

FINANCIAL STANDARD

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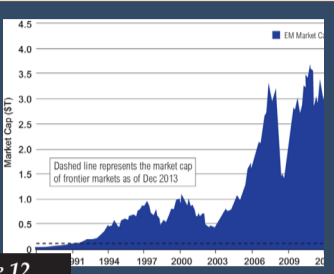
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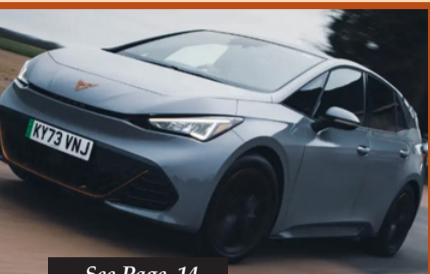
The Smartest Way To Think

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Unraveling Emerging Market



Cupra Born's EV Look



Africa Currencies Under Pressure

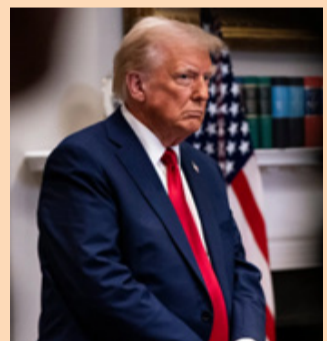


Furore Over \$3.9m Moribund COVID Project

By John K. Marah

The Ministry of Health has taken over a construction project from the
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Trump Following Through On Tariff Threat



President Trump on Monday night, just hours after his inauguration speech said he planned to put
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NaTCA's \$1m 'Sour Juice' For ORANGE

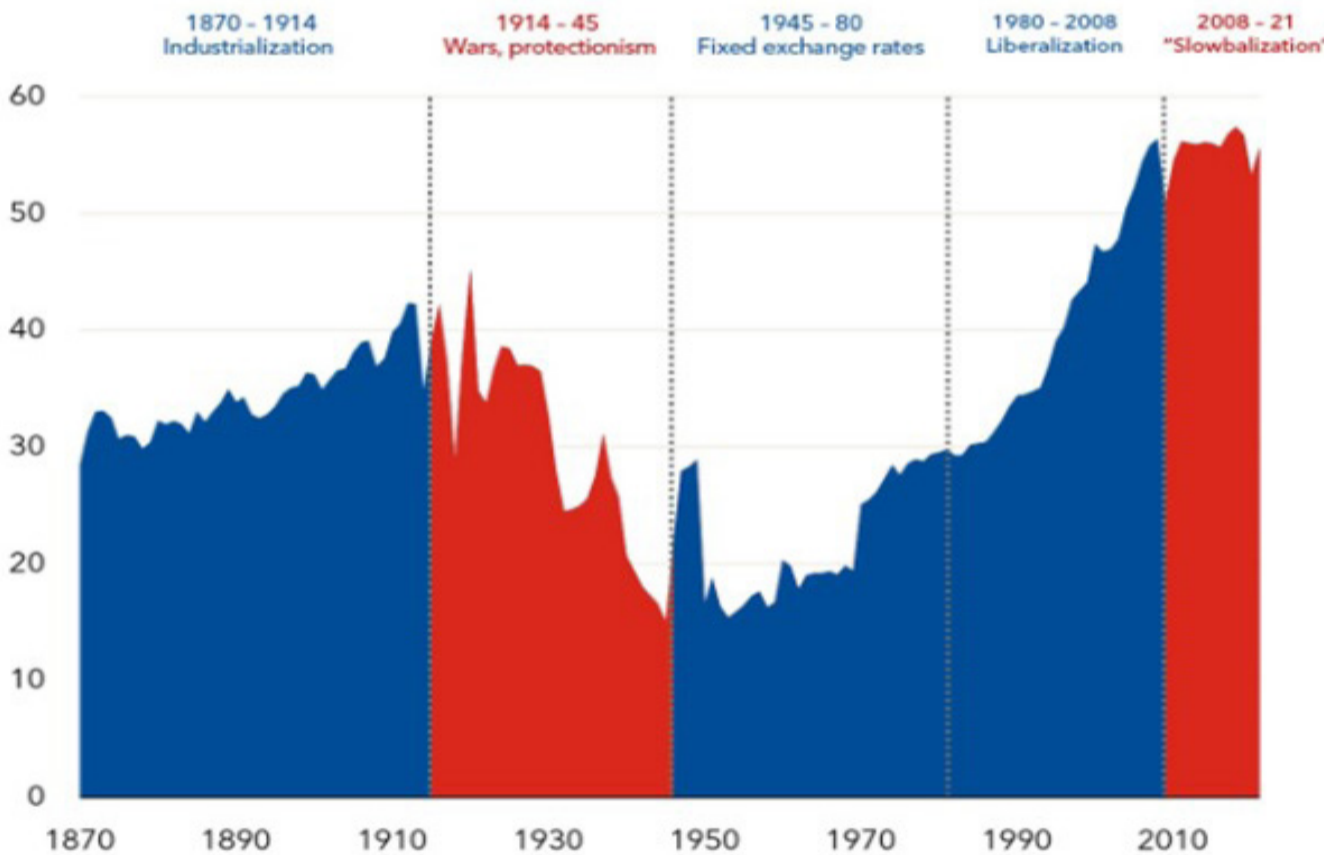
By John Marah

The National Telecommunications Authority in Sierra Leone (NaTCA) has slammed a \$1 million fine on Orange (Sierra Leone), a popular telecom provider for failing to meet required service quality benchmarks.

This move underscores NaTCA's commitment to ensuring reliable and affordable internet access for all. The agency's Director General, Mr Amara Brewah announced that the regulatory agency took the decisive step to uphold service quality standards within the telecommunications sector. Brewah, affirmed that the fine levied against Orange Sierra Leone would serve as a stark reminder to all service providers
Continued PAGE 4

Eras of globalization

Trade openness increased after the Second World War, but slowed following the global financial crisis. (trade openness, sum of exports and imports in percent of GDP)



€20m EU Uplift to Boost Rural Electrification

By John Marah

In a major step toward improving energy access in Sierra Leone, the European Union Delegation has announced a €20 million commitment to support

the country's Results-Based Financing (RBF) mechanism. This funding is set to electrify an additional 35,000 rural

households and businesses, advancing Sierra Leone's goal of achieving universal energy access.

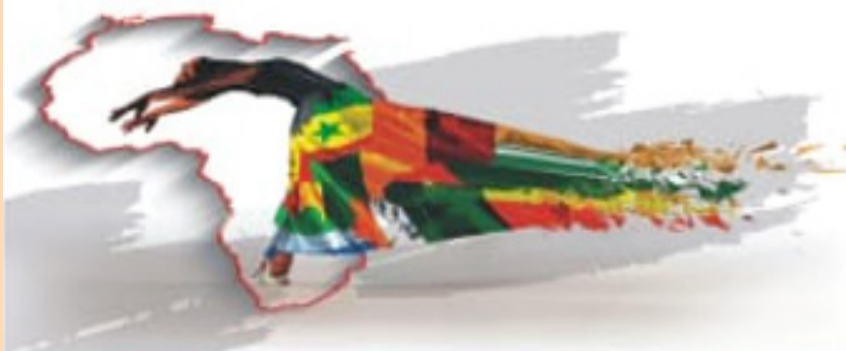
The pledge was highlighted during the commissioning of the

Kassirie Mini Grid project, a solar-powered system with a 67kW capacity and 204kWh battery storage. This initiative, managed by Sustainable Energy for

All (SEforALL) under the Universal Energy Facility (UEF), directly benefits 54% of households, businesses, and public institutions in Kassirie, marking a

transformative moment for the community.

