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INSIDE AFRICA

Now is the time to invest in Africa

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In-depth:
Agriculture in Africa: Potential versus reality

With more than 60% of its 1.166 billion people living in rural areas, Africa's economy is inherently dependent on agriculture. More than 32% of the continent's gross domestic product comes from the sector.

However, agricultural productivity still remains far from developed world standards. Over 90% of agriculture depends on rainfall, with no artificial irrigation aid. The techniques used to cultivate the soil are still far behind from what has been adopted in Asia and Americas, lacking not only irrigation, but also fertilisers, pesticides and access to high-yield seeds. Agriculture in Africa also experiences basic infrastructural problems such as access to markets and financing.

Singapore is proving to be an engaged ally in the process of changing this reality. Some big players in the agricultural sector with their headquarters in Singapore, are investing heavily in Africa. Technology and skills are being transferred to smallholder farmers and the large-scale producers are cooperating, playing a fair game that will help develop the sector and make it more sustainable.

Agriculture in Africa: An overview

In Africa, agriculture accounts for two thirds of livelihoods and food accounts for two thirds of the household budgets of poor people. It makes up a very important part of the lives of African people, but in spite of it, it apparently receives very little attention from the governments.

The low productivity levels of agriculture in Africa have resulted in a worrisome scenario: it does not meet the growing demand for food from urban centres. The region is increasingly dependent on food imports. For a continent with such a vast area, a booming young population and tropical climate, it is surprising that Africa is not a net exporter of agricultural products. In the 1970s, Africa provided 8% of the world's total agricultural exports. Today this number has dropped to a negligible 2%.

Africa spent US$35bn on food imports (excluding fish) in 2011, only 5% of it related to trading within the continent. An increase in productivity, matched with the right set of policies and investment, could revert this situation. Africa could replace these imports with their own produce, which would in turn reduce poverty, enhance food and nutrition security, and provide sustainable growth to the respective societies.

A broader economic transformation is necessary to shift the current paradigm facing agriculture in Africa. In most of the cases, urbanization and economic growth have resulted in new opportunities for local agricultural producers. However, in Africa, this share of the market mainly belongs to foreign companies. Imports of food staples have been rising sharply, and domestic agriculture has so far failed to increase supply in response. Raising productivity in agriculture is vital to transformative growth, not just because it has the potential to expand markets by displacing imports, but also because agricultural growth is twice as effective in reducing poverty as growth in non-agricultural sectors.

How does agricultural development trigger economic growth?

Agricultural growth was the precursor to the industrial revolutions that spread across the temperate world, from England in the mid-18th century, to Japan in the late 19th century. At that time, a better understanding of the use of soil and techniques, such as irrigation, use of horsepower in the fields, and seed selection, improved crop yields. Consequently, livestock could be better fed during winter times, increasing the size of herds. These changes in agriculture made it possible to feed all the people attracted to the industrial centres as factory workers, triggering the industrial revolution and leading to higher economic growth.

More recently, we see examples of economic transformation linking better agricultural productivity to industrial growth in countries such as China, India, and Vietnam.

In the modern world, the cycle of economic growth resulting from agriculture development, is somewhat more complex than what was observed at the beginning of the industrial revolution. First, as income grows, demand for non-food items grows while demand for most agricultural products decreases as a percentage of total consumer spending. Consumers start spending more money on

non-essential products, while spending on food flattens. This imbalance increases the price of non-food items relative to food prices, causing resources like labour and capital to move from agriculture to more remunerative uses in other sectors.

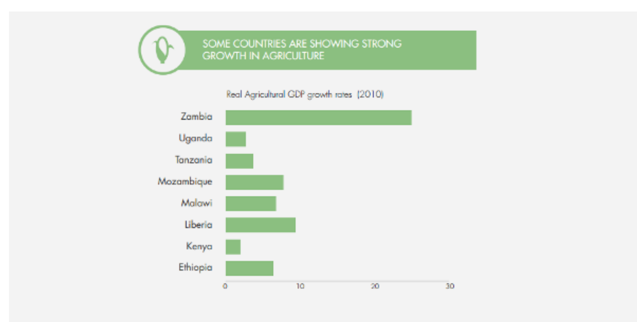
As economic development unfolds, education levels grow across populations. The formal education and complex skills acquired through schooling are largely required in the non-agricultural sectors. With increasing education levels, an economy sees its working force in the fields being replaced by machines and a better use of the soil and resources. Large-scale corporate farms replace small-scale family farms. In the long run, the value of farm production typically grows slower than does aggregate income, or GDP.

Over time, the agricultural sector gives up land to urban expansion, industrial and services sectors use (including recreational and tourism activities), and increasingly also for purposes of environmental conservation. That is, in a nutshell, the history of Singapore. The lack of land, however, resulted in an extreme version of the scenario and basically all the output of agricultural sector was replaced by imports.

In larger countries, these shifts can reach a balance, with a highly productive agricultural sector that provides food to a thriving urban area.

Agricultural growth in Africa

The reality of agricultural development in Africa is still far from ideal. In sub-Saharan Africa, the growth rate of agricultural GDP per capita was close to zero during the early 1970s, reaching negative figures in some years. This changed in the 1980s, when agricultural GDP growth reached 2.3% per year, increasing to 3.8% a year from 2000 to 2005. However, this increment was mainly due to an expansion in farm land, and not in agricultural productivity. African farm yields are among the lowest in the world. However, some countries have experienced a strong GDP growth in agriculture, such as Zambia, Liberia, Mozambique and Ethiopia.



Although there is a strong link between agricultural growth and decreases in poverty, the connection is not that simple. An example of this is Zambia, which experienced a vast increase in maize yields from 2006 to 2011, but did not see a reduction in poverty. Underlying inequalities and government policy explain the discrepancy. The gains in productivity in Zambia were mainly attributed to large scale fertiliser subsidies to large farms. Small farms, with areas below one hectare, received only an average of 7% of the subsidy.

On the positive side, there are two examples where agricultural growth did drive a decrease in poverty – Ethiopia and Rwanda. According to the World Bank, poverty in Ethiopia dropped by 33% since 2000, with an agricultural GDP growth of near 10% per year being the main driver.

Rwanda's strategy was to focus its production on staple crops. While export crops typically have higher value, staple crops have a larger potential to replace imported food, which points to a promising avenue for growth that reduces poverty.

How can African countries improve their agricultural sector and use it as an engine of economic growth? The strategy will depend on each individual country, but there are a few common measures that, when put together, certainly increase the chances of a country to ignite a virtuous circle of growth fuelled by agriculture.

Increasing productivity

Agricultural productivity is related to a range of factors. The lack of irrigation is an obvious example. Only 5% of the cultivated land in Africa makes use of irrigation, with most of the farmers depending on rainfall. In comparison in Asia, 38% of the arable land is under irrigation.

Furthermore, soil health is a challenge. The average farmer in Ghana uses only 7.4kg of fertiliser per hectare, while in South Asia fertiliser use averages more than 100kg per hectare.

Unsurprisingly, output per hectare in Africa falls far below the levels registered in other parts of the world. When farmers plant the same fields without using fertilisers, they literally mine the soil: an estimated eight million tonnes of nutrients are depleted annually in Africa.

The cost of fertilisers is part of the problem. Farmers in Africa face some of the world's highest fertiliser prices, and not just in landlocked countries where transport costs are higher, like Burundi and Uganda. Farmers in Nigeria and Senegal pay three times more than their counterparts in Brazil and India. Some countries, like Ghana and Malawi, have thrown money at fertiliser subsidies in flush years only to cut back when budgets tighten. Subsidised fertiliser intended for smallholders have often been resold at market rates with middlemen pocketing the profit. Nigeria's system became so corrupt that in 2012, the agriculture minister, Akinwumi Adesina, estimated that as little as 11% of subsidised fertiliser was actually getting to small farmers at the subsidised price.

Pesticides is another element that, if correctly used, can improve crop yield without environmental damage. This method has been increasingly adopted in the past decade across Africa in an indiscriminate fashion. The lack of education on which types and quantity of pesticide are the best for each crop, and the absence of government control, have led to its excessive use and consequent environmental contamination and human health problems.

Access to quality seeds has also a long way to go in Africa. Experts at the Integrated Seed Sector Development (ISSD) Africa seminar in Kenya pointed out that small-scale farmers in sub-Saharan Africa are unable to get full information and access to good seeds. The circulation of fake seeds is a major problem in Kenya, which hinders the transformation of the agricultural sector. Africa needs a well-functioning, market-driven seed system and research scientists working with small scale farmers to improve their seeds. The increasing degree of climate change also aggravates the situation. Aiming for improved seed varieties will help crops resist or withstand droughts and flooding, challenges that are becoming alarmingly common.

Some significant improvements have been achieved by AGRA. The Alliance for a Green Revolution in Africa was founded in 2006 through a partnership between the Rockefeller Foundation and the Bill & Melinda Gates Foundation, and has been helping millions of smallholder farmers in Africa. AGRA has supported more than 400 projects, including efforts to develop and deliver better seeds, increase farm yields, improve soil fertility, upgrade storage facilities, improve market information systems, strengthen farmers' associations, expand access to credit for farmers and small suppliers, and advocate for national policies that benefit smallholder farmers. Today AGRA collaborates with more than 100 seed companies, representing about a third of the market. They produced about 125,000 tonnes of improved seed in 2015 – up from 26,000 tonnes in 2010.

In Rwanda, the One Acre Fund charity provides its clients with high yield seeds, fertiliser, know-how and credit, which in many times is the deal-break point. The increased productivity of high-yield seeds usually comes with a down point: the plants grown from them do not produce seeds of the same sort. Hence, small farmers frequently struggle to find financing to buy seeds for the next crop.

In 2015, One Acre Fund's large network of instructors, farmers themselves, taught some 305,000 east African smallholders, developing skills such as carefully spacing seeds to maximise productivity and to apply fertiliser in an optimal way.

Lack of subsidies

Agriculture subsidies make an important factor of imbalance in the international market. Although Africa has one of the lowest cost of production of agricultural commodities in the world, it loses competitiveness in the international market as wealthier countries subsidise their famers, sometimes to the extent that the selling price of crops is lower than the production cost.

That is the reality of cotton farmers in West Africa. The United States, the world's largest cotton producer, paid its cotton farmers $32.9bn to grow their crops between 1995 and 2012. US farmers are subsidised so they produce more cotton than they would otherwise, lowering the global price.

Members of the Organisation for Economic Cooperation and Development (OECD) spent a total of $258bn subsidising agriculture in 2013. As a consequence, wealthy nations inflate their agricultural

outputs to an artificial level, frequently flooding the commodities market and bringing prices down. This creates an unfair competition in the global market, where the most affected (negatively) are the small farmers in the poorest countries, where government subsidies are none-existent.
Since more than one third of the GDP of most African countries is directly related to the agricultural sector, these countries may be even more vulnerable to the effects of subsidies. They generate an indirect impact on reducing the income available to invest in rural infrastructure such as health, safe water supplies and electricity for the rural poor. Struggling to survive, many farmers migrate from rural to urban areas in search of alternative economic opportunities. An important milestone on abolishing subsidies was achieved in the World Trade Organisation meeting held in Nairobi, in December of 2015. Developed countries have committed to remove export subsidies immediately, except for a handful of agriculture products, and developing countries will do so by 2018. Developing members will keep the flexibility to cover marketing and transport costs for agriculture exports until the end of 2023, and the poorest and food-importing countries would enjoy additional time to cut export subsidies. The decision contains disciplines to ensure that other export policies are not used as a disguised form of subsidy. These disciplines include terms to limit the benefits of financing support to agriculture exporters, rules on state enterprises engaging in agriculture trade, and disciplines to ensure that food aid does not negatively affect domestic production. Developing countries are given longer time to implement these rules. This measures will hopefully make the global market more balanced (creating greater equity) and improve the competitiveness of smallholder farmers in Africa.

Mechanisation in agriculture

A critical step into modernising agriculture is the adoption of mechanisation in replacing human labour. Most of Africa is still far behind this stage. In sub-Saharan Africa, agricultural mechanisation has either stagnated or retrogressed in recent years. Over 60% of farm power is still provided by human muscle, mostly from women, the elderly and children. Only 25% of farm power is provided by animals, while less than 20% of mechanisation services are provided by engine power.

As observed in most parts of the world, the adoption of animal force, tools and equipment enhances the production and productivity of different crops due to timeliness, precision and improved quality of operations.

At first sight, one may conclude that the replacement of human labour in the agriculture fields by machines would result in increased unemployment. However, this displacement can be compensated by the growing demand for human labour due to multiple cropping, greater intensity of cultivation and higher yields. Furthermore, the demand for non-farm labour for manufacturing, servicing, distribution, repair and maintenance, as well as other complementary jobs, are substantially increased due to mechanisation.

Farm mechanisation greatly helps the farming community in developing overall economic growth. These conclusions were observed in a study conducted in the Punjab Agricultural University in India, but similar results were reached in other developing countries such as Bangladesh. This model will certainly bear fruits when replicated in Africa as a whole.

A study conducted by the International Journal of Agriculture Innovations and Research (IJAIR) in Nigeria, showed that mechanisation significantly increased the productivity of cassava fields, and that farmers who adopt mechanisation, have an increased income in comparison to those that only use human labour.

