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ALY KHAN'S STAR PORTFOLIO



SUDAN OIL WARS AND THE LAMU PIPELINE

THE current stand off between Juba and Khartoum made me recall Henry Kissinger, who said the following about Bashar Assad's father President Hafez Assad of Syria.

"Assad never lost his aplomb. He negotiated daringly and tenaciously like a riverboat gambler to make sure that he exacted the last sliver of available concessions. I once told him that I had seen negotiators who deliberately moved themselves to the edge of a precipice to show that they had no further margin of manoeuvre. I had even known negotiators who put one foot over the edge, in effect threatening their own suicide. He was the only one who would actually jump off the precipice, hoping that on his way down he could break his fall by grabbing a tree he knew to be there. Assad beamed."

I will leave it to you to calculate who might be Hafez, Salva or Bashir? Or both?

Pagan Amum told reporters in Addis Ababa on Saturday: "Tomorrow the shutdown will be complete and what will be remaining to be done the day after is finishing the cleaning and flushing of facilities."

South Sudan is shutting down its oil production, last put by officials at 350,000 bpd in November. Approximately 99 per cent of the new state's income is from the sale of oil. During the week, Reuters reported that Khartoum also sold at least one cargo of crude seized from South Sudan at millions of dollars discount to the official price charged by the South and is offering more.

Earlier in the week, Barnaba Marial Benjamin of South Sudan announced that the South and Kenya signed a memorandum of understanding to build an oil pipeline to the Kenyan port of Lamu.

Construction of the pipeline will begin "as soon as sources of funding are made available," which should take about a month, he said. A lot of punters who had snaffled up land around the proposed Lamu port must have been popping their best bottles of Dom Pérignon champagne.

Minister Benjamin is reckoning that the pipeline could be completed in 10 months. That's a bullish call. The biggest problem is surely the sky high risk of Asymetric guerilla type sabotage. I would think its highly likely. Therefore, Insurance for the pipeline might well prove punitive.

However, the point remains that we in Kenya have an embedded geopolitical advantage in this region, that being the

route to the sea, it is like the jugular vein for many our neighbours.

Neither Juba or Khartoum are AAA credits. Khartoum has lost a great chunk of their revenues. The South can hardly afford to lose the cash flow that comes from the sale of its 350,000 barrels per day. And that's why I started with Henry Kissinger's description "I had even known negotiators who put one foot over the edge, in effect threatening their own suicide."

Now there is a back story to this. You see through 2011, Sudan provided China with 5 per cent of its total oil imports. You will recall that 35,000 Chinese workers were evacuated out of Libya in 72 hours last year and China was rolled back and right out of Libya. Not so long ago, President Obama authorised the deployment to Uganda of approximately 100 combat-equipped US forces to help regional forces ostensibly to "remove from the battlefield" - meaning capture or kill- Lord's Resistance Army's leader Joseph Kony.

Then in January this year - President Obama issued this memorandum:

"By the authority vested in me as President by the Constitution and the laws of the United States, including section 503(a) of the Foreign Assistance Act of 1961, as amended, and section 3(a)(1) of the Arms Export Control Act, as amended, I hereby find that the furnishing of defense articles and defense services to the Republic of South Sudan will strengthen the security of the United States and promote world peace," said the official text of Obama's decision.

It seems to me the Sudan has become the epicentre of the US and China's collision in Africa and that we are watching a 21st century high stakes proxy war.

I have to surmise that the US is underwriting Salva's overdraft. What with all these demobbed soldiers roaming around Juba, it would be suicide to have them unpaid for any length of time. I wonder who is underwriting Bashir? Maybe, he is calling in favours in Libya?

One of my favourite films is 1978 Michael Cimino movie, 'The Deer Hunter' and its about friends from a steel town in America who go to fight in Vietnam. Watch this clip from #YouTube can't take my eyes off you /The Deer Hunter Bar Scene <http://j.mp/4E2Cka> to get a flavour.

Christopher Walken becomes unhinged and he starts to play Russian Roulette, where one or two out of six chambers are loaded with live bullets. He can't stop. Of course, in such an adventure you have a finite life.

MTN Business Kenya enters Kisumu

BY SAMUEL OTIENO

MTN Business Kenya has launched its Internet Protocol Private Automatic Branch Exchange in Kisumu.

PABX is a software-based telephone exchange service that has taken on the traditional Private Branch Exchange in business environments.

The Kisumu launch is the first outside Nairobi, where

the service was first unveiled in August last year.

Managing director Tom Omariba said plans are also at an advanced stage to launch the service in other towns where MTN Business has a point of service.

The facility offers seamless and digitised solution in a combined technology designed to deliver innovative telephony to business over the internet.

Kenya is the only that has so far embraced the facility that is only available in Africa.

"The solution is available on the Kenyan market but will likely be rolled out across the MTN Group's operations on the African continent", said Omariba.

The system allows converged applications, letting data and voice, IP and GSM based applications to be managed together.

Kebs may lose its fees collection role

PHOTO/FILE



COMMISSIONED AUDIT: Acting Industrialisation minister Amason Kingi at a past event.

BY PETER KIRAGU

AN audit looking into various state corporations has recommended that the Kenya Bureau of Standards should be stopped from engaging in revenue raising activities.

According to a government task force reviewing state corporations under the Ministry of Industrialisation, there is a risk of conflict of interest if Kebs concentrates on raising revenue as opposed to providing standard based solutions for quality purposes.

Kebs, which is largely a service organisation, has not been adequately funded by the Treasury and has thus resorted to revenue generating activities which may lead to serious conflict of interest.

Kebs charges some fees for inspection activities but the task force says this is not right. Kebs also offers certification, quality assurance and standards services.

Bureau officials have often been blamed for corruption for allowing substandard

goods, especially imports, into the market after the importers parted with a bribe.

"Kebs, being a service organisation, should be fully funded by the Treasury to reduce the conflict attributed to raising revenue by the institution as opposed to providing standards based solutions that deliver quality," the task force said.

It also raised concern over the high turnover of the institution's chief executive officers which it says has affected smooth running of Kebs.

The current managing director Eve Oduor was appointed recently after the suspension of newly recruited CEO Joseph Koskey who replaced former boss Kioko Mang'eli.

The audit has also identified that there is conflict with regard to the appointment of the chairman of the standards council who is appointed by the President contrary to section 6 (2) (A) of the Standards Act.

The law in respect to Kebs

shows that presidential powers under the State Corporation Act, do not have any room for application or enforcement under the Standards Act and therefore the president's nominee as chairman is illegal.

The National Standards Council and the Kebs board, is not sufficiently shielded from external influence, the report concluded.

There is also need for formulation and implementation of clear guidelines on the composition, size and skills mix and dismissal of council members, the report recommended.

In addition, the report notes that persons aggrieved by Kebs have no avenue for redress because some sections of the Standards Act in relation to the establishment of a Standards Tribunal have not been fully implemented.

The task force was gazetted by acting Industrialisation minister Amason Kingi and completed the report in December last year.