INSIDE AFRICA

Now is the time to invest in Africa

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In-depth:
A Big Bond for Africa

The countries of Sub-Saharan Africa have reached a critical juncture. Strained by a collapse in commodity prices and China's economic slowdown, the region's growth slipped to 3.4% in 2015 – nearly 50% lower than the average rate over the previous 15 years. The estimated growth rate for 2016 is lower than the population growth rate of about 2%, implying a per capita contraction in GDP.

Sustained economic growth is essential to maintain progress on reducing poverty, infant mortality, disease, and malnutrition. It is also the only way to create sufficient good jobs for Africa's burgeoning youth population – the fastest growing in the world. As Gerd Müller, Germany's development minister, noted at a recent press conference, "If the youth of Africa can't find work or a future in their own countries, it won't be hundreds of thousands, but millions that make their way to Europe."

One way to sustain growth and create jobs would be to collaborate on planning and implementing a massive increase in infrastructure investment across Africa. Public infrastructure is particularly important. This includes highways, bridges, and railways linking rural producers in landlocked countries to Africa's urban consumers and external markets; mass transit and Internet infrastructure to accommodate greater commercial activity; and electricity transmission lines integrating privately financed power plants and grids.

Major regional projects are also needed to knit together Sub-Saharan Africa's many tiny economies. This is the only way to create the economies of scale needed to increase the export potential of African agriculture and industry, as well as to reduce domestic prices of food and manufactured goods.

While governments in Africa are spending more on public infrastructure themselves, outside finance is still required, especially for regional projects, which are rarely a top priority for national governments. Yet aid from Africa's traditionally generous foreign donors, including the United States and Europe, is now set to shrink, owing to political and economic constraints.

But there may be a solution that helps Africa recover its growth in a way that Western leaders and their constituents find acceptable. We call it the "Big Bond" – a strategy for leveraging foreign aid funds in international capital markets to generate financing for massive infrastructure investment.

Specifically, donors would borrow against future aid flows in capital markets. That way, they could exploit current low interest rates at home, as they generate new resources. With 30-year US Treasury rates of about 3%, donors would have to securitize only about $5 billion to raise $100 billion. That money could come from the $35 billion in annual official development assistance (ODA) to Africa (which totals about $50 billion) that takes the form of pure grants.

Donors would pass on the interest cost to African countries, reducing their own fiscal costs. For African countries, the terms would be better than those provided by Eurobonds. In fact, as audacious as it may sound, passing on the interest costs to recipient countries could actually bolster their debt sustainability.

According to a study of eight countries by the African Development Bank's Policy Innovation Lab, a 3% interest rate in US dollar terms would be lower than the marginal cost of commercial borrowings undertaken by several African countries over the last five years. Moreover, far longer maturities and grace periods, compared to market finance, would ease growing pressure on foreign-exchange reserves.

Frontloading aid in this way is not new. Doing so in the early 2000s to finance vaccines saved millions of lives in the developing world. Big Bond resources, managed by the African Development Bank, could be used to help guarantee financing for major regional infrastructure projects that have long been stuck on the back burner, such as the East Africa Railway connecting Tanzania, Rwanda, and Burundi, and a highway stretching from Nigeria to Côte d'Ivoire. Such projects could also be co-financed by private investors.

Moreover, the Big Bond could help to reinvigorate the relationship between donors and African countries. And, as it supports investments with important country-level benefits, it could serve as an incentive for African countries to pursue reforms that increase their absorptive capacity, in terms of choosing and executing public infrastructure investments.

The Big Bond approach represents a much-needed update to the ODA framework – one that supports higher and more sustainable growth in recipient countries, while lowering the burden on donor countries. At a time when aid is under political pressure, perhaps such a bold approach to maximizing the efficiency of donor resources is exactly what the world needs.

(By Nancy Birdsall, President Emeritus and a senior fellow at the Center for Global Development and Ngozi Okonjo-Iweala, a former finance minister of Nigeria and managing director of the World Bank, who is a distinguished visiting fellow at the Center for Global Development, Project Syndicate).

Mozambique: Country Outlook Powering Africa's Transformation

Africa has a bright future ahead of it. Productivity and growth will improve as African economies continue to place more emphasis on services and manufacturing, pursue commodity production, and achieve quick gains in agriculture and light industry.

But African countries' success presupposes that they generate and manage energy sustainably to keep up with increasing demand. In the next 35 years, Africa's population will continue to rise, with a projected 800 million people across the continent moving to cities. And Africans are already disproportionately exposed to the adverse effects of climate change, even though they are collectively responsible for less than 4% of global greenhouse-gas emissions.

Urban areas will have to reduce environmental stresses by promoting low-carbon energy systems, electric mass transportation, and energy-efficiency initiatives, as well as the use of cleaner cooking fuels. And rural areas can create new opportunities that reduce the need for urban migration, by expanding renewable energy systems and energy access.

But even with these measures, providing enough energy for a modern, inclusive economy will not be easy. Africa already experiences frequent power outages, even though more than 600 million people there do not have access to electricity, and current demand is relatively modest.

To avoid the harmful spillover effects of high-carbon economic growth, Africa will have to undergo a "climate smart" energy revolution. African countries will need to build climate-resilient infrastructure and tap into the continent's abundant renewable-energy resources. Doing so will broaden access to energy, create green jobs, reduce environmental pollution, and enhance energy security by diversifying sources.

At the same time, Africa's energy revolution will itself be challenged by some of the worst effects of climate change. For example, as rainfall becomes more erratic, hydropower production and revenues may decline. This risk can be managed by modifying existing investment plans to account for large climate swings. Still, for the region to adapt, the United Nations Environment Programme estimates that it will need annual investments of about $7-15 billion by 2020, and $50 billion by 2050.

Rather than treating new climate-related risks as hurdles to overcome, we should view them as opportunities for investment and innovation. We are standing on the threshold of an exciting new era in which technological progress allows us to use a range of conventional and unconventional energy options (excluding nuclear energy).

African countries can now combine energy sources to adapt to realities on the ground. Unlike in past decades, they no longer need be tied to a single energy source. And, because much of Africa's energy infrastructure remains to be built, governments have a chance to get their energy and infrastructure policies right the first time, thereby maximizing returns on investment.

Policymakers should take a few key steps to help transform Africa's energy sector and boost long-term economic growth. For starters, making it easier, safer, and more financially attractive for private investors to enter power markets would boost competition, thereby spurring innovation and lowering costs. Moreover, African countries should seek opportunities to share infrastructure and create cross-border power pools.

Another important step is to invest in renewable energy. Africa has an exceptionally rich portfolio of clean-energy assets, including almost nine terawatts of solar capacity, more than 350 gigawatts of hydropower capacity, and more than 100 GW of wind-power potential. This is more than enough to meet the continent's future demand.

At the same time, renewable-energy sources are becoming less expensive, making them increasingly competitive with fossil-fuel alternatives. For example, the price of utility-scale photovoltaic solar energy in Africa fell by 50% between 2010 and 2014, and continues to decrease today. And South Africa's Renewable Energy Independent Power Producer Procurement Programme has seen an overall decline in bid prices and oversubscription rates.

Innovative off-grid and mini-grid electricity-distribution systems, meanwhile, are already transforming Africa's energy landscape and multiplying the ways to exploit clean-energy sources and expand electricity access for the poor, particularly in areas where consumers are widely dispersed. Companies such as M-kopa and Mobisol have made small solar-energy systems available to thousands of African homes, by allowing their customers to pay in installments on their mobile devices.

Still, to accelerate a market shift on the scale that Africa needs will require increased financing from export credit agencies, development banks, commercial financial institutions, and other cross-border sources.

Africa has a chance to bring hundreds of millions of people without electricity into the modern economy; and we have an opportunity to pioneer the next investment frontier. Getting Africa's energy transformation right, by pursuing a mix of policies and investments that boost diversity and strengthen resilience, will ensure a brighter future for us all.

(*By Carlos Lopes, former Executive Secretary of the United Nations Economic Commission for Africa, is a Professor at the University of Cape Town and a visiting fellow at the Oxford Martin School, University of Oxford; Aliko Dangote, Founder and Chief Executive of the Dangote Group and Chairman of the Dangote Foundation, is the Co-Founder of the African Energy Leaders Group; Tony Elumelu is Chairman of Heirs Holdings and United Bank for Africa (UBA), founder of the Tony Elumelu Foundation, and Co-Founder of the African Energy Leaders Group, Project Syndicate).*

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

AfDB assesses results of US$ 5 billion investment in South Africa

What do we get for US$ 5 billion investment? The Independent Development Evaluation (IDEV) of the African Development Bank Group (AfDB) has just published a report evaluating more than a decade of engagement in South Africa (2004 – 2015), principally in the finance and energy sectors.

Striking the balance between good commercial banking and good development banking is one of the key messages delivered by the IDEV team of evaluators, who offer food for thought on the way lines of credit are being used. The evaluation found that low-risk lending through lines of credit via South African based regional financial institutions and commercial Banks made sound commercial sense for the AfDB. From a development banking perspective however, since the funding was mainly on-lent outside of South Africa it failed to address the AfDB's objective of providing support to small and medium enterprises, or to address the issue of inequality or inclusive growth inside South Africa.

Energy sector projects, including some renewable energy, featured strongly in the investment portfolio of the AfDB during the period under review. The Medupi Coal Power Plant operation in itself accounted for over a third of the AfDB's total investment in South Africa. The energy sector projects examined were deemed technically sound and sustainable investments. The projected lifespan of the Medupi Coal Power Plant is over 50 years. However, the late delivery and the cost overruns of the project have caused power insecurity, and hence damage to the economy, for much longer than the AfDB or the Government of South Africa envisaged when funding for the plant was first agreed. The project's environmental sustainability was downgraded overall given the delay in funding solutions to reduce air emissions and to relieve water stress in the area.

South Africa's experience in energy sector diversification is rich with lessons. The key success factors include good governance, robust legal, regulatory and policy framework, as well as the capacity of implementation partners. In particular, South Africa's Renewable Energy Independent Power Producers Procurement Program is considered to be among the most successful of its kind on the continent – a model which the AfDB could help other countries to emulate.

According to AfDB Evaluator General Rakesh Nangia, "The report offers a thorough analysis of Bank performance and also of the limitations of the AfDB's positioning in the South African context. Across its work in finance and infrastructure, stakeholders in South Africa saw the AfDB as a financier, rather than adding value as a knowledge provider or supporter of their capacity. The AfDB must think carefully about its comparative advantage and innovatively about funding instruments for the future."

The African Development Bank announces expansion of its African Bond Index

Zambia and Ghana join index family bringing transparency to the most liquid African bond markets

The African Development Bank (AfDB) through the African Financial Markets Initiative (AFMI) launched its AfDB/AFMISM Bloomberg® African Bond Index (ABABI) in February 2015. Calculated by Bloomberg Indices, the composite index is currently comprised of the Bloomberg South Africa, Egypt, Nigeria, Kenya, Botswana and Namibia local currency sovereign indices and have been joined from April this year by Ghana and Zambia. "As more African countries are increasingly looking to domestic capital markets to source much-needed financing for economic development, we are delighted to welcome Zambia and Ghana to the index and expect to include more countries to it as soon as reliable pricing information is made available," says Stefan Nalletamby, Director of the AfDB's Financial Sector Development Department. The expanded index will now include the eight most liquid sovereign bond markets in Africa.

The AFMI works to deepen the continent's local currency bond markets and also strives to create an environment where African countries can access financing at variable terms. By providing transparent and credible benchmark indices, the AFMISM Bloomberg® African Bond Index provides investors with a tool with which to measure and track the performance of Africa's bond markets. AfDB has approved on the 7th of December 2016 the creation of the first African multijurisdictional Fixed Income Enhanced Exchange Traded Fund (ETF); namely the African Domestic Bond Fund (ADBF) which will indeed track the performance of ABABI.The ADBF is expected to be launched in September this year. The composite index is available to Bloomberg Professional service subscribers via {BADB Index}. More on the AFMI can be found at **www.africanbondmarkets.org**.

World Bank increases aid to Cabo Verde to US$90 million

The World Bank has increased from the amount of aid to be granted to Cabo Verde (Cape Verde) over the next three years from US$42 million to US$90 million, announced Finance Minister Olavo Correia, who travelled to Washington to attend meetings of the Sprig meetings of the World Bank and the International Monetary Fund (IMF).

Correia was given news of the extended funding at a meeting with the new director of the World Bank group of which Cabo Verde is a part, Seydou Bonda, according to the Cape Verdean press.

