

Business

Western Sahara flare-up spells gloom for buffer zone businesses

Businesses on border 'lose everything' since arrival of Moroccan forces

GUERGUERAT, Undefined: Kamal Zerfi has long run a junkyard in a no-man's land on the far edge of the Sahara desert. Then government soldiers came and things took a turn for the worse. Zerfi lives in a remote outpost of the Western Sahara region claimed by both Morocco and Polisario Front pro-independence rebels who recently revived their three-decade struggle.

His auto- and scrapyard is located at the desolate truck stop of Guerguerat in a UN-patrolled buffer zone along the Mauritanian border, where the deployment of Moroccan soldiers has now put paid to his lucrative business. "They've stripped me of my goods!" protested the 42-year-old who said he had been doing good-and, he insists, legal-business selling cars on to Mauritania until Rabat sent in the troops on November 13.

Western Sahara has been disputed since the end of Spanish colonial rule. Morocco claims all of it as its own, while Polisario rebels, backed by Algeria, want independence. Trouble flared again when Rabat recently accused the rebels of blockading the road which links the desert region with Mauritania and the rest of Africa at Guerguerat.

The pro-independence movement, which says the road was built in violation of a 1991 UN-sponsored ceasefire deal, declared the truce null and void and insisted it had no choice but "to intensify the fight for national liberation".

'Apaches in Kandahar'

Zerfi said the rebels, whom he calls "Apaches", would often block the road link, harming business in

the region locals dub "Kandahar" after the city in southern Afghanistan. No UN forces could be seen by a visiting AFP team in the region, known as a hotspot for smuggling of all kinds.

Zerfi, from Marrakesh in southern Morocco, insists his trade is entirely legitimate due to the special status of the demilitarized zone, even if the Moroccan customs service may disagree. License plates buried in the sand identify the origins of cars that have passed through the junkyard: France, Italy, Spain-and Germany, the most sought after among Mauritanian buyers, the dealer said.

Now that Moroccan troops have asserted control, tow trucks have taken away the cars that were in decent condition. Spare parts and loads of rubbish, meanwhile, have been set on fire, with acrid black smoke swirling into the sky.

'State of war'

Some businesses in the border outpost "have lost everything", said Zerfi, since Moroccan forces arrived to secure the road. The Polisario has since declared a "state of war" that put an end to its 30-year-old ceasefire with Rabat in the disputed territory.

Rabat has also built a sand wall to secure the road to the border post where Moroccan flags are now displayed. The "parking lots" in Guerguerat have long served as a depot for various goods from Mauritania, providing significant income for locals.

Since the troop deployment, "those who had deposited goods have recovered them-but those who left them here have been left with nothing",



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said Zerfi. Under the ceasefire deal, Morocco controls around three-quarters of the Western Sahara, including its considerable phosphate deposits and access to its rich Atlantic fisheries. The Polisario controls the rest. In August 2016, Morocco launched operations to "combat smuggling, drug trafficking, and all forms of illegal trade" in Guerguerat, sparking tensions with the Polisario. At

the time, the UN had finally convinced the two camps to evacuate the buffer zone.

Talks between Morocco and the Polisario, as well as neighboring Algeria and Mauritania, have been suspended since March 2019. The UN's envoy for the territory, former German president Horst Kohler, quit in May of that year citing poor health and has not been replaced. —AFP

German vials in spotlight as COVID vaccine nears

MAINZ, Germany: As expectations grow that the first Covid-19 jabs will be administered in a matter of weeks, German glassmaker Schott is quietly doing what it has been for months: churning out vials that will hold the vaccine. The 130-year-old company, whose founder Otto Schott invented the high-quality borosilicate glass favored by the pharma industry, has been working round the clock to meet unprecedented demand.

Already it has delivered millions of the little bottles to vaccine makers involved in Covid-19 trials, who have already started filling them so they can be shipped out the minute regulators give the okay. While non-disclosure agreements prevent Schott from detailing its customer list, head of communications Christina Rettig said they include "the ones you hear about in the media". In fact, Schott is supplying vials for three-quarters of the more than 100 coronavirus vaccine trials worldwide.