In order to be successful and sustainable, policies for agricultural mechanisation development must be tailored to local needs and must be firmly embedded in broader agricultural policy approaches. To ensure an effective transition from hard-labour jobs in the fields towards jobs related to the increased use of mechanisation, the governments have to set the right policies and incentives.

Setting the right policies

The legacy of the agricultural policy environment is evident in global and domestic markets. Africa's farmers have a limited presence in global markets. The region as a whole exports less than

Thailand. West Africa now accounts for around one fifth of world rice imports. Nigeria's food import bill for rice currently exceeds $2bn a year. The reason: average annual rice production has stagnated at 28kg per capita since 1990, while per capita consumption has increased from 18kg to 34kg. Rice imports have been growing at 11% a year to fill the gap.

To try to counter this foreign dependence, the Nigerian government has introduced a number of key policies and investment strategies to increase domestic rice production and improve its competitiveness with imports. This is being done through a combination of import restrictions, input policy and institutional reforms, and direct investments along the rice value chain.

Its effectiveness is questionable though. Some of the measures are likely to be difficult to implement or will only have a short-term influence. This is the case of import restrictions, which may hurt consumers and farmers who grow crops other than rice. Since rice is a staple food in Nigeria, present in the daily meals of most of the population, raising its price is likely to cause inflation and affect GDP negatively.

Focusing more attention on technology change and market improvement seem more promising. A modest increase in rice yields, the expansion of high-quality varieties to replace low-quality ones, and improved processing technologies, can increase the competitiveness of domestic rice.

Singapore engagements in agricultural Africa

There are some big Singaporean-based companies engaged in ventures in the agricultural sector in Africa. Olam, for example, deals with the sourcing, processing and distribution of raw materials such as cocoa, sugar, beans, palm oil, and nuts, and is the world's biggest supplier of cashews and sesame seeds. It began operating in Tanzania in 1994, with its head office in the capital Dar es Salaam and branches spread out in five other cities. There the company manages an integrated supply chain for four key products: cotton, sesame, cocoa, and green coffee.

In 1997, Olam expanded to Uganda, where it transacts the same products as in Tanzania, but also imports and distributes sugar and edible oil. The head office is located in the capital Kampala, and branches are spread through eight locations. Olam has a broad operation there, extending along the value chain from origination and processing, to logistics and distribution. In fact, Africa plays an important role in the company's portfolio: 27% of total sourcing volume comes from Africa, where 29% of sales turnover is generated.

Rice extension farming in Nigeria and outgrowers' programmes in cashew processing in Tanzania and Mozambique, exemplify Olam's approach in linking farmers to its supply chain. In these countries, the company supports farmers through extension services, providing training, buying back produce and acquiring farm equipment.

Another example of the agricultural link between Singapore and Africa comes from Wilmar International, which in 2012 was the largest supplier of cooking oil to China and Vietnam. In 2010, the company founded a joint venture, PZ Wilmar, in Nigeria, with the aim of building a sustainable future for palm oil in that country. Palm oil is used in cooking oil, confectioneries and baked goods. Since the subsidiary was founded, it was responsible for creating up to 30,000 direct and indirect jobs; this helped reduce Nigeria's current domestic palm oil production shortfall and import deficit.

Wilmar revitalised unproductive, previously-owned palm oil plantations and invested in new ones, helping to close the 350,000 tonne palm oil import gap. In this process, the company built a state-of-the-art palm oil refinery and packaging facility in Lagos.

Wilmar also ensures that skills are transferred via on-the-job training, to secure optimal harvests with minimal wastage. In addition, the company also owns oil palm plantations in Ghana, and through joint ventures, owns plantations in Uganda and West Africa. As at the end of 2014, Wilmar had more than 14,000 hectares of planted area in Africa.

The potential

Africa has the land, water and people needed to be an efficient agricultural producer – and to feed an expanding urban population. The Guinea Savannah, a vast area that spreads across 25 countries, has the potential to turn several African nations into global players in bulk commodity production.

In addition, countries such as Ghana, Mali, Senegal, Mozambique and Tanzania, have large breadbasket areas that could feed regional populations, displace imports and generate exports.
This potential is yet far from being fully explored, but some milestones have been reached. According to the UN Food and Agriculture Organisation, Rwanda's farmers produced 792,000 tonnes of grain in 2014 – more than three times as much as in 2000. Production of maize, a vital crop in east Africa, jumped sevenfold. Cereal production tripled in Ethiopia between 2000 and 2014. The value of crops grown in Cameroon, Ghana and Zambia has risen by at least 50% in the past decade.
The single most pressing challenge facing Africa's governments is to harness the continent's increasing wealth and use it to improve people's lives. Agriculture is at the heart of that challenge. To reduce poverty and boost economic growth, Africa will have to develop a vibrant and prosperous agricultural sector.
Singapore is aware of Africa's vast potential to become the world's granary and is making the right moves to tap into this opportunity. By investing and transferring technology and skills to the local population, it ensures that best practices in agriculture can be easily adopted by future generations. The improvements achieved by Olam and Wilmar International in the continent are real examples that this is the right strategy to implement. That is how agriculture in Africa will reach the standards of productivity and quality necessary to feed their own population and also to become a net exporter of agricultural products in the near future.
The author, Otavio Veras, is a research associate of the NTU-SBF Centre for African Studies, a partnership between Nanyang Technological University and the Singapore Business Federation. *(How we made it in Africa)*

Mozambique economy: Central bank to introduce a new policy rate

The Banco de Moçambique (BDM, the central bank) has announced plans to introduce a new interest rate in April.
The BDM operates two interest rates: the marginal lending rate is paid by banks when borrowing from the central bank, and the standing deposit rate is interest paid on banks' funds that are deposited at the central bank. Both were left unchanged at the monetary policy committee (MPC) meeting in February, at record highs of 23.25% and 16%, respectively. The new prime lending rate will range between the two existing rates, acting-according to the BDM's governor, Rogerio Zandamela-as the main instrument through which the BDM interacts with commercial banks. This signals efforts by the BDM to modernise its monetary framework.
But unless coupled with broader measures, the new rate is unlikely to have a significant impact on the shallowness of the financial market, which will probably continue to restrict transmission between policy rates and commercial rates.
Another noteworthy outcome of the MPC was the removal of the MT700,000 (roughly US$10,000, at current exchange rates) annual limit on international payments with Mozambican credit or debit cards. These restrictions were introduced by the former governor, Ernesto Gove, in late 2015 amid tightening liquidity pressures and concerns that the unrestricted use of Mozambican cards abroad was facilitating significant capital outflows. At the time, the metical was plunging against the dollar and the BDM was fast burning through its foreign-exchange reserves in an (unsuccessful) attempt to shore up its currency. In recent months though, the metical has stabilised and rising prices for coal and aluminium (Mozambique's main exports) have driven a partial recovery in reserves.
Moves to strengthen money markets and scrap capital controls will be welcomed by Mr Zandamela's former employer, the IMF. Mozambique's much-needed balance-of-payments support from the Fund was suspended in April 2016 after it was revealed that the government had misreported its debt holdings. Despite the BDM's IMF-friendly policy agenda though, we think it unlikely that the Fund will resume financing until a debt audit is complete (now scheduled for end-

March) and the government tightens fiscal policy (for which no credible plans have yet been put in place). *(Economist Intelligence Unit)*

Mozambique: Quarterly economic indicators

	2014	2015				2016		
	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices[a]								
Consumer prices (2000=100)	121.0	125.3	123.7	123.2	129.7	140.8	146.4	151.0
Consumer prices (% change year on year)	1.9	3.3	1.5	2.2	7.2	12.4	18.4	22.5
Financial indicators								
Exchange rate MT:US$ (av)	32.13	34.23	37.07	40.83	47.80	48.57	56.47	71.67
Exchange rate MT:US$ (end-period)	33.60	37.10	39.00	42.80	45.90	50.90	63.60	79.10
M1 (end-period MT m)	181,602	178,323	185,02	194,884	218,394	210,418	236,302	254,682
M1 (% change year on year)	24.4	24.3	16.8	19.7	20.3	18.0	27.7	30.7
M2 (end-period MT m)	264,47	265,473	281,212	298,693	333,465	328,971	352,563	382,026
M2 (% change year on year)	22.2	22.7	22.8	26.8	26.1	23.9	25.4	27.9
Foreign reserves (US$ m)								
Reserves excl gold (end-period)	3,01	2,567	2,683	2,414	2,411	2,06	2,163	1,963

[a] Maputo.
Sources: IMF International Financial
(c) The Economist Intelligence Unit 2017

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

IMF Staff Conclude 2017 Discussions with the West African Economic and Monetary Union on Common Policies for Member Countries

- The medium-term growth outlook is favorable but remains subject to significant downside risks
- The BCEAO Monetary Policy Committee’s decision to increase its credit facility rate by 100 basis points and place tighter access to the refinancing window is expected to encourage banks to reconsider their risk policy and strengthen their capital
- Strengthening bank supervision will help ensure the quality of new loans while enhancing the effectiveness of the bank resolution framework remains a priority

A staff team from the International Monetary Fund (IMF), headed by Mr. Boileau Loko visited Abidjan and Dakar from February 7 to 15, 2017 for discussions with the institutions of the West African Economic and Monetary Union (WAEMU) on Common Policies for Member Countries of the Union.

At the end of the mission, Mr. Loko issued the following statement:

“Economic activity has remained strong but vulnerabilities have increased. Real GDP growth is estimated to have reached 6.5 % in 2016, underpinned by robust and resilient domestic demand. Inflation has remained subdued due to continued solid agricultural production and low oil prices. Preliminary data suggest an overall fiscal deficit of 4.5 % of GDP in 2016, higher than initially planned. Public debt is on the rise and reserve coverage has declined to 3.7 months of imports, reflecting a continued expansion in public infrastructure and lower-than-expected external financing.

“The medium-term growth outlook is favorable with GDP growth around 6 % but remains subject to significant downside risks. Key risks to the outlook include global uncertainties, slippages in fiscal consolidation plans, sluggish structural reforms as well as a sustained decline in cocoa prices. Planned fiscal consolidation has been repeatedly deferred in recent years and most countries are still scaling up public investment. Continued delays in implementing fiscal consolidation would further increase public debt, raising debt distress risks and putting the currency coverage at risk. At the same time, a slow implementation of key structural reforms would prevent the private sector to take over the lead in generating strong and inclusive growth.

“Member countries need to stick to their planned fiscal consolidation paths, which include reducing budget deficits to 3 % of GDP by 2019, in line with the WAEMU convergence criteria, and fiscal

plans for 2017 need to be consistent with that path. This will require steadfast implementation of reforms to enhance revenue mobilization, contain current expenditure, improve public financial management, increase public investment efficiency and strengthen debt management. to create space for infrastructure investment and social spending.
"The mission welcomed the December 2016 decision of the Monetary Policy Committee of the BCEAO to increase its credit facility rate by 100 basis points and place tighter access to the refinancing window. These measure should encourage banks to reconsider their risk policy and strengthen their capital. They are also expected to energize the interbank market and the secondary market for public securities, and ultimately raise monetary policy effectiveness. These reforms confirm the authorities' commitment to preserve macroeconomic and external stability. The mission encouraged the authorities to stand ready to tighten monetary policy should pressure on external reserves continue. "The WAMU council of ministers adopted an ambitious set of regulatory reforms in June 2016, to modernize the financial sector. Key reforms included adopting Basel II and Basel III capital standards and introducing consolidated supervision of cross-border banks. The monetary authorities should continue these efforts by enforcing existing prudential regulations and preparing for the effective implementation of new regulations. Strengthening bank supervision will help ensure the quality of new loans. Enhancing the effectiveness of the bank resolution framework is a priority and the deposit guarantee fund should become fully operational. "The members of the IMF team express their gratitude to the authorities and to all the counterparts with whom they met for the candid and constructive discussions and the warm hospitality extended to them."

AfDB engages governments and policy-makers at Investing in African Mining Indaba
The Investing in African Mining Indaba, one of the world's largest mining conference, wrapped up on 9 February, 2017, in Cape Town, South Africa with the African Development Bank playing a key role in helping to shape the continent's future in the sector. This year, the Bank, which is one of the major sponsors of the event, hosted three key sessions to help improve African governments' knowledge and skills in the global mining sector. In addition to the sessions, the Bank also participated in a panel addressing the challenges of artisanal and small scale mining to ensure it acts as a catalyst for socioeconomic development.
Several departments of the AfDB were represented at the conference including the African Natural Resources Center that provides policy advice and technical assistance to African countries, the private sector department that provides financial services, the climate change department, the anti-corruption office and the African Legal Support Facility (ALSF).
The Bank's sessions were particularly popular and dynamic. The Minister of Industry and Mines of Cote d'Ivoire, Jean Clause Brou, joined the panel discussion with policy makers and industry players on Negotiating a better deal on natural resources projects: AfBD's capacity building program for governments by the African Natural Resources Center. Other sessions included a workshop on Corporate Governance in the Boardroom for Government officials by ALSF, and a jointly hosted ALSF and World Bank session on Enhancing Mining Law for Sustainable Development: African Mining Legislation Atlas.
In addition to these knowledge-sharing opportunities, the AfDB hosted the ministerial lounge; which provided opportunities for high-level interactions with policy makers and attracted several ministers. These included ministers from Central African Republic, Guinea, Mali, Zambia, DR Congo, Madagascar, Ethiopia, Ivory Coast, Kenya and Zimbabwe as well as former South African President, Thabo Mbeki.
The level of engagement was underscores how the Bank plays the role of a reliable and considerate partner of governments in a sensitive and challenging sector. Reiterating this, Amani Abou-Zeid of the AfDB said, "We're happy to be called upon by governments to offer technical advice as well as facilitate discourse in our various forums. We've succeeded in providing a platform that builds on the discussions in and out of the board room, amongst policy-makers."