The Cape Verdean Finance Minister also met with the regional director of the International Finance Corporation, Vera Songwe, newly appointed as the executive secretary of the UN Economic Commission for Africa, to discuss the IFC's continued support to the Cape Verdean private sector
Correia also met with other partners of Cabo Verde, including the OPEC Fund for International Development, with which he analysed partial financing of the cruise ship terminal on the island of São Vicente. *(Macauhub)*

New World Bank Group Strategy Seeks Growth Diversification in Mozambique
WASHINGTON – April 27, 2017 - The World Bank Group (WBG) Board endorsed today a new Country Partnership Framework (CPF) with Mozambique for the Fiscal Years 2017-2021. The CPF focuses on a set of objectives reflecting the Government of Mozambique's five-year program (Plano Quinquenal do Governo); development priorities identified in the WBG's own diagnostic (SCD); and the institution's comparative advantages. In line with these principles, the CPF objectives are organized into three focus areas: promoting diversified growth; investing in human capital; and enhancing sustainability. "This approval comes at a crucial juncture for Mozambique. The country needs to prepare for its upcoming resource-rich status and develop a more diversified and productive economy, which will depend on how effectively natural wealth is reinvested into human, physical, and institutional capital," said Mark Lundell, World Bank Country Director for Mozambique, Madagascar, Mauritius, Seychelles, and Comoros. "Among other things, this strategy will support institutions and build systems in Mozambique to achieve just that."
Against the backdrop of longer term challenges such as stimulating more diversified and inclusive growth, the country's short-term prospects are considerably challenging in result of recent revelations regarding unreported debts. The institution's current focus will be on helping the country to address the macroeconomic consequences of the undisclosed debt and restore confidence. The Bank will help the authorities address these challenges in close coordination with the International Monetary Fund (IMF) and will make use of advisory support on fiscal consolidation and debt management, among other instruments. It will also support efforts to address underlining causes of conflict such as those pertaining to land, forest, and natural resources management.
The International Development Association (IDA) and the International Finance Corporation (IFC) - the private sector arm of the World Bank Group, will work side by side in stimulating and leveraging the private sector, including in key sectors such as agriculture (and its value chains) and energy. IFC's investments and advisory services in the financial sector will remain a strategic priority, helping to increase access to finance for businesses across the country, and providing integrated SME development solutions.
This strategy's indicative financing envelope is US$1.7 billion from (IDA). Approximately US$120 million are available during FY17. From FY18 onwards an indicative IDA allocation in the range of US$410 million per year is planned subject to the annual IDA performance-based allocation and overall resource availability. The resumption of budget support operations, halted following the debt revelation, will depend on Mozambique's progress in restoring debt sustainability and an adequate fiscal and macroeconomic framework. This strategy was developed in dialogue with the Mozambican authorities and validated through a series of stakeholder consultations such as private sector, development partners, and civil society, including national and international NGO's, academia, and media. The strategy is consistent with the World Bank Group's twin goals of eradicating extreme poverty by 2030 and boosting shared prosperity.

AfDB to coordinate fund moblization for Batoka dam
Zambia and Zimbabwe appointed the African Developement Bank (AfDB) main coordinator of funds mobilization process for the construction of the Batoka Gorge hydropower dam. The institution also reiterated its commitment regarding the development of the project in which it, up till now, acted as main financial adviser.

With a capacity of 2,400 MW, the dam will cost $6 billion. Its construction will begin by the end of the year or in 2018, after the funds are secured. The two nations had organized at the end of March a conference with investors to get them to take part to the project. The project will give rise to 6,000 indirect jobs and 1,200 permanent jobs for the infrastructure's operation.

The coordination of the fund-securing process by AfDB falls in the framework of its New Deal on Energy for Africa programme which aims to raise $45 to $50 million in private investment for Africa's energy sector, by 2025. However, the institution, which will personally invest $12 billion in the project, hopes to develop across the continent 160 GW of power infrastructures. Nigeria: GreenElec partners with five States to develop solar-powered mini-grids

In Nigeria, five states, knowingly Kaduna, Imo, Rivers, Delta and Ogun partnered with France-based solar solution provider, GreenElec, to develop solar mini-grids.

According to GreenElec President, Marvel Hochet, the project will make populations of these States less dependent of national grid in addition to boosting the nation's energy mix, as government wishes."Investigation conducted by GreenElec reveals that a community on average boasts of 5,000 people and that the community would need two solar powered mini grids to function well. A home boasts of five people and when you divide it by 5,000 people, you will have 1,000 homes. A mini grid will serve 500 homes, while two mini grids would take care of 1,000 homes."

In regards to the project's cost, he said that only the government and high net worth groups could afford it given its size. It should be highlighted that in Nigeria, 80.96% of energy generated comes from renewable energies. This was revealed in the "Global Architecture Performance Index Report 2017" edited by the World Economic Forum (WEF). *(By Gwladys Johnson, Ecofin Agency)*

This simple energy solution could improve the lives of millions of Africans – for less than $2 a day

Imagine a world where, for less than $2 a day, almost every household could have access to light, clean water, heating and air conditioning, sanitation, cleaner cooking solutions, refrigeration, communication and connectivity, entertainment services and appliances.

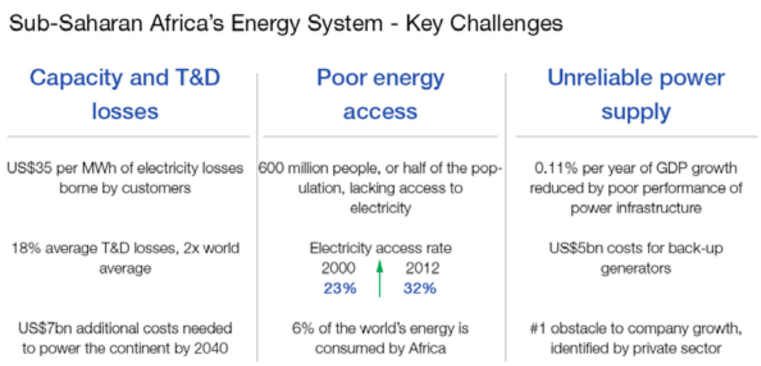
Today 46% of people have no access to piped water, around 40% have no access to clean cooking energy, and over a quarter of the world's population has no access to reliable electricity. Even the most optimistic growth projections for grid connectivity in Africa currently lag behind population growth. As such, there will continue to be almost boundless demand for any solution that delivers 21st-century functionality without the need for heavy infrastructure.

The rise of pay-as-you-go (PAYG), off-grid solutions from companies such as MKOPA, Mobisol, Nova Lumos, Off-Grid Electric, and Fenix, along with a dozen other newer entrants, could be transformative in reaching the billions of people who today lack access to basic services.

Over the past five years, PAYG, off-grid solutions have been effective in dealing with the challenges of reaching the last mile – a task that is both expensive and logistically challenging when relying on unreliable road and phone networks. PAYG solutions also play a key role in creating relationships with those at the last mile – a group that is usually notoriously difficult to reach.

PAYG penetration will continue to grow by more than 70% a year, reaching over 8 million households by 2020, and matching the very rapid trend of the past few years. Around 550,000 households used PAYG solutions in 2015, rising to nearly one million by early 2017 in sub-Saharan Africa.

This growth will be driven by both new entrants and existing players expanding their geographic reach. It is expected to continue despite the growth of the grid in some markets, significant affordability constraints (both for upfront deposits and daily payments), and an underdeveloped mobile ecosystem in many African markets.



There is still scope for much more growth. Hardware costs are expected to keep falling, by between 5% and 10% a year, reflecting the combined effects of rapid technological innovation and surging demand, resulting in economies of scale and increasing affordability.

To fully meet demand, however, suppliers need more funding. While risks remain, there have been a number of deals, totaling more than $300m in 12-18 months. Recent announcements and fund launches by institutions such as the African Development Bank; and increased interest from local and international commercial lenders, suggest that this issue is being addressed, at least partially.

Beyond basic provision of solar lighting, the off-grid appliance sector is poised for strong growth, especially for those that can adapt appliances to low-energy settings and can translate their growing trove of data into insights on the emerging consumer's next need.

Already, demand is growing for televisions in households that, via PAYG models, now have access to electricity, as well as the means to buy a product that many have long taken for granted.

Other service utility applications include PAYG water dispensing solutions, such as eWater in Gambia; PAYG clean cooking solutions like Koko Networks' cooking ethanol "ATMs" in East Africa; and PayGo Energy's PAYG delivery of LPG in Kenya.

Further down the road will be a wide range of productive uses for PAYG energy, as we see the emergence of systems designed for irrigation, sewing and welding that go beyond consumption and begin to unlock new economic opportunities for households.

These could enable small and medium-sized enterprises to access integrated packages of energy plus essential tools of the trade: such as shaving razors, irons, food processors, or multi-phone chargers; equipment for farmers, such as small scale production/harvesting, processing, and storage equipment; and even off-grid chargeable welding equipment for the light industry.

The delivery of such products should help drive significant economic growth, while improving the economics for PAYG providers, as their customers get richer.

Given their ongoing relationship with consumers, and access to payment and other behavioural data, PAYG providers could also explore data-driven business models: such as financial services, earning revenue from data with referrals to banks, microfinance institutions, or insurers; and advertising and content revenue streams, such as ACNielsen ratings boxes, or tailored advertising through PAYG-linked entertainment devices.

The future of pay-as-you-go

There are some key questions that need to addressed for the PAYG market to be transformative:

- How can the sector allow more people to access the services, enable services to work together, and avoid replication of efforts? Current activities are disjointed, difficult to scale or replicate.
- Similarly, how can the sector be more coordinated to make it easier for innovators and funders in the sector to work together on larger scale solutions? How can this ecosystem be strengthened?
- How can PAYG services scale-up on the continent beyond Kenya, Tanzania, Uganda, Rwanda, Nigeria and Ghana, where they are more commonly used? How can models working in these six countries be used to drive growth in other countries?

Such solutions would be life-changing on a continent where less than 40% of the population has access to electricity, limiting inclusive economic growth and reducing the quality of life for over 600 million people. PAYG services would finally reach their full potential of increasing quality of life, increasing incomes, creating jobs, and enhancing education and the knowledge economy. *(World Economic Forum)*

INVESTMENTS

Yum to open 10 Ethiopian Pizza Huts in African expansion

U.S. fast-food giant Yum Brands Inc. has signed a deal with Ethiopia's Belayab Foods and Franchise PLC to open 10 Pizza Hut restaurants in the Horn of Africa country as part of an expansion on the continent. Pizza Hut will be the first major restaurant franchise to open an outlet in Ethiopia, Africa's second most-populous nation, which has become one of its fastest-growing economies. "We will start off with three outlets first in six months' time and open 10 stores within the next three years," Michael Ghebru, a shareholder of the project, told Reuters.

Kentucky-based Yum, which is also the parent of the KFC and Taco Bell chains, is no stranger to emerging markets with more than 1,000 restaurants in Africa. Its Pizza Hut franchise has 188 branches across the continent. "Let's be prudent because in Africa there may be some levels of instability and also when you are opening some routes that take time," Ewan Davenport, General Manager of Pizza Hut Africa, said. "But the sky is the limit. At the moment, we are looking at (opening) at least 50 stores a year." Western retailers are increasingly targeting Africa, which is home to rising consumer spending and some of the world's fastest growing economies, albeit off a low base. *(By Aaron Maasho, Reuters)*

China becomes major contributor to investment in Africa

Luanda - The Chinese investment in Africa has dramatically increased, making the Asian country the largest contributor to foreign direct investment (FDI) capital and jobs in Africa in 2016, according to the latest Africa Attractiveness report, released by Ernst & Young (EY).

Since 2005, China has invested in 293 FDI projects in Africa with a total investment of US $ 66.4 billion, creating 130,750 jobs, according to the report. China's FDI in Africa is well diversified across sectors, covering resource-oriented as well as service and manufacturing sectors, the report said.

Data released by EY, a London-based professional services company, also show the diversification of Chinese investment in more countries, covering resource-rich nations such as South Africa, Nigeria and Angola, and agricultural exporters such as Kenya.

In 2016, the number of jobs created by Chinese FDI projects hit a record high, more than doubling the number in 2015 and more than three times the number of jobs created by the second largest investor, the United States, according to the report. In 2016, China's exports to Africa reached $ 82.9 billion, while Chinese imports from the mainland were $ 54.3 billion. *(Angop)*

BANKING

Banks

Botswana's Letshego Holdings acquires AFB Ghana

Botswana financial services group Letshego Holdings Limited has acquired afb Ghana Plc after it had met all regulatory requirements and received approval from the Securities and Exchange Commission and the Bank of Ghana. The acquisition of afb adds to Letshego's expansion in West Africa after it took over FBN Microfinance Bank in 2015. afb Ghana currently offers innovative credit products to over 60,000 customers across its network of more than 25 branches and customer access points.

Managing Director of afb Ghana, Mr Arnold Parker said the Ghanaian team was happy to be joining the Letshego Group and had begun work on a number of synergies between the two operations. "We are excited to be joining the Letshego Group, and I have no doubt that we will benefit from this vision and strategic focus," he said Mr Parker said there were plans to rebrand later in the year. "We officially announced the final and complete takeover of afb by Letshego holdings of Botswana. We have received all the regulatory approval, so in effect we are now a fully-fledged subsidiary of the Letshego group," "We are going to be afb for the rest of this year. Towards the end of the year into next year we intend to rebrand to become Letshego Ghana," he said.

Letshego and the afb team have now shared their intent to deliver more broad-based solutions during 2017 and going forward, primarily over a mobile delivery and access platform in order to enhance access, affordability and drive the progressive development of customer needs-based solutions.

