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## Kenya exports to Tanzania hit ten-year low

Kenya's exports to Tanzania in the 10 months to October have plunged to a 10-year low amid unresolved trade spats between Nairobi and Dar es salaam hurting local manufacturers and traders. Export to Tanzania in the period to October stood at KSh23.38 billion, down from is Ksh28.86 billion in the same period a year earlier reflecting a 18.9 per cent drop. This is the lowest exports since 2007 and suggests that trade between Kenya and Tanzania has not been lited by the 2010 formation the East African Community (EAC), which was expected to boost commerce between the six-member countries. Simmering trade tensions and suspicions between the two countries over tariff and non- tariff barriers has hurt business between the countries over the years, further thinning sales by Kenyan firms already hit by growth of Tanzania's manufac turing sector. The coming into force of the EAC Common Market Protocol on July, 2010 saw export volumes to Tanzania rise to a record of Ksh38.23 billion in the 10 monthly review period in 2012.

## Dollar starts 2018 in doldrums

The ailing dollar fell to its lowest in over three months yesterday. The dollar remained out of favour having already hit a three-month low against a basket of its peers on Friday. That brought its losses for 2017 to 9.8 per cent, its worse performance since 2003. Its pain was the euro's gain though, with the single currency enjoying its strongest year against the dollar in 14 years. On Tuesday, it jettied to a near-four-month top of \$ 1 .2081 as data showed that euro zone manufacturers ramped up activity last month at the fastest pace in more than two decades. It had already sliced through major resistance on the yen in Asia, reaching highs not seen since late 2015 at 135.45 yen. The rally against dollar meanwhile meant euro bulls were now eyeing the September peak of \$1.2092, a break of which would take the currency to ground last trodden in late 2014.

## Swala, Orca in \$130m deal

Swala Oil & Gas (Tanzania) Plc will acquire 40 per cent of Orca Exploration Group's wholly owned Mauritius subsidiary PanAfrican Energy Corporation for \$130 million. Swala - the first oil and gas exploration company to be listed on the Dar es Salaam Stock Exchange will acquire the firm through its subsidiary Swala (Paem) Ltd. PanAfrican Energy Corporation is the parent company of PanAfrican Energy Tanzania Limited which produces and sell natural gas from the Songo Songo block. The acquisition financing has been arranged by Exotix Capital, a London-based specialist frontier markets investment bank, according to a statement issued yesterday. Exotix has placed a gross \$25 million from US institutions under early bird 144A USD bond offering, a first for a Tanzanian company.

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