Closest to the finish line are US firm Moderna and a joint effort by US giant Pfizer and Germany's BioNTech-which coincidentally has its headquarters in the same western German city of Mainz as Schott. Large-scale data has shown both vaccines to be around 95 percent effective and US and European authorities have signalled that inoculations could start in mid-December.

With the world on the brink of a mass immu-



MAINZ: Pharmaceutical vials and syringes made by German glass company Schott are pictured at the company's headquarters in Mainz, western Germany. — AFP

nization effort to end the pandemic, Schott and its competitors say they are ready to rise to the challenge. The company issued a statement in July with Germany's Gerresheimer and Italy's Stevanato Group, fellow leaders in pharmaceutical packaging, to say they were coordinating closely with pharma customers and could ensure sufficient supply. Schott alone aims to produce enough vials to store two billion doses of a coronavirus vaccine by the end of 2021, Rettig told AFP at the company's offices in Mainz.

Ramping up

In a lucky break, the industry was already seeing rising demand from China and other countries for top-level Type 1 borosilicate glass products, meaning Schott and other major players were building up capacity well before the pandemic struck. Schott launched a \$1.0-billion (840-million-euro) investment program in 2019 to expand its pharmaceutical business. By the

time the Covid-19 vial requests started pouring in, new manufacturing equipment was already up and running.

"That puts us in a very good position to ramp up production quickly," Rettig said. And because regulators have long been familiar with the tried-and-tested vials, which have to meet strict international norms, they won't hold up the vaccine authorization process. To keep production moving, workers are churning out vials 24 hours a day, a typical pace in the sector, and outsiders are banned from the premises to minimize the risk of coronavirus infections. Schott itself had an early encounter with the virus at its Mitterteich plant in Bavaria, where it manufactures glass tubes that can be turned into vials.

The town became one of Germany's first coronavirus hotspots in March after a beer festival, and Rettig said several Schott workers from the Czech Republic ended up "not seeing friends and family for weeks" as borders slammed shut. — AFP

Zanzibar goes digital to prove property ownership

DAR ES SALAAM: A team of Zanzibari data collectors armed with tablets have gathered enough information from hundreds of people on the Tanzanian archipelago to issue each of them a deed to their land in 20 minutes - a process that typically takes up to five years. The project run by Kenya-based technology consulting company Spatial Collective has produced official documentation for about 700 land parcels in a southern town called Shakani since it launched last year.

"With title deeds, people can get loans and they will have the security of knowing that, 'This is mine and no one will claim it,'" said Justus Muhando, 30, Spatial Collective's technical lead steering the project in Zanzibar. Spatial Collective began work with the island's land commission in 2018 when its researchers used drone imagery captured by the Zanzibar Mapping Initiative, a project led by the island's land commission.

Using small drones, the initiative took high resolution imagery of 500,000 buildings on the archipelago, said Muhando. Spatial Collective approached authorities about building on that data to simplify the often slow, frustrating process of applying for proof of land ownership.

Now, Zanzibar's land commission is working to finalize the digitized title deeds after a consultation period and hopes to roll the process out through the whole of the island in the coming months.

A lack of formal documentation and poor implementation of land laws threaten tenure in many countries, with more than five billion people globally lacking proof of ownership, according to the Lima-based Institute for Liberty and Democracy. Less than 15 percent of homeowners in Zanzibar have documentation to signify property ownership, say government officials.



A man hold the tablet used to collect data in Shakani in Zanzibar to help issue title deeds for islanders. —Reuters

The hope is that the project can help overcome the hurdles that made issuing title deeds through Zanzibar's outdated, paper-based system a long and arduous process, said Shawana Soud Khamis, land adjudication officer for the local land commission. The new system should cut down on surveyor expenses, boundary disputes and delays in residents bringing in forms and documentation, she said.

It will help the government properly issue land tax, a valuable revenue generator that has been difficult to enforce in the past, Khamis added. And the initiative could give the islanders, especially those in vulnerable groups like women, long-overdue assurance that they have legal protection against evictions, she said. "We have seen women suffer because men take over (their) land. Women don't always have inheritance and can lose everything - their homes and their farms," said Khamis. "We need to solve this problem."

