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News Worth Knowing

Daily Brief 02.07.2019

The Organization of the Petroleum Exporting Countries (OPEC) on Monday [announced that it will extend its output reduction deal](#) until March 2020 amid concerns about weakening global demand and booming U.S. shale production.

More importantly the cartel also said it is closing in on a deal to formalize the so-called OPEC+ alliance, referring to the participation of non-members like Russia and Venezuela in the output reduction agreement.

This has led to the emergence of a dominant Saudi Arabia - Russia alliance, effectively calling the shots for OPEC. The result is an [organization with fading clout](#), growing divisions, and increasingly marginalized smaller members. In December Qatar quit the cartel, underlining OPEC's waning influence.

Bad news for its seven African members - Angola, Nigeria, Algeria, Gabon, Equatorial Guinea, Libya and Republic of Congo. They already struggle for influence - their combined output of 5.8m barrels per day in Q1 of 2019 is slightly more than half of Saudi Arabia's - and by extension on prices.

There had been hope that new accessions - Equatorial Guinea and Congo joined in 2017 and 2018 respectively - could give Africa strength in numbers to exert more influence.

With OPEC fast becoming a sideshow to decisions made in Moscow and Riyadh, African producers look set to remain subject to the whims of others.

Today's picks

From the continent

Côte d'Ivoire, the world's biggest cocoa producer, will announce plans this week to eliminate illegal production in national parks and forest reserves in the next five years.

This is aimed at better controlling output, and supporting a new minimum price for the crop set

with neighbouring Ghana. **More:** [Reuters](#)

Angola has pushed back plans to introduce a contentious new 14% consumer tax on goods and services, part of a \$3.8bn program with the International Monetary Fund approved in December 2018, following opposition to the move from traders. The loan is part of efforts to drive economic reform and boost lacklustre growth in recent years. **More:** [The East African](#)

The Daily Stat

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Ethiopia's GDP growth in the 2018/2019 fiscal year, according to government figures. **More:** [Reuters](#)

The Global Perspective

The International Labour Organization has warned that rising temperatures due to climate change could cost the global economy \$2.4tr annually and 80m jobs by 2030. Low income countries, particularly in West Africa and South-East Asia, are expected to be most affected. **More:** [UN](#)

Qatar Airways launched a new route between Doha and Somalia's capital Mogadishu on Monday. The move comes amid hopes for an economic revival in the East African country following decades of conflict and instability. **More:** [Africanews](#)