Anita Otubu, Senior Director of the UEF, underscored the EU's critical role in catalyzing change. "The Kassirie



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World Business Briefs

Cruel Means To Curb African Migrants

As anti-migrant sentiment rises across Europe, citizens of sub-Saharan Africa trying to reach the continent are being pushed back by North African governments in proportions unseen in years. Last month, for example, Libya deported more than 600 men from Niger.

The E.U. has signed bilateral agreements with Tunisia, Morocco, Libya and Mauritania

that include financial support to curb migrant flows. The strategy appears to be working: Illegal border crossings dropped sharply in 2024, according to recent data.

But rights groups say that the methods being used to keep sub-Saharan migrants from traveling to Europe include well-documented human rights violations, such as abandoning migrants in the Sahara without food

Business Gone Sour At Korea Zinc.

When two longtime business partners established a subsidiary 50 years ago to make zinc out of an industrial complex set up by South Korea's government, they settled on an unusual division of power.

The new venture, Korea Zinc, would be managed by the Choi family. The existing parent company, Young Poong, would be run by the other founder's household, the Chang family. Both clans agreed to respect each other's management. The arrangement came to be known as "two families under one roof."

Korea Zinc went on to become the world's largest producer of zinc

Korea Airport Ex-Czar Dies

The former president of the company that operates the South Korean airport where a Jeju Air jet crash-landed last month has been found dead in his home, the police said on Wednesday.

Son Chang-wan, who was the president of Korea Airports Corporation from 2018 to 2022, was found in his residence in Gunpo, a city about 14 miles south of Seoul, on Tuesday evening. The police said there was no evidence of murder or intrusion into his home and called his death an apparent suicide.

Mr. Son was in office

Europe braces for a new America

Trump's return to the White House has plunged Europe's business leaders and policymakers into a precarious era, and officials have been bracing for it. The European Commission — the European Union's executive arm — formed a never-officially-announced group, sometimes referred to as a "Trump task force," that spent much of 2024 working on possible responses to changes to American trade and foreign policy.

There is almost no aspect of European policy that Trump does not seem poised to upend. He is threatening to impose sweeping tariffs and is pressing for much heftier European spending on defense. Two of his first acts as president were to withdraw from the



A cross section of staff of Statistic SL at a reception for visiting counterparts

ACC And Auditor-Gen: Dissecting The Roles

The 1991 Constitution of Sierra Leone unequivocally establishes that the Auditor General's Report is the exclusive property of Parliament, underscoring Parliament's critical role in ensuring financial accountability. Section 119(1) of the Constitution assigns the Auditor General the responsibility of auditing and reporting on public accounts, including government departments, local councils, and other statutory bodies. This mandate is fundamental to promoting transparency and safeguarding public resources.

The Constitution further mandates in

By Alimatu Kargbo

Section 119(4) that the Auditor General's Report be submitted directly to Parliament. Once submitted, Parliament assumes full responsibility for reviewing, debating, and acting upon the findings. This division of responsibilities ensures that the Auditor General maintains independence while Parliament exercises its oversight authority through mechanisms like the Public Accounts Committee (PAC). The PAC is empowered to scrutinize the report, summon officials, and demand explanations for any irregularities, ensuring public funds are managed responsibly.

While the Anti-Corruption Commission (ACC) plays a vital role in combating corruption, its authority is distinct from Parliament's. Governed by the Anti-Corruption Act of 2000 (as amended), the ACC investigates and prosecutes corruption cases but does not have constitutional ownership of the Auditor General's Report. Instead, the ACC may use the report's findings to inform investigations, working alongside Parliament without overstepping its jurisdiction. This separation of powers reflects the intent of the Constitution's framers, preventing undue influence from any single institution. Parliament's ownership of the report

protects the democratic process, allowing elected representatives to hold officials accountable in the public interest.

The Auditor General's impartiality, Parliament's legislative oversight, and the ACC's prosecutorial mandate collectively reinforce Sierra Leone's governance framework. This tripartite approach ensures transparency, fosters public trust, and strengthens institutional integrity. By safeguarding the Auditor General's Report as a parliamentary prerogative, the 1991 Constitution affirms accountability as a cornerstone of democratic governance in Sierra Leone

New Initiative On Credit Rating Coming

A Credit Rating Online Data Platform—an innovative resource designed to reshape how international investors assess risk in African markets, particularly in countries like Sierra Leone is in the offing. It's an initiative of the The African Development Bank (AfDB), Prosper Africa, and the United States Department of the Treasury,

By addressing long-standing data accessibility challenges, this initiative holds the promise of boosting investor confidence, improving financial

transparency, and enhancing the overall economic landscape for regional member countries (RMCs).

The Credit Rating

to pertinent financial data and analytics. By fostering an environment where data is readily available, the platform is expected to mitigate

The establishment of the Credit Rating Online Data Platform is not just another financial tool; it represents a fundamental shift in how risk is perceived and assessed.

Online Data Platform is designed to equip RMCs like Sierra Leone with seamless access

the information asymmetries that have previously hindered investor confidence.

The establishment of the Credit Rating Online Data Platform is not just another financial tool; it represents a fundamental shift in how risk is perceived and assessed. Historically, access to reliable and comprehensive data has been a significant barrier for investors considering opportunities in Sierra Leone and other African markets. This platform promises to dismantle the information asymmetries that have led to skewed risk assessments. By providing accessible, high-quality data, the platform will enable a more accurate depiction of the investment climate,

NEWS ANALYSIS

About Us

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FS as catalyst for empowerment and development, provides news and information to the reading public. It informs, educates, motivates and provides knowledge; drives financial literacy and seeks to provide a roadmap for initiatives geared towards an enduring organized private sector. We aim at building capacity for a financially literate community and aggregate its benefits for all; whilst investing prudently and taking advantages of the democratic space to assert economic rights and responsibilities.

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Sitting of the Law Reform Commission in Freetown.

Police Act Undergoes Review

Works on the much-anticipated Police Bill that would radically upgrade the Police Act - which has remained largely unchanged for over six decades - is gathering momentum in the parliament. In the week just gone, parliament conducted a review of the Act – first enacted in 1964. The parliament's Sub-Committee on the review in conjunction with the Law Reform Commission (LRC) held the review under the leadership of Mr. Yada Williams, Chairman of the LRC.. The Police Act of 1964 is undergoing a comprehensive review aimed at aligning policing practices with global standards and emerging challenges. The sub-committee's discussions are focused on integrating best practices across jurisdictions, ensuring the maintenance of law and order while embedding principles

By Alimatu Kargbo

of human rights and gender sensitivity. Yada Williams emphasized the importance of the reform process as 'being inclusive and responsive to public concerns.'

"The nationwide consultative proceedings have

framework that reflects the realities of modern society while promoting accountability, fairness, and inclusivity in policing," he stated.