At the next Mining Indaba, the AfDB will continue to provide support to ministers as well as engage with stakeholders and key players to allow Africa's mining sector to increase benefits for the people of Africa and especially the communities in which mining occurs.

AfDB launches three projects worth US $26 million in Zimbabwe

The African Development Bank and the Government of Zimbabwe officially launched three projects worth US $26 million that were recently approved by the Bank's Board of Directors. The three ventures are Alaska Karoi Transmission Reinforcement Project (US $18 million); the Youth and Women Empowerment Project (US $4 million) and the Institutional Support for State Enterprise Reform and Delivery Project (US $ 4 million).

The project launch ceremony was officially opened by the Officer-in-Charge of the Zimbabwe Country Office, Mary Monyau, and the Minister of Finance and Economic Development, Accountant General, Daniel Muchemwa. Muchemwa thanked the Bank for supporting the three projects that are aligned with the Government's development agenda as outlined in Interim Poverty Reduction Strategy Paper (I-PRSP) and ZimAsset. "Approval of these projects is a testament to the cordial relationship between the AfDB and the Government of Zimbabwe", he said.

The objective of the Alaska Karoi Transmission Reinforcement Project is to strengthen and increase the country's sub-transmission network capacity resulting in increased reliability and quality of electricity supply in and around Karoi area (agricultural hub) and to develop a national masterplan for the generation, transmission and distribution of energy in the country. The Youth and Women Empowerment Project will support the creation of employment opportunities and the improvement of the incomes of targeted women and youth groups, as well as, the improvement of gender mainstreaming in the country's ministerial programmes. The Institutional Support for State Enterprise Reform and Delivery Project will contribute to improved governance of State-owned enterprises and strengthening of results-based management systems within Government.

For her part, Monyau noted that the projects are consistent with the Government's priorities as enshrined in the country's main policy blue prints and strategies, the Bank's Ten Year Strategy and the Bank's High 5 priority areas, which focus on inclusive growth and economic transformation with support for lighting up and powering Africa, feeding Africa, industrializing Africa, integrating Africa, and improving the quality of life of the people of Africa. She congratulated the country for its collaborative efforts with the AfDB, which are a strong testimony of the importance the country is placing on issues of access to power and energy; women and youth development; and the governance of State-owned enterprises, in promoting economic growth and development that is inclusive and sustainable. She also emphasized the importance of absolute prudence in project execution for maximum development impact. Speaking at the same occasion the Permanent Secretary in the Ministry of Energy and Power Development, P. I. Mbiriri, commended the African Development Bank for its support to the country.

The ceremony was attended by senior officials from the Office of the President and Cabinet, Ministry of Energy and Power Development, Ministry of Finance and Economic Development, State Enterprises Restructuring Agency (SERA), International Labour Organisation, African Capacity Building Foundation (ACBF), the German development agency GIZ and Zimbabwe Electricity Transmission and Distribution Company (ZETDC). The launch was followed by a four-day training workshop for project beneficiaries on AfDB rules and procedures, including procurement and financial management.

AfDB President renews partnership MOU with Arab Bank for Economic Development in Africa (BADEA)

As part of his three-day official visit to Sudan, the President of the African Development Bank, Akinwumi Adesina, met with the Director General of Arab Bank for Economic Development in Africa (BADEA), Sidi Ould Tah, to explore further cooperation and consolidate existing relations between the two institutions.

This cooperation is enhanced by the Memorandum of Understanding (MoU) signed by two institutions during the President's visit, which replaces the existing one which expired in 2013. The MOU renews the partnership that has enabled them co-finance US $1.8 billion in development projects in Africa. This makes BADEA one of the Bank's most important partners in terms of co-financing efforts to achieve their common development objectives in Africa.
During the occasion, the Director General thanked President Adesina for honouring his invitation despite his busy schedule. He traced the history of the Bank to 1964 in Sudan and its first President, the late Mamoun Beheiry, whose daughter, Hind Beheiry, graced the occasion with her presence. The Director General described President Adesina as a distinguished development expert whose contribution will remain indelible in the annals of the continent's history.
Alluding to the AfDB's High 5 development priorities, Sidi Ould Tah noted that they were consistent with and complementary to BADEA's vision and will thus facilitate partnership between the two institutions. He assured President Adesina of his institution's commitment to the partnership.
For his part, President Adesina expressed delight at visiting BADEA and underscored the Bank's unwavering commitment to strengthening the partnership between the two institutions. He indicated that the increasing collaboration between the two institutions in project interventions in Africa underscores the fruitfulness of the partnership.
On investments, the President noted that BADEA is a strategic institution capable of attracting Arab investments to Africa. He intimated that the Africa Investment Forum that will be taking place towards the end of the year would seek to mobilize resources for investment in Africa. He added that its uniqueness lies in its transactional nature as opposed to the political dimension which will be relegated to the background to ensure success of the forum. He asserted that the two institutions will collaborate to achieve the High 5 development priorities.

German Government unveils Marshall Plan with Africa at the AfDB

- ***Africa is a continent of opportunity facing many challenges that the Plan can help resolve.***
- ***Focus on entrepreneurship, private sector, renewable energy and green growth.***

The German Federal Minister for Economic Cooperation and Development, Gerd Müller, has unveiled his Government's proposed "Marshall Plan" with Africa at the African Development Bank Group (AfDB), saying the Plan can help resolve some of the challenges facing Africa.
Briefing the Bank's leadership in Abidjan, Müller noted that while Africa remains a continent of opportunity with very dynamic development and a strong and promising youth, it faces many challenges.
The Minister and his delegation arrived in Côte d'Ivoire from Burkina Faso on the second segment of an African tour which includes Tunisia and Egypt.
The continent, he said, would have to create 20 million jobs per year and expand training and education facilities for a growing population expected to reach 2 billion by 2050.
This scenario, he said, calls for a new initiative with the dimensions of a "Marshall Plan with Africa (not for Africa)," a term, which, he said, underlines the strong concerted efforts from Africa, its partners and the global multilateral system.
With the African Union's 2063 Agenda as the framework, the Minister said the plan will focus on economic mobilization, education, training and entrepreneurship programmes that would give millions of Africans better prospects that are vital for Africa's future and for Europe and the world.
The blueprint proposes a "new level" of equal cooperation between Africa and western countries in areas such as education, trade, business development and energy.
It also calls for better and more equitable market access for African exports, an end to illicit financial flows from Africa and tax evasion by multinational companies. The plan, he said, would further support the development of agricultural value chains within African countries to enable them derive appropriate benefits from the products, citing cotton in Burkina Faso and cocoa and

coffee in Côte d'Ivoire as examples. "If you do not invest in development, if you do not reduce the gap between the rich and the poor, you will not have peace," Müller said, noting that misery, poverty and hunger are often the triggers of terrorism and radicalization.

African governments also have a role to play by fighting corruption, ensuring good governance and improving the situation for women. Müller said his Ministry would increase German development support for Africa by 20% in countries that undertake necessary reforms.

Noting that public funding would not create jobs in the long term, just as government measures were not likely to produce sustainable economic development; increased private investments and more entrepreneurship would be required to replace subsidies and state support, he said. "Our aim is to provide clear incentives for creating an enabling environment for private investments. We are seeking to establish reform partnerships with African countries based on shared values of accountability, transparency and binding commitment," he said.

According to the Minister, good governance and anti-corruption efforts will play a substantial role in determining the distribution of the country's Official Development Assistance funds with the greater part benefitting reform-oriented countries.

Reform partnerships will be the contribution of Germany's development cooperation to the Compacts with Africa laid out by the G20. Together with international partners and the private sector, Germany will provide substantial support for countries willing to be Agenda 2063 champions, he said, citing Burkina Faso, Côte d'Ivoire and Rwanda as potential beneficiaries.

The Plan supports fair trade rules, an efficient framework against tax avoidance and illicit financial flows and clear rules and strong incentives against land-grabbing and the exploitation of resources. This would help to increase the amount of domestic funds African governments would need to meet reform-oriented goals.

On the Bank's operations, Müller advised that it should endeavour to improve its reserves to increase its loan portfolio and scale down budget support operations. He said the German Government would contribute significantly to AfDB's general capital increase, noting the Bank has considerable comparative advantage on the continent. "We see your Bank as the voice of Africa, a depository of knowledge and experience on the continent's development," he added. Contributing to the debate, the Executive Director for Morocco, Togo and Tunisia, Abdelmajid Mellouki, who stood in for the Board's Dean and other Board members who are on mission, suggested that the Plan be embellished with data to give a clearer picture of its objectives.

In closing, the Bank's Senior Vice-President, Frannie Léautier, who represented President Akinwumi Adesina, thanked the Minister for sharing the plan, which she said, proposed a high level of ownership and placed Africa at an equal level with partners among other issues that are central to the Board's continuous dialogues. She underscored the close alignment of the Plan's four foundations with the African Development Bank's **High 5** priorities. "We are all in the same boat. We sink and swim together. Africa has a chance to achieve real transformation," Léautier said.

Sudan: AfDB President visits Africa's leading sugar factory and the world's largest producer of white sugar

On February 28, 2017, the President of the African Development Bank visited the Kenana Sugar Company (KSC) in Sudan, which is by far Africa's largest sugar-producing agro-industrial complex and world's largest producer of white sugar. The company operates a cane farm of 105,000 acres of land and produces 400,000 metric tons of raw sugar annually, both for domestic consumption and for export. The company employs some 16,000 people, including 4,000 seasonal workers, and generates an annual revenue of US $400 million.

The President toured the agro-industry complex in the company of Sudan's Federal Minister of Finance and Economic Planning, Badr Eldin Mahmoud Abbas; AfDB Executive Director for Sudan, Kwabena Oku-Afari; AfDB Director General (East) Gabriel Negatu; and the Bank's Sudan Country Manager, Abdul Kamara. He was welcomed by Abdel Sayed Taha, Interim Managing Director of KSC, and Senior Kenana Management.

The President's tour kicked off with a visit to the company's Research and Development Centre, and then to the sugar cane fields where he watched an automated combined harvesting operation. He also visited two pump stations, one of which was financed by the Bank. The President then proceeded to the sugar factory, where he witnessed the automated offloading of tons of raw cane from large truck containers in a simultaneous operation that delivered newly harvested cane onto a conveyor belt running into the factory at the transport tower.
After a busy morning, there was time for an inspection of the company's key products at the Final Products Show, which revealed that KSC has diversified into ethanol production and meat production to extract energy out of the company's byproducts, including molasses. The President was deeply impressed by this massive, locally managed agro-industrial setup, which he described as a model exemplifying a few of the **High 5s**: Feed Africa, Industrialize Africa and Light up and power Africa.
Adesina commended both the size and the efficiency of the operation, emphasizing the company's resilience to have continued operations during these many years of US economic sanctions on Sudan. He was pleased to note that the African Development Bank's financing of the expansion phase of the KSC in 1990 with a US $42-million Bank investment helped the company to significant scale up its capacity to become the world's largest producer of white sugar and Africa's biggest sugar factory, valued at over US $3.5 billion today.
The Kenana company has thus provided an excellent example for the Bank's declared policies of securing added value through agro-aligned processing of crops within Africa, and accelerating the High 5s for the continent's transformation.

