



## News: 5.31.2024

**By:**

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### **Observers Confirm Readiness and Peace Ahead of South Africa's 2024 Elections**

The *South African Development Community* (SADC) reports Mr. Enock Kavindele, Head of the SADC Electoral Observation Mission (SEOM) to South Africa, met with various electoral observation mission heads on 28th May 2024 to discuss the upcoming National and Provincial Elections. The session reaffirmed the country's peaceful pre-election atmosphere and the readiness of the Independent Electoral Commission (IEC) to conduct credible elections, with legal reforms and new practices being highlighted. Notable attendees, including former Presidents Uhuru Kenyatta and Goodluck Jonathan, expressed confidence in the electoral process and its potential to strengthen South Africa's democracy.

### **Comesa Bemoans Slow Pace in Ratifying AfCFTA Protocol**

A team of the COMESA Competition and Tariff Commission held a series of meetings in Harare with fair trading practice regulators from Zimbabwe, Kenya, Malawi, Uganda, and Zambia, among others. COMESA Competition Commission

director and chief executive officer Willard Mwemba raised concern over the delay in the ratification of the African Continental Free Trade Area (AfCFTA) Protocol on Competition Policy. Speaking in Harare, Mwemba urged members States attending a meeting on the AfCFTA Protocol on Competition Policy and Research to fast-track the process.

### **ECOWAS Officials Address Challenges in Enforcing Court Judgments**

The Vice-President of the ECOWAS Commission, Mrs. Damtien Larbli Tchintchibidja, highlighted the ongoing challenge of executing judgments from the ECOWAS Court of Justice, emphasizing the need for national judicial institutions' involvement. At the Judicial Council's meeting on May 27, 2024, she urged regular Council sessions to enhance the Court's effectiveness and maintain judicial excellence. The meeting aims to address recommendations from February's committees on implementing Court decisions and improving Council procedures. Both Mrs. Tchintchibidja and other officials stressed the judiciary's role in upholding justice and human rights across West Africa.

### **AU Commission Launches 2025 Senior Leadership Election Process**

*The African Union* reports that its Commission has initiated the election process for its Senior Leadership positions, inviting candidates to submit their applications by August 6, 2024. The elections, based on inter-regional rotation, will occur during the February 2025 AU Summit, with eight positions open, including Chairperson and Deputy Chairperson. A Panel of Eminent Africans, representing each region, will oversee the pre-selection process, emphasizing regional representation, gender parity, and merit-based selection. Candidates for the Chairperson role will also participate in a live televised debate to present their vision and address public questions.

### **Leveraging Nature-Based Solutions for Africa's Sustainable Development**

At the African Natural Capital Alliance Annual Summit in Nairobi, Antonio Pedro of the Economic Commission for Africa (ECA) highlighted nature-based solutions as key to achieving Africa's SDGs and Agenda 2063 by promoting biodiversity, ecological connectivity, and climate resilience. He emphasized the need for responsible natural resource management and the development of high-

integrity carbon credit markets, projecting potential annual revenues of \$82 billion from carbon pricing. Pedro also noted Africa's blue economy potential, which could generate \$576 billion annually and create 127 million jobs by 2063. Other leaders, including Mark Napier and Elizabeth Mrema, stressed the importance of regenerative agriculture, sustainable infrastructure, and policy incentives to support green finance and nature conservation.

### **Addressing Regional Challenges: Annual Meeting of West African Intergovernmental Organizations**

The annual meeting of Intergovernmental Organizations (IGOs) of West Africa, scheduled for June 10-11, 2024, in Abidjan, Côte d'Ivoire, will address pressing economic, social, environmental, and political challenges in the region, including post-COVID-19 fiscal constraints, geopolitical crises, and climate issues. Despite challenges, West Africa has shown economic resilience with a projected GDP growth rate of 4.1% for 2024 and 2025, though inflation remains high, averaging 19.4% in 2024. Progress toward the 2030 sustainable development goals is insufficient, and food insecurity affects an estimated 49.5 million people. The meeting will focus on regional integration efforts, particularly the African Continental Free Trade Area (AfCFTA), aiming to strengthen partnerships for sustainable development among West African IGOS, UN agencies, private sector, academia, and civil society.

### **Financial Constraints Hinder East African Legislative Assembly Activities**

Emmanuel Ntirenganya writing for *The New Times* reports that financial constraints due to partner states' failure to fulfill their financial obligations are causing delays in key activities of the East African Legislative Assembly (EALA), as highlighted in a statement from EALA's 17th meeting of the EAC Speakers' Bureau in Nairobi. EALA Speaker Joseph Ntakirutimana expressed concerns over budgetary challenges and urged partner states to meet their financial commitments. The situation is impacting other EAC organs as well, with the East African Court of Justice (EACJ) postponing sessions due to delayed remittances. Participants at the meeting emphasized the importance of addressing financial issues to advance regional integration goals.