Parliamentary sources informed that the review has been characterized by robust participation from diverse stakeholders, including

The nationwide consultative proceedings have provided invaluable insights into the lived experiences of citizens, and these perspectives are guiding the drafting of the Police Bill 2025.

provided invaluable insights into the lived experiences of citizens, and these perspectives are guiding the drafting of the Police Bill 2025. Our goal is to craft a legal

civil society organizations, law enforcement professionals, gender advocacy groups, and community representatives. Key issues raised during consultations

include the need for mechanisms to address police misconduct, the importance of community policing strategies, and the incorporation of gender-sensitive protocols in handling cases involving vulnerable groups. The proposed Police Bill 2025 is expected to introduce reforms that prioritize transparency, protect citizens' rights, and ensure equitable enforcement of the law. It is also hoped to establish mechanisms for oversight and accountability within police institutions to rebuild public trust.

Once finalized, the draft bill will undergo further scrutiny and debate before being presented to the legislature for enactment. If passed, it is expected to mark a significant milestone in the country's efforts to modernize law enforcement and promote justice in line with democratic ideals

africell

NEWS

Trump Following Through On Tariff Threat

Cont'd from PAGE 1

a 25 percent tariff on products from Canada and Mexico beginning on Feb. 1, claiming that the countries were allowing "mass numbers of people and fentanyl" to come to the United States. Ana Swanson of New York Times reports.

The President has equally said he would also put an additional 10 percent tariff on Chinese products by the same date, accusing China of sending fentanyl to Mexico and Canada, which was then crossing into the United States. President Trump's threats leave just 10 days before significant levies could go into effect on the United States' three largest trading partners, a move that could throw American diplomatic relationships and global supply chains



Officials of the India-Sierra Leone Trade Conference in Freetown.

into disarray.

Mexico, China and Canada account for more than a third of

the goods and services that are imported to or bought from the United States, supporting tens of

millions of American jobs. Together, the countries purchased more than \$1 trillion of U.S. exports

and provided nearly \$1.5 trillion of goods and services to the United States in 2023, the last

year government data is available.

While tariffs have long been used by the United States as punishment for unfair trading practices, Mr. Trump's first use of them is aimed at an entirely different outcome: tightening American borders against immigrants and illegal drugs.

These goals could mean that Mr. Trump's tariffs are less likely to go into effect, or that they are more likely to be removed if they do take effect. That is in contrast to other tariffs that his team is planning, which would seek to reorder global supply chains and raise revenue for the government.

It's also not clear which products the tariffs would apply to if they are imposed. One person

Furore Over \$3.9m Moribund COVID Project

Cont'd from PAGE 1

National COVID-19 Emergency Response Centre (NACOVERC). The contract, worth US\$3,984,014.96 and NLe39,840,149.60, was awarded on March 5, 2021, to Wealth Taylor Real Estate Development Limited for facilities in Mathaska Village, Port Loko District.

An audit visit on April 8, 2024—35 months after the contract award—showed that construction was incomplete, as reported by the 2023 Auditor General. The Ministry of Finance had previously instructed the Ministry of Health to reassess the project and cancel the addendum in a

letter dated July 13, 2023. They also recommended forming a Contract Management Committee to oversee the project.

However, the audit report indicated no evidence of reassessment, cancellation, or committee establishment. The auditors warned that construction delays

could lead to increased costs due to inflation affecting materials and labor. They urged the Minister of Health and the Chief Medical Officer to provide evidence of implementing the recommendations or to take immediate corrective action.

Additionally, the

auditors found that spending on diets and cleaning services exceeded the budget by NLe12,774,234. While the budget was NLe48,718,000, actual costs reached NLe61,487,233.84, with no evidence of authorization for the excess expenditure submitted to the Auditor General. This

unauthorized spending could strain government resources.

Although ministry officials stated that a National Competitive Bidding process was approved by the National Public Procurement Authority, the auditors pointed out that the main concern was the lack of prior authorization from the Ministry of Finance. The necessary

NaTCA's \$1m 'Sour Juice'...

Cont'd from PAGE 1

expected to prioritize quality and reliability. NaTCA's actions, he said aims at safeguarding the interests of citizens, government institutions, and investors by holding telecom operators accountable for lapses in their obligations.

"Quality internet is not a luxury; it's a necessity," Brewah emphasized, adding

that NaTCA's regulatory measures are integral to fostering consumer trust and promoting sustainable growth in the sector".

"This regulatory action sends a clear message to all operators: compliance with service quality standards is non-negotiable. NaTCA's proactive stance aligns with its broader mandate

of driving digital transformation, fostering competition, and ensuring affordability in the telecommunications industry".

Industry watchers are unanimous in agreeing with the penalty slammed on the telecom company. According to those that expressed opinions on the matter, the fine would help

telecom operators reflect on their operations and the kind of service being offered to their customers. They acknowledged it to be a significant penalty which can hurt the company's finances, nonetheless they believe NaTCA's action would jolt telecom providers into devising means to enhance their service delivery. NaTCA believes



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NEWS

Social Protection Bill to Tackle Poverty, Exclusion

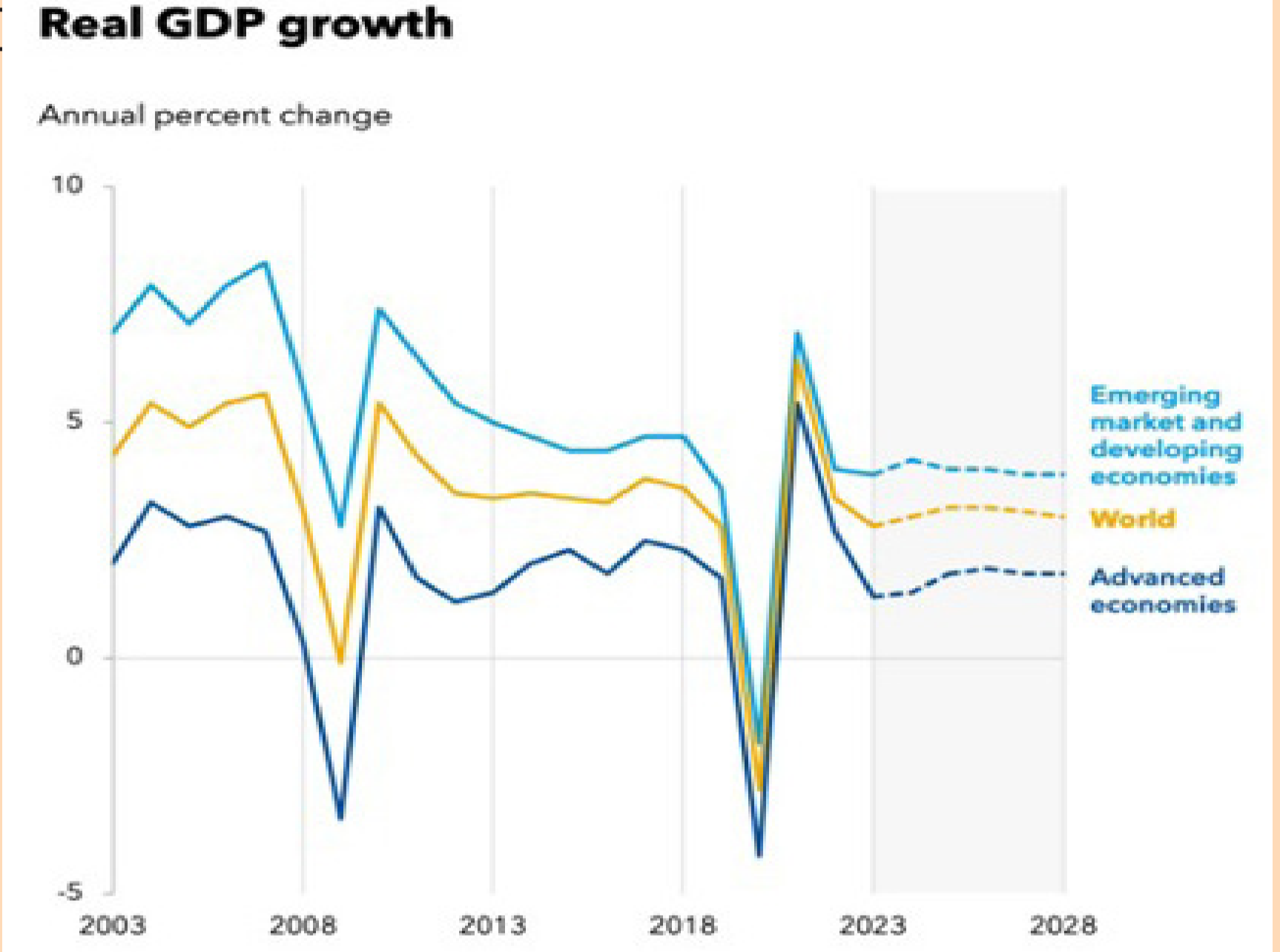
Sierra Leone's first Social Protection Bill is in the offing. This piece of legislation would establish a comprehensive legal framework for coordinating social protection programs in the country.