INVESTMENTS

Angola strengthens economic cooperation with Italy

Angola intends to strengthen trade and economic cooperation with Italy with focus on attracting investment and finance projects in the sectors like agriculture, fisheries, industry, energy, and hotel and tourism.
Angola's intention was expressed in Luanda by the director of the Technical Unit for Private Investment (UTIP) Norberto Garcia.
The official was speaking at a meeting between a group of Angolan and Italian businesspeople aimed at establishing partnerships between the two countries' companies, particularly in the sectors of industry and agriculture.
High on the meeting agenda was the visa granting to foreign investors.
Angola briefed on work it has been conducting with the Migration and Foreigners Services to tackle this issue in order to ensure good business environment in the country.
He called on the Consulates to facilitate the travels of the foreign investors who come in the country to help in materialisation of the local projects.
In his turn, Italian diplomat, Cláudio Miscia, said that the meeting allowed them to assess the investment projects of the entrepreneurs of the two countries and draw negotiation guidelines for a possible financing.
The ambassador expressed optimism that the trade relations between Angola and Italy could increase with the export of agriculture products such as fruit and vegetables and cereals and facilitation of the granting of visas. Attended the meeting representatives from the Italian companies, including Confimi, Unido Itpo, Etimos and Coopermondo, representing about 50.000 companies. The Italian turnover stands at around 150 billion Euros. *(Angop)*

Angolan state retakes Luanda Bay facelift project

The Luanda Bay facelift project was returned to the Angolan State with an immediate effect on its whole public component, reads a Presidential Order.
According to the Presidential Order, the Angolan president José Eduardo dos Santos enacted the restitution for the public utility of the full right of the 13 car parks along the Luanda bay boulevard for 30 years, totalling 2.740 ones. It was also approved the restitution of the commercial and adverts spaces, with contracts attributed to the Luanda Waterfront Corporation, through the Luanda Bay Society.
The Luanda Bay facelift project was initially a Public works intervention project, fully financed by the private investor Luanda Waterfront Corporation. *(Angop)*

BANKING

Banks

Societe Generale group intends to expand banking business in central and northern Mozambique

French banking group Societe Generale plans to expand its business in Mozambique, particularly in the centre and north of the country, said in Maputo the deputy director of international banking and head of the group for Africa, during the inauguration of the new headquarters of the bank in Maputo. Alexandre Maymat said the group wants to invest in the cities of Beira, in the centre of the country, and Nampula and Pemba, in the north, and mentioned mobile banking as the solution adopted to bring banking services to the remotest parts of Mozambique. The managing director of Societe Generale Mozambique, Laurent Thong Vanh, said that the aim of the group is to focus its activity in Mozambique on company banking and investment banking, areas where it considers it has a competitive advantage because of the worldwide reputation and stability of the group. In a statement sent to Macauhub, the banking group said that with the inauguration of the new headquarters, it confirms its commitment to Mozambique, the first Portuguese-speaking country in Africa where it has invested. The French group entered Mozambique in 2015 when it concluded the acquisition of a 65% stake of the capital of Mauritius Commercial Bank Mozambique (MCBM), an institution that changed its name to Societe Generale Mozambique. Societe Generale Mozambique is one of the banks in the country that offers ts business customers the ability to pay orders to Chinese companies directly in Renminbi, the Chinese national currency. *(Macauhub)*

Bank of Mozambique ensures smooth operation of Moza bank

The capitalisation process of the Moza bank is progressing according to the schedule approved at the Mozambican bank's general meeting, and the bank is operating normally under the intervention of the Bank of Mozambique and leadership of an interim board, the Mozambican central bank said.
The statement from the Bank of Mozambique's said there was, "no sign of alarm about the present and future stability of Moza," and added that the stability of the financial system and strengthening confidence in the future of the bank are the main objectives of the capitalisation process. In a separate statement released, the Chairman of the Interim Administration, João Figueiredo, said the capitalisation process began on 23 January, when the shareholders unanimously approved the required capital increase.
At the end of September 2016 the Bank of Mozambique decided to suspend the members of the Board of Directors and Executive Committee of Moza due to deterioration in the financial condition of the bank, as the solvency ratio had fallen below the minimum required.
At the same time the Mozambican central bank appointed an interim board, chaired by João Figueiredo, to lead the bank until the situation is normalised. At the end of January, the General Meeting of shareholders of Moza, which is part-owned by Portugal's Novo Banco, approved a capital increase of 8.17 billion meticais (107.7 million euros), after December the Bank of Mozambique injected about 8 billion meticais (105 million euros) in the bank, to halt its collapse and avoid "an earthquake" in the Mozambican financial system. *(Macauhub)*

Angola: BAI releases mobile electronic payment

The costumers of the Angolan Investment Bank (BAI) can therefore make payment and money transfer through mobile phone with availability of an electronic system dubbed "e-kwanza", Angop learnt. According to a press note of the institution, the system will enable particular costumers to transfer money to any region of the country, as well as to make payment at shops, street trading, taxi service among other services recorded in the system in an easier, faster and safety way. "All hard cash transformation operation in electronic currency and vice-versa will be guaranteed by the current 137 e-kwanza agents spread all over the countries that are so far here, providing services to 60.000 customers, reads the press note.*(Angop)*

Afreximbank and Ecobank Agree on African Trade and Investment

The African Export-Import Bank (Afreximbank) and Ecobank Transnational Incorporated (ETI), parent company of the Ecobank Group have signed a memorandum of understanding (MOU) to promote joint corporate objectives through the financing of private sector projects and trade finance transactions, focusing particularly on transactions involving trade and investment in Afreximbank member countries where Ecobank also has a presence.
The cooperation between the two institutions will support efforts at promoting intra-African trade, facilitating industrial development and export development, and strengthening African trade finance leadership, with the ultimate goal of transforming the African continent.

Under the agreement, Afreximbank and Ecobank will design joint innovative and tailor-made financial instruments and solutions to support private sector corporates and select strategic public sector institutions, as well as small and medium enterprises or "SMEs." This will enable them to participate effectively in the production of value added goods and services in national, regional and continental value chains.
The initiatives envisaged include the creation of a US$500 million programme dedicated to financing trade among Afreximbank member countries where Ecobank conducts banking business. The two institutions will also explore other cooperation in financing trade operations in the form of exports and imports among African countries where Ecobank is present. These will be operations which are eligible for Afreximbank's interventions through co-financing, syndication of loans, risk participation or through any other appropriate mode of cooperation.
Ecobank Group CEO Ade Ayeyemi said: "We welcome this win- win collaboration between Ecobank and Afreximbank. It is cooperation that will lead to a more efficient way of channelling trade finance towards supporting growth of intra- African trade and industrialisation." "Inadequate access to trade finance remains one of the greatest obstacles to Africa's economic development," said Dr. Benedict Oramah, President of Afreximbank. "This collaboration with Ecobank opens up more opportunities for African businesses to access much-needed financing for their trading activities. We are very proud at the opportunity to work with a pan-African financial institution like Ecobank to deliver on our shared goal of enhancing access to trade finance in Africa."
Afreximbank brings to this partnership solid expertise in financing trade among its member countries. Ecobank has a full service platform, providing end-to-end trade finance solutions to enterprises in Africa. *(All Africa Global Media)*

Barclays Bank of Kenya reports 10 pct fall in 2016 pretax profit

Barclays Bank of Kenya reported a 10 % drop in 2016 pretax profit to 10.85 billion shillings ($105 million) hurt by higher provisions for bad debts and a government cap on commercial lending rates.
Kenyan banking margins and profits are expected to be squeezed by the cap which was imposed last September. "2016 is going to be one of those years we will not forget in a while," Jeremy Awori, the bank's chief executive, told an investor briefing. The bank's non-performing loans ratio rose to 6.5 % from 3.6 %, driving up provisions. ($1 = 103.4300 Kenyan shillings) *(By Duncan Miriri, Reuters)*

Morocco central bank okays five Islamic financial products

Morocco's central bank has approved the use of five types of Islamic banking transaction, giving a final regulatory nod for the country to launch an Islamic finance industry. Islamic banks and insurers are setting up in Morocco after new legislation allowed them into the market, and the central bank has set up a central sharia board, a body of Islamic scholars, to oversee the sector. The North African country long rejected Islamic banking because of concern about Islamist movements, but its financial markets lack liquidity and foreign investors, and Islamic finance could attract both of those. In circulars published in the official bulletin over the weekend, Morocco's central bank said any Islamic transaction would be subject to preliminary approval by the sharia board, called the Sharia Committee for Participative Finance.
The central bank said it was allowing five common types of transaction: murabaha, musharaka, ijara, mudaraba and salam. It also set regulations for conventional banks to open windows selling Islamic products. It had given regulatory approval to three major Moroccan banks to open Islamic subsidiaries: Attijariwafa Bank, BMCE of Africa and Banque Centrale Populaire, as well as to smaller lenders Credit Agricole and Credit Immobilier et Hotelier. Subsidiaries of Societe Generale of France, Credit du Maroc and BMCI have also won permission to sell Islamic products.
The circulars lay down conditions and regulatory frameworks for banks to manage deposits, funds and investments under sharia principles, which ban interest and pure monetary speculation. Morocco's government plans to issue its first Islamic bond in the domestic market in the first half of 2017; experts said that would stimulate business in the sector. However, parliament has yet to approve a bill regulating Islamic insurance. *(By Aziz El Yaakoubi, Reuters)*

South Africa's Liberty to buy 75 pct stake in Nigerian insurer

South Africa's Liberty Holdings will acquire a 75 % stake in a Nigerian long-term insurer for 160 million rand ($12 million), the company said on Friday, after reporting a 38 % decline in earnings. Liberty has been expanding beyond its home base to parts of Africa, where a growing middle class is driving demand. Part of Liberty's strategy is to grow its presence in West Africa through the long-term insurance business and by

entering the asset management business. "We see Nigeria as a market of the future," Liberty Chief Executive Thabo Dloti told Reuters. He declined to give further details about the Nigerian insurer. "It may be having difficulties now, but everything indicates to us that in the long term, Nigeria is going to be a big contributor of growth if you are doing business in Sub-Saharan Africa." Further details of the deal were not disclosed. Liberty, South Africa's fourth biggest insurance firm by market value, already has a presence in Nigeria through Total Health Trust, after buying the remaining shares it didn't already own for 142 million rand in August 2015.
In 2016 it concluded three short-term insurance acquisitions in Uganda, Malawi and Botswana and received its licence in Lesotho to operate a life and health business. Liberty, majority owned by South African lender Standard Bank, reported a 38 % fall to 904.5 cents in normalised headline earnings per share, for the year ended December 31 due to increased pressure on consumers and lower returns from investment markets.
Net customer cash inflow, or the difference between money received from customers and money given back, fell 49 % to 7.7 billion rand. Earnings in its Africa insurance business were 41 million rand, while earnings from the group's South African retail operations were down 40.1 %, the firm said. Liberty declared a gross final dividend of 415 cents per share. "Operating conditions are expected to remain tough and the pressure on consumer disposable income is likely to continue in the short term," Liberty said in a statement. ($1 = 12.8950 rand) *(By Nqobile Dludla, Reuters)*

British Arab Commercial Bank bets on trade finance
Cross-border trade and gaining access to new markets can help transform local companies into international champions. At the same time, it creates jobs, increases economic activity and stimulates growth at home. But in Africa, absent or dilapidated infrastructure can stifle these developments. Indeed, the lack of infrastructure is often cited as one of the main issues holding the continent back.
One statistic relating to infrastructure investment has become something of a mantra: as discovered in 2009, and rediscovered every year since then by multiple sources, Africa needs at least $90bn each year over the next decade to address the continent’s infrastructure deficit. Yet despite the state of infrastructure development across the continent limiting intra-Africa trade, African trade with the rest of the globe isn’t doing too badly. According to a report published by the African Development Bank (AfDB) in 2014, since 2000, growth in African trade has outpaced the continent’s GDP growth at 8% per annum.
Growing trade routes between Africa and the rest of the world have been buoyed by the pervasiveness of trade finance – where banks and other institutions facilitate cross-border trade through various financial means. According to the same report from the AfDB, in 2014, the size of bank-intermediated trade finance in Africa ranged between $330bn and $350bn, and approximately 93% of banks in the region surveyed have trade finance assets. “Physical barriers in Africa don’t directly impact our ability to offer financial support to companies and businesses in Africa with cross-border trade ambitions,” says Paul Hartwell, chief executive at the British Arab Commercial Bank (BACB). “There are of course logistical issues that can cause delays and this can impact letters of credit and payment, but in terms of originating business this is not a barrier to business. “Trade finance is a growing business in Africa. And it is radically changing. Trade finance has traditionally been based on physical documents and letters of credit but with the introduction of cloud technology, blockchain and the like, trade finance in Africa could be completely overhauled. Business will be quicker and more secure. This benefits everyone.”
Niche player
Based in London and regulated by British authorities, BACB has been growing its Africa footprint and has become a major player in African trade finance serving clients in North Africa, sub-Saharan Africa and the Middle East. The bank has roots in North Africa and the Middle East and its largest shareholder is Libyan Foreign Bank, with an 88% stake. In 2013, the bank boasted letters of credit valued over $3bn. “We are a niche player and all we really do is trade finance. We have the technical expertise at the centre, speak 25 languages and have expertise on the ground. We develop solutions with clients that create long-term sustainable relationships,” says Hartwell. The year 2015 – the most recent for which financial information on the bank is publically available – was a difficult time for the bank. Uncertainty in Libya created challenging business environments for some of its clients and de-risking was a major theme. Nevertheless, the bank’s balance sheet remains relatively strong: at the end of 2015, its capital adequacy ratio was 20% and liquidity coverage ratio was around 200%.
In a bid to further diversify its base, BACB has been bullish in Africa. Most recently, it opened an office in Abidjan, Côte d’Ivoire, to access opportunities in West Africa and leverage off the high levels of economic growth in the country, which hit 9% in 2015 according to the World Bank. “For some banks, opening up

shop in places such as Côte d'Ivoire – despite the huge opportunities they offer – is perceived as being just too risky. In fact, sometimes actual barriers to doing business in countries such as Côte d'Ivoire aren't as big as the perception of risk that some people have," says Hartwell. "But this is what we do as a bank, it's part of our DNA working in challenging environments be that Syria, Iraq, Sudan and Libya. Through our experiences, we understand how African has developed and will develop," he says. Since Hartwell became CEO in 2014, there have been no defaults in the bank's trade finance department. "The interesting thing is that in general if you make a loan, our regulators here in the UK anticipate 45% loss given default.
But with trade finance transactions, default is rare because the reality is countries cannot afford to default on trade obligations. And when things do go wrong, the loss given default is nowhere near 45% – it's more along the lines of 2%." Trade finance isn't as risky as some might expect.

