The ANC national disciplinary committee sat today ... on the disciplinary hearing of the ANC YL President, comrade Julius Malema," ANC spokesman Jackson Mthembu said in a statement.

"The NDC has not completed its work today and consequently it will reconvene next week, Tuesday, the 11 May, 2010."

Malema is being represented by ANC Treasurer General Mathews Phosa.

Disciplinary committee chairman Derek Hanekom, who is a member of the party's top decision-making body, the national executive committee (NEC), and the deputy minister of science and technology, told SAPA news agency Malema was present at the hearing.

Malema's inflammatory statements have unnerved foreign investors and many white South Africans. He has no policy-making role but has become prominent through his racial rhetoric.

Malema has a loyal following within the ANC Youth League and among some black South Africans who feel the end of apartheid should have delivered more.

His demands for mines to be nationalised spooked investors and prompted reassurances on policy from the government, and critics fear his slogans could deepen race tensions.

The committee's findings are likely to be presented to the ANC's NEC in two weeks' time.

Zimbabwe media commission urged to issue licences

(Reuters)

03 May 2010

HARARE (Reuters) - Zimbabwean journalists on Monday accused a commission set up to drive media reforms of delaying the registration of new newspapers, but a cabinet minister said the issue was being used for anti-government propaganda.

In a statement to mark World Press Freedom Day, the Media Alliance of Zimbabwe -- a coalition of rights lobby groups -- said local journalists were concerned that no new licences had been granted, months after the commission was appointed.

The southern African state, whose media is dominated by government and whose laws bar foreign journalists from long-term employment, created the Zimbabwe Media Commission early this year under reforms to open up a political system shut by President Robert Mugabe's ZANU-PF party.

"We want to urge the commission to get down to the business at hand -- licensing new players," the media alliance said in a petition read at the press freedom function.

"We are concerned that the Zimbabwe Media Commission appears hesitant and unsure of its mandate and yet it is clearly spelt out in the constitution," it said. Potential media investors are incurring unnecessary costs and hundreds of journalists remain unemployed because of the delay, it added.

ZMC Chairman Godfrey Majonga said the body would start processing applications for new licences this week, and Media and Information Minister Webster Shamu defended the commission, saying the Treasury had given it no operating funds.

"I urge the ZMC to stretch itself and take decisions on matters that have been stalled because of larger processes," he said, denouncing suggestions at home and abroad that Mugabe's ZANU-PF was stalling media reforms.

"It is a fact of history that Zimbabweans established democracy here, not the British (the former colonial power)," Shamu said. "That is why government's commitment to upholding democratic principles and values should not be challenged."

Mugabe, in power since independence in 1980, was forced to form a power-sharing government over a year ago with the Movement for Democratic Change of his rival, Prime Minister Morgan Tsvangirai, to tackle the political and economic crisis.

Previously, a state-appointed body used tough media laws to police the newspaper industry, forcing several titles to close.

Shamu said the delay in processing applications for new newspapers was giving the government's detractors a platform for cheap propaganda.

No Unity Deal After Latest Madagascar Talks

(Voice of America)

01 May 2010

Political rivals in Madagascar have agreed to reconvene in two weeks to continue their talks aimed at creating a unity government.

Interim leader Andry Rajoelina and his three predecessors failed to reach an agreement Saturday after three days of talks.

The negotiations are being facilitated by French and South African mediators in Pretoria.

One of the major points of disagreement is a timetable for holding new elections.

The country has been in a political crisis since March of 2009 when Mr. Rajoelina seized power from former president Marc Ravalomanana.

The interim government is not recognized by the African Union.

The group imposed sanctions on Mr. Rajoelina and his political allies in March for their refusal to honor agreements that had been mandated by the AU.

Talks Resume on Madagascar Crisis

(Voice of America)

30 April 2010

Talks aimed at ending the year-long crisis in Madagascar have resumed in South Africa. The parties reportedly have given themselves a final 24 hours to reach an accord.

The talks entered their third day Friday as the four parties tried to hammer out a deal that would create a power sharing government.

The transitional government, under a roadmap proposed by South Africa and France, would organize legislative elections this year and a presidential vote by next year.

Madagascar has been suspended from the African Union and the Southern African Development Community since its current leader, Andry Rajoelina took power, backed by the military, following the resignation of then-President Marc Ravalomanana.

The chief mediator, Mozambique's former President Joaquim Chissano, told reporters after the talks broke off late Thursday night that he was still hopeful a deal would be struck.

Mr. Ravalomanana said he was optimistic. Two other former presidents taking part in the talks declined to comment.

But Mr. Rajoelina accused the other parties of blocking progress.

He says our goal, and the goal of the Malagasy people, is to go straight to elections and that is why we came to South Africa.

He said the parties did not come to negotiate but rather to finalize an agreement drawn up by the international community. But he said the former heads-of-state are playing a game to set up never-ending negotiations.

The parties reportedly disagree over details of the proposed elections. Mr. Rajoelina also is reportedly opposed to an amnesty proposed by Mr. Ravalomanana. The former president last year was sentenced to prison for abuse of power.

Madagascar's crisis erupted in December 2008 when then-president Ravalomanana closed down a radio station owned by Mr. Rajoelina, a former mayor of Antananarivo.

This led to demonstrations that frequently were crushed violently by security forces. The confrontation came to a head when Mr. Ravalomanana's presidential guard fired on demonstrators marching on the palace, killing 31.

