

GLOBAL HIGHLIGHTS

MARCH 1, 2010

AFRICA

Ongoing and planned investments in new power generation capacity in the southern African region will add some 35 500 MW by 2015 and ease shortages in the region. Lawrence Musaba from the Coordination Centre Manager at the Southern Africa Power Pool (SAPP) said the projects will help raise the reserve margin - or spare capacity - from the current 5% to at least 10%. Musaba said that a more flexible and active electricity trading pool, which SAPP developed to boost power trading in the region, has been operating since earlier this month and has seen a gradual increase in electricity trade. Most of the power exchanged in the region - some 20% of the region's supply of around 42 000 MW - has so far been traded via bilateral long-term contracts with fixed tariffs. With the new system SAPP is aiming at boosting trade and allowing utilities to cover short-term supply shortages. With a more competitive system, prices will be set on a spot basis based on demand and supply between the utilities in the countries where SAPP operates. So far three utilities were participating in the market, although the pool plans to soon include all utilities from the region and also from elsewhere in the continent. www.engineeringnews.co.za

The leaders of the military coup in Niger have promised a "return to constitutional order", three days after overthrowing President Mamadou Tan. In the third coup in West Africa in the last 18 months, troops stormed the presidential palace in Niamey during a cabinet meeting, seizing Mr Tandja and his ministers before announcing that they were suspending the constitution and dissolving all state institutions. Calling themselves the Supreme Council for the Restoration of Democracy, the coup leaders promised to turn Niger into an example of "democracy and good governance" and save its people from "poverty, deception and corruption". A senior army officer, Col Salou Djibo, was named head of a military government. After discussions on with Ecowas Commission President Mohamed Ibn Chambas, a spokesman for the military authorities said a new constitution would be created to replace the one amended in August that abolished limits on presidential terms of office. news.bbc.co.uk

The junta that staged a coup in Niger appointed its chief Major Salou Djibo as the interim president. A military decree said that Djibo, president of the Supreme Council for Restoration of Democracy (CSR), was now acting as the head of state and government during the transitional period. news.ann24.com

The International Monetary Fund (IMF) has agreed to restore Zimbabwe's voting rights after a seven-year suspension for unpaid debts. But the fund said the country was still ineligible for loans until it had paid off more of the \$1.3bn (£841m) it owes to creditors. In the meantime, Zimbabwe can take part in IMF decision-making. The move recognises the country's efforts to repair its economy and improve relations with donors. There are signs that the country's economy is improving a year after former foes President Robert Mugabe and Prime Minister Morgan Tsvangirai united in a coalition government. The IMF said it had taken the decision to restore Zimbabwe's voting rights after a request from the country's Finance Minister Tendai Biti. news.bbc.co.uk

Brazil's state-owned oil and gas giant Petrobras has started production tests in Angola after new oil discoveries were made in deep-water wells of Nzanza-1 and Cinguvu- 1, which are located near the capital city Luanda. Petrobras owns a 5% stake and Eni which is the operator holds 35% of the working interest. During the production test, the Nzanza-1 well produced oil at rates above 1,600 barrels/day. At Cinguvu-1, the production test reached a maximum flow of 6,400 barrels/day. Angola rivals Nigeria as the largest oil producer on the African continent. news.ann24.com

EUROPE

EU policymakers warned today that the **European Union** is being outstripped by emerging economies in its recovery from the financial crisis, adding that Europe's "fragile" and slow recovery poses a threat to its competitiveness. The warning is contained in an economic report published by the European Commission, which forecasts that the EU's GDP will grow by 0.7% in 2010 while the rest of the world's will increase by 4.5%. Olli Rehn, the European commissioner for economic and monetary affairs, said that the strength of economic recovery outside Europe was "clearly stronger" than the Commission had predicted in its last economic forecast, published in November. He said that this was "especially" true of emerging Asian economies. www.europeanvoice.com

The **Greek government** is looking for an explicit guarantee from other euro zone governments that they would not allow it to default on its debts. Greece believes that such a guarantee would help lower the cost of loans, so helping it meet its deficit reduction plans. Government needs to borrow €20 billion from the money markets in April and May to replace existing bonds that are maturing. But government bonds have to pay a yield of more than 6.54% to attract investors because of fears that Athens could default on its debt. By contrast, German benchmark ten-year bonds pay a much lower coupon of 3.1%. Government wants other euro zone governments to give firm guarantees of how they would help Athens if it failed to meet its refinancing needs, possibly even giving a figure on the amount of financial assistance that might be available. www.europeanvoice.com

AMERICA

Argentina has said it wants dialogue with the UK in the row over planned British oil drilling around the Falkland Islands. An oil rig from the UK has arrived in the Falklands' waters, with drilling due to begin on Sunday. Earlier this week, Argentina announced that special permits would be required by all ships heading from its ports or through its waters to the Falklands. Buenos Aires is also hoping its neighbouring countries will co-operate to impose South America-wide restrictions. Last year, Argentina submitted a claim to the United Nations for a vast expanse of ocean, based on research into the extent of the continental shelf, stretching to the Antarctic and including the Falklands, South Georgia and South Sandwich Islands - all UK territories. It is due to raise the issue at the UN next week. news.bbc.co.uk

Chile is the world's biggest copper miner, and although officials have promised to honour its export commitments, supply worries remain. Production at four major mines was suspended - affecting around 20% of the country's capacity. Aside from the direct impact of the recent earthquake and tsunami on the mines themselves, there are other factors that could slow the production process, such as transport and power supplies. The main three-month copper contract closed at \$7,195 a tonne. news.bbc.co.uk

MIDDLE EAST

The head of **Iran's** nuclear programme has said the country will build two new uranium enrichment facilities within the next year. Ali Akbar Salehi, who is also Iran's vice-president, said the new facilities would be built in the mountains to protect them from attack. The UN nuclear watchdog last week said it was concerned Iran might currently be trying to develop nuclear weapons. Iran's supreme leader denied that the enrichment of uranium was for weapons. news.bbc.co.uk