Industrial sector very gloomy in DR Congo

KINSHASA, DR Congo (PANA)-The industrial sector in DR Congo is marked by a degradation of infrastructure, under-use of capacity and a shortage of raw materials in localities under rebel occupation, according to Industry Minister Helene Mother Boo.

In a message on the occasion of the African Industrialization Day, Boo said Congo's gloomy prospects had led to a stoppage of activities for some firms, while those still functioning were scaling down production.

According to data from the Ministry of Economy, Finance and the Budget, production in DR Congo has recorded a sharp drop in all key sectors. From 1989 to 2000, mining production of copper fell from 442,828 tons to 30,661 tons, cobalt from 9,311 tons to 3,570 tons, and gold from 2,485 kg to 112 kg.

In the agricultural sector, coffee production fell from 94,740 tons in 1989 to 11,000 tons in 2000, log from 361,123 cubic meters to 16,478 cubic meters in 2000 and rubber from 11,500 tons to 23 tons. The same source further notes that cement production dropped from 454,005 tons to 160,709 tons, while drinking water supply fell from 203,100 cubic meters in 1989 to 181,846 cubic meters in 2000.

Moreover, Congolese Central Bank (BCC) statistics revealed the country's oil production dropped over the past three years, from 9,444,000 barrels in 1998 to 8,650,000 barrels in 1999 and 8,308,000 barrels in 2000, despite a slight upward trend during the first semester of 2001, with 2,130,111 barrels compared to 2,014,229 in 2000.

The country's biggest mining company, La Générale des carriéres et des minerais (GECAMINES), is expected to secure $150 million to gradually increase its production, currently estimated at 10 percent of its maximum capacity.

Meanwhile, the Miniére de Bakwanga, a diamond production firm in east Kasai province, needs additional capital "to relaunch its production," according to a high-ranking official.

As the war in DR Congo, which started in August 1998, continues to negatively impact economic activity, BCC estimates show that GDP fell by 11.3 percent in 2000.

Most leading Congolese firms with the highest labor needs are running at 30 percent of their capacity, while the latest indications from the Federation of Congolese firms (FEC) suggest some of them are increasingly contemplating temporary closure until things get better.

MARSACO, the country's biggest soap factory, has laid off staff, mainly because it lacks local raw materials that mainly come from Equator province, presently in rebel hands.

To face up to the situation, the government intends to restore the economy's competitiveness and put it back on the growth course by liberalizing key sectors and opening up to the world economy.

To that end, in April 2001 it abolished the monopoly on diamond trading held since July 2000 by the Israeli diamond operator IDI.

The government this year embarked on a reinforced interim program (RIP) with support from the World Bank and IMF.

Asserting that government's sheer sense of commitment was already paying off. Boo cited the reopening of the World Bank office and several visits by delegations of Belgian, Namibian, South African, Zimbabwean and Japanese businessmen, while more were expected from France and the U.S.

Telecommunications, the most attractive sector, received Belgian, Chinese and South Korean investments during the war.

The mineral sector-the heart of the Congolese economy up to the end of 1980s-received investments from Zimbabwe (one of the countries militarily backing the government in its struggle with the rebellion).

Belgian, South African, French and Polish investors also covet the mining sector.

In its efforts to revive the economy, the Congolese government relies heavily on the mining sector, for which a new mining code considered attractive for investors, is being prepared with World Bank assistance.

AFFIRMING ACTION

Beth Mugo (second from left), an opposition MP and the chairperson of the Affirmative Action street committee, holds hands with supporters in the streets of Nairobi Monday. The women were protesting Kenya's decision not to guarantee a quota of Kenyan women representatives for the newly-formed east African parliament.

Kadhafi blames colonial conspiracy

TRIPOLI, Libya (PANA)-Libyan leader Col. Muammar Kadhafi has blamed colonialism for the multiple crises that have plunged DR Congo into unrest and hampered its potentials to achieve progress and development in Africa.

DR Congo should have been among Africa's potential powerhouses due to its geographic and strategic location, its high population and huge resources, Kadhafi told a delegation comprising academics and civil society representatives of Congo's regions.