The bill has scaled its third reading in the parliament. Parliamentary sources hinted that the passage marks a significant step toward addressing gaps in the country's social protection system.

The journey began in 2022 with regional consultations led by the Ministry of Employment, Labour, and Social Security, in partnership with various social partners and stakeholders and an initial draft prepared by the Ministry of Justice.

The sources spoke of additional consultations completed in 2024 with financial support from the World Bank. "This ensured that the Bill was inclusive and reflective of the diverse needs of communities across the nation"

At the heart of the new law would be the establishment of a Social Protection Authority. The Authority would be responsible for coordinating all social protection activities in Sierra Leone. It would also help in



eliminating redundancies and overlaps that have arisen in terms of social protection programmes in different agencies in the country. "It will also oversee the Social Protection Breadbasket Fund, a dedicated resource aimed

at providing sustainable support for various initiatives targeting Sierra Leone's most vulnerable populations".

The Social Protection Bill builds on existing foundational policies, including the 2018 Social Protection Policy and

the 2022-2026 Social Protection Strategy, while aligning with broader regional frameworks such as the African Union's Strategy on Social Protection. This unified approach would tackle poverty, inequality, and social exclusion,

ensuring that no citizen is left behind.

Lawmakers have hailed the legislation as transformative, emphasizing its potential to strengthen the social safety net in Sierra Leone. Minister of Employment, Labour,

and Social Security, Dr. Alpha Osman Timbo, described it as, "a bold step toward fulfilling the government's commitment to equity and social justice". This historic enactment underscores Sierra Leone's dedication to

Preparations Upbeat On Census Project

A team of demographic experts from the United Nations Population Fund (UNFPA-HQ), the United Nations Economic Commission

for Africa (UNECA), and the United States Census Bureau (USCB) has concluded a week-long assessment mission in Sierra Leone.

The assessment

formed part of arrangements for the country's upcoming decennial population and housing census planned for this fiscal year. The assessment evaluated

the nation's readiness and availability of technical capacity for the census. FS gathered that the team also beamed searchlight on gaps and identified required technical

assistance that would be required for the exercise. The mission, FS sources hinted, offered a comprehensive evaluation that spanned multiple facets of census

preparation, including technological infrastructure, equipment procurement, staff recruitment, stakeholder engagement, mapping and sampling processes,



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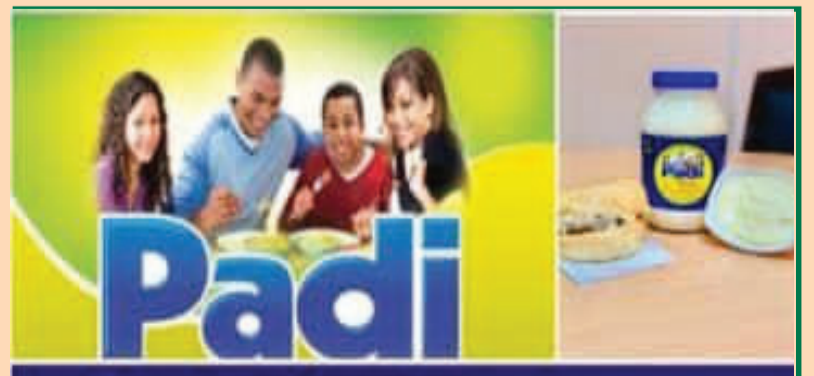
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REAL ESTATE



House Prices Continue to Fall as Borrowing Costs Rise

Global housing markets are retreating after years of steady gains. The Chart of the Week shows widespread declines in inflation-adjusted housing prices for two-thirds of the countries with recent data from the Organisation for Economic Co-operation and Development.

The moves underscore how housing markets are adjusting to rising interest rates as central banks try to contain inflation. Policy rates have increased on average by 4 percentage points across major economies, to levels that prevailed prior to the global financial crisis. In the United States for instance, the Federal Reserve has increased the target rate to a range of 4.5–4.75 percent from near zero a year ago, the fastest pace of rate increases in two decades. This in turn led to a sharp increase in the average 30-year fixed mortgage rate, which rose to a two-decade high of 7.1 percent late last year.

Interest rates play a critical role in driving house prices, along with income and population growth on the demand side and various supply factors like construction costs and regulations. A rule of thumb based on cross-country evidence

is that every 1 percentage point increase in real interest rates slows the pace of house price growth by about two percentage points.

Prior to the recent tightening cycle, interest rates had been on a downward trend. Lower rates rationally led to an increase in housing demand by lowering the cost of borrowing to finance the purchase of a house or to build on to existing houses. Now the process has been thrown in reverse. Every percentage point increase in the mortgage rate raises monthly interest payments for the average US homebuyer by \$100, and the impacts can be more dire for buyers in countries with a predominance of adjustable rate mortgages.

How long the decline in housing prices continues will depend on whether the rate hikes by

central banks have already curtailed inflationary pressures. The IMF's latest

have already had on easing the imbalances between demand and supply.

“
Property markets should enjoy greater stability when central banks slow or pause their campaign of raising interest rates to tame inflation
”

World Economic Outlook update forecasts inflation to be lower this year than it was in 2022 for about 85 percent of countries. Global inflation is expected to slow from almost 9 percent last year to about 6.5 percent this year and decelerate further next year, driven by the impact that rate hikes

If central banks slow or pause rate hikes, housing prices should then see greater stability. **Housing**

Affordability Remains Stretched

As global central banks raised interest rates to tame inflation,

home prices have cooled relative to the start of the hiking cycle. However, despite the sensitivity of the residential market to higher policy rates, prices are still above historical averages. Home prices in advanced economies, including most European Union countries, as well as Africa and the Middle East are 10 percent to 25 percent higher than pre-pandemic levels.