In for the long term

And the trade finance opportunities in Africa for BACB are only getting larger. Perceived risk related to commodity price falls and currency devaluations in Africa combined with the added pressures of Basel III recommendations and limited balance sheets of parent banks back home means that some of the larger international banks that have been present in Africa are beginning to scale back. "Over the last seven to eight years, the volume of international trade finance has grown steadily but with the recent fall in commodity prices the value of this has fallen. This has restricted the amount of trade that people can afford to do, and because of this the business of doing trade finance globally as well as in and between emerging economies has become riskier," says Hartwell. "Large international banks are geared to doing high volume, vanilla transactions in and between developed markets, predicated on well-proven legal economic documents and frameworks. Société Générale, Crédit Agricole and BNP Paribas are either pulling out or making local subsidiaries stand on their own feet without group support," he says. For Hartwell, bank retrenching can create new opportunities for niche players such as BACB. "We opened our office in Tripoli, Libya back in 2010, and despite all the issues there, we didn't pull out. We are in Africa for the long term. We are not about to back out." *(By Kanika Saigal, African Banker)*

Markets

Mozambique Stock Exchange seeks to attract SMEs

Admission to trading of the share capital of small and medium-sized Mozambican companies will be promoted under a memorandum established in Maputo between the Mozambique Stock Exchange (BVM) and the Institute for Small and Medium Enterprise Promotion (Ipeme). Under the memorandum signed Ipeme employees will receive training to improve their knowledge of the stock exchange, which will later be shared with the heads of small and medium enterprises. The parties also intend, according to Mozambican news agency AIM, to promote the financing of small and medium enterprises in the country, because they understand that this is one of the main problems that SMEs are facing. Listing shares representing the share capital of SMEs was made easier with the creation of their own market, in which the requirements, including the capital, were reduced to a minimum of 4 million meticais (about US$57,000) nine months of audited and published accounts and a minimum float of 5% of total capital. The requirements for the main stock market, including a minimum share capital of 16 million meticais and a float of 15% of the share capital, were repealed in 2009 but, according to the president of the BVM, Salim Valá, "to date no SMEs have decided to join the stock exchange." *(Macauhub)*

Business in Securities Market reaches over AKZ 14 billion

Luanda - About 14.8 billion kwanzas (equals roughly USD 89.2 million) is the business volume recorded last January in the country's Securities Market, which represents a reduction of 74.8 per cent in comparison to the same period of the year 2016. According to a report from the Securities Market, this decrease in transactions is due to the fact that investors seem less willing to negotiate securities index-linked to the US dollar in a previous scenery of foreign exchange stability. The report also explains that the securities that sold the most were those with a shorter period of maturation, namely those due in 2017 and 2018. This situation, explains the report, is caused by the increase in the sense of risk showed by investors, who now tend to prefer short term applications in the market for quicker return of their investments. *(Angop)*

Nigeria to sell $500 mln after cutting FX rate for consumers

Nigeria's central bank will sell $500 million to help improve dollar liquidity, traders said, a day after the bank effectively devalued the naira for retail currency sales. Nigeria has been running short of dollars as its oil revenues has fallen along with the price of crude. That has driven the naira to a low of 520 to the dollar

on the black market, far weaker than the official interbank rate of 305. The central bank, under pressure from the government to narrow the gulf between the official and black market rates, effectively devalued the naira for consumers, offering to sell them dollars at about half the premium the black market charges. The bank said it would sell dollars through wholesale bids to banks, as opposed to selling to individual customers. The banks can then allocate the dollars to their customers, the central bank said in mail to commercial banks, asking them to maintain the bid spread of 0.50 naira. The central bank has tried to make the exchange rate more flexible before, leading to a 30 % devaluation last year, only to re-impose a quasi-currency peg. On the non-deliverable forwards market, the naira fell against the dollar on increased expectation of a currency devaluation. *(By Chijioke Ohuocha, Reuters)*

Nigeria's Access swapped $50 mln with JP Morgan at 400 naira in Jan
Nigeria's Access Bank swapped a total of $150 million with two foreign lenders in January, central bank data showed. The Nigerian bank exchanged $50 million with U.S. lender JP Morgan at 400 naira per dollar and another $100 million with South Africa's ABSA at 329 naira, data showed. *(By Chijioke Ohuocha, Reuters)*

Nigeria steps nearer to devaluation with central bank dollar sale
Nigeria's central bank took a step nearer to outright devaluation of the naira currency, providing 23 commercial banks with a combined $370.8 million at forward exchange rates up to 15 % weaker than the official rate. The central bank effectively devalued the local currency for private individuals, who account for about 20 % of total foreign exchange demand in the country. On Tuesday 21st Feb, it said it sold dollars using one- and two-month forward exchange rates to commercial banks whose bids ranged from 315 naira to 360 naira per dollar, up to 15 % weaker than the official rate of 305 naira that commercial importers typically use.
Forward exchange rates are rates at which banks agree to exchange one currency for another at a future date. Selling the dollars at new one- and two-month forward rates may set expectations for the central bank to allow the naira to trade at a weaker level in the future, after the government had kept it at an artificially strong value according to critics. Banks bought $216.5 million in one-month forwards, and $154.3 million in two-month forwards, said the central bank. Nigeria's dollar supply has been throttled by foreign currency restraints and low exports of crude oil. The government devalued the naira last June but still kept it at just over 300 to the dollar - as much as 40 % stronger than black market rates in the following months. Despite calls from businesses and economists, the government had refused to take steps to devalue the naira further until now, while President Muhammadu Buhari, a staunch opponent of devaluation, has been on medical leave in Britain for over a month. Nigeria weakened the naira rate for private individuals days after a top advisory body demanded an urgent review at a meeting chaired by Vice President Yemi Osinbajo, who is currently acting president. It was Osinbajo who unveiled the idea of a more flexible exchange rate last year, also while Buhari was on medical leave, leading to a 30 % devaluation weeks later. In Tuesday's 21st Feb. statement, the central bank said it had offered $500 million to banks, "but not all of them provided enough naira backing to pay fully for their respective bid amounts". The central bank said it was "more than ever ready to support the inter-bank market by ensuring liquidity and transparency to guarantee efficiency in the Forex market." *(By Paul Carsten, Reuters)*

You can now trade in gold at Nairobi bourse with exchange traded funds listing
Kenyan investors can now bet on gold as an investment option after the Capital Markets Authority (CMA) approved the listing of an exchange traded fund (ETF) that will have the precious metal as its underlying asset. Local investors wishing to participate in the gold market have had to either trade in the commodity in its physical form (bullion) or do so through offshore markets.
The markets regulator announced on Friday that is has granted approval to South African firm NewGold Issuer (RF) Ltd to issue the gold backed ETF at the Nairobi Securities Exchange (NSE).
An ETF is a fund to which investors contribute money, which goes into buying securities that compose an index or a defined group of securities — such as banking or insurance stocks — put together.
The underlying asset can also be a commodity, such as gold. The investors will not own the asset directly, but will instead hold shares in the ETF whose value goes up or down in tandem with the value of the underlying asset. “This ETF will allow an investor to trade with gold as an investment asset, benefitting in the price movement without having to hold actual gold yourself,” said ABC Capital corporate finance manager Johnson Nderi. “Currently, local investors interested in gold trading are forced to buy and sell physical gold in form of bullion, coins or jewellery, which comes with attendant issues such as storage

(security), and lengthy process of buying and selling. This means that they are mostly using gold as an insurance asset, rather than an investment asset."

NewGold's ETF was primarily listed on the Johannesburg Stock Exchange in 2004, and has subsequently had secondary listings on the Botswana Stock Exchange, Stock Exchange of Mauritius, Namibia Stock Exchange and Ghana Stock Exchange.

The CMA said that NewGold would be issuing some 400,000 gold bullion debentures, which will be listed on the main market segment of the NSE as a secondary listing. By issuing the ETF in form of debentures, investors will essentially be lending money to the SA firm to buy the gold on which their fund will be backed. "NewGold Issuer (RF) Limited uses proceeds from the issue to acquire gold bullion. Gold bullion held by the firm are physical unwrought gold in the form of London Good Delivery Bars," said the CMA in a statement. "The listing price of the ETF will be determined on the listing date based on the real time cash market values of the gold price and the real time price of the Kenya shilling." Reuter's data shows that gold was trading at an average of $1,241 (Sh128,000) per troy ounce (31.1 gm) on Friday, having gained from $1151 (Sh119,000) at the beginning of the year. This issuance will be the first under the new class of products that the exchange has been planning to introduce as it looks to add to the traditional stocks and bonds trading for investors. *(Business Daily Africa)*

Tanzania: Tigo & Airtel yet to agree on Dar es Salaam Stock Exchange listing

The planned initial public offerings (IPOs) for Airtel Tanzania and Tigo Tanzania will have take longer than expected with reports emerging that shareholders of the two companies haven't agreed on the number of shares to be listed before they can proceed with applications. Tanzania Government last year passed a law compelling all mobile phone firms to offload 25 per cent of their shares on the Dar es Salaam Stock Exchange (DSE) to enable the citizens get a share of the the profits made by these companies.

According to The Citizen , it is only Vodacom Tanzania that has passed in several of the requirements while the skeleton prospectuses for Tigo and Airtel have not made any meaningful stride due to boardroom wavering among shareholders and they haven't come into a conclusion on what chunk should be offloaded. Data from the Tanzania Communications Regulatory Authority (TCRA) indicates that Tigo and Airtel have a market share of 29 and 26 per cent respectively while Vodacom leads with 31 per cent.

Tanzania government owns 40 per cent of Airtel Tanzania shares while the rest are owned by India's Bharti Airtel. "The two shareholders have not yet agreed on how many shares each party should offload to the public in the planned IPO," a source was quoted by The Citizen. President Magufuli met the founder and chairman for Bharti Enterprises, Indian billionaire Sunil Bharti Mittal, at the State House in Dar es Salaam. A statement from Airtel Tanzania noted that the two discussed Airtel's business operations in Tanzania and Mr Mittal expressed his willingness to list Airtel on DSE. Mobile phone firms risk being fined or having their network operating licences suspended if they fail to meet the mandatory listing requirement. On Tigo, the source said. "With such challenges, it is impossible for capital market regulators to proceed with Tigo's application and that is why the firm's draft prospectus has not yet gone beyond that very initial level." *(African Markets)*

Fund

Nigeria sovereign wealth fund assets almost doubled by end-Q3 2016

Assets held by Nigeria's sovereign wealth fund almost doubled to 413.63 billion naira ($1.36 billion) by the end of the third quarter of 2016 from the beginning of the year, it said. The Nigeria Sovereign Investment Authority's (NSIA's) assets rose 93.6 % from 213.67 billion naira at the end of 2015, according to a presentation shown at a press briefing in Abuja. The boost in a "fairly solid year" came after the NSIA deployed more capital, while "equity markets were very strong," said Managing Director Uche Orji. ($1 = 305.2500 naira) *(By Paul Carsten, Reuters)*

ENERGY

Mali gets Algeria's support to develop 280 MW plants

Mali's and Algeria's ministers of energy, Malick Alhousseini and Noureddine Bouterfa respectively, are working on ways to implement the energy cooperation agreement established between the two nations in November 2016. The cooperation is to help Mali benefit from Algeria's experience in terms of construction and management of solar and wind stations as well as in terms of power network development. According to Bouterfa, it should be facilitated by the geographical similarities between the two nations. The partnership

will especially be helpful to Mali in the framework of its electrification program which is to benefit remote areas and see the construction of two hybrid power plants of 40 MW each in Gaoua and Tombouctou. Moreover, a 200 MW power project will be implemented in the West African country and be covered by the cooperation. Let's recall that Mali has an electrification rate of 36%. The country aims through its cooperation with the Algeria move from being an importer of power to being an exporter. *(By Gwladys Johnson, Ecofin Agency)*

Morocco: Qatar injects $150M to build hydropower dam

Qatar and Morocco signed a partnership agreement to build the Fask hydropower dam on the Oued Sayad 40 km East of Guelmin. The agreement was initialed in Rabat by Abdallah Daoussari, Qatar's ambassador to Morocco, Charafat Afilal, Morocco's deputy minister of Water and Mohamed Hassad, the Moroccan minister of interior. Fully funded by Qatar ($150 million), the Fask hydropower dam project will be developed over the 2017-2025 period. The dam will have a retention capacity of 78 million cubic meters (m3) and regularize 19 million m3 of water. "The new dam will add to the other hydropower dams of the country, help boost access to drinking water for the people of Guelmim," said Charafat Afilal. Moreover, it will significantly contribute to agricultural development in the Guelmim plain. *(By Espoir Olodo, Ecofin Agency)*

U.S' Power Africa plans $1bn to sponsor the Nigerian Power Sector

Power Africa plans to invest about $1billion in the Nigerian power sector, Andrew Herscowitz, the Programme Coordinator, revealed. According to Herscowitz, the U.S has already committed billions of dollars in the funding of energy projects in Nigeria and the country needs to see capital flow in the entire energy value chain. "*Since Power Africa was launched, U.S' Trade Development Agency has committed approximately $6.5 million in funding for 10 activities supporting Nigeria's energy sector, which could leverage up to $2.7 billion in investment. It has advanced $50 million in financing from the Oversea Private Investment Corporation (OPIC) to Lumos, a Nigeria-based solar energy company, to increase it's off grid solar power service to about 200,000 Nigerian homes and businesses*," he explained, adding that the programme also supported power companies by providing technical assistance. The Coordinator stated that the programme has committed another $1.5 million to improve the distribution of electricity in Nigeria. *(By Anita Fatunji, Ecofin Agency)*

Mitsubishi Hitachi to supply turbines for 140 MW Kenyan geothermal plant

Japan's Mitsubishi Hitachi Power Systems said it and two other firms had won an power generation plant order including two 70 megawatt turbines from Kenya Electricity Generating Company. Last year, KenGen said it expected to start the construction of the 140 MW plant, known as Olkaria V, in July 2016, with the aim of connecting the geothermal power plant to the grid by the end of 2018. Olkaria is in Kenya's Rift Valley. "Mitsubishi Hitachi Power Systems, together with Mitsubishi Corporation and H. Young & Company (East Africa) Ltd, have received a full-turnkey order to provide power generation facilities to ... KenGen, including two sets of 70 megawatt(MW) class steam turbines, generators and auxiliaries," it said in a statement on its website. KenGen aims to add 720 MW of electricity generating capacity between now and 2020 at a cost of just over $2 billion, with most of the energy coming from geothermal sources. Kenya and Japan said last year Olkaria V was being financed by a 46 billion yen ($410 million) loan. ($1 = 112.2100 yen) *(By George Obulutsa, Reuters)*

Kenya's energy regulator approves coal-fired Amu Power plant

Kenya's energy industry regulator has overruled environmentalists' objections to Amu Power Company's planned 1,000 megawatt (MW) coal-fired power plant in the country's coastal region. Amu Power, backed by a consortium that includes Centum Investments and a group of Chinese companies, was initially expected to begin construction of the plant in Lamu in December 2015.