Mr. Ravalomanana resigned in March of last year. He handed power to the military, which passed it to Mr. Rajoelina. The 36 year-old politician, who is too young to be head-of-state under the current constitution, formed a transitional authority with himself as its president.

But the new government was rejected as a coup d'etat by SADC and the AU. Anti-government demonstrations resumed which frequently were violently repressed by the new authorities.

Months of negotiations mediated by SADC and the AU led to a power sharing accord between Mr. Rajoelina and the three former presidents. They were tasked with forming a power sharing government and organizing elections.

But Mr. Rajoelina rejected the accord in December after the other groups began distributing ministerial posts. He subsequently named a retired military officer as prime minister tasked with organizing elections this year.

The AU indicated such a vote would not be recognized and has threatened sanctions if Mr. Rajoelina carries out his plan.

Opposition Leader Says, President Khama Has Weakened Botswana's Democracy

(Voice of America)

28 April 2010

A leading member of a breakaway faction of Botswana's ruling Democratic Party (BDP) says President Ian Khama's repeated refusal to address their concerns "clued-up" their decision to form a new opposition party to challenge what he described as the status quo.

Sydney Pilane, spokesman of the newly formed Botswana Movement for Democracy said the country's democracy is deteriorating and under serious threat after describing President Khama's rule as festooned with dictatorial tendencies.

"We have for the last few years watched our democracy slowly but troublingly declining. Our people increasingly live in fear they do not as before, feel secure in their own country. They feel besieged by the government and by the intelligence services. Our government is increasingly becoming a dictatorship," he said.

Leaders of the new party, include six incumbent members of parliament, broke away from the ruling party after President Khama suspended them for indiscipline. The breakaway faction was accused of siding with the opposition to prevent Mr. Khama from nominating for special legislators into parliament.

But Pilane said failure to salvage Botswana's "deteriorating" democracy could lead to the same problems that led to neighboring Zimbabwe's political crisis.

"There are some people who think there isn't too much cause for alarm yet [but] we say we do not want to reach the stage that Zimbabwe has done, because if you do, it is so much more difficult to reverse it. We want to stop it while we can," Pilane said.

The ruling BDP has governed the southern Africa nation, which is the world's biggest producer of diamonds, since it gained independence in 1966 from colonial power Britain. Political observers say the breakaway group could weaken BDP's dominance in Botswana's next general elections in 2014.

Pilane said President Khama refused several attempts by mediators including former President Quett Masire to resolve tensions within the BDP.

"The mediation did not take place all together because the president and his committee declined President Masire's offer and so we decided that we would now proceed to the formation of a new party without any further delays. He [Masire] is not the only one who

tried to mediate others have done so before... We have always been prepared to talk but the other side had never been prepared to talk," Pilane said.

President Khama is a former military chief of general staff and the son of Botswana's founding father, Seretse Khama. Opposition groups including former members of the ruling party have often questioned his leadership style describing it as autocratic -- charges his supporters deny.

Despite the criticisms, President Khama led the ruling BDP to a landslide victory in last year's October general elections. The ruling party won 45 seats in Botswana's 61-member parliament leaving the opposition parties with only 12 seats.

Ahmadinejad Trip Tempts African Trade Hopes

(Voice of America)

27 April 2010

Iranian President Mahmoud Ahmadinejad's two-day visit to Zimbabwe last week has stirred up dissension within Zimbabwe's unity government. Members of the Movement for Democratic Change (MDC), including Prime Minister Morgan Tsvangirai, stayed away from official welcoming ceremonies, as they assailed the Iranian leader's stand on human rights and other issues. The MDC argued that Mr. Ahmadinejad's visit would send a wrong message about Zimbabwe, which is trying to restore democracy and revive a shattered economy with western aid.

Journalist Sanday Chongo Kabange covered the Ahmadinejad visit for the online media outlet Africa News. He says that in contrast, Zimbabwe President Robert Mugabe has offered support for Iran's nuclear program and generally has been trying to strengthen ties among countries at odds with the west.

"Mugabe has gone to his so-called 'look East policy,' where he's seeking a lot of support from Asian countries after the United States and Great Britain, and especially the European Union, imposed travel restrictions on his government. So he's looking out to Asia for support, especially when it comes to finance and technical support to develop his country," he said.

Iran has been actively seeking suppliers for the development of its nuclear program. After refusing to share data with international inspectors of its uranium enrichment program and making threats against the state of Israel, Tehran has drawn several rounds of sanctions from the United Nations.

As a resource-rich southern African country, Zimbabwe is believed to have available uranium deposits to sell. On Monday, Zimbabwe Industry and Commerce Minister Welshman Ncube denied reports that Iran had won permission to extract uranium with Zimbabwe receiving oil from Iran in exchange. Journalist Kabange says that despite no mention of nuclear issues on the public agenda during last week's talks, the subject may

very likely have been raised, not only because of Iran's needs, but also due to Harare's interests.

"Africa is at the moment certainly experiencing a critical shortage of energy, and maybe nuclear energy will be one area that Robert Mugabe and Mahmoud Ahmadinejad might have discussed," said Kabange.

He said Zimbabwe's motivation for selling may also stem from both dire economic need and eager advances from rapidly expanding countries in Asia.