On her part, the Group Chief Operations Officer, Ms Duduetsang Olsen-Namanyane said with Letshego's support, afb would continue advocating financial inclusion, driving innovation, and mobilising financial empowerment programmes in underserved communities. She said the Group's strategic intent was to be Africa's leading inclusive finance group based on the model of providing the financially under-served with simple, appropriate and accessible solutions. "We are clear that this cuts across the formal, informal and

Micro and Small Entrepreneurial sectors of the society. We look forward to working with the Ghana Board as well as Arnold and his highly engaged team. Together, we seek to empower our people, our customers, communities and to improve their lives," Ms Olsen-Namanyane said.
Meanwhile, Mr Blaise Mankwa has been appointed the Board Chairman of afb Ghana Plc. Commenting on the appointment, Mr Mankwa said he was pleased to be joining the board of a dynamic company being empowered by the Letshego Group to embrace financial inclusion while delivering growth and returns for its shareholders. "The board and I will support Letshego and the afb team to engage our regulators and stakeholders. We will look to ensure we are capacitated to provide access to needs driven financial solutions anytime, anywhere, without compromising a zero-tolerance approach to non-compliance -, and upholding high standards of governance and risk management," he added.
Letshego Holdings Limited was incorporated in 1998. It is listed on the Botswana Stock Exchange since 2002. It is one of Botswana's largest indigenous groups, with a market capitalisation of approximately $500 million, placing it in the top 40 listed sub-Sahara African companies and an agenda focused on inclusive finance. *(By GNA)*

Kenya central bank says 12 entities applied for Chase Bank stake
Twelve parties, including local and foreign banks, have expressed interest in taking a stake in Kenya's Chase Bank, the central bank said. Regulators placed the mid-sized lender under receivership in April 2016 after an unexplained loss of billions of Kenyan shillings. The Kenyan bank is not associated with JP Morgan Chase & Co. The central bank invited expressions of interest in the Chase Bank stake at the end of March. The applicants included three Kenyan banks, four foreign lenders and other parties, it said. It said it had short-listed an unspecified number of applicants to move to the next stage. "Short-listed investors will be granted access to comprehensive confidential data that will allow them to develop a formal proposal for taking an equity interest," the central bank said in a statement. They must submit formal bids by June 9. Chase is in the hands of the Kenya Deposit Insurance Corporation (KDIC), a state body that protects depositors in case of a bank failure. The central bank wants to find a strategic investor for Chase but has not specified what size stake it will sell. The temporary closure of Chase, followed the closure of another mid-sized lender, Imperial Bank, and smaller lender Dubai Bank Kenya. The string of closures knocked confidence in Kenya's banking sector, which has also seen a jump in bad debts. *(By Duncan Miriri, Reuters)*

South Africa close to launch of challenger to "big four" banks
South Africa is close to spinning a state-owned bank out of its postal service that will lend to the country's poor and distribute welfare grants, in a bid to loosen the grip of private sector banks. Financial services, the largest sector of the South African economy at 20 % of nominal GDP, have long been perceived as being dominated by the country's big four banks.
The government aims to address this through "radical economic transformation", which is understood locally to mean nationalisation and ownership transfers to the black majority. "It's not going to be a normal bank like the big four. It's going to be a developmental bank to deal with the market that is not being served at the moment," South African telecommunications minister Siyabonga Cwele told Reuters on the sidelines of the World Economic Forum for Africa.
The big four banks, Standard Bank, FirstRand, Barclays Africa and Nedbank control about 90 % of the market. "It's a higher risk, but we are not saying we are going to be reckless in our lending but we must take that risk of funding entrepreneurs with small loans," Cwele added.
Unsecured lending in South Africa is seen as lucrative but risky after the collapse of lender African Bank in 2014 triggered a central bank bailout, but giving a banking licence to the country's Post Office (SAPO) would allow it to use its 1,500 branches to provide credit and other financial services to millions of people without assets. "We are going to need a very strong risk management system," Cwele said. "The issue of financial inclusion is part of radical economic transformation. We are not talking about reckless access to finance."
A 2016 survey by Finscope found that about 11 % of the adult population were "financially excluded" or unbanked, accounting for more than 4.3 million adults. SAPO's Postbank has around 1.4 billion rand ($104 million) in excess capital, already enough to meet regulatory minimum requirements for a bank and the Post Office plans to list the business as a bank by July. Its positive financial position contrasts with SAPO as a whole, which is supported by a 4.4 billion rand ($290 million) state guarantee and is set to record a loss of more than 1 billion rand in the 2015/16 financial year. In the previous financial year it lost 1.5 billion rand after industrial action prompted major clients to pull out. *(By Alexander Smith, Reuters)*

Markets

Senegal to issue Eurobond in April -finance minister

Senegal will issue a Eurobond this month in order to finance a series of infrastructure and power production projects that it hopes will push economic growth above 7 % from next year, Finance Minister Amadou Ba said. Ba declined to give the amount of the issuance or its maturity. The West African nation is rated B1 by Moody's and B+ by Standard & Poor's. "I think that the moment has arrived to return to the market," he told reporters on the side-lines of a meeting of regional finance ministers in Ivory Coast. "We'll do it in the coming weeks. It will be a Eurobond."

Senegal, a member of the eight-nation CFA currency bloc which maintains a fixed rate against the euro, issued its first $200 million 5-year Eurobond in December 2009 at a yield of 9.25 %. It followed that with a $500 million 10-year issue in 2011 bearing a coupon of 8.75 %.

More recently it returned to the market in 2014 with a $500 million, 10-year Eurobond with a coupon of 6.25 %, which was several times oversubscribed. "Senegal has launched big projects, whether it's the regional train, motorways but also electricity projects, construction of a university, health and agriculture," Ba said. "We want to be self-sufficient in rice in 2017 and that requires a lot of investment in agricultural irrigation," he added.

French industrial firm Alstom announced in December plans to sell 15 new regional trains to Senegal for use between the capital Dakar and a new international airport under construction around 50 km (30 miles) outside the city. Construction of the trains is due to begin this year. Ba said that Senegal is revising the basis upon which it calculates its gross domestic product, which he said is outdated, and expects the changes to show the economy is at least 30 % larger than currently believed. *(By Ange Aboa, Reuters)*

Dar es Salaam Stock Exchange: Capital Market Authority extends Vodacom IPO for three weeks

Vodacom Group's Tanzania initial public offer (IPO), the biggest in history of Dar es Salaam Stock Exchange (DSE), received extension approval for three more weeks. Vodacom primary share sale was scheduled to end but the firm asked for extension to allow retail and institution investors more time to subscribe.

Tanzania's Capital Market and Securities Authority Principal Public Relations Officer Mr Charles Shirima said the go ahead was given based on size of the IPO. "They (Vodacom) said many will be left out if the deadline adhered as planned on April 19. I know some members of parliament also asked for extension," Mr Shirima said. Mr Shirima did not rule out current poor liquidity in the market to warrant the extension of biggest IPO in the history of Tanzania capital market. Vodacom IPO was staged to end but the extension pushed back the deadline to May 11. The listing date pegged on June 6.

The leading telecom plans to raise 476bn/- ($213 million) in a share sale at 850/- ($2.5) each out of 560 million shares. This was the first of a series of IPOs by telecoms on the domestic stock exchange where foreigners are barred.

Orbit Securities Director General, Simon Juventus said the extension would benefit mainly retail investors as many had family commitment, fees and Easter Holiday celebration. "Demand for extension was vivid especially from retail investors. "Buyers have flocked our offices today knowing it's a deadline, but after extension news broke out eases," Mr Juventus said. Orbit is the IPO sponsoring broker. He said, however, the progress of the IPO was going on smoothly even before extension.

Under the Finance Act of 2016, which amended the Electronic and Postal Communications Act of 2010, the government made it a legal requirement for the country's telecoms operators to float 25 per cent of their shares on the DSE. Vodacom is the country's largest operator with 31 % market share, followed by Millicom International Cellular SA's Tigo, Bharti Airtel Ltd.'s domestic subsidiary and Halotel, a unit of Vietnam's Viettel Group. *(By Abduel Elinaza, African Markets)*

New JSE-listed AMI Big50 ex-SA ETF offers Pan-African investment opportunities

Today's listing on the Johannesburg Stock Exchange (JSE) of the Big50 Ex-SA ETF gives investors access to a new index that offers a diversified investment of 50 companies across the African continent, excluding South Africa, through 15 African stock exchanges. The ETF is offered by investment firm Cloud Atlas Investing, a Johannesburg based Collective Investment Scheme. "The JSE is committed to playing a role in the expansion and deepening of Africa's investment opportunities. This new ETF offers an easy, safe way to invest in African markets and supports the continent's growth journey," says Donna Nemer, Director of Capital Markets at the JSE.

ETFs are investments that track the performance of a group or 'basket' of shares, bonds or commodities. The Big50 Ex-SA ETF tracks an index that has been designed by Cloud Atlas and which invests across African exchanges in countries such as Egypt, Mauritius, Kenya, Morocco, Tanzania, Nigeria, Tunisia, Botswana, Namibia, Uganda, Ghana and Zimbabwe, as well as the BRVM Exchange in West Africa.

Maurice Madiba, CEO and Founding Director of Cloud Atlas Investing, says, "We want to improve liquidity and help to develop African markets for investors to feel the full robustness of these markets, and as such, have chosen to invest in stocks that are listed on African exchanges. These could include stocks in multinationals that are listed on African exchanges, as well as local African companies."

ETFs offer tax and cost benefits, and are a suitable investment vehicle for those who are new to the world of stock markets but are also used by institutional investors.

Madiba says that while the AMI Big50 ex-SA ETF offers individual investors an opportunity to invest in diverse African shares, it also provides an opportunity to institutional investors, who are able to invest up to five per cent of a fund's capital in African investments according to Regulation 28 of the Pension Funds Act. He clarifies, "We have received a dispensation from the South African Reserve Bank to offer this ETF to institutional investors according to Regulation 28. We have already opened up the ETF to the retail market, and certainly have plans to bring the institutional investor on board. We believe this ETF is a good product to have for the long-term investor because of its growth prospects, and as such will be of interest to both the individual and the institutional investor. It is important to us that we try to facilitate ways in which Africans can participate in Africa's growth."

Nemer notes that ETFs are well-regulated by both the JSE and the Financial Services Board (FSB) and can be acquired, like any other listed share, through a stockbroker or online trading account, or via an investment platform that offers a monthly debit order facility. She adds, "Because the Big50 ex-SA ETF is suitable for individual investors as well as institutional investors, it offers a wider opportunity to participate in Africa's growth. In addition, because it does not invest primarily in South African investments, it offers local investors Rand-hedging opportunities." The ETF market has seen steady growth globally as well as in South Africa and this ETF listing brings the total number of ETFs listed on the JSE to 53, with a total ETF market capitalisation of almost R73 billion. *(By JSE)*

Ivory Coast Said to Plan $1 Billion Eurobond by End of July

Ivory Coast plans to sell at least $1 billion in Eurobonds by the end of July to raise funds for infrastructure projects, the country's first issuance of international debt since 2015, according to two people with knowledge of the plans.

The government is negotiating to sell bonds with 10-year maturity and the sale will probably happen in June or July, according to the people, who asked not to be identified because a public announcement hasn't been made.

The West African nation is yet to decide which banks will be hired as financial advisers and a roadshow will be held in London and the U.S., according to the people. Ivory Coast sold $1 billion of debt in 2015 and $750 million in 2014.

Government spokesman Bruno Kone said by phone that Ivory Coast plans to sell Eurobonds this year but that he couldn't confirm the details. The bond sale "is in our interest given the economic climate," he said, without elaborating further.

Ivory Coast President Alassane Ouattara was forced to reduce this year's budget after a slump in prices for the nation's biggest cash crop, cocoa. While lower cocoa prices are weighing on income, expenses have soared as the government has tried to defuse social unrest by agreeing to pay bonuses and arrears to soldiers and civil servants earlier this year. "I'm sure there's concern about the military and cocoa prices," said Kevin Daly, a London-based money manager at Aberdeen Asset Management Plc who helps oversee $11 billion in assets. "But I think they'll still find a receptive audience if they provide some premium over the existing curve. Somewhere in the region of 50 basis points should suffice." *(By Baudelaire Mieu and Lyubov Pronina, Bloomberg)*

Ivory Coast selects banks to manage new Eurobond issue: sources

Ivory Coast has selected five international banks to manage a Eurobond issue planned for some time in the second quarter of this year, two banking sources familiar with the deal said. The sources did not name the banks involved and it was not initially clear what amount Ivory Coast, the world's top cocoa producer, was targeting for the deal. It last went to international markets in February 2015 with a $1 billion bond that matures in March 2028. *(By Joe Bavier and Sudip Roy, Reuters)*

Nigeria to auction $446 m bonds next week - DMO

The Nigerian Debt Management Office (DMO) revealed plans to auction N140 billion ($446 million) in bonds on May 10, 2017. Using a Dutch auction system, DMO intends to auction N40 billion bonds which would mature in 2021 and two N50 billion bonds due in 2027 and 2037. They are expected to be settled the following day after the sale.

Nigeria issues sovereign bonds on a monthly basis to fund its budget deficit, support local debt market and set a benchmark for companies to follow. The country at the last naira bond auction sold less bonds than it initially planned following demands by investors for higher returns to make up for inflation. The West African country anticipates a N2.36 trillion ($7.5 billion) budget deficit this year, which it plans to finance through local borrowing. *(By Anita Fatunji, Ecofin Agency)*

What Investors Need to Know About Nigeria's Exchange Window

There's a lot riding on Nigeria's new foreign-exchange platform.

The system -- called the Investors' and Exporters' FX Window -- is the central bank's latest attempt to lure back traders who fled in the past two years. The idea is that by creating a market for some types of investment transactions, policy makers can satisfy calls to float the currency without risking an inflationary spiral that may come from a devaluation. Eventually, it would attract foreign funds and alleviate a shortage of dollars. While analysts warn that it may be weeks before they'll have a clear idea of how it's functioning, here is what traders need to know:

What is it?