Rising interest rates have passed swiftly to residential mortgage markets, impeding affordability for current and prospective home buyers. Additionally, scarce home supply is limiting purchases in some regions. In all, housing affordability is more stretched amid still-elevated home prices and higher interest rates.

In the first half of 2023, mortgage rates in advanced economies climbed by more than 2 percentage points compared to the

previous year. During this period, countries like Australia, Canada and New Zealand witnessed substantial declines in real house prices, likely due to a high share of adjustable-rate mortgages and home prices that have been stretched since before the pandemic. Comparatively, home prices have fallen more than 15 percent in some advanced economies while the drop in emerging economies was less significant. But, on net, real house prices will need to keep cooling from the 2021 and 2022 highs to reach pre-pandemic levels. Higher borrowing costs are likely to see the largest impact on household debt service ratios—a measure of borrowers' loan repayment ability—in countries where housing markets remain overvalued and average lifespans for mortgage loans are shorter, according to the Global Financial Stability Report



Salone: Climate Policy Diagnostic



Sierra Leone faces important development challenges. This includes dealing with the impacts of climate change such as rising temperatures, more frequent extreme

hot days, and increasingly erratic rainfall patterns, with intensified single-day precipitation events. This is especially important given the country's strong dependence

on agriculture and hydropower. Climate change also requires improved Disaster Risk Management (DRM) and more forward-looking risk assessments. On the mitigation side,

competing development needs have led to rapid urbanization and deforestation requiring a more integrated approach to land policy, planning, and forest protection. The country also needs

substantial investments in its electricity, water, and waste sectors but private investment is lacking. The mission reviewed the current fiscal policies supporting climate action and

provided recommendations to support the long-term climate resilience in Sierra Leone, while aligning with its overall development objectives.

Fresh Pact With Guinea On \$132m Digital Project

The government of Sierra Leone has made a groundbreaking \$132 million investment in the digital sector as part of its commitment to leveraging technology for sustainable development.

Central to this investment are key frameworks, including the National Innovation and Digital Strategy, National

Digital Development Policy, National Broadband Strategy, and Government Enterprise Architecture.

Minister of Communication, Technology, and Innovation, Salima Bah, speaking in Freetown unveiled this ambitious effort while outlining a series of transformative initiatives designed to

digitize governance and enhance connectivity nationwide. "These initiatives aim at streamlining governance processes, improve service delivery, and foster a more digitally inclusive society". The establishment of key institutions such as the Directorate of Science, Technology, and Innovation (DSTI), the National Cyber Security

Center, and the Universal Access Development Fund, she explained underscores the government's focus on creating a robust foundation for digital transformation. Meanwhile, the government has entered into a digital partnership with Guinea to establish alternative fiber routes. This collaboration highlights the strategic importance of regional

cooperation in driving digital development and would improve regional connectivity.

Minister Bah emphasized that these investments and initiatives are not only about building infrastructure but also about empowering citizens, fostering innovation, and enabling economic growth. "Digital transformation is a catalyst

for sustainable development," she stated, reaffirming the government's commitment to making technology a cornerstone of national progress.

This \$132 million investment is set to reshape the digital landscape, paving the way for a more connected, innovative, and resilient future.

Preparations Upbeat On...

field operations, and data management protocols. "This thorough analysis is expected to help create an environment conducive to accurate and efficient data collection, which is crucial for shaping national policies and resource distribution".

During the official

opening of the assessment mission, the Minister for Planning and Economic Development, Kenyeh Barley, articulated the significance of credible data for planning and resource management. She underscored the census as "the most important tool for

planning," emphasizing that accurate census results would facilitate equitable resource allocation and informed decision-making processes across various sectors.

Sibeso Mululuma, UNFPA Officer in Charge in Sierra Leone,

hailed the assessment mission as a crucial step toward achieving a successful and impactful census that could deliver accurate and reliable data for national development. She expressed gratitude for the collaboration with UNECA and USCB, emphasizing that this joint effort would facilitate a strong foundation for the upcoming census.

Statistician General,

Andrew Bob Johnny, articulated the importance of basing governance decisions on reliable statistics. He emphasized that the census is pivotal for collecting, processing, and disseminating this vital information, further highlighting the potential impact of this data on national policy and development decisions.

International stakeholders, including

representatives from USAID and the World Bank, reaffirmed their commitment to the census process, explicitly linking its success to the country's future development trajectory. They pledged to collaborate closely with the Government and other involved parties to ensure outcomes that reflect the needs and aspirations of the populace.



DIGITAL MONEY



Africa's Growing Crypto Market Needs Better Regulations

The collapse of the world's third largest crypto exchange FTX, and subsequent plunge in the prices of Bitcoin, Ethereum, and other major crypto assets, is prompting renewed calls for greater consumer protection and regulation of the crypto industry.

Regulating a highly volatile and decentralized system remains a challenge for most governments, requiring a balance between

minimizing risk and maximizing innovation. Only one-quarter of countries in sub-Saharan Africa formally regulate crypto. However, as our Chart of the Week shows, two-thirds have implemented some restrictions and six countries—Cameroon, Ethiopia, Lesotho, Sierra Leone, Tanzania, and the Republic of Congo—have banned crypto. Zimbabwe has ordered all banks to stop processing transactions and Liberia directed

a local crypto startup to cease operations (implicit bans).

Africa is one of the fastest-growing crypto markets in the world, according to Chainalysis, but remains the smallest, with crypto transactions peaking at \$20 billion per month in mid-2021. Kenya, Nigeria, and South Africa have the highest number of users in the region. Many people use crypto assets for commercial payments,

but their volatility makes them unsuitable as a store of value.

Policymakers are also worried that cryptocurrencies can be used to transfer funds illegally out of the region and to circumvent local rules to prevent capital outflows. Widespread use of crypto could also undermine the effectiveness of monetary policy, creating risks for financial and macroeconomic stability. The risks are that much greater if

crypto is adopted as legal tender—as the Central African Republic recently did. If crypto assets are held or accepted by the government as means of payment, it could put public finances at risk.

The Central African Republic is the first country in Africa, and the second in the world after El Salvador to designate Bitcoin as a legal tender. The measure has put the country at odds with the Bank of Central African

States (BEAC)—the regional central bank that serves the Economic and Monetary Community of Central Africa (CEMAC), which the Central African Republic is a member of—and violates the CEMAC Treaty. BEAC's banking sector supervisory body—Central Africa's Banking Commission—has banned the use of crypto for financial transactions in the CEMAC region.

—This blog is based on the October 2022 Regional Economic Outlook for sub-Saharan Africa

Central Bank Digital Currency Product Development

Large projects, whether digital or not, often follow a well-established sequence of research, experimentation, development, testing, and operations phases. This linear approach works relatively well when the goals of the project are clear; proven technology is readily available; and a wide range of experience is offered by technology providers, consulting firms, and former clients. However, when a project is continuously evolving or when the value is unproven, as is often the case for CBDC, these steps are still necessary but are difficult to follow in a linear process. Given the highly

experimental nature of CBDC and the number of unresolved questions, an iterative and flexible approach is necessary to understand and prove the feasibility, benefits, risks, and implications at every step (Table 1).