"When somebody's desperate and has a lot of resources, they can do anything. Uranium is actually being explored in most African countries, and Zimbabwe has quite sufficient deposits of uranium. Probably, that is one thing that might have triggered Ahmadinejad's visit. While trading with countries like China, for example, that are heading towards Africa to get a lot of raw materials to use it in their industries, probably the visit by Mr. Ahmadinejad would be one that's trying to look for resources and then penetrate Africa for more uranium," he noted.

On Friday, Mr. Ahmadinejad headed from Zimbabwe to Uganda, where he signed several cooperation agreements and sought support against a fourth round of U.N. sanctions against his nuclear expansion. Ugandan President Yoweri Museveni did not indicate whether Kampala will back new sanctions. But with leverage as a rotating member of the U.N. Security Council, Kabange says that Presidents Museveni and Ahmadinejad had a lot to talk about over the weekend.

"Iran has seen that there are a lot of raw materials in Africa. I'm sure it is trying to get as much as it can, win the support of African countries, get the raw materials, and take it back, probably to its nuclear program. It might have these enormous nuclear plans within its country and is trying to enrich itself with a lot of nuclear energy, so it wants to get as many resources from different sources in Africa," he suggested.

President Museveni has not yet disclosed whether Uganda will back sanctions against Iran. Uganda is reportedly also interested in acquiring, perhaps from Iran, the capability to develop and refine its own oil resources in northwestern Uganda around Lake Albert, which is believed to hold approximately 2 billion barrels worth of oil.

Economic Developments

South Africa's Zuma promises laws curbing casual labor

(Reuters)

01 May 2010

Zuma speaking in Durban to mark May Day, said workers' share of national income in Africa's largest economy had not grown to acceptable levels, with rural areas still deeply divided into affluent farm blocs, peri-urban and poorer communal areas.

"The benefits of economic growth have not been broadly and equitably shared," Zuma told a May Day gathering.

Deep divisions between South Africa's ruling ANC, the main labor movement COSATU, which has nearly 2 million members, and communist allies have threatened a decades-old alliance as rival factions battle for power and influence to shape policy.

Zuma said the government would introduce laws to promote decent work for all employees, to regulate contract work, subcontracting and out-sourcing in a bid to address labor broking and prohibit some abusive practices

"We are also working to ensure that provisions are introduced to facilitate the unionization of workers and conclusion of sectoral collective agreements to cover vulnerable workers," he said.

Zuma said the government was also implementing policies that create an environment for more labor-intensive production methods and procurement policies that support local jobs and build public-private partnerships.

Turning to his allies in COSATU and the African Communist Party, Zuma said the ruling ANC and its allies needed to be united in order to transform the lives of South Africans.

"There is still a lot that we must do together to advance the interests of workers," Zuma said.

"The ANC is the shield, COSATU the spear of the workers."

Zuma also reiterated that the soccer World Cup, due in 39 days in South Africa, will be a resounding success and that it comes as a result of the workers' decades long struggles against minority rule.

"The World Cup is a celebration of our freedom, a celebration of the sacrifices and struggles of our people. Together we will make the tournament a resounding success, because we worked so hard for it over many decades," Zuma said.

Angola to get first credit rating soon: government source

(Reuters)

03 May 2010

LUANDA (Reuters) - Angola should receive its first credit rating in the next few days, paving the way for the African nation to issue up to \$4 billion in bonds to foreign investors, a government source said on Monday.

Representatives from Moody's, Fitch Ratings and Standard and Poor's were recently in Angola to assess its rating. The source declined to give details on timing and the exact amount of bonds to be issued.

"We expect the credit rating to be issued in the next few days," the source said. "The government will then decide how much and when it will sell the bonds."

Analysts have said that a rebound in oil prices in the last 12 months to above \$80 per barrel means Angola will need to issue less debt to rebuild infrastructure wrecked by a 27-year civil war that ended in 2002.

Angola hopes it can get a better credit rating than oil-producing rival Nigeria, which is rated "B+" by Standard and Poor's.

Moody's, Fitch and Standard and Poor's officials were not immediately available for comment on Monday.

Zimbabwe, China in \$400 mln power plant deal

(Reuters)

03 May 2010

HARARE (Reuters) - Zimbabwe has signed a \$400 million agreement with China's Sinohydro to expand its Kariba hydro electricity plant at a time when rolling power cuts are threatening to dim the country's economic recovery prospects.

Noah Gwariro, the managing director of the Zimbabwe Power Company -- the generation arm of state utility ZESA -- said on Monday Sinohydro would add two 150 megawatt units at Kariba.

"China's Eximbank will fund the project to the tune of \$400 million. Sinohydro is already working on a similar project on the Zambian side of Kariba," he told Reuters.

Gwariro earlier told parliament Zimbabwe was generating a total of 940 MW -- less than half its national power requirements -- from its Hwange thermal plant and Kariba, against the country's peak demand of 2,500 MW.

Zimbabwe has previously signed hundreds of millions of dollars worth in cooperation agreements with foreign governments to boost its electricity generation capacity, but has not made progress in getting any of the projects off the ground.

In July 2005, Zimbabwe signed a \$200 million deal with Iran's Farab Company for the extension of the Kariba South power station, but the deal fell through after Zimbabwe failed to raise the required deposit for the loan.

A raft of deals with China totalling \$1.3 billion for the building of new coal mines and three thermal stations, signed in 2006, have also not yielded results.

