

GLOBAL HIGHLIGHTS

JANUARY 11, 2010

WORLD

- The **United Nations** Security Council voted unanimously to extend for another 12 months a mandate for member countries to conduct anti-piracy operations off the coast of Somalia. www.iol.co.za
- **Gold** inched up to hit record highs above \$1,220 an ounce in December fuelled by safe-haven buying. Spot gold rose as high as \$1,222.20 per ounce, up 0.5% from the New York notional close of \$1,215.90. US gold futures for February delivery touched an all-time high of \$1,224.70. The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings stood at 1,131.214 tons as of December 2009. www.reuters.com

AFRICA

- The **Liberian** government has announced that it is in the final stages of securing a U.S. \$1.6bn Indonesian investment in palm oil production which is expected to create 35,000 jobs. The investment deal is with Golden VerOleum, one of the world's leaders in palm oil production. Richard Tolbert, chairman of the country's National Investment Commission said when the agreement is concluded, Golden VerOleum will need more than 200, 000 hectares for a palm oil plantation in the south-east, a region which is among the country's poorest. He said in addition to creating jobs and helping to decentralise Liberia's economy, the company has budgeted about \$400,000 for palm oil mills and eventually for refineries. www.africagoodnews.com
- **Rwanda** has been admitted as the Commonwealth's 54th member. The African country was admitted at the Commonwealth Heads of Government Meeting in Trinidad and Tobago. news.bbc.co.uk
- The **Nigerian** National Petroleum Corporation (NNPC) has said that the nation's crude oil production capacity has recorded a quantum leap in the aftermath of the amnesty programme and the return of peace in the Niger Delta area. The Group Managing Director of the NNPC Dr. Mohammed Barkindo said "We are pleased to announce that the first time in nearly three and half years, our crude oil production peaked at a record 2.4 million barrels per day." www-sul.stanford.edu
- In **South Africa**, despite earlier doubts about its completion date, the Gautrain rapid rail link between Johannesburg's OR Tambo International Airport and Sandton Station will be ready in time for South Africa's hosting of the 2010 Fifa World Cup™, says construction consortium Bombela. The Bombela Concession Company has just been given two amounts of R144-million each from the provincial and national governments, and it plans to have the route between the airport and Sandton complete by 27 May 2010. The World Cup starts on 11 June. www.southafrica.info/business

The scale of South Africa's impending electricity tariff increases are the biggest single threat to the country's inflation outlook. "Over the last two years inflation was at least 1.5 percentage points higher than it would otherwise have been, due to the direct and indirect impact of electricity increases," said Mike Schussler, the chief executive at Economists.co.za. www.busrep.co.za

South Africa's State-owned power utility Eskom could lop a further ten percentage points annually off its application for tariff increases of 35% a year between April 1, 2010, and March 31, 2013, and still emerge as a sustainable organisation able to fund its operations and its capital programmes, new research by consultancy Genesis Analytics asserts. The analysis, which has been completed on behalf of several mining and industrial clients, including the Chemical and Allied Industries Association and AngloGold Ashanti, would be presented to the National Energy Regulator of South Africa (Nersa), which is scheduled to host public hearings into Eskom's tariff application between January 11 and January 22. www.engineeringnews.co.za