## **Kenya's President Ruto Proposes Reforming Pan-African Parliament for Efficiency**

*The New Times* Alice Kagina states that President William Ruto of Kenya proposed reducing the Pan-African Parliament's seats from 275 to 100 for cost-effectiveness, advocating for one man and one woman representative from each African country, transitioning PAP into a full-time organization. Speaking at the African Development Bank's annual meeting, Ruto emphasized aligning continental financial institutions to support Africa's development and progress, proposing giving the AU Commission executive more power for economic diplomacy. He also stressed the need for an African Court of Justice and enhancing PAP's connection with the AU executive for improved accountability.

## **Rwanda-Zimbabwe Bilateral Cooperation: Progress and Commitment**

Kelvin Jakachira writing for *The New Times* reports that the Rwanda-Zimbabwe Joint Permanent Commission on Cooperation expressed satisfaction with the implementation of bilateral agreements covering various sectors including security, trade, education, and energy. The mid-term review session in Harare appraised progress on 30 Memoranda of Understanding signed since 2020, highlighting achievements like the exchange of educational personnel and expertise and defense and security sector exchanges. Both countries emphasized the importance of accountability and commitment to translate agreements into actions benefiting their people, with plans for continued cooperation and monitoring of implementation progress.

## **Africa's Economic Growth Must Prioritize Poverty Reduction, Says AfDB**

According to *The Guardian*, the African Development Bank (AfDB) warns that while Africa's economic growth has been steady, it's not sufficient to address poverty. The Bank emphasizes the need for inclusive growth strategies that prioritize poverty reduction and job creation, especially for vulnerable populations. AfDB's report indicates that despite economic growth, poverty rates have remained high, with over 450 million Africans living below the poverty line. The Bank calls for urgent action to implement policies that promote inclusive growth and address structural challenges hindering poverty reduction efforts.

## **Togo Traders Face Hardship as Nigeria Cuts Electricity Supply to West African Countries**

*The Guardian* reports that Nigeria's decision to cut electricity supply to West African countries, including Togo, due to unpaid bills has led to significant challenges for traders and businesses in Togo. The reduction in electricity supply has affected businesses, causing disruptions and financial losses. Traders in Togo are now appealing to both the Nigerian and Togolese governments to resolve the issue promptly to alleviate the hardships faced by businesses and ensure the uninterrupted flow of electricity. This situation underscores the interconnectedness of regional economies and highlights the importance of resolving cross-border disputes to maintain economic stability and growth.

## **Ghanaian Minister Attributes Currency Depreciation to Excessive Imports, Advocates for Local Production**

Jimisayo Opanuga writing for *The Guardian* reports that in a recent statement, the Ghanaian Minister of Food and Agriculture attributed the depreciation of the Ghanaian cedi to what he termed as a "ritual problem," blaming excessive imports for the currency's decline. He emphasized the need for Ghana to reduce its reliance on imported goods and boost local production to stabilize the currency. The Minister also highlighted the importance of promoting domestic industries and agriculture to strengthen the economy and curb currency depreciation. Additionally, he urged Ghanaians to support government initiatives aimed at promoting self-sufficiency and reducing imports.

## **ECOWAS Vice President Expresses Concern Over Mali, Burkina Faso, Niger Exit Threat**

According to *The Guardian*, the Vice President of ECOWAS expressed deep concern over Mali, Burkina Faso, and Niger's potential exit from the organization, calling it "heartbreaking." He highlighted the significant contributions of these countries to ECOWAS and emphasized the need for unity and collaboration to address regional challenges. The threat of their withdrawal stems from frustrations over the slow pace of integration and decision-making within ECOWAS. The Vice President urged member states to work together to strengthen the organization and ensure it remains relevant in addressing the

region's issues.

### **Benin-Niger Trade Tensions: River Crossing Closure Impact**

*The Guardian* reports that Benin has closed its border river crossing with Niger amidst escalating trade tensions, reportedly due to smuggling concerns. This move has led to a disruption in trade activities between the two countries, affecting traders who rely on the crossing for their livelihoods. The closure comes amid growing economic strains in Benin, aggravated by the closure of Nigeria's borders in 2019, further complicating regional trade dynamics in West Africa.

### **Dispute Over Food Export Threatens Investment Arbitration Between ETG and Mozambique**

Andrew Mizner writing for *African Law and Business* states that a dispute between an international commodities trader, ETG, and the government of Mozambique over the seizure of foodstuffs, particularly pigeon peas destined for India, may escalate to investment arbitration. ETG accuses the government of complicity in the seizure by Mozambican company Royal Group, violating its rights under Mozambique's Investment Law and the bilateral investment treaty with Mauritius. Despite previous legal actions and economic sanctions against ETG, the company insists on its rights, threatening arbitration if a satisfactory response is not received. Royal Group, on the other hand, denies wrongdoing and criticizes ETG's actions as premature and disrespectful of due process.