Gwariro said a shortage of funding meant only two of six units were running at Hwange, which was hit by a complete power failure in February but the station -- whose capacity is to generate 750 MW -- should generate 560 MW by the end of May.

After years of hyperinflation and contraction, Zimbabwe's economy has stabilised under a power-sharing government formed last year by President Robert Mugabe and his rival, Prime Minister Morgan Tsvangirai.

But power shortages threaten a full recovery of the economy as the key mining and manufacturing sectors, which require reliable power supplies, continue to experience frequent cuts.

Zimbabwe imports power from Mozambique and Zambia, but plans to export 40 MW to Botswana under an \$8 million deal under which its western neighbour will finance the upgrading of a thermal station to produce 90 MW in Zimbabwe's city of Bulawayo.

Zimbabwe expects to start exporting power to Botswana in August, Gwariro said.

S.Africa to tighten c.bank shareholding rules

(Reuters)

03 May 2010

PRETORIA (Reuters) - South Africa's government will amend the country's Reserve Bank Act to tighten rules on shareholding in the central bank and will undertake a wider review that may change it to public ownership.

Finance Minister Pravin Gordhan said on Monday the amendment would ensure private shareholders could not circumvent rules restricting ownership, thereby making sure they could not interfere with the independence of the central bank.

"It has come to the notice of the Reserve Bank that certain shareholders might be circumventing the law and accumulating shares to improperly ... influence the operations and independence of the bank," he said.

South Africa's Reserve Bank is one of few central banks in the world that is owned by private shareholders, a system originally meant to give ordinary South Africans a chance to own a small number of shares.

Shareholders are entitled to appoint half of the board of directors but have no say in the day-to-day operations, or policies, of the bank.

The government and central bank have warned that some shareholders were trying to disrupt the operations of the bank, to force the government to nationalise, which would result in a massive payout.

While it is only a small group of individuals shareholders that have raised concerns, some have bought shares in family members' or friends' names to increase their voting rights.

They regularly disrupt Reserve Bank general meetings, using time-wasting tactics to press their demands.

In March, Reserve Bank Governor Gill Marcus said the bank faced a challenge from a group of shareholders trying to make a profit at the expense of the national interest.

Shares have a nominal value of 1 rand per share, with a dividend of 10 cents per share, but can also be traded over the counter.

BILL OUTLAWS USE OF PROXY VOTES

Gordhan told reporters the new bill, which would be open to two weeks of public debate before being submitted to parliament, would outlaw shareholders using proxy votes with relatives' and "associate" shares.

The law would ensure all shareholders abided by the limit of 10,000 shares each.

The change was part of a wider review aimed at entrenching the Reserve Bank's independence and could culminate in the bank becoming a public institution.

"That could be one of the outcomes but I don't want to circumvent the process," Gordhan said.

The proposed law also aims to broaden the base for nominations to the bank's board, allowing for directors from a wider range of business and social sectors, and extends grounds to exclude nominees.

The government will be able to appoint four, rather than three, directors to a 15-person board.

It will give the president more flexibility in reappointing governors and deputy governors of the Reserve Bank, letting him decide how long a contract renewal will be, up to a maximum of five years.

Currently, the president is restricted to appointing officials to five-year terms.

S.Africa union in wage dispute with De Beers

(Reuters)

03 May 2010

JOHANNESBURG (Reuters) - South Africa's biggest union said on Monday it had declared a wage dispute with the world's top diamond producer De Beers, and had asked an arbitration authority to mediate.

The National Union of Mineworkers (NUM) said in a statement it had declared the dispute after talks with De Beers -- 45 percent owned by miner Anglo American -- broke down on Friday, and wants the Commission for Conciliation, Mediation and Arbitration (CCMA) to help the parties reach an agreement.

Failure to do so would lead to a strike, the union said. De Beers hoped the CCMA could help bridge the gap.

"It's part of the process. We think that going to the CCMA might expedite things," De Beers' Johannesburg-based spokesman Tom Tweedy told Reuters.

He said the wage talks had started last week.

The NUM is demanding a 15 percent wage increment, a 5 percent increase in shift allowance and a 5 percent increment on continuous operations, while De Beers has so far offered an 8 percent increment, the NUM said. South Africa's inflation stands at 5.1 percent.

"The time has now arrived for us to tackle De Beers. I don't see how we can't give them a strike action this time around," said Peter Bailey, the NUM's chief negotiator at De Beers.

De Beers reported a strong first quarter to the end of March with sales five times the level of last year, but is still cautious about the global recovery.

De Beers, which controls around 40 percent of the rough diamond market, was hit hard during the downturn as consumers shied away from luxury goods.

ZIMBABWE: Court ruling tests patience of blood diamond activists

(IRIN)

29 April 2010

JOHANNESBURG, 29 April 2010 (IRIN) - Global Witness, a leading light in establishing the Kimberley Process Certification Scheme (KPCS), a global system to prevent "blood diamonds" being sold into the market, is facing a "dilemma" now that the Zimbabwe High Court has allowed the sale of stones from the Marange diamond fields.

There have been reports from Marange that "the military ... carried out widespread atrocities in the diamond fields, including murder, rape and forced labour", Global Witness said in a statement. The court ruling, "apparently" approving the sale of 129,000 carats of diamonds, was in contravention of the Kimberley Process, to which Zimbabwe is a signatory.