AMERICA

- Bank of America will repay \$45-billion (R328bn) of US government bailout funds. The bank said it would repay the Troubled Asset Relief Program (Tarp) using \$26.2bn of "excess liquidity" and \$18.8bn from the sale of securities. It plans to lift equity by \$4bn through asset sales and will issue \$1.7bn of restricted stock instead of year-end bonuses to some employees. www.busrep.co.za
- The new president-elect of **Uruguay** is Jose Mujica a 74 year old former leader of the leftist guerrilla wing who once sought power through kidnappings and bombings and waged an armed revolt against a democratically elected government in the 1960s and 1970s and was jailed for 14 years. He won more than 50 per cent of the votes in a run-off election according to exit polls by three leading pollsters. www.telegraph.co.uk
- **Nicaraguan** President Daniel Ortega issued a decree that could extend the terms of electoral officials supporting his controversial bid for re-election in 2011, a move the opposition says oversteps his powers. Ortega first took power after the 1979 revolution and was formally elected president in 1984. He was re-elected in 2007, but presidents are barred from serving more than two terms. Latin America is wrestling with the issue of presidential term limits as leftists like Venezuelan President Hugo Chavez seek to extend their time in power. Central America is caught in its worst political crisis in decades after Honduras toppled President Manuel Zelaya amid accusations he was seeking to stay in office. news.yahoo.com
- The threat of a war between **Venezuela** and **Colombia** increased after both countries deployed more troops along their border. Tensions between the countries reached a new high after the Colombian military arrested four Venezuelan soldiers, just days after Mr. Chavez told his army to "prepare for war" with Colombia. The Venezuelan ambassador to Bogota, Gustavo Marquez, said that the seriousness of the situation could not be overstated and that "there is a pre-war situation in the entire region". www.telegraph.co.uk

EUROPE

- Europe's economy emerged from the worst slump in more than six decades in the third quarter as governments stepped up spending and exports increased for the first time in a year and a half. European companies are boosting output and investment after governments around the world injected billions of dollars into economies to support the recovery. While European economic confidence rose in November 2009, a stronger euro and increasing unemployment are threatening to curb growth. www.busrep.co.za
- The **Ukraine** government wants a long-promised free trade deal and easier access to visas for its citizens. The Ukraine and the EU were working towards an association agreement, which was expected to be signed by the end of 2009. Jose Manuel Pinto Teixeira, the EU's top official in Ukraine, said the government in Kiev had simply not kept its side of the bargain, and that very little progress had been made in the areas where the EU wants Ukraine to reform. news.bbc.co.uk
- A new tax on junk food products will be introduced as of March 2010 in **Romania**, the proceeds of which will go towards health programmes. The move appears to set a worldwide precedent. The new tax is due by the juridical persons who produce, import or process unhealthy foodstuffs, with a high content of salt, fats, sugar and additives. www.csreurope.org/news
- Social Democrat law professor and classical music composer Ivo Josipovic won **Croatia's** presidential elections on Sunday (10 January), pledging to back the centre-right government's efforts against corruption on the path to EU accession. Mr Josipovic won the vote by a sweeping 60.2 percent against his populist rival, Milan Bandic, according to official results out today. euobserver.com

ASIA

- **Iran**. The Iranian government approved a plan to build 10 new uranium enrichment facilities; a dramatic expansion in defiance of UN demands to halt the programme. [Irish Examiner](#)
- The government of the financially troubled **Dubai** announced a projected 2010 budget deficit of 6bn dirham (R12bn), or 16.9% of expenditure. Income is projected to decrease 12% from last year. Out of the total expenditure 30% has been earmarked for investment expenditure "to upgrade and complete infrastructure projects." Dubai also narrowly escaped a debt catastrophe last year. Its major state-owned Dubai World nearly defaulted on some of its debt, but was rescued by a last-minute lifeline of \$10 billion from neighbouring Abu Dhabi.

Despite the crisis, Dubai inaugurated the world's tallest tower which rose 828 metres (2 717 feet). Known since construction began as Burj Dubai, the tower was renamed as Burj Khalifa, after the president of the United Arab Emirates, Sheikh Khalifa bin Zayed al-Nahayan, who is also the ruler of oil-rich Abu Dhabi. www.busrep.co.za

- **Cambodia**'s Prime Minister Hun Sen opened a road building link to the Thai border in northwestern Cambodia. The 117-km long National Road No. 68 will be completed in two years time. Hun Sen said the construction and restoration of the road which costs \$33m will be fully financed by the Royal Government of Cambodia to respond to the people's actual needs, in spite of the current global financial and economic crisis. news.bbc.co.uk