Nigeria, unlike other crude exporters such as Russia, Colombia and Kazakhstan, has tried to prevent its currency from depreciating since oil prices began falling in 2014 through a combination of trading controls, import restrictions and even a peg. Central bank Governor Godwin Emefiele and President Muhammadu Buhari have stood against a free float of the naira's interbank rate, saying it would only cause prices to rise. The window dodges that by offering investors a separate market in which, at least according to what Emefiele told bankers in recent weeks, they'll be able to trade the currency much more freely. He told reporters that authorities will make sure prices move "based on the managed-float regime that we run" while also saying that if there are willing buyer and sellers, "there will be no form of any price intervention."

Eligible transactions include those for loan repayments, interest payments, capital repatriation and remittances. Those allowed to sell hard currency are banks, portfolio investors, exporters and the central bank.

How will it work?

FMDQ OTC Securities Exchange, the Lagos-based trading platform overseen by the central bank, will publish opening and closing rates for the market at 9 a.m. and 4 p.m. These will be based on a poll of authorized bank dealers. It will also announce a fixing rate around noon, known as the Nigerian Autonomous Foreign Exchange Rate Fixing, or NAFEX. This will serve as a benchmark for derivatives including futures and forwards.

Trades will be done over the phone, though the central bank hopes to use an electronic system eventually. Banks will still require the Abuja-based regulator's permission to buy and sell currencies with one another, and they'll be restricted to existing limits on trading positions.

What's happened so far?

Though there's been little trading, the central bank has been true to its word in letting the naira depreciate. FMDQ announced the first closing rate at 377.11 per dollar, 16 % weaker than the interbank rate of around 315 and almost as low as the rate of 388 in the black market that Nigerians use when they can't access dollars through official channels. The central bank sold $25 million in the exchange window, Lagos-based ThisDay newspaper reported, citing a statement from the regulator.

What could go wrong?

The main concern among investors is that the central bank changes its stance and tries to manipulate the exchange rate, which would discourage traders from using the window. Last June, it promised a free float after devaluing the naira, but the rate has remained about 315 since August, even as the naira plummeted on the black market.

It's also unclear if oil companies, responsible for about 90 % of Nigeria's export earnings, will be able to use the window. If they aren't allowed to sell dollars, that could leave the central bank as the main supplier and remove a major source of liquidity.

"Market participants that have been waiting patiently on the sidelines are likely to remain on the sidelines until it is clear that naira valuations and liquidity can be sustained," said Adriaan du Toit, a fixed-income strategist for Citigroup Inc. in Johannesburg. “Naira liberalization has been a piecemeal process, and we think the latest development is another step forward. But we are not convinced that it is a groundbreaking leap.” *(By Paul Wallace, Bloomberg)*

ENERGY

Nigeria: GreenElec partners with five States to develop solar-powered mini-grids

In Nigeria, five states, knowingly Kaduna, Imo, Rivers, Delta and Ogun partnered with France-based solar solution provider, GreenElec, to develop solar mini-grids.

According to GreenElec President, Marvel Hochet, the project will make populations of these States less dependent of national grid in addition to boosting the nation’s energy mix, as government wishes.*“Investigation conducted by GreenElec reveals that a community on average boasts of 5,000 people and that the community would need two solar powered mini grids to function well. A home boasts of five people and when you divide it by 5,000 people, you will have 1,000 homes. A mini grid will serve 500 homes, while two mini grids would take care of 1,000 homes.”*

In regards to the project’s cost, he said that only the government and high net worth groups could afford it given its size. It should be highlighted that in Nigeria, 80.96% of energy generated comes from renewable energies. This was revealed in the “*Global Architecture Performance Index Report 2017*” edited by the World Economic Forum (WEF). Nigeria: GreenElec partners with five States to develop solar-powered mini-grids

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Russia's Rosatom still keen to build South Africa's nuclear plants

Russia's Rosatom said it was still committed to taking part in a transparent and competitive bidding process to build nuclear power plants in South Africa after a court blocked the plans last week.

South Africa's energy minister said the government may appeal the judgment which declared a cooperation pact with Russia's state-owned nuclear company Rosatom unlawful. The pact drew criticism from environmental groups, which accused the government of seeking to strike secret deals with Russia without an open bidding process.

South Africa and Russia signed an Intergovernmental Agreement (IGA) in 2014 for cooperation between Rosatom and South African utility Eskom, which aims to build 9,600 megawatts (MW) of nuclear capacity to wean the African nation off coal. "We are confident in our world class technology, unmatched safety standards and highly competitive solutions," a senior Rosatom official said in a statement. Eskom declined to comment on the process and said it would follow the Department of Energy's lead on the matter after the court ended South Africa's request for information (RFI) from vendors, the first step in the tender process. Eskom's chief nuclear officer David Nicholls said earlier on Twitter: "I want to confirm that Eskom has terminated the nuclear RFI." Besides Rosatom, manufacturers from South Korea, France, the United States and China are waiting for the tender from South Africa to build up to 10 reactors in what would be one of the world's biggest nuclear projects since the 2011 Fukushima disaster led many countries to cut back nuclear programmes. *(By Wendell Roelf and Tiisetso Motsoeneng, Reuters)*

South Africa: Crunch time for power sector

A series of recent events may have determined the future of South African power production for a generation. Renewables look set for continued rapid expansion, coal is on the back foot and new nuclear plants look as far off as ever. The least spectacular event may have the greatest practical implications.

The government has announced that it has streamlined the procedures for developing large renewable energy projects in renewable energy development zones. Developers hoping to develop projects in the country's eight renewable energy development zones will only be required to carry out basic environmental impact assessments, with the aim of greatly speeding up the process.

Applicants are to receive a licence tender within 57 days rather than the usual timescale of 300 days. The zones were created in February 2016, with the aim of helping the country achieve its targets on promoting renewable energy and cutting greenhouse gas emissions. They are Overberg and Kornsberg in the Western Cape; Cookhouse and Stromberg (Eastern Cape); Upington and Springbok (Northern Cape), Kimberley (Free State and Northern Cape) and Vryburg (North West). Grid improvements in five transmission corridors will also benefit from the same easier regulatory framework.

After years of dithering and delay, Pretoria has swung its support behind renewables over the past five years: 2.2 GW of solar and wind power generating capacity on 44 projects has been so far been completed. PPAs are due to be concluded on another 2.3 GW over the next few weeks.

South Africa has by far the most polluting power sector in Sub-Saharan Africa: it has both more generating capacity than any other country and is more heavily dependent on carbon-intensive coal fired plants. However, it can rightly argue that other areas of the economy should do much more to cut their own contribution to greenhouse gas emissions. The animal agriculture sector, for instance, is a big contributor through methane emissions from livestock but has not been subject to any restrictions by government. However, state owned power utility Eskom is becoming more reluctant to sign long term power purchase agreements (PPAs) from renewable energy independent power producers (IPPs). It claims that it is more expensive than electricity from thermal power plants and not always reliable.

This last criticism has been levelled at renewables by established power utilities over many years but power grids and generation mixes can be developed to cope with fluctuating output from some technologies. Whether Eskom's doubts are valid depends on whether the government expects the parastatal to buy electricity from renewables at unreasonable rates.

Coal closures

Eskom plans to close five coal-fired plants between 2020 and 2029, with combined generating capacity of 8.3 GW. This is not because of a wholesale move away from coal but because 9.6 GW of new, more efficient coal plants are being developed, giving it the option to close more expensive and polluting plants. The five had not been scheduled for closure but anaemic economic growth has resulted in much lower than expected demand for electricity. Unlike recently, South Africa had suffered from a lack of power generating capacity. The closures result in the loss of about 20,000 jobs, although other jobs are being created on other thermal power plants and within the renewables sector. The National Union of Mineworkers is considering strike action, while workers within the coal haulage sector blocked roads around Pretoria in March in protest at the plans.

Nuclear challenge

Renewables are likely to become even more important since the South African courts blocked government deals for new nuclear power plants. Successive ANC governments have published plans to expand the country's nuclear power sector over many years but all have proved unsuccessful. At present, South Africa has just a single nuclear plant: the Koeberg facility, with 1.9 GW.

Most recently, the government announced plans for eight more plants to be developed at a cost of about R1 trillion ($74.7bn) but this figure seems very much a best guess and such estimates are prone to rise in the nuclear industry. The Western Cape's High Court has blocked the plans, after two NGOs – Earthlife Africa and the Southern Africa Faith-Communities' Environmental Institute – challenged them.

The court found that the government had not followed due process on five occasions. Eskom had handled the procurement process, using information that was provided by potential bidders. Although Pretoria can appeal, it seems most likely that the plan has been killed off, particularly because South Africa simply does not need as much electricity as previously expected. At the same time, renewables are becoming steadily cheaper and offer the prospect of greater competition in the sector. *(By Neil Ford, African Business)*

Six solar-powered airports take off in South Africa

Often in the middle of nowhere, surrounded by acres of land, South Africa's airport environs are solar farms waiting to happen. With over 2,500 hours of sunshine per year in South Africa, it makes perfect sense for the country's airports to tap into this local resource. In the last year Airports Company South Africa (ACSA) has unveiled three solar-powered airports across the country, the first on the African continent to harness solar

power. By the end of this year three more regional airports will join the green initiative by launching solar power plants.

Half powered by the sun

The state-owned ACSA told CNN over email that it is committed to reducing the pressure on South Africa's constrained power grid by around 50%. This is because the solar farms currently supply approximately 45% of the airport's power requirement. The remaining 55% is drawn from the national grid. "The long-term plan is to have the airports generate their own energy," says ACSA corporate affairs senior manager, Senzeni Ndebele. The company intends to "greenify" all its airports and achieve carbon neutrality by 2025, Ndebele explains.

South Africa's organic solar future

South Africa was once the "darling of the renewable world" with a number of solar farms and an increasing amount of renewable energy being plugged into the national grid, energy analyst and director at QED Solutions Dirk de Vos tells CNN.

However, state-owned electricity utility Eskom has held off on signing new deals to buy renewable energy from private firms, saying they are too expensive -- although Eskom maintains that renewables will remain part of the country's energy mix.

But smaller-scale developments, such as airports and shopping malls, have taken advantage of the country's well-developed solar sector. "That whole ecosystem and skills base is still operating and can be used for smaller commercial rooftop PV operations quite successfully," he says. "South Africa's solar future is going to be organic and done by companies to reduce their dependence on the grid and generate their own electricity." De Vos considers solar power to be a competitive, cheap alternative to "electrify parts of South Africa" that might have otherwise been in the dark. "I think we're at the initial stages of a solar energy revolution," he says.

South Africa's big six

Located halfway between Cape Town and Port Elizabeth, George airport boasts a 200-square-meter solar plant which currently delivers 750Kw power. Kimberley Airport, situated in the capital of the Northern Cape Province, began operating its 1.7 acre solar power plant in May 2016, a month after George Airport. Further north, Upington's solar plant, which opened in July 2016, delivers 1 million kilowatt hours of power per annum to the airport. Preparations are underway for Port Elizabeth International Airport, Bram Fischer International Airport and East London Airport to launch solar PV systems in October, November and December respectively. By 2025, ACSA's strategy is to become the "the most sought after partner in the world for the provision of sustainable airport management solutions." *(By Katy Scott, CNN)*

ABB wins $30 mln Congo order for power link upgrade

ABB has won a $30 million order to upgrade a electricity transmission link in the Democratic Republic of Congo, part of the Swiss engineering company's push into Africa, it said. ABB will carry out the partial upgrade of the Inga-Kolwezi high-voltage direct current (HVDC) power transmission link that transmits power from the Inga hydropower station on the Congo River to the mining district of Katanga in the southeast of the country. The 1,700-km connection was built by ABB in 1982 and was at the time the world's longest transmission line. The refurbishment will almost double the line's power transmission capacity and improve reliability, ABB said. Africa has been identified by ABB, which also makes industrial automation products, as one of its main drivers of growth. *(By John Revill, Reuters)*

South Africa Nuclear Plans Stalled as Court Rules Process Unlawful

South Africa hasn’t complied with the constitution in seeking bidders for a nuclear-energy program and must cancel any deals that have already been signed, the Western Cape High Court ruled. The government must hold public hearings and debate the estimated 1 trillion-rand ($76 billion) program in Parliament, according to a ruling read out by Judge Lee Bozalek in a case brought by civil-society groups Earthlife Africa and the Southern African Faith Communities’ Environment Institute. Agreements set aside include those with Russia, the U.S. and South Korea. “The process by which the nuclear build program is proceeding on is unconstitutional” and any request for proposals or requests for information regarding the plans should be set aside, according to the ruling. A government decision in December 2015 to procure 9,600 megawatts of nuclear energy was also found unlawful and set aside. State power utility Eskom Holdings SOC Ltd. notes the judgment, spokesman Khulu Phasiwe said on Twitter. “We’ll study the ruling and, if need be, Eskom will make comments thereafter.”