"If the government goes ahead with its plan to sell diamonds without prior approval from the Kimberley Process, it will be in breach of its commitments and should face suspension. Member states will need to act swiftly if they want to maintain the credibility of the scheme and protect consumer confidence in the international diamond market," Global Witness campaigner Elly Harrowell warned in the statement.

In 2009 a KPCS action plan called for Zimbabwe's compliance with the scheme, but there was "no sign that the country has yet implemented the necessary reforms", including demilitarization of the Marange diamond fields, the statement said.

To stay or go

When asked if the organization would withdraw its support from the scheme, Global Witness spokesperson Amy Barry told IRIN: "I don't know if we are there yet, [but] we are definitely getting close to asking those questions."

Global Witness is part of civil society representation on the KPCS, which also draws on governments and the diamond industry to strangle the trade in conflict diamonds. Barry said the organization was taking the view that "working on the inside, not just shouting from the sidelines", was the best approach at this stage.

After the court ruling, Zimbabwe's Minister of Mines, Obert Mpofu, told state media: "We are going to benefit from our diamonds, whether with the KP or not."

SWAZILAND: Not much benefit in preferential trade agreement

(IRIN)

28 April 2010

MBABANE, 28 April 2010 (IRIN) - A decade after the African Growth and Opportunities Act (AGOA), a preferential US trade agreement, became law on 18 May 2000, there are questions over the benefits, if any, derived from the initiative.

AGOA was touted by the US government as offering "tangible incentives for African countries to continue their efforts to open their economies and build free markets"; in return, selected countries could access US markets without restrictive quotas or import taxes.

Neither Swaziland nor Lesotho had a textile sector before the advent of AGOA, but the quality of the jobs it created, and the labour conditions and working environment, are being examined by local as well as US authorities.

"We ask: who is the beneficiary of the textile factories that have opened here since AGOA?" said Comfort Gina, secretary general of the Swaziland Federation of Trade Unions (SFTU), an umbrella body. "Jobs were created, but if you take the basic income versus expenditures of a worker, basics like transport, food and accommodation exceed income."

The average monthly wage for a textile factory worker is about US\$117, according SFTU data. "Workers are paid below the taxable income level, so the national economy at large isn't benefiting either," he told IRIN.

The US Department of Commerce said the value of Swaziland's AGOA exports increased nearly threefold, from \$65 million in 2001 to a peak of \$199 million in 2005; Lesotho's exports reached \$140 million in 2001 and peaked at \$467 million in 2004.

Now the fortunes of both these landlocked countries have declined. By 2007 Swaziland's AGOA exports were only \$141 million, and by 2009 the peak amount had almost halved to \$101 million. Lesotho mirrored the trend: AGOA exports were at \$339 million in 2008, but dropped to \$227 million in 2009, about half the peak level.

During the peak period of Swaziland's AGOA exports, employee numbers were double the current figure - about 15,000 Swazis, mostly women, are employed in garment factories financed by Taiwanese investors and operated by managers from mainland China.

A strengthening of the local currency - the Lilangeni, which is pegged to the South African rand - combined with the global economic slowdown, resulted in a steep decline in orders.

Factories have closed, some of which were built at government expense and rented at very low cost to induce businesses to set up in the country. Worker housing was not built, and more often than not employees built informal housing as close to their workplaces as possible.

Felicia Dlamini, a developmental economist based in the capital, Mbabane, told IRIN: "From the standpoint that AGOA brought jobs then, yes, it has been a success, though half the jobs are gone now; but we have to look at the quality of the jobs, and other factors that have impacted on the quality of people's lives."

Zodwa Mavimbela, Assistant Commissioner for Verifying Audits at the Ministry of Finance, which monitors company tax compliance, commented: "Every country wants its workers to pay taxes - that's what we hoped when the AGOA factories arrived. Taxes pay

for social programmes, but the workers are paid too little to pay much tax, and the companies are unprofitable and don't pay tax."

Poor labour conditions

Gladys, 26, who declined to give her last name, is one of six women who share a room within walking distance of a factory in Matsapha, an industrial estate about five kilometres west of Swaziland's commercial city, Manzini.

They sleep in shifts, heat water on a gas stove, and bathe in a metal tub; their meals usually consist of bread, maize-meal porridge and vegetables - meat is a rarity.

"All of us have to support children and families. Most of us are from the rural areas - we were driven from there by the poverty and drought," said Gladys, a mother of two who works as a seamstress at the factory.

"That is why we all have boyfriends - even the married girls - because we need gifts from them to buy clothes and pay for our children's school needs," she said.

Swaziland is ruled by sub-Saharan Africa's last absolute monarch, King Mswati III, and democratic credentials weigh heavily in determining eligibility for AGOA, but because the country had begun work on democratic reforms, such as drawing up a new constitution, it just made the cut.

Labour law concerns were raised by the US Deputy Trade Representative, Ambassador Demetrios Marantis, at a meeting with government officials in February 2010. A US government official, who declined to be identified, told IRIN that if Swaziland did not improve its labour conditions it could lose its AGOA status.

"There is not a single factory that has a collective bargaining agreement with a workers union. On average, union representation at the factories is 30 percent - far below the 50 percent union membership needed for bargaining power," said SFTU's Gina.

"Employers will give the appearance of cooperating with the union when AGOA inspectors come around, but they are doing everything they can to discourage unionization."