The project, called Securing Tenure on Zanzibar, goes through the same steps for issuing title deeds as the traditional process, only much faster, said Muhando. Spatial Collective trained 10 community members to assist with all the data collection and paid them for their work, he explained, with grants from organizations such as Cities Alliance, a global partnership fighting urban poverty. — AFP

France will apply 'digital tax' despite US retaliation threat

PARIS: France will require online technology giants to pay a new "digital tax" on their 2020 earnings, the finance ministry said yesterday, despite Washington's warning that it could retaliate with new tariffs on French imports. "The companies subject to this tax have been notified," a ministry official said, referring in particular to the US firms Google, Amazon, Facebook and Apple, which the US says are being unfairly targeted by the levy.

The French move risks escalating a long-running fight over how to make American tech multinationals pay a larger share of their taxes in the countries where they operate. Under EU law, American companies can declare their profits from across the bloc in a single member state-in most cases low-tax jurisdictions such as Ireland or the Netherlands.

Under pressure to take a harder line, France enacted its digital tax in 2019, which calls for a three percent levy on the profits from providing online sales for third-party retailers, as well as on digital advertising and the sale of private data.

But Paris reached a deal with the administration of President Donald Trump to suspend the tax while seeking a global digital tax deal under the auspices of the Organization for Economic Co-operation and Development (OECD). But Trump has warned that punitive duties of 25 percent on \$1.3 billion worth of French products, including the country's renowned cosmetics and handbags. In October, the OECD acknowledged that it would not reach a deal on a new global standard for taxing digital firms this year as hoped, largely because of US opposition to the proposals. — AFP

Five things to know about the iconic Dow stock index

NEW YORK: In hitting 30,000 points for the first time, the Dow Jones Industrial Average crossed yet another threshold in its seemingly inexorable climb to ever-loftier heights.

More than 100 years old

The Dow is one of the oldest equity indices in the world. It was created nearly 125 years ago by Dow Jones & Company, founded by journalists Charles Dow and Edward Jones, which also publishes The Wall Street Journal. The index is today managed by S&P Dow Jones Indices. The index was calculated for the first time in May 1896 and comprised 12 holdings, including a leather company, a sugar refinery and a tobacco producer.

Twelve years before the DJIA, Charles Dow had established the Dow Jones Transportation Average, which still measures transport industry valuations.

Rise and crises

The index has mostly risen since its inception, but the trend has been interrupted with often dramatic swoops. Some of the more infamous examples include the crash associated with the Great Depression of 1929, the plunge of "Black Monday" in October 1987 and the upheaval of the 2008 global financial crisis. The index hit 10,000 points in March 1999 during the internet "bubble" era and 15,000 points in May 2013 as the US economy recovered from the Great Recession.

Surge under Trump

When Donald Trump took office in January 2017, the Dow stood around 20,000 points. Its more than 10,000 point climb since then marks an increase of 50 percent. Trump has often taken credit for the index's rise, including Tuesday, when he called 30,000 a "sacred" number that he attributed to his administration's efforts to develop coronavirus vaccines. But even with the Dow's records under Trump, it has also encountered plenty of turbulence. After approaching 30,000 points in February, the index plunged during the worst of the coronavirus shutdowns soon thereafter, briefly sliding below 19,000 points.

Who's who of US economy

Since 1928, the Dow has consisted of 30 big companies intended to reflect the key sectors of the US economy including, energy, health, technology, housing and finance. Today's index includes Apple, Boeing, Coca-Cola, Disney, McDonald's and Nike.

One quirk of the index is the weighting it gives to equities with higher share prices. That is one reason Boeing, currently around \$218 per share, accounts for about five percent of the Dow, even though its market value is well below that of many of the other members. The lineup of the index changes occasionally. The conglomerate General Electric had the longest run in the index from 1896 to 2018 before being bumped out.

An out-of-date measure?

Some investors consider the Dow to be an obsolete index because of the quirky way it is calculated and the limited number of companies in the group. These critics typically prefer the S&P 500, which was created in 1957 and comprises 500 large equities from across the US economy, or the Nasdaq, which is focused on technology companies. The Dow lacks some of today's most influential companies, including Amazon, Facebook and Google parent company Alphabet. However, the index is still probably the best known by the general public in the United States when it comes to gauging the highs and lows of Wall Street. — AFP