### **Challenges and Prospects: Global Inflation Trends and South Africa's Economic Outlook**

Bonang Mohale writing for the Daily Maverick reports that global inflation has eased, but core inflation remains sticky, hindering central banks' efforts to reach their 2-3% targets. South Africa's inflation fluctuates between 5-6%, expected to average 5.1% for 2024, and returning to target levels only in late 2025. GDP growth is hampered by energy supply issues and low confidence, with a forecasted improvement to 1.2% in 2024, rising to 1.6% by 2026, still below long-term averages. Fiscal challenges persist in South Africa, with rising debt, limited fiscal space, and structural constraints on growth, necessitating strategic fiscal management and policy changes to stabilize the economy and

reassure investors.

### **Ethiopia Attracts \$3 Billion in Foreign Direct Investment, Aims for \$3.5 Billion by Fiscal Year End**

According to *All Africa*, Ethiopia has attracted \$3 billion in Foreign Direct Investment (FDI) in the first 10 months of the current fiscal year, aiming to reach \$3.5 billion by year-end, according to the Ethiopian Investment Commission. Despite being slightly behind target, FDI inflows have shown improvement compared to the previous year, with China as the top investor. Significant investments in infrastructure, including industrial parks, have been made to facilitate foreign and domestic investors, with efforts to streamline processes through a one-stop service for permits and licenses. The commission is intensifying efforts to promote investment opportunities and create a favorable investment climate, including opening up sectors previously closed to foreign investors and making policy changes to encourage investment.

### **African Leaders Seek Global Financial Reform for Continent's Growth**

Mariama Diallo writing for *All Africa* reported that leaders gathered in Nairobi for the African Development Bank's annual summit highlighted Africa's potential for economic transformation but noted rigid barriers, such as an unfriendly global financial architecture. Despite a slowdown in average GDP growth in 2023, African economies remain resilient, with the African Development Bank projecting growth rates to rise in the coming years. Challenges including geopolitical tensions, climate change, and debt burdens were discussed, with calls for reforming the global financial system to mobilize resources for Africa's development. Additionally, policies to address rising food prices and debt restructuring were emphasized in the economic outlook presented at the summit.

### **Indonesia Seeks Renewed Collaboration with Nigeria in Oil and Gas Sector**

Writing for *All Africa*, Emmanuel Addeh reports that Indonesia seeks to enhance collaboration with Nigeria in the oil and gas sector, urging the revival of a suspended MoU. The Indonesian Ambassador emphasizes the shared interest in the sector and the potential for increased cooperation, citing significant oil and

gas imports from Nigeria in 2023. Nigeria's Petroleum Ministry welcomes the initiative, pledging to address the MoU and explore further areas of mutual benefit.

### **Kenya Introduces Import Levy on Cereals, Raising Tensions with EAC Partners**

Gerald Andae of *All Africa* states that Kenya's Agriculture and Food Authority (AFA) has mandated a two percent tax on cereal imports and a 0.3 percent tax on exports, effective July 1, potentially conflicting with EAC's duty-free trade protocols. The move may escalate tensions with Tanzania and Uganda, Kenya's primary cereal suppliers, as Tanzania already imposes export restrictions. Kenya's maize imports from Tanzania fell by 41.78 percent due to Tanzanian export hurdles, highlighting potential trade disruptions within the EAC.

### **BHP Group Pledges Investment in South Africa Amid \$49.3 Billion Anglo-American Acquisition Bid**

According to *Africa News*, Australian mining giant BHP Group pledged to invest in South Africa's economy as it seeks support for a \$49.3 billion bid to acquire Anglo American. The proposal involves spinning off Anglo American Platinum and Kumba Iron Ore into independent companies listed on the Johannesburg Stock Exchange. BHP committed to maintaining employment levels, supporting charitable projects, and listing its own shares on the Johannesburg Stock Exchange. This move comes amid significant elections in South Africa, where high unemployment and poverty are critical issues.

### **Framework for Ghana's Debt Restructuring and Economic Recovery**

According to *Africa News*, Ghana's MoU with official creditors outlines the restructuring of its \$30 billion external debt, following a January Paris Club agreement. Inflation dropped from 54.1% in December 2022 to 25% in April 2024, with 2023 GDP growth at 2.9%. The IMF aims to cut Ghana's debt-to-GDP ratio from 88.1% in 2022 to 55% by 2028. Ghana's recent domestic debt restructuring saved \$17.5 billion, aligning with IMF program requirements.

## **Events - 05/31/2024**



**“Regional Peer Learning and Capitalization Workshop.”** Economic Commission for Africa. *Lomé, Togo*. 4-5 June 2024.

**“Technical workshop on Budgeting Sensitive to Demographic Dividend .”** Economic Commission for Africa. *Ouagadougou, Burkina Faso*. 10-14 June 2024.

**“Regional Meeting of West African Intergovernmental Organizations.”** Economic Commission for Africa. Abidjan, Côte d’Ivoire.

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