In March, Prime Minister Sibusiso Dlamini acknowledged the concerns over "the rate of progress by Swaziland in the implementation of international labour agreements, and in particular the effectiveness of monitoring working conditions, and the freedom to organize under the laws of Swaziland."

Zimbabwe's Controversial Diamonds Not for Sale

(Voice of America)

28 April 2010

A Zimbabwe judge has denied an urgent appeal by the diamond mining company African Consolidated Resources to block a controversial sale of diamonds. Despite initial reports by state-controlled media in Harare that the ruling lifted a two-month ban on the sale of Zimbabwe's diamonds, a higher court's original order remains in effect.

Judge Ebrahim Patel ruled last week that there was no urgent need for the High Court to hear African Consolidated Resources' appeal for an order halting the sale of diamonds extracted from the Marange area in eastern Zimbabwe.

The judge had been asked to hear the appeal as a matter of urgency, and he confined his ruling to that aspect of the case. He was not asked, and therefore made no ruling specifically about the sale of the diamonds, which are currently held for safekeeping at the country's central bank, by order of the Supreme Court.

African Consolidated Resources said in court filings that urgent consideration of its appeal was necessary because the company expected the diamonds would be certified for sale this month by a monitor from the Kimberley Process, which seeks to stop sales of conflict diamonds.

The monitor, South African Abbey Chikane, said in a written report last month that he intended to return to Zimbabwe in April to see whether authorities there had remedied a number of security concerns he had previously identified, and which were preventing certification of the gemstones' legal status.

Reports circulated Tuesday from the Harare Herald newspaper and the Ziana news agency, both long controlled by President Robert Mugabe's Zanu PF party, indicated sale of the diamonds was now possible. African Consolidated Resources said Wednesday those reports were incorrect.

The firm is pursuing its attempt to prevent any sale of the diamonds, but said its appeal will now be heard through the High Court's normal schedule.

ACR's chief executive, Andrew Cranswick, said Wednesday the firm is relying on a Supreme Court ruling two months ago that ordered an immediate halt to all mining in the Marange area, and that any rough stones extracted to date, should be held by the central bank. However, ACR and other companies servicing mining operations in eastern Zimbabwe say two Zimbabwe companies backed by South African and Mauritian shareholders continue to mine for diamonds despite the Supreme Court ban.

Zimbabwe's controversial diamond fields made international headlines last year when human-rights groups including Global Witness, reported gross human-rights abuses in the Marange area, most of them committed by members of the Zimbabwe security forces.

Zuma Says Changes Coming to Land Policy

(Voice of America)

29 April 2010

South African President Jacob Zuma has said the country needs to change its land reform policy but will not engage in Zimbabwe-style land seizures.

Speaking in Johannesburg Thursday, Mr. Zuma said there is a "general view" that the current policy, known as Willing Buyer-Willing Seller, has not worked adequately.

The policy is meant to encourage white landowners to sell land to the country's black majority.

Mr. Zuma said his government is working on a "much more pragmatic formula for land redistribution." But he said there would be no land invasions because any changes must be made within the law.

Unequal land distribution is a legacy of South Africa's system of apartheid, which ended in 1994.

Zimbabwe's government tackled a similar imbalance by confiscating land from white farmers beginning in 2000. Soon afterward, Zimbabwe's economy went into steep decline, marked by food shortages and hyperinflation. Mr. Zuma made his remarks Thursday to a symposium on South Africa's constitution.

U.N. Report says 1.6 Billion Still Lack Access to Electricity

(Voice of America)

28 April 2010

A new U.N. report calls for expanding access to energy to more than two-billion people and boosting efforts for clean, efficient and renewable energy.

The Secretary-General's Advisory Group on Energy and Climate Change report - Energy for a Sustainable Future - says many people still lack access to electricity, describing it as a "significant barrier" to development.

Secretary General Ban Ki Moon released the report Wednesday in New York, saying, "I convened this group last year for one simple reason. We need to urgently transform this global energy system."

Moon adds, "The decisions we make today on energy will have a profound impact on global climate, on sustainable development, on economic growth and global security."

He says a "clean energy revolution" is needed in developing countries to meet rising demand and reduce greenhouse gas emissions.

Findings

Moon says affordable, modern energy sources are necessary to meet the Millennium Development Goals by their target date of 2015.

“One-point-six-billion people lack access to electricity. Without electricity you cannot do anything in this world. Two to three billion people still rely on traditional energy sources, such as firewood, peat or dung. This affects their health and keeps people trapped in poverty,” he says.

The report calls for “universal access to basic modern energy services” by 2030. It says this can be achieved “without significantly increasing greenhouse emissions.”

New industrial revolution

Kandeh Yumkella, Director-General of the U.N. Industrial Development Organization, chairs the advisory group.

“What we advocate for here is a transition to a low carbon economy, investing in new energy systems. But these investments must also enhance access for all.”

He says there was much debate among advisory group members about reaching the energy goals by 2030.

“You can look at the composition of our group – more private sector than U.N. types. And that was a deliberate choice by the Secretary-General because, given the many dimensions and its linkages to so many things, we wanted fresh thinking from the private sector,” says Yumkella.

Clean, renewable energy is a major recommendation in the report. “We believe that’s part of the transformative change,” he says, “that will in fact engender a new industrial revolution that will lift people out of poverty and also deal with some of the issues of climate change.”

United Nations Foundation President Timothy Wirth calls energy the “oxygen of commerce and wealth creation.” He adds, “Producing more with less makes economic sense and is fast approaching an environmental imperative.”