South Africa’s nuclear investment plans have become a focal point for critics of President Jacob Zuma’s policies, with opposition parties and civil-society groups questioning the use of funds even before S&P Global Ratings and Fitch Ratings Ltd. downgraded the nation’s international credit rating to junk. The affordability of the new plants was a key point of dispute between Zuma and former Finance Minister Pravin Gordhan. “The nuclear deal has obviously been a big concern for the markets given the potential costs” and a lack of clarity about the process, Elena Ilkova, a Johannesburg-based analyst at FirstRand Ltd.’s Rand Merchant Bank unit, said by phone. “The market wants to know how much nuclear is needed, when it’s needed and how much it will cost.”

Eskom started a process to build 9,600 megawatts of nuclear power capacity by issuing a request for information from vendors in December, with a closing date for responses of April 28. The court ruling has the potential to delay the utility’s ability to issue a request for proposals, Ilkova said. “Eskom will have to stop its procurement process right now," Adrian Pole, attorney of record for Earthlife Africa Johannesburg, said in an interview. *(By Paul Vecchiatto, Bloomberg)*

INFRASTRUCTURE

South Africa: Transnet seeks private sector investment

South African transport utility Transnet has called on the private sector to provide at least a quarter of all the investment required in the country’s transport sector. The privatisation of the country’s ports, railways, roads and other transport infrastructure has proved a thorny issue in South Africa over many years. Attempts to encourage private sector operation have generally produced a great deal of opposition. Transnet’s proposals, therefore, carry political connotations. Yet at a time when the parastatal is being asked to do more and more but government finances are weak, it may have more success in gaining official backing for its policy.

In addition, its revenues have been affected by a three-year downturn in the price of the main dry bulk commodities it carries: coal and iron ore. Prices may have recovered somewhat but the outlook is still uncertain. Transnet is certainly one of the biggest companies on the African continent, although it is difficult to make a precise comparison because it is entirely state owned. It is important to remember that one of the country’s biggest port facilities is already privately owned. Richards Bay Coal Terminal (RBCT) is owned by some of South Africa’s biggest coal mining companies, with smaller stakes held by empowerment interests.

Private sector companies also provide a wide range of logistics services, with Grindrod, in particular, developing a network covering the whole country and beyond. Grindrod is also expanding its own coal terminal at Richards Bay.

Transnet CEO Siyabonga Gama first announced the policy at the eThekwini Maritime Cluster’s annual maritime summit in Durban in early April and the approach has been fleshed out since then. Gama said that the country needs R400bn ($30.25bn) in new logistics infrastructure but Transnet was unable to pay for it alone, so at least 25% should come from the private sector, which he believed had the required capital at its disposal. Transnet has been criticised in recent years for its high port charges in comparison with many other countries around the world. However, Gama says that his company merely prices according to market conditions, while many other ports benefit from government subsidies. Indeed, according to the World Bank Global Logistics Competitiveness Report, South Africa is regarded as more competitive than China, India, Russia or Brazil.

Focus on Durban

By far the biggest planned Transnet project is the construction of a brand new container port on the site of the old Durban International Airport, about 25km south of Durban. However, given current financial constraints and lower than expected trade volumes, there is no fixed timetable for its development. At present, Transnet is focusing on improving its infrastructure elsewhere. Work will begin this year on deepening three berths at Durban Container Terminal Pier 2 from 12.8 metres to 16.5 metres. This will allow access for the new generation of Super Post Panamax vessels at low tide as well as high tide. The chief executive of TNPA, Richard Vallihu, said: “The continued investment in infrastructure and modernisation of our flagship Port of Durban is pivotal in meeting the ever increasing demands of the maritime industry, in particular, the ever increasing size of container vessels pulling into our ports.”

Appointment system

The company is also seeking to improve the efficiency of its operations in ways that do not require capital outlay. For instance, at the start of April it introduced an appointment system for the delivery of containers at Durban's Pier 1. Haulage companies are required to book a slot for delivery in order to spread activity over the course of the week, avoid congestion and reduce allegations that drivers pay bribes to avoid the queues that build up at peak times. Transnet has set a goal of ensuring that all trucks are processed within 35 minutes. Some freight forwarders oppose the policy, arguing that they cannot be so precise as they are subject to delays from their own customers. Transnet Port Terminals' general manager for container operations in KwaZulu-Natal, Julani Dube, said: "We have done the necessary research and tracked all movements and transactions over the past year to know where the problems are and what is realistically achievable if we get the necessary buy-in from stakeholders to implement the container appointment system." *(By Neil Ford, African Business)*

Construction of Railway to New Airport Under Way in Angola

The construction work on the rail link to Luanda's new international airport should be completed within 18 months. The construction of a railway heading to Luanda's new International airport has started four months ago with ground-levelling works from kilometro 30 locality in Viana municipality to Bungo, Luanda Port. The construction works are being carried out in three fronts and are set to be concluded within 18 months. The Luanda's new international airport will have the capacity to provide services to 10 million passengers per year, its partial conclusion and inauguration is due to take place this year. *(All Africa)*

President of Mozambique calls for construction of international airport in Gaza

The President of Mozambique called for the construction of an international airport in the southern province of Gaza, as it has the potential to boost development, particularly in the tourism sector, according to Mozambican Television (TVM). With an estimated construction cost of US$50 million, Gaza's international airport will have a 1600-metre runway and will be located about 17 kilometres from Xai-Xai, the provincial capital. Filipe Nyusi also said that he had met with international investors, who he did not identify, who intend to make the region of Massingir a large tourist area in Southern Africa. The Mozambican President also mentioned the need to create minimum conditions for aircraft to land in the rainy season, in order to provide humanitarian assistance to those in need. *(Macauhub)*

China donates US$146 million to build infrastructure in São Tomé and Príncipe

China will donate US$146 million to São Tomé and Príncipe for construction of infrastructure under bilateral economic cooperation, said in São Tomé Prime Minister Patrice Trovoada.

The prime minister said that the donation aims to support São Tomé and Príncipe in the construction of infrastructure projects, and gave as examples the modernisation works of the international airport of São Tomé and building a deep water port. "The airport is key to the development of São Tomé and Príncipe," said Trovoada, announcing China's interest in being involved in projects aimed at "developing the São Tomé economy," under agreements signed recently in Beijing.

Trovoada also noted the need to expand the facilities of the local airport to receive large aircraft from China, following the agreement between the two countries aimed at "transforming the archipelago into a destination for Chinese tourists."

In addition to the amount to be donated, the prime minister said that economic cooperation with China includes lending through opening lines of credit on preferential terms for public and private companies in São Tomé and Príncipe. "We also aim to promote and encourage the Chinese private sector to invest in tourism, renewable energy, trade and infrastructure," Trovoada said, adding that a Chinese team should arrive within days in São Tomé and Principe to carry out a study on tourism in the country.

As well as announcing that China has decided to pardon an old debt of US$28 million, Trovoada also said China had provided 200 annual internships and scholarships for students and professionals from São Tomé and Príncipe.

São Tomé and Príncipe and the People's Republic of China a week ago in Beijing signed a general cooperation programme and several sector agreements following the visit by Prime Minister Trovoada to Beijing after the re-establishment in December 2016 of bilateral diplomatic relations. *(Macauhub)*

MINING

Sitting on a Trove of Rubies, Gemfields Looks to Create Fresh Demand

Discovery in Mozambique has mining company trying to bring scale to the market for a gem more rare than diamonds

When Gemfields GEM -0.58% PLC Chief Executive Ian Harebottle hosts visitors at the company's Montepuez ruby mine, he jokingly tells guests they're only allowed to have lunch if they can collect a handful of the rare red stones. No one ever goes hungry.

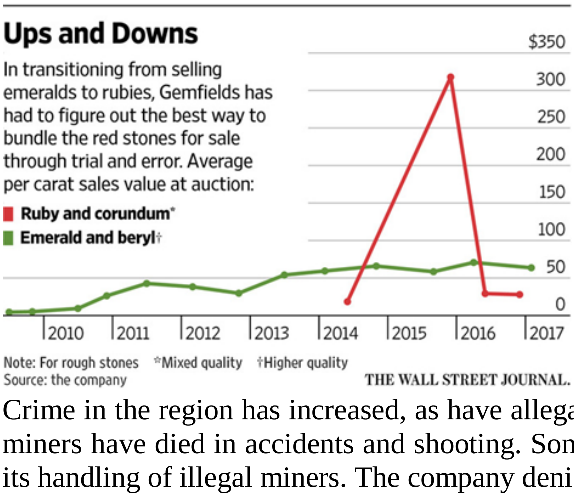
Machines need only dig 10 feet into the ground at this former hunting ground in northern Mozambique to unearth millions of carats of jewels each year. Once the top layers of soil are removed, dozens of glistening stones are visible to the naked eye, and guests can fondle the gems before depositing them into plastic bags held by security guards.

Mr. Harebottle is betting this remote site, which has emerged as the world's largest known ruby deposit, will power a new global boom for the gem, one of the few precious stones rarer—and in some cases more expensive—than diamonds. Gemfields, which owns 75% of Montepuez, continues to ramp up production. In the second half of last year, the mine produced 5.6 million carats of ruby and parent-stone corundum, up from 2.1 million carats during the same period a year earlier. "It's almost an embarrassment of riches," says Patrick Morton, an analyst at Macquarie Group Ltd. But to make good on the mine's promise, he says Gemfields needs "to marry the technical challenge of ramping up the mine with the need to develop demand to absorb all of this new production." The supply chain, traditionally based in Southeast Asia, also needs an overhaul.

Gemfields has revived a playbook it used after taking control of the world's largest emerald mine in Zambia in 2009. The strategy, which has helped lift global emerald prices 14-fold since 2009 according to company sales data, includes creating a new grading and auction system, plying designers with a constant stream of stones and aggressive marketing. The company spent $15 million in the year ended June 2016 on ad campaigns featuring Hollywood actresses like Mila Kunis and Sophie Cookson.

The push comes at a time when colored gems have once again become the centerpiece in jewelry designs, whether it's Kate Middleton's sapphire engagement ring or the bright haute couture pieces that grace the red carpet. Demand for rubies, long renowned for their durability and beauty, has risen. Further fueling interest, the U.S. in October lifted an 8-year ban on imports of all rubies mined in Myanmar, the traditional and most well-known source of the gem. "The ruby in a fine quality and a large size is still the rarest large stone that exists in the world," says Marco Hadjibay, creative director at Bayco Jewels, a high-end New York designer. "Prices have kept jumping up."

While the market for rubies remains relatively small compared with diamonds, it is growing. A Gemfields ruby auction in December achieved an average price of $27.79 a carat, up from $18.43 a carat in 2014. The company said total revenue from its Montepuez operation rose to $50.3 million in the six months to Dec. 31, accounting for 60% of group revenue, versus 31% in the year-earlier period.



Montepuez's ruby rush has drawn hoards of illegal miners from across Mozambique and neighboring Tanzania. Scattered loosely in the earth, rubies are easier to mine than emeralds, which are embedded in rock. Eight years after the site was discovered, the streets of Namanhumbir are lined with small shops that Gemfields and townspeople say serve as fronts for ruby smuggling; some openly sell pans, shovels and picks for locals looking to lift gems from sites on or near mines. "The biggest problem with the ruby mine is keeping the locals out of it," says Martin Potts, director of mining research at finnCap Ltd., a British investment bank and brokerage.

Crime in the region has increased, as have allegations of exploitation and human-rights violations after some miners have died in accidents and shooting. Some reports have alleged that Gemfields has been negligent in its handling of illegal miners. The company denies any wrongdoing.

Another problem is the supply chain. For centuries, the ruby trade has been centered in Southeast Asia, with stones plucked from the earth in Myanmar by small, artisanal miners, then cut and polished in Thailand. In the industry, rubies from that origin are still referred to as Burmese, Myanmar's colonial era name. Because rubies have in the past been so rare, Thai cutters and polishers rarely focused on volumes or economies of

scale. As Gemfields looks to operate on a larger basis, the company says it is helping to ease Thai buyers' access to capital and guaranteeing a steady stream of stones.
Macquarie's Mr. Morton says short-term oversupply and creating desire at the consumer level are the biggest long-term challenges facing the company. "There is a sense that maybe the market is stable at this point," he says, referring to the most recent auction results for both emeralds and rubies, which were lower than previous sales. "That's certainly hurting demand."
Analysts say the challenges could be difficult to surmount, but add that Gemfields' successful revamping of the emerald market puts the firm in a strong position. "Marketing for sure is the key," says Mr. Morton. *(By Alexandra Wexler, Wall Street Journal)*

South Africa's Sibanye to raise $1 billion in equity for Stillwater deal
South African miner Sibanye Gold plans to tap shareholders for about $1 billion to partly fund a takeover of U.S.-based Stillwater Mining Co, it said on Tuesday 18th April, a day after the deal secured a U.S. regulatory approval. The Committee on Foreign Investment in the United States, which examines deals for potential national security concerns, has cleared Sibanye's $2.2 billion takeover of the country's sole platinum and palladium miner. The deal will increase South Africa's grip over global platinum and palladium supply and underline Sibanye Chief Executive Neal Froneman's determination to branch out of gold mining and South Africa. "Sibanye management and board has determined that a US$1 billion equity capital raise, through the rights offer, is optimal given current market conditions," it said in a statement. The company also said it would raise a further $1 billion in debt, most likely in the bond market, to fund the transaction. It expects the two tranches of capital to be raised by the end of June. The deal is still subject to shareholder votes of both companies. Stillwater and Sibanye have scheduled shareholders' meetings on April 25 to vote on the proposed merger. *(By Tiisetso Motsoeneng, Reuters)*

