

MAULA'S MESSAGE



“You should always remember that my predecessors, the Duat Mut-laqeen, counselled your forefathers to persevere in business activities, and habituated them to be self-sufficient and stand on their own two feet. It is undoubtedly those very counsels and endeavours that have resulted in this community becoming renowned for its business acumen and commitment in every city and nation”.

Syedna Taher Saifuddin RA

DIRECTOR'S MESSAGE

Change is the Only Constant!

Remember Kodak? In 1997, it had about 160,000 employees, and 85% of the world's photography relied on Kodak cameras. Yet, with the rise of mobile phone cameras, Kodak failed to adapt, went bankrupt, and its workforce was let go. The same fate befell on other once-iconic brands. These companies didn't fail due to poor quality but because they couldn't evolve with changing times.

Standing in the present, it's hard to imagine how much the world will change in the next five years, and in particular with the new US government, there is a lot of anxiety as to how it would affect our continent, especially East Africa vis-a-vis Health and Economic sector.

The world is changing rapidly, and survival depends on our ability to adapt and innovate. Those who fail to evolve risk being left behind in this era of transformation.

The below cartoon will say it all....

Upgrade your digital skills or perish. Applies to everyone 🤖🤖

Sk. Yusuf Zambia



"At some point, the pain of not doing it, becomes greater than the pain of doing it".

SURVIVAL OF THE FITTEST

2025 will be a critical year for Africa's pathway. New leadership in African Union and the United States is going to raise many a question as to the future of:

- a. US-Africa relationship
- b. Rippling effects on Africa's Economy & Health sector

From International Trade to Global Health, US President's burst of decisions on Day 1, in office are expected to impact lives and livelihoods across the World. He complained about international agreements and initiatives 'that do not reflect the country's values' hence are on the verge of either being cancelled or substantially amended keeping solely the US interest in mind, "America First".



To begin with, the President is a long-term critic of overseas spending, says it does not represent value for money for American taxpayers and one such spending on his radar is the USAID.

The United States Agency for International Development (USAID) was set up in the early 1960s to administer humanitarian aid programmes around the world. According to government data, the US spent \$68bn on international aid in 2023. The President and one of his top advisers,

billionaire Elon Musk, have been strongly critical of USAID and are reportedly considering abolishing it. In the meantime, the government has already passed an order to freeze the overseas spending for 90 days pending review of "programmatically efficiencies".

Monies that were spent for providing medication, installing clean water supplies to the world's poorest countries (mainly in Africa) had to stop overnight.

Apart from the above there are some other executive orders that the government has passed which may negatively affect the African continent.

1. Detachment from the Paris Climate Agreement

Trump has been a fierce critic of climate change for years. According to him "the concept of global warming was created by and for the Chinese in order to make US manufacturing non-competitive". One of his immediate action after taking his, oath of office was about quitting the agreement. The US is the second largest emitter of CO2 globally, after China. *Africa, which is already facing record breaking droughts, Trump's decision threatens to derail global climate progress and undermines critical efforts to protect lives.*

2. External Revenue Service

Under his America First Trade Policy, Trump announced plans to establish an External Revenue Service with a broader plan of using it to collect tariffs, duties and other foreign trade-related revenue. This move could disrupt international trade and further complicate the global tax system. *"If Trump decides to undermine African Growth and Opportunity Act (AGOA), there would definitely be an impact as there are countries with sectors such as textiles that do see the US as a major growth market."*

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"If the plan doesn't work,
Change the plan - not the goal."

1. Withdrawal from WHO

Trump's announcement that he would withdraw the US from the World Health Organisation solidifies his disapproval of the WHO and its leadership. The US is WHO's top donor and partner, contributing \$1.284bn during the 2022–2023 biennium. His decision to withdraw from the WHO comes at a time of growing global health inequalities, with some experts warning *his move will undermine international health solidarity and leave the most vulnerable parts of the world, Africa in particular, at even greater risk.*