Social Developments

SOUTH AFRICA: Give me a home, but not in a Temporary Relocation Area

(IRIN)

30 April 2010

BLIKKIESDORP, 30 April 2010 (IRIN) - Blikkiesdorp - meaning "tin-can town" in Afrikaans - has become a source of controversy in Cape Town, South Africa's most visited city and the host of several important matches in the much-anticipated 2010 Soccer World Cup.

Created in 2008, Blikkiesdorp is sandwiched between sand dunes and the main road through the township of Delft, about 20km outside Cape Town, where over 1,500 box-like units made of metal sheeting line a bleak area of gravel and sand, with not a tree or a bush in sight.

Older units lack insulation and gaps can be seen between the galvanized metal sheets; problems with plumbing result in overflows when it rains - the odour of sewage is distinct.

Some residents have called Blikkiesdorp a "concentration camp", and have attracted media attention with claims that it was created as part of a "clean up strategy" to tidy away Cape Town's poor and homeless before the World Cup starts in June.

Most of the people were relocated from inner-city suburbs like Woodstock and Salt River - a move reminiscent of apartheid's forced removals - but this Temporary Relocation Area (TRA), as it is officially known, is in fact one of the government's attempts to deal with the housing backlog.

According to the city, Blikkiesdorp represents a significant improvement in the living conditions of most residents, and some of them agree. "I'm glad to stay here," Andrew Maqoyile, 32, told IRIN. He and six friends had been living for nearly eight years in a large outdoor recreation area, now the site of the newly built Green Point Stadium, but were relocated when construction work began.

"There it was so cold, but I had to live like that because I have no family or anyone. When they said they would move us to these temporary shelters, I was all right [with that]."

South Africa's housing crisis has so far proved hard to crack, and the promise by the ruling African National Congress (ANC) of housing for all is perhaps the nation's biggest dream deferred.

Cape Town alone has a backlog of some 400,000 houses, and 18,000 new families from South Africa and other African countries arrive in the municipality every year; where to accommodate everyone has become a persistent headache.

The answer, so far, has been TRAs, which are part of the National Housing Programme for Housing Assistance in emergency circumstances, and have been developed all over South Africa to handle the overflow of people waiting for houses.

Blikkiesdorp was established in direct response to the illegal occupation of houses in a new township, known as the N2 Gateway, by a group of homeless people, who were evicted and "temporarily relocated" to the area.

Since then, Blikkiesdorp has been extended to provide housing for other people in various emergency situations, including the occupants of unsafe or condemned buildings, homeless people, and the victims of xenophobic attacks.

A constant State of emergency

The TRA is now home to 1,250 families, and is a system that thousands of people are likely to go through before getting a permanent house; it says much about the housing emergency in South Africa, 16 years after the ANC took power in South Africa's first democratic election.

"The shops are far [away], people are starving, and many don't work. When they moved us they said there was a place for the children in schools, electricity was in[stalled], everything is fine. But when we came there was no electricity, and no place for the children in the school," said Rosline Maritz, who now has to pay for minibus-taxi fare so her two children can attend school in Athlone, where they used to live.

Blikkiesdorp also houses some of the vulnerable and indigent victims of xenophobia: Michael Uredi of the Democratic Republic of Congo (DRC) and his family came here from the Blue Waters Safety Camp in late March 2010.

They had fled intertribal conflict in the DRC's Eastern Kivu region, but in their eight years in South Africa have suffered theft, violence and rape. They hope to be resettled to a third country, and that Blikkiesdorp will be their last stop before they leave. Despite the slightly improved physical conditions here, the family is still fearful.

"There hasn't been a night that we've slept well. It's better to eat cabbage with peace than meat without peace. We are not safe here. My life is in someone else's hands - I'm not free, my children are not free," Uredi told IRIN.

Many in the settlement cited violence as a big problem, and blamed the level of crime on the high unemployment rate and a lack of activities or recreation places for young people.

A satellite police station was built to help control the situation, but it was vandalized before it opened and remains unused. Most of the few empty housing units have also been vandalized, and people say they cannot walk outside after 10 p.m. without fear of harm or police harassment.

"The problem is that this is a temporary relocation area, so how much infrastructure do you invest in for the short-to-medium term, but at the same time meet the need for people to have a place to worship, and other ... [activities]?" said city media manager Kylie Hatton.

Johan Jordaan, who lives in Blikkiesdorp, commented: "They say it is temporary, but why do you spend so much money to get the land, put the sewage system in, put the electricity in, when you could use that money to build houses? That's what I can't understand." For now, no one knows.

ANGOLA: The death of one man does not end a war

(IRIN)

26 April 2010

LUANDA, 26 April 2010 (IRIN) - The final chapter in the long-running separatist war in Angola's Cabinda Province may not be decided by a military showdown in dense jungle terrain, but by the imminent death of a "sick old man" on a distant continent.

"N'Zita is from the same school as [UNITA leader Jonas] Savimbi. He dreams of a glorious military victory, but he is a sick old man on his death bed in Paris, and when he dies so will his cause," Antonio Bento Bembe, recently appointed Angola's first minister of human rights in the ruling MPLA government, told IRIN at his offices in the capital, Luanda.

Bento Bembe is a former combatant of the Front for the Liberation of the Enclave of Cabinda (FLEC) and the secretary-general of the splinter group FLEC Renovada.