Botswana's Debswana Diamond Company starts processing Cut 8 ore
Botswana's Debswana Diamond Company has started processing ore from the $3 billion expansion of its Jwaneng diamond mine, popularly known as Cut 8, the company said.
The Cut 8 project, which Debswana started in 2010, is meant to uncover 100 million carats of diamonds and extend the life of the world's richest diamond mine to 2024.
Addressing stakeholders, Debswana Managing Director Balisi Bonyongo said 88 % of an estimated 500 million tonnes of waste above diamond bearing ore had been stripped away by the end of March. "Cut 8 is on track to meet its objectives and ore from the mine expansion project is now being delivered to the main treatment plant," Bonyongo said.
Debswana, which is jointly owned by Botswana's government and De Beers, owns three other diamond mines in the country, one of which was placed under care and maintenance at the beginning of 2016. Bonyongo said Debswana would produce about 20.5 million carats this year, or slightly more as the company continues with its strategy of producing to demand.
Debswana will also close its 42-year-old Letlhakane diamond mine this year and it will be replaced by a tailings plant, which is expected to be commissioned before June. "The Letlhakane mine has come to the end of its life span. We have invested 2.1 billion pula into a tailings plant which is expected to mine about 800,000 carats over 20 years from the dumps," Bonyongo said.
Figures released by Anglo American, which owns 85 % of De Beers, show that Debswana's production dropped by a marginal 3 % to 5.2 million carats in the first quarter of 2017 compared with the same period in 2016. *(By Nqobile Dludla, Reuters)*

Israeli firm looking to buy into Zambia's mining investment arm -source
Zambia, Africa's second-largest copper producer, is talking to an Israeli company that wants to buy a stake in state mining investment arm Zambia Consolidated Copper Mines Investment Holdings (ZCCM-IH), a source told Reuters. Israel's Sapir Capital had expressed interest in buying a stake worth more than $100 million in ZCCM-IH, the source close to the negotiations said. "It's in the pipeline, but I can't comment on whether it will happen or not," the source added. Officials at Sapir Capital could not be reached.
The Zambian firm has diversified interests in mining, energy and other sectors of the southern African nation's economy. The state-owned Industrial Development Corporation Ltd (IDC), an investment company wholly owned by the government, is the majority shareholder in ZCCM-IH.
About 800 Zambians bought shares in ZCCM-IH during a 2015 sale of shares in the company, the source said. The company, which holds a minority state in foreign mining firms in Zambia, has more than 4,000

shareholders and its market capitalisation is over $657 million, according to information on its website. *(By Chris Mfula, Reuters)*

Tests on Laúca dam in Angola start in May

The beginning of tests on the first power generation turbine at the Laúca hydroelectric dam, in the Middle Kwanza, is due to begin in May, after the reservoir water reached a height of 800 metres on 25 April, said the facility's director. Elias Daniel Estevão, quoted by Angolan news agency Angop, said that as the reservoir now had a volume of water estimated at 533 million cubic metres testing would begin in order for commercial operation to sell 344 megawatts of electricity to begin in July.

The director of the project said that with the start of the tests, the amount of water to reach the Cambambe dam (Kwanza Norte) will increase, boosting power production and at least partially eliminating recent constraints on supply.

This hydroelectric facility, started in 2012, covers an area of 24,000 hectares, including the reservoir, has a projected production capacity of 2,070 megawatts and is the country's largest civil engineering and energy project, costing an estimated US$4.5 billion. The cost includes construction, production, supply and commissioning of the power transmission system from the Kwanza River, where the 960-megawatt Cambambe dam and the 520-megawatt Capanda dam are also located. *(Macauhub)*

OIL & GAS

Nigeria loses Africa's top oil producer position to Angola

Nigeria's crude oil production fell by 156,900 barrels per day (bpd) to 1.269 million bpd in March, from 1.426mbpd recorded in February. Consequently, the country lost its status as Africa's top oil producer to Angola, according to latest data from the Organisation of Petroleum Exporting Countries (OPEC).

With the cumulative loss of 4.8 million barrels in the month under review put in cost at the prevailing $55.89 per barrel for Brent crude, Nigeria is estimated to have lost over $271.8 million (N82.8 billion).

Angola, which has been working hard to remain Africa's top producer, climbed to the top again for being able to maintain a daily production of 1.652 million barrels since January, even though it is a drop from last quarter of 2016 levels of 1.736mbpd.

This is not the first time the nation has lost its premier position to the former Portuguese enclave, spurred majorly by crude shut-ins resulting from either militant attacks or facility maintenance by oil companies. The southern African country became the top producer at the onset of renewed militancy in the Niger Delta, but Nigeria was able to recover lost grounds between December and January when the Minister of State for Petroleum Resources, Ibe Kachikwu, put the country's production at 2mbpd.

According to OPEC, its members pumped a combined 31.93 million barrels daily last month, down by 153,000 bpd from February. Saudi Arabia was said to have produced 9.9 million bpd in March, more than 100,000 bpd below its monthly quota under the production cut deal. Nigeria recorded the biggest drop in output in March among its peers in OPEC, followed by Saudi Arabia, the group's biggest producer. The 13-member cartel, in its latest monthly oil market report for April, said Nigeria recorded the biggest decline of about 157,000bpd in the period under review. *(By Kenyan Wall Street)*

USA: Investing in African markets next step of Sonangol's internationalisation process

Houston - Focussing on African markets in the coming years will be a priority in the internationalisation process of the Angolan public oil firm Sonangol, announced in Houston City, State of Texas (U.S.A), the company's executive director, João dos Santos

João dos Santos disclosed this information in Houston in the end of the works of the Offshore Technology Conference (OTC), which happened on 01-04 May, in which Sonangol exhibited and divulged its work and that of its branches. "In principle, we have the idea of participating in similar events in the African continent. There will be a conference in the end of the year in South Africa, in which we'll participate once more and present workshops with a view to internationalising our branches", he said. He said this move is necessary because the company today offers quality work and with international standard, which has been recognised by its customers. He said Sonangol will initially focus in the eastern and western regions of Africa.

As regards Sonangol's participation in the OTC event, João dos Santos said that this mission has been well planned by Sonangol Holdings and its branches, thus resulting in a success. In view of such success, the source said, "we should not stop here, because both the (company's) exhibition and workshops were positive

events". He went on to say that the Sonangol representatives left the OTC with a lot of information, since the various participants spoke openly, so the results of the firm's participation in the event are satisfactory.
The Offshore Technology Conference (OTC), established in 1969, brings together industry professionals and companies from all over the world for the exhibition and exchange of ideas in this field, specifically on the most advanced knowledge. This year more than two thousand exhibitors showed their latest innovations in the technological field and addressed the market prospects. *(Angop)*

Production of biofuels in Mozambique is no longer viable following drop in oil prices
The production of biofuel from Jatropha mollissima "is something to forget," said Almirante Dima, the deputy national director of Hydrocarbons and Energy at the Ministry of Mineral Resources and Energy of Mozambique. Dima explained his assertion based on the costs of production of bio-diesel being higher than for conventional gasoline and diesel. The planting of jatropha for fuel production was a scheme set up by the Mozambican government as a way of replacing fossil fuel imports, as the plant grows in practically the whole country. Dimas, quoted by Mozambican newspaper O País, recalled that at the time the price per barrel of oil was over US$130, making it economically feasible to produce liquid fuels from other sources. The requirement to mix biofuels with fossil fuels was due to have come into force in 2012, with petrol stations being expected to mix 10% ethanol with 90% gasoline and 3.0% biofuel with 97% fossil fuel diesel, percentages that were based on the installed capacity for the production of these fuels in Mozambique. The Mozambican government estimated at the time that the fuel import bill, which was valued at US$500 million per year, could be reduced by US$22 million. But the scheme, which had the support of the Brazilian government, has not gone ahead because of the global economic crisis, which shrank funding until it became impracticable due to economic circumstances. *(Macauhub)*

South African group Sasol plans to build industrial park in Mozambique
Sasol Petroleum Temane Limitada, of the South African petrochemical group Sasol, plans to build an industrial park in the area of natural gas exploration in the Temane and Pande fields, in the southern Mozambican province of Inhambane, Mozambican newspaper Diário de Moçambique reported. The newspaper also said that the company has already started the environmental impact study and identified an area of 70 hectares to install a number of public services and small, medium and large companies. Ailton Rego, linked to the environmental impact study, told the newspaper that the project aims to create an area to install a number of companies that provide services to Sasol in the area of natural gas extraction from Temane and Pande. Rego, without disclosing the value of the investment, pointed out that certain conditions on the ground had already been met, including, for example, the establishment of some essential infrastructure for installing electricity and water supply networks. *(Macauhub)*

Tanzania, Oil Firms' U.S$ 30 Billion Gas Export Deal 'Ready'
The East Africa's biggest natural-gas reserves holder has taken the first step to join the global race for liquefied natural gas by setting out terms on which foreign investors will build and run the project. A Draft agreement between the government of Tanzania and international oil companies seeking to build a 30 billion US dollar liquefied natural gas (LNG) export project is now ready, a senior official has said.
As global race for LNG intensifies, Tanzania, holder of East Africa's biggest natural-gas reserves after Mozambique has completed its first draft of host government agreement, a first step, in setting out terms on which foreign investors will build and run the project. Ministry of Energy and Minerals Acting Permanent Secretary, Prof James Mdole said here that the document has been submitted to the minister, Prof Sospeter Muhongo, for review and additional input. "This is a draft document" that will establish a hosting government agreement, a key component towards constructing a 10 million tonnes per year LNG plant.
Tanzania, with natural gas reserves of 57.25 trillion cubic feet, is racing with Mozambique to build an export plant. The state-owned firm Tanzania Petroleum Development Corporation (TPDC) is partnering with Statoil, ExxonMobil, Ophir and Shell on the development of the project that will enable Tanzania to export its offshore gas reserves.
Energy Minister Prof Muhongo said the government will involve private experts in the oil and gas industry, before meeting international oil companies planning to invest in the construction of the plant. "We must beat Mozambique to secure markets in Japan and South Korea," Prof Muhongo said at a workers meeting held through teleconference in Dodoma, Mwanza and Dar es Salaam, last week.
According to the Minister, the export terminal planned for Lindi region will be worthless should Mozambique's LNG come first as export contracts take between 15 to 20 years. "Buyers would need to sign

long-term contracts and this has a direct effect to the nation in case our competitor also targets the Asian market," he said.
The neighbour, Mozambique, is hoping to develop large-scale natural gas production in order to export LNG, but it too has hit brick walls. It is heading towards a major default on outstanding loans related to offshore natural gas infrastructure, symbolising the deflating hopes for a major source of new natural gas production. Prof Muhongo said the government is committed towards transforming its energy sector and improve livelihood of its people. He said plans were ongoing to increase supply of natural gas for domestic purposes, insisting other than being cheap it was environment friendly. "We're facing serious climate change due to massive deforestation. A large community still uses charcoal as primary energy source." In Dar es Salaam, the country's commercial capital, a sack of charcoal is now traded at between 50 000/- and 60,000/-.
A modern family in the city connected to natural gas supply spends less than 30,000/- a month as cost for service.
The national 2017/18 budget estimates presented by Finance and Planning Minister, Dr Phillip Mpango, indicated that the government will allocate sufficient funds to compensate villagers who will pave the way for the construction of a plant at Likong'o Village in Lindi. The government acquired over 2,000 hectares of land for the planned LNG terminal near the large offshore natural gas discoveries. *(All Africa)*

TELECOM

Kenya's Safaricom says technical fault hits services

Kenyan telecoms firm Safaricom said on its Twitter feed that it was working to fix a technical fault on its network that was affecting services countrywide. Safaricom, which is 40 % owned by Britain's Vodafone, is Kenya's leading telecoms operator. It has 26 million subscribers and dominates the thriving mobile-based financial services sector with its M-Pesa platform. "We're having a technical issue that's affecting a number of core services in our network. We're working on resolving this as soon as possible," Safaricom said on its Twitter feed.
Safaricom gave no more details of the fault, but subscribers said phone calls and text messages were not going through and access to the M-Pesa platform was also down. "Services are coming back up progressively, we apologise for any inconvenience encountered," it said. Company officials were not available for immediate comment. At 0805 GMT, Safaricom's shares were down 0.3 % at 19.15 Kenyan shillings ($0.186) on the Nairobi Securities Exchange. ($1 = 103.2000 Kenyan shillings) *(By Duncan Miriri and George Obulutsa, Reuters)*