However, environmental group Save Lamu Natural Justice raised concerns about the effect the plant would have on marine life in the region, prompting the Energy Regulatory Commission to delay issuing Amu Power an electricity generation licence for the project. The Energy Regulatory Commission said in a legal notice seen by Reuters that it had reviewed the views of the group and other interested parties and was satisfied that all environmental concerns would be handled adequately.

It also said that landowners who would be relocated to make way for the plant did not oppose the plant's construction and that the government was handling their compensation. "Taking the above reasons into account, the Commission disallowed the objection," the Energy Regulatory Commission's legal notice said.
Construction of the plant is expected to take 30 months once it starts.
The project is part of a plan launched in 2013 to add 5,000 MW of power to Kenya's installed electricity generating capacity by this year. The capacity stands at 2,341 megawatts at present. The Amu Power consortium also includes Kenya's Gulf Energy and Chinese trio China Huadian Corporation Power Operation Company, Sichuan Electric Power Design and Consulting Company, and Sichuan No. 3 Power Construction Company. *(By George Obulutsa, Reuters)*

Power plants in Manica, Mozambique, set to officially open in March
The Mavuzi and Chicamba hydroelectric plants in Mozambique's Manica province will officially open in March, the chairman of the board of Electricidade de Moçambique (EDM), Mateus Magala, has indicated. The two projects will add 80 megawatts to current electric power supply capacity. Restoration work on the two plants, which are managed by EDM, cost the government nearly US$133 million. The Covaninga plant is also set to open in the next few months and will add 40 megawatts of power production capacity. Magala also said that the Maputo thermal plant would be inaugurated next year, adding a further 110 megawatts to the country's electric power supply capacity. Mozambique's electric power consumption stands at 900 megawatts, of which 150 megawatts are bought outside the country. *(Macauhub)*

INFRASTRUCTURE

10 foreign firms in race to build Nairobi-Mau Summit toll road
Plans to charge motorists user fees on the Nakuru-Nairobi highway have started in earnest with the selection of 10 pre-qualified companies to bid for the multi-billion shilling road construction and management contract.
The 10, which are all international firms, responded to the Kenya National Highways Authority's (KeNHA) request for qualification, which closed yesterday afternoon.
The firms are bidding for the contract to expand the 175 kilometre road from Rironi to Mau Summit into a four-lane dual carriageway highway. The works will involve re-carpeting of Rironi -Mai Mahiu- Naivasha Road (Escarpment Road), which will also comprise putting up of toll stations along the highway under a Public Private Partnership (PPP) scheme. "We have received strong interest in this project right from the onset and we are sure the evaluation will yield strong candidates to tender for it," said George Kiiru, the Project Pre-Qualification Committee chairman.
Once launched, the toll roads will see motorists dig deeper into their pockets to pay the set user fees to help the contractors recoup their investment. This is one of the four major roads where the State plans to charge motorists additional tax – besides what they already pay through the fuel levy.
Other roads earmarked for tolling are Nairobi-Mombasa, Thika Super Highway and Nairobi's Southern Bypass. KeNHA said the winning firm will be required to operate and maintain that Nairobi Southern Bypass, which was commissioned last year.
Motorists are already paying road maintenance levy at the rate of Sh18 per litre of petrol and diesel. The PPP arrangement will see the private sector raise money for the project, design, construct, maintain and operate the road on pre-agreed standards and specifications for 30 year before handing it over to KeNHA.
KeNHA had invited competent local and international firms to express interest in undertaking the project. The agency said it would evaluate the bids and request pre-qualified firms to submit technical and financial proposals. "It is after this stage that the eventual winning bid will be announced to undertake construction of the project," KeNHA said.
The Nairobi – Nakuru – Mau Summit road is part of the Northern Corridor and among eastern Africa's most important roads that transport most of the Westbound cargo from the Port of Mombasa and the capital Nairobi. "The project will significantly reduce the travel time between Nairobi and Mau Summit with the perennial traffic jam experienced in Nakuru town and around Gilgil becoming a thing of the past," said Peter Mundinia, the KeNHA director-general. "The section of the road through Nakuru town will be elevated to facilitate free flow of traffic," he added.
Previous disclosures indicate that the Mombasa-Nairobi section of the highway will have five toll stations, including (at Mariakani and the Machakos turn-off), while Rironi, Naivasha and Lanet will host three on the Nairobi-Nakuru road.

When tolling was first mooted four years ago, it was proposed that motorists would be charged at the rate of Sh1.20 per kilometre for passenger cars and Sh1.79 for pick-ups and matatus. Buses were to part with Sh2.39 per kilometre, medium trucks Sh2.39 and large trucks Sh3.59. Roads tolls were initially introduced in Kenya in the late 1980s, but were scrapped in the mid-1990s in favour of the Roads Maintenance Levy to eliminate rampant corruption at the toll stations.

Tolling is, however, fraught with immense legal challenges – including the demand that government provides alternative freeways for those who do not want to use them or are unable to pay. It has been successfully argued in many jurisdictions that introducing tolls on major roads without providing viable toll-free alternatives amounts to a breach of citizens' right to free movement while choosing to charge tolls on particular roads while leaving others free amounts to discrimination of citizens based merely on where they live.

In an interview with the Business Daily last year, Transport secretary James Macharia had said the government was working out a mechanism that would give motorists alternatives to toll payment. "In terms of fairness and equity, we must make sure that we come up with alternatives that will work well for motorists," he said. Mr Macharia gave an example of the planned double-decker road that is to be constructed from Westlands to Jomo Kenyatta International Airport as a good alternative where the government might decide to charge those using the new express road as opposed to levying them on the existing one. *(By Gerald Andae, Business Daily Africa)*

How flying donkeys will boost trade in Africa

In the past, the world was clearly split into developing and developed countries – with the latter boasting the most advanced logistics ecosystems. Today, the emerging markets of Africa are challenging this divide in the fields of transportation and logistics, and in some cases leapfrogging ahead of more mature markets. From a connectivity perspective these developments are giving rise to a new image of the future for Africa – one which is very different from today. Let's explore three key highlights from a transportation and supply chain perspective and the implications for Africa in 2030.

Open skies

Owing to current aviation infrastructure in Africa (or the lack thereof), what should be a three-hour journey between Algeria and Cameroon, in fact takes 24 hours, with the flight touching down in Istanbul and Turkey en route. A single air transport market for Africa is key to unlocking the opportunities the continent presents. Today, transporting goods in and out of Africa, as well as within the continent, is prohibitive in terms of both time and cost. The restrictions it places on the movement of people also makes for a highly fragmented continent. A study by the International Air Transport Association (IATA) has forecast that if another 12 African economies opened their skies to each other, fares would become 35% cheaper, enabling 5 million more people to take to the skies, creating 155,000 new jobs and adding $1.3 billion to GDP. The benefits have been clearly witnessed in South Africa, where an agreement to open skies with Kenya saw a 70% increase in the number of passengers, and a similar agreement with Zambia resulted in a reduction of air fares by 40%. After close to two decades of delays to a pan-African agreement to liberalise the skies, today that goal is within reach. The Yamoussoukro Declaration is set to remove the trade restrictions on air cargo that are in place today, and enable easier travel between African nations. In just five years, the size of the aviation industry is expected to double.

Full steam ahead

Africa's current railway infrastructure is largely a legacy of colonial times, with many tracks no longer in use, and many parts of Africa left unconnected. As with the liberalisation of Africa's skies, a developed railway network will give rise to greater connectivity, significantly reducing transportation times, which in turn would boost trade and the economy.

Just last month, people celebrated the completion of Africa's first standard-gauge international railway between Ethiopia's capital Addis Ababa and the Red Sea port of Djibouti. This electric railway line cuts the journey between the two cities – which takes three days by road – down to 12 hours, reducing costs by a third. The new connection will therefore bring considerable economic benefits to both nations and the near region.

Yet the ambition for this railway line is much greater, as African politicians and businessmen view it as the seeds for a pan-African railway network which would boost inter-African trade. And its realisation appears to be increasingly within reach as governments across the continent are driving the development of rail forward. Nigeria's own railway project has seen the nation connect Abuja to Kaduna with a 190 km (118 mile) track, intended to be part of a larger 830 km track connecting Lagos to Kano; and Kenya is set to open

a 485 km line running between the port of Mombasa and Nairobi, with plans underway to extend the line to Uganda.

Donkeys in the sky

In Rwanda, the government is approaching the continent-wide lack of connectivity in a novel way, leapfrogging the issue of a void of traditional transportation methods through the use of drones – or "flying donkeys", as one Kenyan farmer put it.

Since the end of last year, drones are being used to transport blood supplies to patients in remote areas of the country. Talks are already underway between the developers of the Zipline drone technology and the Bill Gates foundation to explore the possibility of delivering medicines and vaccines in the future. Drones offer revolutionary opportunities in healthcare, with huge socio-economic benefits for the people of Africa, as well as multiple other industries.

With the time and investment needed to improve roads and build rail infrastructure, drones have enabled accessibility to the most remote areas of the country overnight. It does not take a huge leap of imagination to envisage how a service like Amazon Prime could use this technology to deliver consumer goods, from perishable to non-perishable items. While drones do not replace the need for critical infrastructure, they can help overcome a lack of connectivity and boost trade. This leapfrogging of technologies has been seen before in Africa, where mobile penetration helped overcome a lack of ICT infrastructure. Mobile technology connected people to the internet, driving e-commerce. Adding drones into the equation, means e-commerce could overcome the current challenges it is facing in transportation, enabling further growth in trade.

Unlocking Africa's future

With Africa today representing seven of the world's 10 fastest growing emerging markets, such developments could not be timelier. Business spending is expected to grow from $2.6 trillion in 2015 to $3.5 trillion by 2025. By 2034, the region is expected to have a larger workforce than either China or India, and by 2025 Africa could nearly double its manufacturing output from $500 billion today to $930 billion. These are just a few statistics that highlight the current opportunities the continent presents to businesses everywhere – both within and outside of Africa. Today Africa is a global powerhouse in the making.

It will, however, take the integration of countries across Africa for the continent to fully reap the benefits these opportunities present. Following on from the trends we have just explored, Africa 2030 will be considerably more connected, both as a continent and within global trade patterns, than it is today. The statistics highlighted above also make Africa ripe ground for a case study on the emergence of the Fourth Industrial Revolution. With the manpower and resources to drive Africa as a global manufacturing hub, it will be interesting to see how the latest technological developments, from AI to robotics, Internet of Things and 3-D printing, are rolled out in line with the growth of industry.

