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News Worth Knowing

Daily Brief 25.07.2019

Amid the furore surrounding the arrest of now former Kenyan finance minister Henry Rotich on corruption charges this week, it's easy to forget that the country's parliament on Tuesday [voted to nationalise Kenya Airways](#).

The decision follows an ill-fated expansion drive by the country's leading carrier - 48.9% owned by the government - which has seen it struggle to stay afloat. Efforts to save it, including a new CEO and a \$2bn debt restructuring, have been ineffective.

[Some form of state intervention](#) looked inevitable, and nationalization is probably necessary to avoid collapse.

But it's no solution.

National carriers are notorious for being a drain on public funds. Amid concerns about debt sustainability and fiscal stability in Kenya, this seems an unnecessary burden.

Yet there's no obvious alternative.

With 40 planes the airline is Africa's fifth-largest, and vital to an aviation sector [estimated to support 620,000 jobs](#). With tourist visits booming, Kenya needs a strong airline.

It seems the plan is, basically, to be like Ethiopian Airlines. The state-run carrier is the runaway success of African aviation, and the only on the continent with a legitimate claim to global competitiveness.

It's also the exception.

The government has promised a clear implementation plan for Kenya Airways. It'll be

interesting to see what that looks like.

Today's picks

From the continent

Zimbabwe's central bank has eased a ban on the use of foreign currency in local transactions for chrome miners, embassies and international organizations, as well as oil firms. This comes as the country battles its worst economic crisis in a decade, including soaring inflation and an acute dollar shortage. **More:** [Reuters](#)

Sudan's government says it has arrested at least 16 active and retired military officers involved in an alleged coup attempt on July 11, aimed at scuppering the country's fraught transition following the ousting of longtime ruler Omar al-Bashir in April. A transition deal between the military and opposition groups was signed on July 17. **More:** [Al Jazeera](#)

The Daily Stat

1470

The current average yield on Nigerian government bonds. **More:** [Bloomberg](#)

The Global Perspective

The World Bank on Wednesday announced plans to raise up to \$300m to support response efforts against the escalating Ebola outbreak in eastern Democratic Republic of Congo. This follows the World Health Organization declaring the more than year-long outbreak, which has left at least 1,700 people dead, an international health emergency. **More:** [World Bank](#)

The European Union has committed €800m in additional financing to the African Peace

Facility, a joint initiative with the African Union aimed at supporting 'African solutions to African problems'. The bloc has committed €2.7bn to the initiative since 2004, and the additional financing comes amid growing concerns in Europe about security and migration on the continent, especially in the Sahel region. **More:** [African Union](#)