This section introduces the 5P methodology, consisting of five phases: preparation, proof-of-concept, prototypes, pilots, and production. These phases provide wholesale or retail CBDC development teams with the necessary tools and techniques to effectively manage the technology exploration and research of a CBDC during phases 1 and 2. They also facilitate coordination for the development, testing,

and potential production of a CBDC in phases 3, 4, and 5. By adopting this structured approach, teams can delay costly or final decisions related to technology design and platforms until they have gathered the necessary information to make informed choices. The 5P methodology value lies in its structured and adaptable approach to managing a CBDC project. It provides guidance for linking goals and key questions to specific activities and for promoting coordination among participants. This section provides a general definition of each phase. Subsequent sections delve into the specific

implications for the R&D teams.

The preparation phase is crucial for laying the groundwork and identifying key questions related to CBDC. Depending on the scope of the project, this phase can involve assessing the potential and risks of specific technologies or taking a more strategic approach to identify policy goals and legal, technological, and monetary implications of CBDC. During this stage, a technological exploration typically looks at a set of technologies and use cases that will be tested in the next phases. For a broader scope, the goal would

be to establish the rationale for CBDC, including its policy goals, feasibility, benefits, drawbacks, risks, and success criteria.⁷ In all cases, the preparation phase involves an initial assessment of capacity, feasibility, and risks, as well as motivation and market condition, based on consumers' behaviors, habits, and culture. All the while, some assumptions may be made explicitly or implicitly on many domains, including technical feasibility, regulatory compliance, acceptability by all stakeholders and users, or costs. Such assumptions need to be explored further during the next phase.

The proof-of-concept phase (PoC) aims to validate or invalidate assumptions about the CBDC and the conditions for success, such as those related to policy objectives, user motivations, technology options and maturity, as well as legal, financial, and technological questions. While the term proof-of-concept often evokes the test of a specific technology, it should be noted that concepts can be proven or understood using other low-cost activities. This includes surveys, Design Thinking workshops, interviews, hackathons, market consultations, innovation challenges, and customized demonstrations. After

KNOWLEDGE ZONE (1)

Unraveling An Emerging Market

An emerging market (or an emerging country or an emerging economy) is a market that has some characteristics of a developed market, but does not fully meet its standards. This includes markets that may become developed markets in the future or were in the past. The term "frontier market" is used for developing countries with smaller, riskier, or more illiquid capital markets than "emerging". As of 2006, the economies of China and India are considered to be the largest emerging markets. According to The Economist, many people find the term outdated, but no new term has gained traction. Emerging market hedge fund capital reached a record new level in the first quarter of 2011 of \$121 billion. Emerging market economies' share of global PPP-adjusted GDP has risen from 27 percent in 1960 to around 53 percent by 2013. The ten largest emerging economies by nominal GDP are 4 of the 9 BRICS countries

(Brazil, Russia, India, and China) along with Mexico, South Korea, Indonesia, Turkey, Saudi Arabia, and Poland. The inclusion of South Korea, Poland, and sometimes Taiwan are questionable given they are no longer considered emerging markets by the IMF and World Bank (for Korea and Taiwan.) If we ignore those three, the top ten would include Argentina and Thailand. When countries "graduate" from their emerging status, they are referred to as emerged markets, emerged economies or emerged countries, where countries have developed from emerging economy status, but have yet to reach the technological and economic development of developed countries.

In the 1970s, "less developed countries" (LDCs) was the common term for markets that were less "developed" (by objective or subjective measures) than the developed countries such as the United States, Japan, and those in Western Europe. These

markets were supposed to provide greater potential for profit but also more risk from various factors like patent infringement. This term was replaced by emerging market. The term is misleading in that there is no guarantee that a country will move from "less developed" to "more

developed".

Originally coined in 1981 by then World Bank economist Antoine Van Agtmael, the term is sometimes loosely used as a replacement for emerging economies, but really signifies a business phenomenon that is not fully described

and developed status. Examples of emerging markets include many countries in Africa, most countries in Eastern Europe, some countries in the Middle East, Russia and some countries in Southeast Asia. Emphasizing the fluid nature of the category, political scientist Ian Bremmer defines an emerging market as "a country where politics matters at least as much as economics to the markets".

The research on emerging markets is diffused within management literature. While researchers such as George Haley, Vladimir Kvint, Hernando de Soto, Usha Haley, and several professors from Harvard Business School and Yale School of Management have described activity in countries such as India and China, how a market emerges is now well understood and can easily be modeled.

In 2009, Dr. Kvint published this definition: "an emerging market country is a

society transitioning from a dictatorship to a free-market-oriented economy, with increasing economic freedom, gradual integration with the Global Marketplace and with other members of the GEM (Global Emerging Market), an expanding middle class, improving standards of living, social stability and tolerance, as well as an increase in cooperation with multilateral institutions". In 2008 Emerging Economy Report, the Center for Knowledge Societies defines emerging economies as those "regions of the world that are experiencing rapid informationalization under conditions of limited or partial industrialization". It appears that emerging markets lie at the intersection of non-traditional user behavior, the rise of new user groups and community adoption of products and services, and innovations in product technologies and platforms.

“These markets were supposed to provide greater potential for profit but also more risk from various factors like patent infringement. This term was replaced by emerging market. The term is misleading in that there is no guarantee that a country will move from "less developed" to "more developed";

developed"; although that is the general trend in the world, countries can also move from "more developed" to "less