Technology is providing Africa with the opportunity to leapfrog its lack of traditional infrastructure, as was the case with access to mobile connectivity in place of broadband, and as is the case of drone delivery in place of quality roads or railway in Rwanda. In some instances it may be the very lack of such infrastructure that propels the Fourth Industrial Revolution forward, in place of other solutions. The questions remain whether Africa has the will to disrupt or be disrupted. Current indicators suggest it is ready to disrupt. *(by Hassan Houry, World Economic Forum)*

MINING

Vale Moçambique increases coal production in 2016

Vale Moçambique, a subsidiary of Brazilian group Vale, extracted 5.5 million tonnes of coal from its mine in Moatize, in Mozambique's Tete province, a 10.7% increase over the 4.96 million tonnes recorded in 2015, the group said in a statement. The increase in production was due, according to the group's fourth quarter and 2016 production report, to the improvement recorded at the Moatize I project and the beginning of a new project called Moatize II. Production in the fourth quarter of 2016, of 1.6 million tonnes, was down by 9.7% year on year due to "restrictions in the supply of explosives used in the dismantling of the mine." Although there has been an increase in production year on year, with 3.5 million tonnes of metallurgical coal and 2.0 million tonnes of thermal coal, the amount reached was just over half of the 10 million-tonne target

announced in 2015. The amount of coal transported on the Sena/Beira and Nacala railway corridors reached 8.8 million tonnes in 2016, or 113%more than the 4.1 million tonnes carried in 2015. Coal carried in 2016 totalled 8.7 million tonnes, 36% more than the 3.7 million tonnes carried in 2015, as a result of improvements in the Nacala Corridor. "In December 2016, our operations in Mozambique reached a record high, with a transported amount of 1.097 million tonnes and amount shipped of 1.071 million tonnes," the 2016 report said. *(Macauhub)*

Chinese company plans factory in Nacala, Mozambique, to feed Brazilian steel industry

The China Brasil Xinnenghuan International Investment (CBSteel) company plans to invest US$1.4 billion to build a plant in Nacala to transform coal into coking coal to export to Brazil. CBSteel's intentions were indicated in a memorandum signed last Friday in Maputo by the permanent secretary of Mozambique's Ministry of Industry and Commerce (MIC), Carla Soto, and the chairman of the board of China Brasil Xinnenghuan International Investment (CBSteel), Zhang Shengsheng. After signing the memorandum, Zhang said that construction of the Nacala plant in Nampula province would be financed by the Chinese government and should last about a year. CBSteel expects to annually export 4 million tons of coal to Brazil for use in steel production. Mozambique's AIM news agency reports that in the last five years 92 projects have been approved for Mozambique, corresponding to nearly US$823 million in Chinese direct investment, with the potential to create more than 14,000 jobs. *(Macauhub)*

Northam Platinum to buy Glencore's Eland mine for about $14 mln

South Africa's Northam Platinum Ltd said on Friday it would acquire Glencore Plc's Eland platinum mine in North West province for 175 million rand ($14 million). Global miner and commodities trader Glencore had closed the Eland platinum mine in 2015 due to a fall in prices. Northam said it will acquire all of Eland's assets, including its two mining rights, surface and underground infrastructure, the company said in a statement.

Northam said Glencore would sell chrome produced at Northam's Zondereinde and Booysendal operations. "The chrome marketing agreement establishes a long-term relationship between Northam and Glencore, a leading global chrome trader, which will contribute to maximising Northam's chrome revenue," said Northam's Chief Executive Paul Dunne.

The transaction, which remains subject to the consent of the minister of mineral resources, would provide Northam access to Eland's resources, which the South African company estimated at 21.3 million ounces. The company said it would reimburse Glencore for care and maintenance costs until the deal closes, amounting to about 30 million rand a year during the period. Northam posted a lower headline loss of 64.7 cents for the six months ended 31 December compared with a loss of 66.3 cents for previous period, following an increase in revenue aided by a weaker rand and dollar exchange rate. Northam said it will not pay an interim dividend due to the continuing difficult conditions in the mining industry and the cash requirements for the acquisition of platinum assets. The firm did not pay a dividend in the comparable period either. The platinum producer said the global economic outlook and low dollar metal prices remain a concern for the group, at a time when it faces increasing power and labour costs. ($1 = 12.9019 rand) *(By Tanisha Heiberg, Reuters)*

Lucapa Diamond Company discovers another large diamond in Angola

A top quality 62 carat (12.4 grams) diamond has been extracted at the Lulo concession in Lunda Norte province by Australia's Lucapa Diamond Company, which functions as operator with a 40 % stake, the company reported in a statement issued to the market. The diamond now found is the second large top quality diamond extracted this month at the Lulo mine, though this time it was found in a new alluvial exploration area along the Cacuílo River. The first one extracted this month weighed 227 carats (55.4 grams) and was also top quality. It is the second biggest diamond ever found in Angola.

On 4 February 2016 the Lucapa Diamond Company announced the discovery of a 404 carat (80.8 grams) diamond at the Lulo mine in Lunda Norte province, the biggest ever found in the country. The two diamonds found this month, weighing 227 carats and 62 carats, should be placed on sale rough in the next few weeks, the Lucapa Diamond Company indicated. The Lucapa Diamond Company's partners in this concession are the state-held Empresa Nacional de Diamantes de Angola (Endiama), with a 32 % stake, and the Angolan private company Rosas & Pétalas, with 28 %. *(Macauhub)*

OIL & GAS

Tanzanian firm cleared to acquire fuel retail unit of Kenya’s Hashi Energy

Tanzania’s energy firm Lake Oil is set to acquire the petroleum retail business of Hashi Energy. The acquisition will add to Lake Oil’s existing gas distribution business in Kenya. “It is notified for general information that the Competition Authority of Kenya has authorised the proposed acquisition of the retail petroleum business of Hashi Energy Limited by Lake Oil Limited,” the regulator said in a notice. The value of the impending transaction was not disclosed. Lake Group has operations in the region including Zambia, Rwanda and Burundi and deals in petroleum distribution as well as cement manufacturing. The company also runs an inland container depot in Tanzania.

The transaction will see Lake Oil inherit Hashi’s market share in local volume sales which stood at 3.7 per cent in the nine months ended September 2016. This made Hashi the seventh-largest oil marketer in the country. The company is ranked higher in regional sales at fifth position ahead of OiLibya, Nock and Petro. Hashi is ranked sixth in terms of retail outlets market share behind Nock, OiLibya, KenolKobil, Total and Vivo.

Lake Oil enters a familiar regulatory and competitive market in Kenya where the control of fuel prices and margins is similar to that in Tanzania. Petroleum prices in Kenya are set by the Energy Regulatory Commission (ERC) while the regulator in Tanzania in the Energy and Water Utilities Regulatory Authority, with firms operating in both countries relying on higher volumes to grow profits. The sale of fuel stations will leave Hashi with bulk petroleum distribution business in the local market including sale of fuel to airlines.

Hashi also has a presence in logistics, solar products distribution and mining. The deal marks increased expansion by Lake Oil which was founded by Ally Edha Awadh, 37, in 2006. Hashi’s exit from the petroleum retail business comes soon after the company signed a Sh14 billion deal with Dubai’s SS Lootah to venture into the supply of food to military personnel and non-governmental organisations in the Democratic Republic of Congo (DRC).

The venture will involve building infrastructure and storage facilities for food and fuel supplies. Hashi Energy has pre-existing contracts with the United Nations mission in the DRC for transporting and storing petroleum products.

Lake Oil is the latest to acquire a local petroleum distributor and comes soon after French oil firm Total Outre-Mer was cleared to acquire Gulf African Petroleum Corporation (Gapco). Total is a regional oil marketer, selling petroleum products directly to airlines and diesel power plants besides motorists through its branded fuel stations. Gapco is also a regional petroleum importer and runs storage facilities that are leased to third parties. The deal is expected to cement Total’s position as the largest oil marketer in the country. *(By Victor Juma, Business Daily Africa)*

Angola’s tax revenue from oil exports reaches US$953 million in January

Last January Angola exported more than 52.25 million barrels of oil at an average price of over US$51, indicates the Finance Ministry’s monthly report on oil sale revenue. Angola therefore posted an increase of more than 3.3 million oil barrels compared to the month of December 2016, when each barrel was sold for an average of US$44.2, accounting for a state fiscal intake of 114.5 billion kwanzas (US$686.6 million). The Finance Ministry report adds that sales in the month of January earned tax revenue of 158.9 billion kwanzas (US$953 million), whose only parallel was in October 2015. In 2014 Angola exported each barrel at more than US$100. But by March 2016 the price had fallen to a several-year minimum of US$30.4 per barrel. The revenue figures refer to intake from the taxes on oil income (IRP), oil production (IPP) and oil transactions (ITP) and the national concessionaire’s earnings from 12 national oil concessions. The information contained in these Finance Ministry reports is derived from tax declarations submitted to the National Tax Directorate by oil companies, including the Angolan state oil company Sonangol. *(Macauhub)*

Chevron, Angola government in tax, investment talks

U.S. energy company Chevron is in talks with the Angolan government and state oil firm Sonangol to revise tax terms and any future investment will hinge on those talks, a senior company official was quoted as saying. "Existing tax terms are not very attractive ... We have been working both with Sonangol and with various departments of the government of Angola so that we can make it feasible and we can invest. Our investment will depend on what will result from these negotiations," Chevron Vice-president Jay Johnson was quoted as saying on state radio. Africa's second largest crude producer and third largest economy has been laid low by depressed prices for oil, which accounts for about 90 % of government revenue. Angola's

economy contracted 4.3 % in the third quarter of 2016 after shrinking 7.8 % in the second quarter, the National Institute of Statistics said this month, a sharp reversal from double-digit growth when oil prices were high. The economic backdrop could set the stage for tough tax talks as Angola's government needs revenue while large oil companies are trying to turn a profit in a difficult price environment. Johnson was also quoted as saying that recent output cuts by the Organization of the Petroleum Exporting Countries (OPEC) - of which Angola is a member - had not affected Chevron's production levels in the southern African country. *(By Ed Stoddard and Jason Neely, Reuters)*

ExxonMobil may help Angola's Sonangol pay for oil platforms

The ExxonMobil Corporation may help resolve the payment for two oil platforms ordered by Sociedade Nacional de Comubustíveis de Angola (Sonangol) from South Korea's Daewoo Shipbuilding and Marine Engineering (DSME), reports the Angolan newspaper Novo Jornal. Citing information disclosed in the South Korean press, the Angolan newspaper affirms that the American group is negotiating with Sonangol an advance of US$879 million which will enable DSME to release two large-scale structures to drill in blocs pertaining to the Angolan state-held company. The new CEO of the South Korean company, Jung Sung-leep, said Sonangol is negotiating the acquisition of funding from two or three major groups in the sector, and that the ExxonMobil group is "the best positioned one". If all goes well, as DSME hopes will happen, the two drilling platforms may be delivered to Sonangol after nearly a year of delay. The two drillships ordered by the Angolan oil company from DSME were ready in mid-2016. But when delivery was already scheduled Sonangol, affected by the peak of an ongoing financial crisis, informed the South Korean company that it was unable to pay.

At stake was the contract-envisaged payment of 80 % of nearly US$1.2 billion for construction and delivery of the two platforms that Sonangol was to put into service off the Angolan shore. The newspaper also reports that there were negotiations in Luanda, with Isabel dos Santos already heading Sonangol, where agreement was reached on an end-2016 payment deadline, which did not happen. The reason for yet another delay in closing the deal was the Angolan oil company's inability to find an institution, specifically a banking institution, ready to accept the high risk associated to Sonangol. *(Macauhub)*

Sasol group to begin oil production in Mozambique within 2-3 years

The South African petrochemical group Sasol should begin extracting oil in Mozambique within two or three years, following the discovery of hydrocarbons in two wells off the shore of Inhambane province, said Sasol executive director Stephen Cornell. Cornell, who accumulates the duties of joint president and CEO, also told Reuters financial agency that they would be the first oil wells to become operational in Mozambique. The Sasol group exploits natural gas deposits in Pande and Temane, Inhambane province. The American group Anadarko Petroleum and Italy's ENI also discovered major deposits of that product several years ago in the Rovuma Basin in northern Mozambique. Cornell said Sasol had drilled four prospecting wells, with all producing positive results. Oil was also discovered in one of the areas where only natural gas was expected. The group began drilling the first well in May 2016 under the production-sharing agreement signed with the Mozambican government in Inhambane. At the time it was estimated that the first development phase of that agreement, which considers an eventual 14 wells, would cost US$1.4 billion. *(Macauhub)*

Italian group ENI concludes sale of stake in oil block in Mozambique

The ENI group will in the coming weeks sign a contract to sell a stake in the Area 4 block of the Rovuma basin in northern Mozambique, CEO Claudio Descalzi, told the Financial Times. Descalzi did not identify the buyer of the stake expected to cost a few billion dollars but US group ExxonMobil is considered the most likely candidate as it already has oil exploration licenses in Mozambique. The sale of this stake comes ahead of the announcement of the final decision on investment in the Coral Sul field, the first zone of the Area 4 block to come into operation. In October 2016, the president of the Mozambican government's national oil company ENH, Omar Mitha said the ExxonMobil group would be a partner of the Italian group in exploring the large natural gas reserves in that block.

At that time, Mitha said ExxonMobil's entry was a major gain, mainly due to the experience it has in the global production and distribution of natural gas. "ExxonMobil is already working in Mozambique and we have had regular meetings as partners first in the fifth tender in which it has fields in Angoche and the Sofala and Zambezi blocks and, second, in relation to its entry in Area 4," said the CEO of ENH giving assurances that, in the particular case of Area 4, the US group will have a minority stake.