2. National Emergency Agency

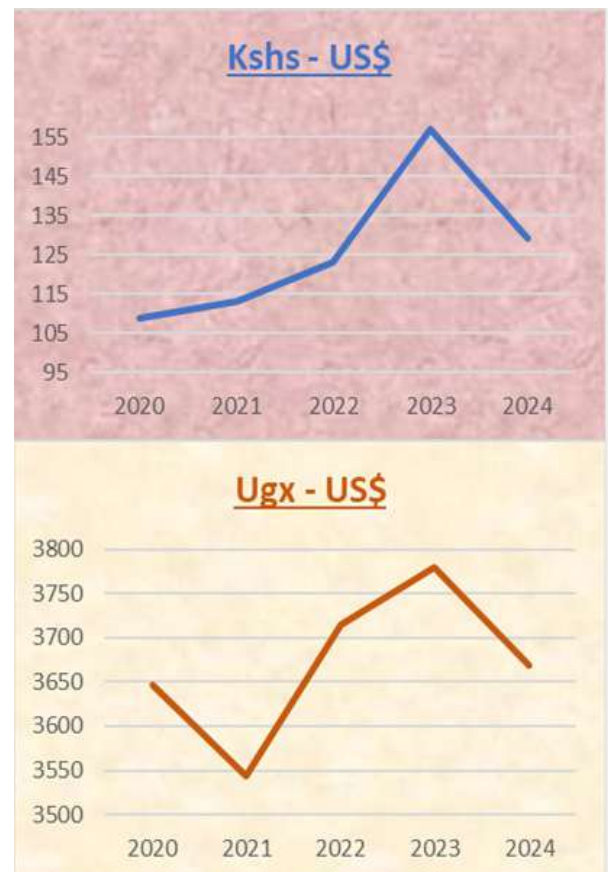
By pushing for greater fossil fuel exploration and development at home, the US may become an even more forceful competitor in global energy markets, potentially driving down oil and gas prices. *For energy-exporting countries in Africa, such as Nigeria and Angola, cheaper American production could challenge their market share.*

Whether these policy changes will generate prosperity or incite tensions and inequalities will depend on how vigorously American firms engage with African partners and how effectively African governments manage their resources.

BUSINESS HIGHLIGHTS

FOREX MOVEMENT OF EAST AFRICAN CURRENCIES AGAINST US\$

1. The signing of the Comprehensive Economic Partnership Agreement (CEPA) between Kenya and UAE is poised to unlock significant economic opportunities such as job creation and economic growth. UAE is currently Kenya's 2nd largest source of imports and 6th largest export destination, with bilateral trade surpassing \$3.3bn in 2023.
2. Rwandan government recently announced its first oil discovery, identifying 13 reservoirs within Lake Kivu.
3. Uganda's export sector has experienced substantial growth in the 1st quarter of the 2024/25, with total earnings reaching US\$2.26 bn, a 21.8% increase compared to the same period last year. The surge in export earnings was largely driven by coffee, Uganda's top export commodity. Exports increased significantly in both volume and international prices. Other key exports that contributed to the growth included mineral products, flowers and sesame.



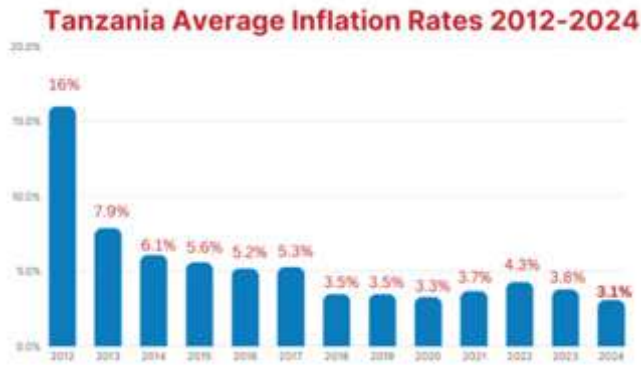


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BUSINESS HIGHLIGHTS **FOREX MOVEMENT OF EAST AFRICAN CURRENCIES AGAINST US\$**

4. Trump threatens 100% tariffs to BRICS countries, if they attempt to replace US Dollar in international trade. The idea of an alternative reserve currency to the US dollar took shape during the 2024 BRICS Summit, where Russia said that the move is primarily driven by efforts to deter the 'weaponisation' of the USD.

5. Tanzania's Annual Inflation Hits Lowest ever to 3.1% in 2024 from 3.8% in 2023. This was driven by a drop in food inflation to 2.1% in 2024 from 6.8% in 2023, following government efforts to boost food production and supply.



HOT OFF THE PRESS!

Ethiopia has fortified its economic ties with Russia by accomplishing a trade agreement that permits trade in their respective national currencies, bypassing the US dollar. This will address its persistent foreign currency shortages and also deepening trade relations with global partners outside the West. However, such a move could subject Ethiopia to probable economic consequences, including a 100% tariff from the US.

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