He dismissed any suggestion that the separatist movement to which he dedicated 30 years of his life still existed, apart from "in the mind" of Henrique N'Zita Tiago, now exiled in the French capital, Paris, and the leader of FLEC-FAC (Armed Forces of Cabinda).

In 2006 Bento Bembe - then president of the Cabindan Forum for Dialogue (FCD), which included representatives of all FLEC factions, as well as civil society and church groups - signed a Memorandum of Understanding (MOU), which, at least on paper, brought an end to Cabinda's separatist conflict and ambitions.

Bento Bembe said peace had come to Cabinda since the signing of the memorandum and any sporadic acts of violence, such as the January 2010 ambush of a bus carrying Togo's football team during the African Nations soccer tournament, were the work "of bandits and terrorists".

Togo's assistant coach, the soccer team's spokesman and an Angolan bus driver were killed in the attack and eight members of the entourage wounded.

The Togo ambush has not been the only such event: a deminer working in Cabinda, who declined to be identified, told IRIN that operations near Miconje, near the Congo-Brazzaville border, were abandoned on 1 November 2009 because of security concerns.

A 12-man demining team resumed work on 1 February 2010, protected by 10 Angolan troops with helicopter support, and who were constantly in radio contact with a nearby army garrison.

Raul Danda, a Cabinda-born UNITA parliamentarian and former member of the now disbanded Mpalabanda Cabinda Civic Movement, told IRIN: "The Angolans don't want to admit to a war. To say that the death of N'Zita will end Cabinda's struggle is completely wrong - he is just one person. He is not the only one ... Don't think for a second this struggle is going to stop [with N'Zita's death]."

FLEC-FAC's vice president, Alexandre Tati, is believed to be active in and around the separatist movement's areas of operations.

N'Zita was part of the 1961 formation of the Movement for the Liberation of the Enclave of Cabinda (MLEC), which evolved into FLEC two years later. In 1975, when Angola achieved independence from Portugal, FLEC split into as many as five factions.

During a meeting in the Netherlands in 2004, in an attempt to solve Cabinda's troubles, FLEC's two main splinter groups, FLEC-FAC and FLEC Renovado - founded by Tiburcio Zinga - reformed under the banner of FLEC.

Bento Bembe was appointed president of the FCD, but it was alleged that he signed the MOU without the authority of the coalition members, that Cabindans were granted no political concessions, and that the memorandum merely provided an amnesty for combatants and a range of government posts to officials in the movement. N'Zita returned his group to the bush war in the wake of the signing.

Danda said Bento Bembe "was sold to the Angolan government", as the ruling MPLA and President Eduardo Dos Santos were not interested in a political solution because they believe they "can just buy people."

Angola has become Africa's largest oil producer partly because it controls Cabinda, whose geographical position allows it to lay claim to massive off-shore oil reserves. However, the colonial histories of Angola and Cabinda are not mirror images, and this is where the bid for independence by FLEC finds the oxygen to sustain itself.

Claims of independence

The Treaty of Simulambuco, signed in 1885 between the N'Goyo Kingdom and Portugal, granted Cabinda the status of a protectorate and coincided with the Berlin Conference of 1884-1885, which divided Africa between the European colonial powers in what became known as "The Scramble for Africa".

Angola had been a Portuguese colony for a few hundred years, but Cabinda had not, and the rationale for it becoming a protectorate was to prevent the expansion of the Belgian Congo under King Leopold II; Cabinda was subsequently administered separately by Portugal.

In the 1930s Portuguese dictator António de Oliveira Salazar declared Angola a province of Portugal and Cabinda was brought under the same administration. Those favouring independence for Cabinda claim Angola's first government annexed it at independence in 1975.

The MPLA government views Cabinda as a province of Angola and has dismissed cultural differences as an argument for self-determination, as "not enough to grant it [Cabinda] independence, because all the provinces in the country have specific cultures".

Recognition of FLEC's struggle for an independent Cabindan state was eclipsed by nearly three decades of civil war between the MPLA and UNITA in Angola, when the country became a Cold War playground for the competing strategic interests of the United States and the former Soviet Union. The MPLA also blamed FLEC military activity in Cabinda on UNITA, further damaging the organisation's international profile.

So it was no small irony that when the Togo soccer players were ambushed, the international media used the event as a stick to beat South Africa for possible poor security when hosting the soccer world cup in June 2010, rather than to highlight FLEC's struggle for independence.

The case for autonomy

Alcides Sakala, UNITA's spokesman and secretary for foreign affairs, told IRIN the opposition party favoured autonomy for Cabinda - similar to the status that the Azores and Madeira enjoy under Portugal - as an independent state would prove vulnerable to the avarice of neighbouring countries that might be tempted by the territory's oil wealth.

Danda, who said he had joined UNITA to promote Cabinda's cause, noted that FLEC might accept an autonomous state with a large degree of self-government, but currently it was "being occupied by Angolan troops; Angola is not protecting Cabindans, it is killing Cabindans."

Muluka-Anne Miti, a researcher for the rights group, Amnesty International, and a specialist in Lusophone Africa, told IRIN that reports of fighting were sporadic, and although Cabinda could not be classified as a police state, there was "a lot of [state] oppression".

She said the separatist agenda was not just being led by FLEC, which "still enjoyed huge support on the ground ... It's just that people feel differently in Cabinda, and it will take a long time to change that."