

African Union

- The African Union has its bi-annual meeting in Johannesburg on 7–15 June. According to Simon Allison, issues on the informal agenda could include the following: possible action against Pierre Nkurunziza for attempting a 3rd term as president of Burundi; leadership of the South Sudan peace process; whether the AU should get involved in Libya or leave it to other global bodies; whether to scrap the existing rapid deployment force of the AU in favour of the South African favoured ACIRC; Xenophobia in Africa (South Africa, specifically); and lastly, the launch of the Tripartite Free Trade Agreement this week in Egypt. Other formal issues include the need for financial independence and less reliance on foreign support; the implementation of Agenda 2063 pushing for the development of African resources for the benefit of its people; and peace and security, health and gender issues. (Allison, S. 2015. AU Summit Preview: Separating the news from the noise. Daily Maverick – www.dailymaverick.co.za. 9 June.)
- The Tripartite Free Trade Area (TFTA) (from Egypt to South Africa) was signed on 10 June 2015 by the heads of state. The TFTA brings together the East African Community (EAC), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). It spans 26 countries, involves 625 million people, and has a GDP of more than US\$1 trillion. It provides for tariff preferences to facilitate the movement of goods across member countries. It can be seen as a step towards uniting Africa (not unlike the EEA), and has received support from business leaders from abroad. (Sharm el Sheik. 2015. African leaders sign 'Cape to Cairo' free trade bloc deal. BDLive – www.bdlive.co.za. 10 June.)
- Africa's ports are currently the focus of foreign attention. The Danish shipping company, Maersk, has bid for contracts to build and upgrade ports in Nigeria and Kenya. This is part of their program to expand their operations in Africa. Maersk is already undertaking expansion projects in Ghana's Tema port and in Abidjan's second container port in the Ivory Coast. Singapore corporate, Tolaram Group, is involved in building the Lekki Port in the state of Lagos in Nigeria, to be completed in 2015. A driving force behind the port expansion projects in Africa is seen as the increase in the middle class of Africa, with its need for middle class consumer goods, most of which need to be imported. (Cohen, M. 2015. Maersk eyes ports in Nigeria, Kenya. Business Report – www.iol.co.za. 8 June.)
- According to News24.com, Antony Jenkins, Group CEO of Barclays (UK), stated last week at the WEF Africa that Africa could not depend on free rides anymore and that hard work and competing for investments lay ahead for Africa. Two issues that are pertinent for Africa are the importance of creating financial inclusion in Africa and the promotion of trade. Paul Polman, CEO of Unilever UK, agreed and stated that education of local employee forces was important. It was also no longer sufficient to export raw materials. Infrastructure has to be put in place to facilitate local beneficiation projects from local economies. (Smith, C. 2015. Africa: No more free rides for Africa, Says Barclays chief. AllAfrica.com – www.allafrica.com. 4 June.)

Southern Africa

- Overberg Asset Management posted this week that South Africa was part the "Threatened Three", i.e. Brazil, Turkey and South Africa. Their currencies are under pressure. The currencies of countries with large current account deficits are seen to be especially vulnerable. With a deficit of 5.1% of GDP during the fourth quarter of 2014, South Africa has the largest deficit amongst the emerging market countries. South Africa is therefore especially dependent on portfolio capital inflows, which are either diminished or reversed when the Fed tightens interest rates. The scale of foreign ownership of its financial assets increases South Africa's vulnerability. SA's bond

market has the highest level of foreign ownership of all emerging markets, with the sole exception of Indonesia. Weaker economic growth, lowering consumer and business confidence, energy problems, policy uncertainty, a stifling bureaucracy, and inflexible labor markets are indicated as factors putting the rand under further pressure. In addition, the commodities market will come under more pressure, as amongst others, China's economy is not seen as improving. (OAM. 2015. SA among 'threatened three' emerging markets. Fin24 – www.fin24.com. 9 June.)

East Africa

- New Vision, a newspaper in Uganda, has reported that a judge has stated that mobile phone operators MTN, Warid, Uganda Telecom, Airtel and Africell were illegally operating their mobile money activities. The reasoning is that they had telecoms licences and were not licensed to trade as financial institutions. However, the judge dismissed the case, as the complaint against these institutions should have been brought before a tribunal of the Uganda Communications Commission (UCC). A County MP, Abdu Katuntu, initiated the case in order to have mobile money regulated under the Financial Institutions Act. (Amamukirori, B & Kasule, F. 2015. Mobile Money operations illegal, judge rules. New Vision – www.newvision.co.ug. 30 May.)

West Africa

- UNICEF's Generation 2030 | Africa states that Nigeria's population will grow to over 270 million by 2030 and over 440 million by 2050. It is expected children and adolescents will represent close to 60% of the population during this period. Moreover, 67% of Nigerians will live in an urban centre. In the absence of adequate planning, this would be a disaster. Issues highlighted are as follows. First, the demographic dividend associated with an adult population could lead to an increase in per capita growth. Second, capacities are needed for the rising number of youth to become productive workers and entrepreneurs, while productive employment in value-adding jobs and decent work are required. Thirdly, should the second issue not be addressed, the result would be increasing unemployment, poverty and disparity in income and well-being. This could exacerbate internal divisions and lead to civil unrest. Fourthly, this could be addressed by providing for the nutrition, education, health, and minimum standard of living for all Nigerian children. (Delamonica, E. & Abdu, M. 2015. Facing the elephant in the room: Nigeria's bulging youth population. Daily Maverick – www.dailymaverick.co.za. 4 June.)