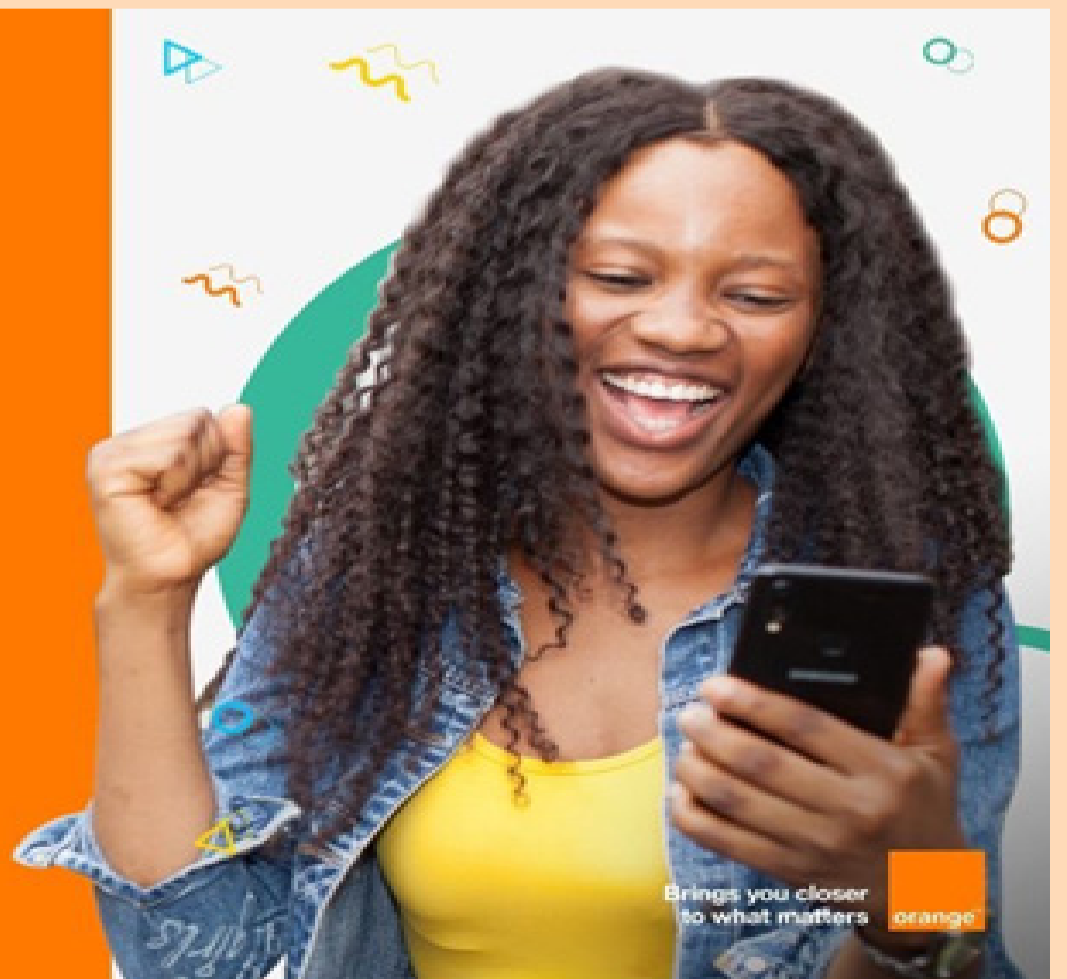
or constrained by such; these countries are considered to be in a transitional phase between developing

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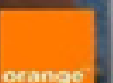
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MONEY MARKET



African Currencies Are Under Pressure

By Laurent Kemoe, Moustapha Mbohou Mama, Hamza Mighri, Saad Quayyum

Weaker currencies make the fight to curb inflation harder given the region's dependence on imports

Most sub-Saharan African currencies have weakened against the US dollar, fanning inflationary pressures across the continent as import prices surge. This, together with a growth slowdown, leaves policymakers with difficult choices as they balance keeping inflation in check with a still-fragile recovery.

As the Chart of the Week shows, the average depreciation for the region since January 2022 is about 8 percent. The extent varies by country, however. Ghana's cedi and Sierra Leone's leone depreciated by more than 45 percent.

The depreciations across the region

were mostly driven by external factors. Lower risk appetite in global markets and interest rate hikes in the United States pushed investors away from the region towards safer and higher paying US treasury bonds.

Foreign exchange earnings took a hit in many countries as demand for the region's exports dropped because of the economic slowdown in major economies. At the same time, high oil and food prices, partly due to Russia's war in Ukraine, pushed up import costs in 2022.

Large budget deficits have compounded the effects of these external shocks by increasing the demand for foreign exchange. About half of the countries in the region had deficits exceeding 5 percent of gross domestic product in 2022, putting pressure

on their exchange rates.

Implications

When currencies weaken against the US dollar, local prices rise,

for most countries in the region. A 1 percentage point increase in the rate of depreciation against the US dollar leads, on average, to an

“Weaker currencies make the fight to curb inflation harder given the region's dependence on imports”

as much of what people buy, including essential items like food, are imported. More than two-thirds of imports are priced in US dollars

increase in inflation of 0.22 percentage points within the first year in the region. There is also evidence that inflationary pressures do

not come down quickly when local currencies strengthen against the US dollar.

Weaker currencies also push up public debt. About 40 percent of public debt is external in sub-Saharan Africa and over 60 percent of that debt is in US dollars for most countries. Since the beginning of the pandemic, exchange rate depreciations have contributed to the region's rise in public debt by about 10 percentage points of GDP on average by end-2022, holding all else equal. Growth and inflation (which reduces the real value of existing debts) helped to contain the public debt increase to about 6 percent of GDP during the same period.

Many central banks in the region have tried to prop up their currencies by supplying foreign exchange to importers from their reserves. But with reserve buffers running low in many countries, there is little room to continue

intervening in foreign exchange markets.

Countries have also applied administrative measures such as foreign exchange rationing or banning foreign currency transactions. These measures can be highly distortive and create opportunities for corruption.

Given that the external shocks are expected to persist, countries where exchange rates are not pegged (fixed) to a currency have little choice but to let the exchange rate adjust and tighten monetary policy to fight inflation. Countries with pegged exchange rates will need to adjust monetary policy in line with the country of the peg. In both country groups, fiscal consolidation can help to rein in external imbalances and limit the increase in debt related to currency depreciation. Structural reforms can help to boost growth.

Cupra Born's EV Look

By Illya Verpraet

(Autocar)

Electric cars have come a long way over the past few years and improvements across the board mean they're a more viable ownership option than ever before. Choosing the best is a hard task as some are better at certain things than others, so we've organised the cars in this list to highlight exactly what they're best at. For example, some electric cars are better at delivering a long range, while others are best for practicality, driver appeal, or value for money. But don't panic: whether you're looking for the most practical EV or one loaded with enough tech to fill a branch of Currys, we've got you covered. Overall we rate the Cupra Born as the best electric car on sale today. Its mix of range, practicality, value for money and the fact it's a good steer make it very hard to look past.

• Cupra Born

For a couple of years now, Autocar has conducted an annual test of the best-handling, most fun electric cars on sale, and the Cupra Born is the reigning champion, beating rivals such as the MG 4 XPower and Abarth 500e. It over-delivers on practicality and its rear-wheel-drive handling and ride are miles ahead of rivals' efforts.

The Born sits at a compelling nexus of size and usability, weight and power, real-world range and price. It has enough power to keep you interested but doesn't seem excessive for the road or to compromise its efficiency in quicker motoring. It has an engaging, balanced,



rear-driven chassis and some precision and purpose to its body from your favourite road, and it has the personality and poise to make the trip



control, but it also includes four usable seats and a decent boot. The Born will also cover 220 real-world miles on a charge, which should be enough to get you to and

worthwhile. There's a completeness to the Born as a package that makes it the ideal affordable EV for interested drivers to take their first steps into zero-emissions

motoring. Perhaps not by chance, it feels more like a Volkswagen Golf GTI for the electric age than anything that Volkswagen itself is making right now. Plus, Cupra has also just introduced the Cupra Born VZ: a hot hatch version, with 322bhp and 402lb ft. It will hit 0-62mph in 5.7sec, which is faster than the standard Born by more than a second.

The Cupra brand has existed since the 1990s as Seat's performance brand. Its marketing doesn't mention it very often any more, but the name is actually a contraction of cup and racing, to reference Seat's activity in rallying with the Seat Ibiza kit car in the 1990s. Today's Cupra still serves

to make performance versions of Seats, but its remit has widened to be a sportier, sub-Audi premium brand, offering models you won't find with Seat badges.