ENI is the operator of Area 4 with an indirect stake of 50% held through its subsidiary Eni East Africa (EEA), which in turn owns 70% of Area 4. The other partners are ENH, with a 10% share, Portuguese group Galp Energia (10%), Kogas of South Korea (10%), and the China National Petroleum Corporation (CNPC) has an indirect stake of 20% through Eni East Africa. *(Macauhub)*

Nigeria requires $28bn in investment to increase oil, gas production – SPE

Nigeria needs about $28bn worth of investment to increase its daily crude oil production to 4 million bpd (from 1.9 million bpd in December 2016) and gas production to 10 billion cubic feet, according to the Nigeria Council of the Society of Petroleum Engineers (SPE). The Chairman of SPE, Saka Matemilola, who disclosed this at a media briefing in Lagos, said that such investments can only be derived from the private sector. However, the government should give incentives to investors to attract investment into the oil and gas sector. He explained that this investment if secured would help in job creation, improve the sector through the production of adequate gas to fire power plants, which would generate sufficient electricity to support large and medium scale industries and help in increasing government's earnings from oil and gas exports proceeds, which will in turn help increase the Gross Domestic Product (GDP). Early 2016, Nigeria's crude oil output dropped to as low as 900,000 bpd as a result of attacks of production infrastructures. However, following negotiations with the militants responsible for the vandalism acts, the production rose to 1.9 million bpd in December 2016. Yet, this level is still below the 2.2 million barrels benchmarked in the 2017 budget. *(By Anita Fatunji, Ecofin Agency)*

Japan Imports Angolan LNG for First Time in Almost 3 Years: MOF

Japan imports 64,246 tons of LNG from Angola in Jan., according to data from Ministry of Finance.

- First shipments from Angola since April 2014
- Shipments from Peru 119,799 tons in Jan., most since May 2013
- Japan imports 70,781 tons of LNG from France in Jan. *(Bloomberg)*

GE Is Committed To Sustainable Development In Mozambique

Since 2011, GE has established a base for its oil and gas business in Mozambique forging partnerships with local organisations to build infrastructure and develop a much-needed workforce for its emerging offshore industry. Today, GE Mozambique employs 47 people and 94% of these employees are Mozambican citizens.

Oil and gas

GE has made significant progress in working with local institutions such as the National Petroleum Institution to deliver education courses developed by the Oil & Gas Florence Learning Centre in Italy. These courses contribute to developing essential skills which are needed for the sector. Recognising that training is critical, GE Oil & Gas employed 20 engineers for the Graduate Engineering Training Programme (GETP), which involved intensive hands-on training outside Mozambique.

Transportation

In the transport sector, more than 120 new locomotives are hauling freight and coal across the country daily. That makes Mozambique's transportation fleet the second-largest GE fleet in Africa. GE has also worked towards building stronger relationships with key role-players in the education and logistics sectors. The company invested $250,000 in scholarships granted to Eduardo Mondlane University students, and $250,000 in a science laboratory and capacity building at University of Unilurio. Several Memorandums of Understanding (MOUs) have been signed. This includes MOUs with:

- A $250,000 donation to Eduardo Mondlane University to provide engineers with scholarships and to also develop the curriculum
- The University of Unilurio to build a science lab and support capacity building
- The Artisan Training Institutes to ensure newly hired GE Oil & Gas service engineers can be locally trained
- The ENH Logistics company to collaborate in knowledge transfer, training and development of local suppliers as well as aftermarket service capabilities for GE Oil & Gas equipment

"While the GE team in Mozambique is relatively small, we are nonetheless committed to providing support for the country in several sectors. We also believe very firmly in developing skills in Mozambique, and to share the knowledge and expertise that GE has accumulated over the years," said Oil & Gas Senior Staff Manager Ricardo Aboud. *(All Africa)*

RETAIL

South African retailer Shoprite's profit jumps on Angola, Nigeria

South African retailer Shoprite, which scrapped plans to merge with Steinhoff International, reported a 15.5 % jump in half-year profit, buoyed by sharp sales growth in Angola and Nigeria. Shoprite, which sells mostly groceries, has grown rapidly outside its home market with sales in other African countries now accounting for more than a fifth of the retailer's total.

A merger with Steinhoff International would have created an African retail giant but the plan was called off after minority shareholders complained that the proposed deal would offer little value for Shoprite. Some analysts said there were no obvious synergies between the two businesses. Shoprite reported diluted headline earnings per share of 460 cents for the six months to end-December, in line with forecasts and compared with 398.2 cents a year earlier. Sales in Angola surged 155 % from a year ago, while Nigerian revenue jumped 60 %. Both are important growth markets for the retailer, but experienced a shortage of foreign exchange as oil revenues remained under pressure, affecting economic growth.

However, Shoprite said it was able to fund its stock requirements from its external balance sheet and kept shelves stocked while many traders in the region struggled. "It was exceptional growth and we must be cautious because to continue at 150 % is unlikely," Chief Executive Pieter Engelbrecht, who took the reins from stalwart Whitey Basson in January, said in an investor presentation. In South Africa, still the largest of the retailer's 15 African markets, sales grew 14 % to 71.3 billion rand ($5.5 billion), while sales outside its home market advanced 32.2 % to 12.9 billion rand. Africa's most advanced economy is expected to grow at a faster pace in 2017, but Shoprite said that will have a minimal effect on its South African customers. "The high levels of unemployment are bound to persist with continued consumer indebtedness and shrinking disposable income," Shoprite said. The retailer, which also runs the Checkers and OK Furniture chains, mostly targets lower to middle income shoppers with its no-frills Shoprite and USave stores and has boosted promotional activity to support sales, it said. Shares in Shoprite jumped more than 8 % after the merger was called off as analysts said the details of the tie-up had been unclear. Shoprite shares were up another 0.9 % after the results on Tuesday 21st Feb , at 189.76 rand by 1042 GMT. Johannesburg's benchmark Top-40 index was down 0.4 %. ($1 = 13.0708 rand) (by TJ Strydom, Reuters)

AGRIBUSINESS

Cameroon cocoa farmgate prices hold steady in February

Cameroon cocoa farmgate prices were unchanged in February compared with January, remaining far below last year's levels as farmers continued to weather a long dry season and a global decline in prices, farmers said. Prices ranged from 750 CFA francs ($1.21) per kg of beans in one southwestern district to 1,000 CFA francs in parts of the central region, they said, 38 % lower in some places than during the same month last year. Some farmers called for authorities to enforce the prices set by the National Office of Cocoa and Coffee (ONCC), which range from 930 CFA francs/kg to 1,050 CFA francs/kg. "ONCC should send control missions on the ground to sanction exporters who do not buy at the prescribed price," said James Lobe, a farmer in the southwest of the country.

However, an exporter in Douala said that ONCC prices could not be respected because they do not take account of the costs of vehicles, fuel and personnel, and that some roads are difficult to access. Farmer Emmanuel Awaha Nkok in the central town of Libong said he expects prices to rise with the start of the rainy season in mid-March. Cameroon's cocoa season runs from August to July, with the main harvest typically from October to January/February and a light harvest from April/May to June/July. ($1 = 622.4000 CFA francs) (by Nellie Peyton, Reuters)

South Africa expected to harvest 68 % more maize

South Africa farmers are expected to harvest 68 % more maize this season as increased rainfall has boosted plantings, a Reuters poll of six traders and market analysts showed on Friday. The government's Crop Estimates Committee (CEC), which will provide its first production forecast for the 2017 crop, is seen pegging the harvest at 13.11 million tonnes compared with 7.78 million tonnes last year. The 2017 summer harvest is expected to consist of 7.44 million tonnes of white maize and 5.67 million tonnes of the yellow variety following rains brought on by a La Nina weather system that is associated with milder temperatures and wetter conditions in the region. It has been "perfect growing weather in the maize areas with sufficient rains will guarantee a minimum of 14 million tons," said one trader. An El Nino-triggered drought across southern Africa hit output with the 2016 maize harvest 22 % lower than the 9.955 million tonnes reaped in

2015, triggering imports of maize and pushing up food prices and inflation. White maize futures surged to around 5,400 rand a tonne in January 2016, according to Thomson Reuters' data. They currently trade at 2,030 rand per tonne. *(By Tanisha Heiberg, Reuters)*

Mozambique to export avocados to Europe
The company Westfalia Fruto Moçambique has announced that it will export avocados produced in the central province of Manica to the international market and especially France. Westfalia consultant Manuel Roriz said that the first consignment of 400 tons could be ready for export to France this coming March. Westfalia Fruto Moçambique is an agricultural subsidiary of the South African group of the same name. It has been operating in Manica province for two years and occupies an area of about 250 hectares. The company invested nearly US$480 million in a first phase and has announced plans to open new plantations in Manica. The aim is to increase exports to 7,000 tons by 2021. Westfalia employs more than a hundred workers in Manica and also produces lychees. *(Macauhub)*

Chinese entrepreneur and Angolan group invest in maize production in Benguela, Angola
Chinese entrepreneur Deng Xingwu plans to invest along with the Angolan group Ovaxing about US$3 million to produce maize in Benguela province, thereby creating 130 jobs, indicates the investment contract accessed by Lusa news agency. The contract was approved by order of the Agriculture Ministry and involves Ovaxing; the latter sells 49 % of its share capital to the Chinese entrepreneur Deng Xingwu, who will also assure part of the new investment. Based in Benguela's Ganda municipality, Ovaxing and the Chinese investor plan to cultivate and transform maize and other agricultural products in that province, applying the overall investment of US$3 million by the end of 2017. In return, the investors will benefit from tax incentives such as a 60 % reduction in payment of taxes for real estate transfer and industry and on capital application for eight years. Angola's maize necessities stand at 5.5 million tons this year; half of that amount is imported. *(Macauhub)*

UPCOMING EVENTS

Powering Africa Summit Washington, DC 08-10 March 2017
http://www.energynet.co.uk/event/powering-africa-summit-2016

Business Council for Africa - The Annual Debate 22 March 2017 - The Law Society London
The Annual Debate will focus on how Africa can respond to the challenges posed by global macroeconomic trends.
https://www.eventbrite.co.uk/e/the-annual-debate-2017-tickets-29044764673

FT African Infrastructure Financing and Development 2017 - London 23 March 2017
https://live.ft.com/Events/2016/FT-African-Infrastructure-Financing-and-Development-2017

The Africa CEO Forum 2-21 March 2017 in Geneva, Switzerland
http://www.theafricaceoforum.com/en/

Bonds, Loans & Sukuk Africa 5th & 6th April 2017, at the Cape Town International Convention Centre
http://www.gfcmediagroup.com/africa

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

AIX (Africa Investment Exchange): Gas 2017 Developing partners along the gas value chain 5-6 April 2017, London
https://africa-investment-exchange.com/aix-gas-2017/

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

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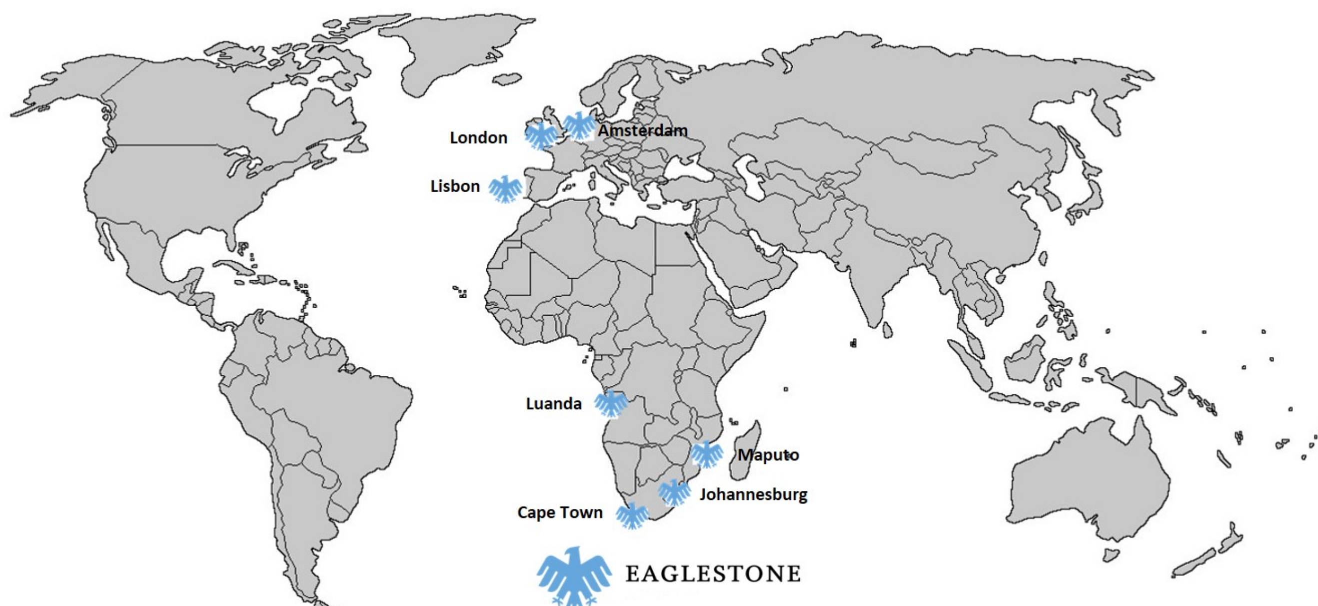

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Disclosures

Eaglestone was founded in December 2011 with the aim to be a committed partner for the development of businesses located primarily in Sub-Saharan Africa and to support the development of renewable energy projects on a global basis.

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

Eaglestone is committed to operating and behaving according to the highest standards of corporate governance. Its subsidiary in the United Kingdom is authorized and regulated by the Financial Services Authority. The first of its six Luxembourg based funds has received approval from la Commission de Surveillance du Secteur Financier.

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