South Africa's MTN records higher Q1 revenue on strong data

MTN Group reported a 7.1 % rise in first-quarter group revenue helped by a strong performance in data services, Africa's biggest mobile phone operator said.
Ratings agency Fitch downgraded MTN to junk status in April and gave it a negative outlook, citing weakness in the economic and operating environments of its main subsidiaries in South Africa and Nigeria.
MTN said data revenue, which contributed 20 % of total revenue, was up 29.4 % for the three months ended March 31."In our key markets of South Africa, Nigeria and Iran, significant network investments made over the past few years are underpinning the improving revenue trends," Group Chief Executive Rob Shuter said in a statement."The network investment planned for 2017 is expected to support further market share gains across our markets."Year-to-date capital expenditure stands at 4.6 billion rand, MTN said.
Founded with the help of Pretoria at the end of white rule in 1994, MTN is seen as one of post-apartheid South Africa's biggest commercial successes, but clashes with regulators in recent years have raised questions about its governance and have hobbled its growth.
The firm, which does the bulk of its business in emerging markets, said Nigeria's subscriber base declined by 2.3 % in the quarter due to new regulations, while total revenue increased by 11.6 %. MTN agreed to pay a fine of 330 billion naira ($1.1 billion), reduced from $5.2 billion, in June 2016 after a prolonged legal battle to end a dispute in Nigeria over missing a deadline to cut off unregistered SIM cards, which continues to sap its subscriber numbers. "The ongoing network investment in Nigeria is delivering continued improvements in data quality in the metro areas and highlights MTN Group's commitment to the Nigerian market notwithstanding the challenging macro environment," Shuter said. MTN is the largest mobile phone operator in Nigeria with about 60 million subscribers, and the country accounts for about a third of its revenue. MTN's South Africa unit reported a 4.1 % increase in service revenue, while Irancell booked a 76.7 % increase in data revenue. *(By Nqobile Dludla, Reuters)*

Nigeria: MTN dismisses 15% of workforce

South African Telecommunication firm, MTN, has dismissed 280 workers, about 15% of its workforce from its Nigerian unit. This is in line with plans to shift its focus towards Information and Communications Technology (ICT) and digital operations. According to sources who asked not to be named, the layoffs were necessary given the recent changes in the telecoms industry. The sources stated that most of the affected workers who had served under the company between five and 15 years were given severance pay between N5 million and N15 million. The company would hire new employees, with knowledge of its new goal. It should be recalled that MTN, in 2016, was ordered by the government to pay a $1.7 bn fine for failing to deactivate about 5.2 million unregistered SIM cards. So far, the operator has paid two tranches of $253.9 million and $98 million respectively to the Nigerian government. It is expected to clear the fine in six instalments over three years. *(By Anita Fatunji, Ecofin Agency)*

Discover Digital to Start New TV Rival to Netflix in Africa

MTN Group Ltd.'s former video-on-demand provider Discover Digital is starting a new South African online TV service with lender Investec Plc, just a day after its partnership with Africa's biggest wireless operator was canceled.

The closely held company will provide a mix of on-demand subscription content and pay-per-view entertainment as well as sports coverage and news services including Bloomberg TV, Managing Director Stephen Watson said in an emailed response to questions. The product, called Digital Entertainment on Demand, effectively takes the place in the market of VU, which was scrapped by Johannesburg-based MTN.

Discover Digital "has been operating in the video-on-demand space for over three years," Watson said. "There are options for Investec Bank to become an equity partner in the business."

The new service joins a wave of online TV providers seeking to grab subscribers in Africa as broadband becomes faster and affordable enough to fuel demand for the service. That poses a threat to Naspers Ltd.'s DSTV, which has long dominated the continent's pay-TV market. The Cape Town-based company started Showmax, its response to the competition, two years ago. U.S. giant Netflix Inc. expanded into Africa in January 2016.

Sun Partnership

Discover Digital has signed a partnership agreement with South African leisure company Sun International Ltd. that will enable guests at its hotels to access the content for free, Watson told reporters at a press conference. The TV provider has secured licensing deals with six Hollywood studios, including Sony Corp. and Walt Disney Co., he said.

This type of TV technology can be expanded quickly, without exorbitant infrastructure costs, according to Watson. The next countries earmarked for expansion are Zimbabwe and Zambia. "While our immediate focus is sub-Saharan Africa, we have had interest in our services from the Middle East, Eastern Europe and South America," he said. MTN emailed customers to say VU would be shut down, without giving a reason. The company will provide subscribers with three months of access to Showmax as compensation, Techcentral website reported, citing MTN South Africa Chief Digital Officer Maxwell Nonge. The move came less than two months after new Chief Executive Officer Rob Shuter joined from Vodafone Group Plc.

Other new entries to the African market include Econet Wireless Global Ltd., the media company owned by Zimbabwe businessman Strive Masiyiwa, and Ericsson AB's Nuvu, which has partnered with Bharti Airtel Ltd. in Nigeria. Iflix, a video streaming service with customers mostly in southeast Asia that's backed by telecommunications giant Liberty Global Plc., plans to start streaming TV shows in Africa this month.

DEOD's sports packages will be charged at 99 rand ($7.31) a month, news channels for 49 rand a month and an on-demand video service at 79 rand a month, Watson said. *(By Loni Prinsloo and Aarti Bhana, Bloomberg)*

RETAIL

Portuguese factory in Mozambique starts exporting juice to South Africa

The juices produced at the Mozambican factory of Portuguese group Sumol + Compal will be available at hundreds of South African supermarkets Pick n Pay in both South Africa and the countries in the region where it is present, said Fernando Oliveira, the company's chief executive. The CEO also said that the first order of 300,000 litres of five flavours of juices had left the premises of the Sumol + Compal Moçambique Industrial Unit in Boane, 30 kilometres from the capital, Maputo, where a commemorative ceremony was held. "It is the first major customer outside of Mozambique," said Oliveira.

The investment in Mozambique, which was the first step in production outside Portugal, which gave a new lease of life to a building of 5,000 square metres that had belonged to the Lactogal company, now totals 10 million euros. The local subsidiary has a partner with a stake of just 1.0%. Fernando Oliveira told Portuguese newspaper Público he "would like to have done more in Mozambique" but pointed out that sales had tripled since the factory started operating, the market share is around 40% and the 12 people hired initially have already increased to 90. Sumol + Compal Moçambique started operating with two filling lines, with two others added later as well as a production line for individual doses of 200 ml.
Current production totals 6.5 million litres of juice per year, with the company aiming to produce between 18 million and 20 million litres within three years, although it has capacity to reach 35 million litres. *(Macauhub)*

Pizza Hut Enters Ethiopia in Latest Expansion Into Africa
Pizza Hut is set to open three outlets in Ethiopia this year, becoming one of the first international restaurant chains to enter Africa's second-most populous country.
The restaurants are scheduled to begin serving in the capital, Addis Ababa, by November, franchisee Aschalew Belay said in an interview. Aschalew's company, Belayab Foods and Franchise, will run the local outlets of the Yum! Brands Inc. pizzeria and will have invested $5.5 million in the operations by next year, according to his partner, Michael Ghebru. The agreement allows for as many as 10 outlets, he said.
Ethiopia is an attractive destination because of its cheap labor and electricity, said Michael, who will run the franchise and initially hold a 15 % stake. There are "no major" food franchises in Addis Ababa, making competition "non-existent," he said.
Ethiopian openings are part of a wider expansion under which Pizza Hut plans to boost its number of sub-Saharan Africa outlets to 100 by end-2017 from about 70, according to the company's incoming general manager for Africa, Ewan Davenport. About half of Pizza Hut's business on the continent is in South Africa, where it opened in 2015, with outlets in Angola and at Camp Lemonnier, a U.S. military base in Djibouti, the top performers elsewhere, he said in an interview. He didn't give figures.
Ghana, which has three Pizza Huts, is "absolutely firing," with the partner looking to expand to neighboring countries such as Togo, Davenport said.
Fast Growth
Ethiopia's economy is forecast to grow 7.5 % this year, the second-fastest pace in sub-Saharan Africa after Ivory Coast, according to the International Monetary Fund. The government's growth plan seeks to turn Ethiopia into a lower-middle income country by 2025. The World Bank says per capita income of $590 is substantially lower than the regional average. A well-performing Pizza Hut restaurant will have "well in excess" of 1,000 weekly transactions, according to Davenport. Michael said he's targeting 2,200 per week, equivalent to about $1.1 million a year, from each outlet.
Born and raised in Germany, Michael said he was introduced to Yum! after he asked the U.S. Embassy in Ethiopia last year about opportunities for food franchises. Belayab Foods and Franchise's owner, Aschalew, said he will return to Beijing, where he's been based for three decades and acts as an agent for Ethiopian Shipping & Logistics Services Enterprise. *(By Nizar Manek, Bloomberg)*

South African food retail group announces investments in Angola
South African group Shoprite plans to invest US$571.7 million in the expansion of its supermarket and distribution network in Angola under an investment contract signed with the Technical Unit for Private Investment (UTIP). The project involves opening 15 shopping centres over the next five years, 22 supermarkets (three already in operation since 2015), a warehouse and two residential structures for staff, as well as improvements in four supermarkets. The investment will cover 11 of Angola's 18 provinces and includes the creation of 5,613 jobs for Angolans, of which 3,278 in Luanda. The contract with the UTIP provides for tax incentives to be granted to the Shoprite group, such as the reduction of 65% in the payment of Industrial, Capital and Property taxes for a period of 10 years. The Shoprite group, established in South Africa in 1979, is present in Angola through the companies Shoprite Supermercados, Mercado Fresco de Angola and Shoprite Angola Imobiliaria. *(Macauhub)*

Heineken sparks beer war with $160 million brewery in Ivory Coast
Dutch beer giant Heineken has made an ambitious play for the fast-growing Ivorian beer market. The world's second largest brewer has inaugurated a new $160 million state-of-the-art plant on the outskirts of the economic capital Abidjan, in partnership with distribution specialist CFAO.

The new brewery, named "Brassivoire," employs 200 staff and has capacity to produce 160 million liters of beer per year. Both figures are likely to rise, as Heineken sees the Ivory Coast as a market with great potential. "It has a young population, a high rate of urbanization - almost 50% already - a dynamic economy and there is only one player so far," says Heineken CEO Jean-Francois Van Boxmeer.

First for thirst?

The existing market leader in the Ivory Coast is French company Groupe Castel. The company enjoys a near monopoly on the 270 million liters of beer consumed annually in the West African state, with popular brands including Castel, Flag and Solibra. But Heineken believes its new Ivoire beer can eat into Castel's market share, with a relatively low price of 500 Francs ($0.81) per 60 centiliter bottle, and a product designed for local consumers. "We researched for years," says Brassivoire General Manager Alexander Koch. "We developed the bottle, the name, the color code, even the recipe together with the Ivorian consumer." The new beer has performed well so far, he says, and production will soon increase. "The Ivoire brand has had an incredibly good reception (from) the Ivorian consumer," says Koch. "We are currently running at full capacity and will bring forward some of our investments to meet demand."

Hearts and minds

Heineken may have an advantage over Castel through its relationships with local partners. The inauguration of the new brewery in an industrial zone in outer Abidjan was attended by Vice-President Daniel Kablan Duncan, Prime Minister Amadou Gon Coulibaly, and Minister of Industry and Mines Jean-Claude Brou. "This will contribute to the economic emergence of the Ivory Coast," said Duncan at the launch. "Eventually, this brewery will generate 700 direct jobs and 40,000 indirect jobs." Heineken is committed to using local suppliers and supporting the development of local agriculture, Duncan added.

This approach marks a contrast with Groupe Castel, according to Pierre Chaumont, a beverage market specialist at Sagaci Research and former sales manager at Castel. "Heineken is a big international company with a good approach to doing business in emerging markets," says Chaumont. "They are not just providing employment, they are keen to work with local communities...A family group like Castel is not so involved."

Race to the bottle

National and regional trends suggest that there are sound reasons for Heineken's investment. Africa is by far the fastest growing region for beer consumption, according to research group Global Data (previously Canadean), which found over 5% annual growth compared with 3% for Asia and less than 1% for Western Europe. The Ivory Coast is one of the continent's most dynamic economies, with annual growth of over 8%, and the beer market is also expected to expand. "There is untapped potential," says Global Data analyst Andrew Curran. "The Ivory Coast is outside the top 10 beer consuming countries in Africa, but it is showing more or less matching growth rates (to the top 10)."

The Ivory Coast has also gained importance since the recent merger between rivals SAB Miller and InBev, says Curran, which has consolidated their dominance in South Africa and forced Heineken to focus on the francophone West. Success in the Ivory Coast could lead to further gains in the region, such as in Burkina Faso and Benin, he believes. The battle for Ivorian drinkers is underway, and the stakes are high. *(Kieron Monks, CNN)*

AGRIBUSINESS

Farmers’ Field Schools Pave the way to Better Agricultural Prospects in Angola

- *Yields of potatoes, beans, and maize rose as a result of a World Bank-funded project in the Angolan provinces of Bie, Huambo, and Malanje.*
- *Even in oil-rich Angola, where 44 % of the workforce works in agriculture, such smallholder agriculture is key to food security*
- *Women comprised 56 % of the members of the farmers’ field schools that played a major role in the project.*

LUANDA, May 2, 2017 - Barnabe Chico Saguale is the president of a farmer’s field school in Bie, a province that lies at the very center of Angola. He says he learned a lot from his field school, which until March 2016, was sponsored by the Market Oriented Smallholder Agriculture Development Project (MOSAP) that worked in three Angolan provinces, Bie, Huambo, and Malanje.

A year after this World Bank-financed project closed, we visited some of the farmers who took part in it, like Saguale, and saw the impact it made. The project taught farmers to value their time and effort before taking their produce to market. Before the project, they had not taken into account the time they spent working on their fields, preparing the land, planting seeds, harvesting, weeding, and maintaining their crops with fertilizer, Saguale told us.

They had not placed value on the entire production process, but now they knew how to. This meant that, in terms of making money, they knew whether they were winning or losing before going out to sell their crops because they knew how much they had already cost to grow. That helped them sell their farm produce at a profit and sustain their production cycle.