It's getting rather crowded within the Volkswagen Group, though, so Cupra really needs an identity of its own. It started forging that personality with the Formentor, but its second model, the electric Born, bears an uncanny resemblance to the Volkswagen ID 3. Does the Born sufficiently differentiate itself from the VW, then; and what does it tell us about what Cupra stands for? Read on to find out, with the help of a high-spec 201bhp version.

With ever-increasing

pressure on car manufacturers to meet ZEV mandate requirements and sell electric cars in greater and greater numbers, the competition in the affordable EV niche only gets fiercer. And that's the segment where the Cupra Born has been seeking to carve out an existence since its introduction in 2021, when it became the emergent Cupra brand's first electric model. Over its first three years on sale, this car's model offering has already grown a fair bit. Cupra introduced more powerful e-Boost models not long after its launch cars, in 2022; and it has just added the Cupra Born VZ hot hatchback performance version as well. Cupra offers two battery sizes in the UK. On versions with the smaller battery, it is possible to get the more powerful e-Boost motor as an option. The more powerful motor is standard on bigger-battery Borns.

There are three trim levels, simply named V1, V2 and V3. Getting the more powerful motor automatically bumps you up to V2

✓ PROS

- Well set-up chassis with good ride-and-handling balance
- Rear-drive dynamics
- Classy interior

✗ CONS

- Stability control can be too eager to intervene
- Poor infotainment
- Expensive

SEMINAR REPORT



Insights From The Davos Meet

The World Economic Forum (WEF) conference held in Davos Switzerland January 2025, attracted global business leaders, policymakers, and economists to discuss pressing issues facing the world economy. With ongoing geopolitical tensions, post-pandemic recovery efforts, and transformative technological advancements, leaders have come together to explore collaborative pathways to building resilience in a rapidly changing world, while acknowledging the tangible progress yet to be made in equity and sustainability.

One of the standout discussions involved prominent figures including Europol's Executive Director, Catherine De Bolle, and other influential leaders like Thérèse Kayikwamba Wagner and Alicia Bárcena Ibarra. They highlighted the considerable strides made in women's political

By Ibrahim Mansaray

representation over the past decade. However, the conversation underscored the persistent gaps that remain. The emphasis was on actionable strategies to elevate women's roles in governance and leadership across economic sectors, making the case that inclusiveness is not just beneficial but essential for sustained economic growth.

This focus on gender equity is particularly pertinent as research indicates that companies and governments operate more effectively when diverse voices contribute to strategic decision-making. The involvement of women in leadership roles is expected to have a positive impact on economic recovery efforts as nations navigate the post-pandemic landscape.

A crucial session featured the International Monetary Fund's (IMF)

First Deputy Managing Director, Gita Gopinath, alongside McKinsey Global Managing Partner Bob Sternfels. They discussed the pressing need for collaboration between government and industry to enhance capital mobilization for resilience-building investments. The

essential for our evolving economic framework.

The sentiment echoed by Gopinath regarding the resilience of emerging economies was particularly noteworthy. Despite global economic headwinds, emerging markets have shown remarkable adaptability. The IMF's

Donald Trump highlighted several core economic themes aimed at reinforcing his long-standing positions: tax reduction, deregulation, and fostering American innovation. Here are the key points from his address:

dialogue focused on how public-private partnerships could be catalysts for innovation in sustainable infrastructure and green technology,

support alongside local initiatives is paving the way for these economies to stabilize and thrive, as they seek to position themselves favourably for

the anticipated demands of 2025. Odile Françoise Renaud-Basso, President of the European Bank for Reconstruction and Development (EBRD) provided insights into the bank's strategic initiatives aimed at helping emerging markets plan for the long-term. The sentiment expressed was that as the global economy faces challenges such as inflationary pressures and geopolitical instability, the promotion of financial stewardship in emerging markets will be pivotal. By assisting these regions in strategic planning, the EBRD is looking to fortify their ability to weather future economic storms and leverage growth opportunities.

The United States President, Donald Trump's address to the forum captured significant attention, laying out his vision for economic success and the United States' role in the global economy. In his keynote speech, Donald Trump highlighted several core economic themes aimed at reinforcing his long-standing positions: tax reduction, deregulation, and fostering American innovation. Here are the key points from his address:

1. Tax Reduction for Economic Growth: Trump advocated for reducing corporate taxes to stimulate investment

and job creation. He proposed a significant rollback of the corporate tax rate to below 20%, arguing that this would encourage businesses to reinvest in growth and expansion in the U.S.

2. Deregulation: He called for a continued push towards deregulation across various industries. Emphasizing the burden of regulatory compliance on small businesses, he argued that a lighter regulatory framework would unleash entrepreneurial energy and drive innovation.

3. Trade Policies: He reaffirmed his commitment to renegotiating trade agreements, focusing on protecting American jobs and industries. He emphasized the importance of fair trade and stressed that imbalances created by foreign powers need to be addressed for the U.S. to secure a strong economic future.

4. Energy Independence: His address also was on energy independence. He mentioned to leverage the U.S.'s vast natural resources to become a net exporter of energy, which he believes will reduce inflationary pressures and support job growth in energy-intensive sectors.

5. Investment in Technology and Infrastructure: Trump

TRAVELS & TOURISM



Air Travel: New Lounges and More Premium Cabins

In 2025, air passengers will see lounge openings and changes in frequent flier programs, and the number of premium and elite offerings will continue at a steady ascent.

For some travellers, reaching elite frequent flier status will be more costly and challenging. United Airlines has plans to raise its status thresholds, requiring travellers to spend and fly more to get perks like free checked bags and upgrades. British Airways, too, has major changes underway for its loyalty program, moving from a system based on distance travelled and cabin class to a revenue-based system hinging on how much travellers spend. Overall, it will be harder than ever for budget travellers to build loyalty with airlines.

Airlines hope to win over customers with new lounges. In late 2025, JetBlue will offer its first airport lounge in New York, at Kennedy International Airport, and in Philadelphia, American Airlines will open two lounges.

Traveler demand for premium flying, whether those roomier seats in economy or all the luxuries in the higher-tier classes, is expected to continue, and airlines hope to meet demand.

Emirates recently rolled out a premium economy cabin on select routes in the United States after refurbishing its Boeing 777 aircrafts, and the carrier's premium cabin will be available on more routes.

In addition to offering new premium economy cabins, American is expected to unveil new business class seating later this year. Alaska

By **Christine Chung**

Airlines will continue its expansion of both premium and first-class seating on more than 200 of its aircraft, eventually adding about a million premium class seats and

250,000 first-class seats. (This means it could be easier to get upgraded.) Even budget carriers, like Southwest Airlines, are retrofitting planes to expand premium economy cabins and offer seat selection and slightly more legroom. Frontier

Airlines plans to introduce first-class seating.

Delta Air Lines recently opened its most exclusive lounges yet in Boston, Los Angeles and New York, with another location in Seattle expected in the spring. The lounges will welcome Delta One

ticketholders, select Delta travellers flying first class, and eligible passengers flying first or business class on partnering airlines.

Delta One customers can expect white glove service with personalized assistance and semi-private check-in spaces. At Kennedy Airport and Los Angeles International Airport, these travellers won't have to set foot in the main security checkpoint. Instead, they'll use a private security lane that leads them directly to the lounge.