"We failed to take advantage, as Africans, of the DRC's huge resources," he said with regret, accusing colonialism of initiating plots against the country since its independence after realizing its importance and vast leadership potentials.

He recalled how colonialism killed Pan Africanist leader Patrice Lumumba and rekindled the wave of conflicts during Moise Tshombe's regime, fomented the Katanga plot and even assigned its "agent"-Mobutu Sese Seko-to put Congo "in the freezer" for the three decades under his rule.

"As Africans, we have huge difficulties to get the DRC out of this explosive situation," he said, adding, "The United States masterminded this conspiracy and manipulated certain groups to carry it out."

Kadhafi said such situation forces on the Congolese people a historic challenge, which they should meet by mobilizing all means to defeat the conspiracy.

He suggested that the crisis in the DRC could only be settled through the proclamation of people power based on people's congresses and committees.

In that regard, he called for the establishment of revolutionary committees throughout Congo to mobilize people to exercise their right to power and enable every city and village to have their "self-government system."

Kadhafi noted that the struggle for power in the world is aimed at helping peoples to gain power, since "the world is moving towards the system of masses, whose advent is inevitable."

He urged the Congolese people to exercise self-government to end the power struggle tearing their country apart and enable their country, which is one of the richest in Africa, to lead the continent.

Tanzania charts new direction to halt escalation of debt

DAR ES SALAAM, Tanzania (PANA)-President Benjamin Mkapa has ordered a review of Tanzania's 1993 National Foreign Debt Strategy and the austerity measures it prescribed to reverse the country's crippling external debt.

Mkapa said the analysis was necessary to determine the country's performance in controlling and halting its foreign debt, which had become unsustainable in recent years.

The strategy bars government officials other than the person holding the position of ministry of finance from borrowing on behalf of the nation. There is skepticism the directive may have been contravened.

Mkapa has ordered Finance Minister Basil Mramba to conduct an audit in all ministries and state-owned firms to find out whether the directive has been disobeyed in recent months.

He gave Mramba a deadline of February to submit a report.

"The minister of finance is the only official with the authority of seeking and approving foreign loans on behalf of the nation," Mkapa stressed in a nationwide radio address after donors accorded his country a reprieve of $3 billion under the HIPC initiative.

Charting the future for Tanzania following the country's entry into the Heavily Indebted Poor Countries (HIPC) Initiative, Mkapa promised that he would be tough on all poverty reduction programs.

Tanzania, with a total external debt stock of about $7 billion as of September, is the fourth country to reach this point, joining Bolivia, Mozambique and Uganda.

Debt service relief under the enhanced framework of the HIPC Initiative from all of Tanzania's creditors will amount to approximately $3 billion.

As a result of the assistance, Tanzania's creditors including the World Bank and the International Monetary Fund (IMF) expect the country to allocate more funds to the crucial sectors of education, roads and water.

Agriculture, judiciary, employment and health sectors emphasizing the HIV/AIDS scourge are also expected to receive substantial funding under the HIPC arrangement.

"The truth is that the debt relief we have received is a challenge for stimulating the pace of economic growth," Mkapa said, urging Tanzanians not to be complacent.

The president said his government would further build the country's foreign reserves and keep on implementing "sound" macroeconomic policies.

But he said the government required the support of all Tanzanians whom he asked to increase their disaster preparedness and continue contributing to the growth of the economy.

Mkapa attributed the accumulation of the debts to the droughts of the mid-1970s, the war with Uganda in 1979, the collapse of the East African Community (EAC) in 1977 and oil price increases in 1973 and 1979.

Poor domestic economic policies were important factors as well, although he said the foreign loans never ended in pockets or in foreign accounts of big shots in the government as in other developing countries.

He also commended the IMF, which he said had improved relations with its members following the organization's acrimonious relationship with Tanzania in the 1980s.

Tanzania's founding president, the late Julius Nyerere, had argued that the IMF was an organization used by imperialist countries to control the economies of poor nations and destabilize governments they did not like, including his own.

Tanzania's eligibility for debt relief under the HIPC Initiative underscores recognition by the international community of its continued progress in implementing sound macroeconomic and structural policies.