In the past, farmers said they had gone to market and sold what they had at giveaway prices. Now they were able to stick to their pricing when clients tried to get things for a lower price.

Though men led the field schools, women benefited too

Although leadership positions in Angola's farmers' field schools were usually dominated by men, within the farmers' associations, the project was generally well-balanced in terms of gender: an estimated 56% of farmer field school participants were women. "The project was successful in targeting and supporting female participation," said Aniceto Bila, the World Bank's lead person on the project.

At individual level, lives have improved dramatically as a result of the project assistance. "I am a single mother, but I now have my own house that I built with my own money that I earned from my produce," said Lina Balanda, a member of a field school in Huambo province. A dynamic and energetic woman, she would like to be the first woman from the project to buy a motorbike and drive it to market herself. Although motorbikes are common in Angola, they are rarely driven by women, so Balanda can't wait to show the world that women in rural Angola are also working their way out of poverty.

Smallholder farming is important even in oil-rich Angola

Angola is a resource-rich country, its economic growth affected only by the legacy of civil war and the exploitation of its natural resources. Agriculture contributes, on average, only 5.5% to GDP, but 44% % of employed Angolans work in the sector,

About 80% of the country's farmers are smallholders and they face many constraints, including knowing little about improved farming practices and new agricultural technology; having poor access to extension services and limited access to seeds and fertilizers; and having little market information.

The MOSAP project supported the beneficiaries with training and new technologies, improving their organizational and marketing skills, and improving their access to extension services and agricultural inputs. It also supported strengthening the farmers' organizations.

About 725 farmers' field schools were created by the project.

The project was designed to fit into Angola's Poverty Reduction Strategy (PRSP), which highlighted rural development with a focus on food security and the revitalization of the rural economy. By the time it closed in March 2016, it had helped train over 50,000 smallholder farmers to boost the production of the major crops targeted by the project. As a result, the average yields of potatoes, maize, and beans had increased considerably.

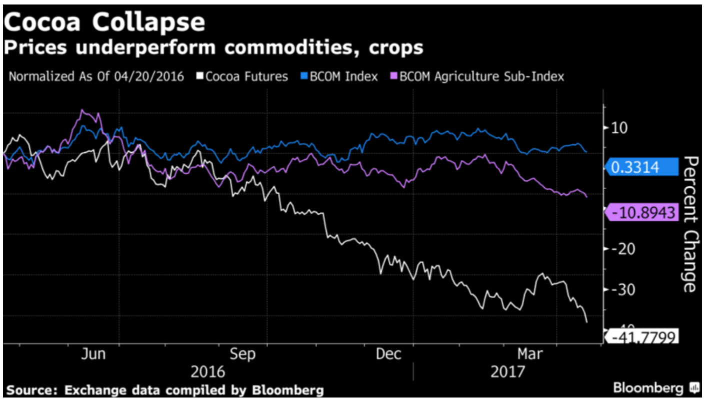
To scale-up MOSAP's achievements to include more regions of Angola and more beneficiaries, a new smallholder agriculture project was approved by the Board in July 2016 and launched in Bie Province in March. In addition to doing capacity building for smallholders, the Smallholder Agriculture Development and Commercialization Project (SADCP) aims to strengthen the Angolan Ministry of Agriculture's capacity for statistics, policy analysis, market information, irrigation development, and agricultural extension. It will also mainstream environmental considerations and climate-smart agriculture in the project design, through soil conservation, integrated natural resource management, and the more efficient use of water. *(World Bank)*

Jiangsu Dolphin International Trading becomes shareholder of group with forestry interests in Mozambique

A share issue in the amount of 4.0 million pounds by the Obtala Limited group was transferred from Wealth Rank Ltd, a company registered in the British Virgin Islands, to Chinese trading company Jiangsu Dolphin International Trading Co. Ltd, the group said in a statement. In the statement sent to Macauhub the group also said that the terms of the deal remain the same – an issue of 20 million shares at a unit price of 20 pence – except for the completion date, which has been delayed to 30 June 2017. This issue represents 7.2% of the current capital of the Obtala group and, when completed, Jiangsu will hold 6.7% of the new share capital, represented by 297.6 million shares. The group also reported that it is working to fulfill a substantial order for wood from the new future stockholder, Jiangsu Dolphin International Trading Co. Ltd. The Obtala group, based in Guernsey, has 10 forest concessions in Mozambique covering an area of 120,000 hectares. *(Macauhub)*

Production of cashew nuts in Mozambique reaches 30-year record in 2017
Cashew nut production in Mozambique this year reached 137,400 tonnes, exceeding the initial forecast of 120,000 tonnes and is already considered the biggest harvest of the last 30 years, announced the director of the National Cashew Institute (Incaju). Ilí-dio Afonso Bande, quoted by Mozambican daily newspaper Diário de Moçambique, said that in the 2016 campaign, cashew nut production was only 104,000 tonnes. The director of Incaju said that the increase in nut production was also due to the fact that rain distribution was more balanced, despite the tendency for shortage in the south of the country. The rains also came at a favourable time, which allowed the transition to the flowering phase and efforts to promote production with the introduction of various plant varieties. The northern province of Nampula accounted or 44% of overall production, followed by neighbouring Cabo Delgado (15%) and the central province of Zambezia (12%). In the 1970s Mozambique was the world's largest producer of cashew nuts with annual production of 216,000 tonnes. *(Macauhub)*

It's Time to Load Up on Chocolates Before Cocoa Rebounds
Chocolate addicts, it's probably a good time to start stocking up. The treats may not be this cheap much longer. Cocoa's 42 % slump over the last 12 months makes it the worst performer among 34 commodities tracked by Bloomberg. Prices tumbled as output increased in Ivory Coast, the world's top grower, and the decline has pushed down retail prices for chocolates.



But buyers are finally snapping up inexpensive supplies, and seven out of nine traders surveyed by Bloomberg expect prices will rebound by year end. Bean grinding, a measure of demand, has been on the rise this year, while hedge funds have started paring their bearish bets on futures. The slump also may force farmers to cut investments, eroding crop yields. "Commodity prices typically don't stay very low for a long time," John Stephenson, chief executive officer of Stephenson & Co. Capital Management, which oversees $45 billion, said by phone from Toronto. "We should see better consumer demand. Prices are due for a nice bounce." Cocoa dropped 15 % this year to $1,799 a metric ton on ICE Futures U.S. in New York. Prices reached $1,756 this week, the lowest since August 2007. They're down 6.1 %, heading for a fourth weekly loss.

'Panic' Selling
A dramatic plunge sent futures down as much as 6.2 %, the biggest such loss since 2012. The move was driven by technical selling, according to analysts and traders. The drop was "not justified, but just part of the panic associated with the making of final lows," Shawn Hackett, president of Hackett Financial Advisors in Boynton Beach, Florida, said by email. Prices will rebound to $2,353 by the end of the year, according to the average of nine estimates in a Bloomberg survey. The reversal would mean a jump of 31 % from closing price. Money mangers reduced their bearish cocoa holdings in four of the past five weeks. The speculators had a net-short position, or the difference between bets on a price decline and wagers on a rise, of 22,437 futures and options as of April 11, the most recent U.S. government data show. That compares with a record 32,704 reached a month earlier.
Lower prices are allowing chocolatiers to increase serving sizes, or boost the amount of cocoa going into confections, said Paul Kortenkamp, a Los Angeles-based vice president for broker McKeany-Flavell Co. He previously worked for Barry Callebaut Group and Blommer Chocolate Co., two of the world's largest processors. That's a turnaround from the recent trend and increases the amount of beans used.

Quality Issues
While Ivory Coast farmers are expected to collect a record harvest, usable supplies could be more limited. In March, Bloomberg News reported that at least four cocoa exporters in the West African country rejected beans arriving at port warehouses because of quality issues.
Those problems could be exacerbated by the recent rout. In late March, Ivory Coast cut the price paid to cocoa farmers by 36 %. Falling prices could spur growers to pick fewer pods and reduce field husbandry, according to Rotterdam-based trading firm Cocoanect BV. The slump also raises the risk of unrest as farmer incomes drop, heightening the threat to the domestic economy. The stability of West Africa, which accounts for about 70 % of global production, is a key driver for the market. In March 2011, cocoa surged to the

highest in 32 years after an election dispute led to civil war. Concerns that an Ebola outbreak would disrupt trade drove a temporary price spike in 2014. Buyers are stepping in to grab supplies before they get more expensive. Cocoa grindings in Asia jumped 19 % in the first quarter from a year earlier, the Singapore-based Cocoa Association of Asia said. That topped analyst estimates for a gain of 10 %. Processing in Europe climbed 1.1 % in the period, and rose about 1 % in North America.

Grinding Record

Global grindings are expected to reach 4.242 million tons in the 12-month period that ends Sept. 30, according to the International Cocoa Organization. That would be the second-highest since the data begins in 1960, Michael Segal, a consultant for the group, said by email. Sales of chocolate globally reached $98.2 billion in 2016, the highest on record even as volume slid by 0.2 % from year earlier to 6.87 million tons, according to data from Euromonitor International. By 2021, sales will rise to 7.33 million tons fetching $110 billion, the researcher projects.

Still, even as demand climbs, supplies are forecast to be even bigger. The ICCO projects a global surplus of 264,000 tons this season, the largest in six years. Other forecasters have pegged the overhang at or above 300,000 tons. Some chocolate consumption has also tempered in recent years amid changing consumer habits as more people seek healthier snack options. The trend has become more acute in the countries with the highest per capita consumption, including the U.K., Germany, Austria, Russia and even Switzerland, famous for its high-quality treats, according to researcher Mintel. “Without the support of civil war or Ebola, if the funds decide to increase shorts, prices could be heading for another sell-off,” Jason Estrada, senior trader with INTL FCStone in Miami, said in a telephone interview. *(By Marvin G Perez, Bloomberg)*

Reforestation of two provinces of Mozambique costs US$47 million

The reforestation programme in the provinces of Zambezia and Cabo Delgado, located in the central and northern regions of Mozambique, respectively, will cost US$47 million, the Mozambican government spokesman said. Mouzinho Saide said after a cabinet meeting that the reforestation programme of those two provinces is part of the National Sustainable Development Programme and the “Floresta em Pé” (Standing Forest), the largest forestry project in Mozambique. The Floresta em Pé project is the main programme of the National Forestry Directorate, an organization under the Ministry of Land, Environment and Rural Development, and is based on five key ideas: conservation and enhancement of forests, financial sustainability of forestry activities, training, transparency and access to information and mitigation of climate change. Forest covers about 70% of the total area of Mozambique, about 40.1 million hectares, with 26.9 million hectares of timber-producing forests and 13.2 million hectares of conservation areas. *(Macauhub)*

New sugar factory starts operating in October in Mozambique

A new sugar production plant will start operating in the Chemba district next October, raising the number of sugar factories operating in Sofala province, in central Mozambique, to three, the district administrator said.

João Geral Patrício said the factory, a South African investment, will have an installed capacity to produce 50 tonnes of sugar per day,and its raw material will be sugarcane produced in an irrigated area of about 2,500 hectares . Of this area, about 1,000 hectares will be explored directly by the investors and the remaining 1,500 hectares by two agricultural cooperatives with 250 members each, according to Mozambican daily newspaper Notícias. The district administrator said that the launch of this plant, the third after the Companhia de Sena in Marromeu, and the Mafambisse sugar mill in Dondo, is expected to have a direct impact on the lives of the district’s 93,000 inhabitants. Patrício mentioned the initial benefits of job creation, drinking water supply, construction of classrooms and training of young people, as well as training activities directly related to the planting and treatment of sugarcane. The district of Chemba is 565 kilometres from the city of Beira, the provincial capital of Sofala. *(Macauhub)*

UPCOMING EVENTS

World Economic Forum on Africa 2017 3-5 May 2017 Durban, South Africa
www.weforum.org/events/world-economic-forum-on-africa-2017

5th Africa Financial Services Investment Conference 3-5 May 2015 Park Plaza Riverbank London
http://www.afsic.net/

African Utility Week 16-18 May 2017 CTICC, Cape Town, South Africa
http://www.african-utility-week.com/

19th annual Africa Energy Forum (AEF) from 7-9 June - Bella Center, Copenhagen, Denmark
http://africa-energy-forum.com/

The Infrastructure Revolution 15-16 May - Transcorp Hotel, Abuja, Nigeria *https://afc-live.com/*

AfDB's 53rd Annual Meetings, in Busan, Korea, from May 21-25, 2018
The Korea-Africa Business Forum and Cultural Exchange in Busan, has the specific goals of making the Bank's 53rd Annual Meetings successful by promoting the Korean general public's and private sector's interests in Africa. *https://www.afdb.org/en/news-and-events/the-korea-africa-business-forum-and-cultural-exchange-16819/*

4th Mining on Top- Africa Summit (MOTA) 6th -7th July 2017 Frankfurt Germany
http://ametrade.org/miningontopafrica/

Africa Hotel Investment Forum 11-12 October 2017 Radisson Blu & Kigali Convention Center – Kigali, Rwanda *www.africa-conference.com*

Africa Impact Investing Leaders Forum 2017 17-19 December 2017 London, UK *www.aiilf.com*

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The company has three business activities - financial advisory services, asset management and brokerage - and currently has offices in Amsterdam, Cape Town London, Lisbon, Luanda and Maputo

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