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17 February 2014

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In-depth:

African nations race to build sovereign funds

RESOURCE-rich African countries are busy setting up sovereign wealth funds, but critics say the funds may not serve the long-term interests of poor countries that still need to invest in basics such as schools and roads.
Three oil producers, Angola, Ghana and Nigeria, started funds in the last two years. Before them, only Botswana, Gabon and Equatorial Guinea had such schemes.
Other countries are following. Zambia and Liberia announced plans for funds last month. Tanzania, Kenya, Uganda, Mauritius, Mozambique and Zimbabwe have similar intentions.
The funds can serve useful purposes, analysts say. Commodity earnings can be split into one fund for infrastructure and another for savings that can be used as collateral for even bigger amounts.
"Africa needs higher savings," said Razia Khan, the head of Africa research at Standard Chartered Bank. "If it is done properly, the sovereign wealth fund and the accumulation of long-term savings essentially means that countries are improving their creditworthiness and opening up access to bigger sources of financing on more favourable terms. It does not preclude investment in infrastructure." But critics say Africa could reap more from its resources by investing in education, energy, and transport to feed other industries, rather than parking the money in liquid but low-yield assets in safe havens, as sovereign funds tend to do.
Many successful wealth funds belong to countries with surpluses and rich citizens, which can afford them. That is not the case with many sub-Saharan African governments struggling to feed or educate their people, said Kwame Owino, the chief executive at the Nairobi-based Institute of Economic Affairs.
"It would be a luxury to have. The political will may exist, but the economics of it suggest that a sovereign wealth fund is not a good idea for many sub-Saharan countries," he said.
"In many of these countries as well, transparency is a big problem and the amount of leakage that takes place in public funds is a reason to be concerned." Liberia is looking at various models of wealth funds, including Norway's, the world's most transparent sovereign wealth fund, Finance Minister Amara Konneh said. The west African country also wants to avoid the so-called "Dutch disease", where a dependence on resource extraction causes other industries to wither.

Opaque funds

Botswana's $6.9bn Pula Fund was the continent's most transparent on the Linaburg-Maduell index, with a rating of 6 out of 10. Nigeria's $1bn kitty had a rating of 4 in the third quarter of 2013. The country added $550m to the fund in February.
"We have a real governance deficit," said Aly-Khan Satchu, a Nairobi-based independent analyst. "My concerns are that in a majority of these countries where there is a commodity-related windfall, it is proven already that in those countries the governance is the poorest of all the African countries." He cited Nigeria and Angola as example.
Angolan President Jose Eduardo dos Santos, who has been in power for more than three decades, appointed his eldest son to run the country's $5bn fund in 2013. That undermined confidence in how it will be managed, given the country's reputation for squandering or siphoning off petrol dollars.
The southern African country began the FSDEA fund to lessen its reliance on crude oil, which accounts for over 95% of export income and 45% of economic output.
Botswana's Pula Fund — started in 1994 to invest surpluses from diamond exports — came in handy during the global economic crunch, when demand for the gems largely vanished. The mines that gouge millions of tonnes of rock from the country's vast interior closed down for four months in 2009.
It was the first time they had shut down in the former British colony's 40-year history of diamond mining. Government finances were thrown into disarray.
Neighbouring Angola's money bags have been stuffed with cash since the end of the country's civil war in 2002. It is now investing in developed-market equities and bonds issued by sovereign agencies, investment-grade companies, high-yield emerging market assets and Africa's hotel sector.
Nigeria's reserve was created in 2011 for three main purposes. One is infrastructure, another is a collective savings account and another is a so-called stabilisation fund, to cushion against commodity price shocks. A remaining 15 % is unallocated.
Unlike Asian and Middle Eastern wealth funds created to reduce capital and avoid inflation, African funds are relatively small. They are unlikely to have a similar impact on money supply.
"Asia is able to attract more overseas capital and bigger amounts," said Michael Maduell, president of the US-based Sovereign Wealth Fund Institute. "The whole hot-money effect wouldn't affect African countries." *(BDLive)*

Mozambique economy: Quick View - Economy grows briskly quarter

According to the national statistical institute, the Instituto Nacional de Estatística (INE), Mozambique's economy grew by 8.1% year on year in the three months to September 2013, down slightly from 8.4% in the second quarter, but up from a more sluggish 4.2% in the first.

The third quarter outcome confirms that the economy is still on a strong expansion path-having quickly recovered from floods early in the year-suggesting that real annual growth is likely to outpace our current estimate of 6.5%. Over the first three quarters of 2013, real GDP is estimated to have grown by 7% year on year.
Extractive industries have remained the fastest-growing sector, up by 21.4% year on year, largely driven by a booming coalmining industry. Expansion of Mozambique's coal mines has also continued to generate positive spillovers in other sectors, contributing to brisk growth in transport and communications (up by 18.4% year on year), electricity (11.4%) and construction (7.8%). Financial services have also remained among the most dynamic sectors, expanding by 10.3% year on year. The sector is benefiting from financial deepening, including the roll-out of retail services by local banks and the expansion of domestic financing for the country's investment needs.
Growth has been much slower in manufacturing, up by 1.6%, and in traditional sectors. Agriculture expanded at 5.8% year on year in the third quarter, and 5.1% cumulatively over the first three quarters. Public administration is up by 3.8%, a slowdown for a sector that grew by an annual average of over 10% in 2011 12.
Data for the third quarter also indicate that the conflict between the opposition Resistência Nacional de Moçambique (Renamo) and the government have hitherto had little bearing on aggregate GDP figures. That said, the tourism sector continues to face headwinds: despite a year-on-year rise of 4.2% in the third quarter, the sector is down by 0.4% year on year over the first three quarters. Anecdotal evidence points to a difficult period for tourism operators in southern Mozambique, which is largely dependent on the South African regional market. *(Economist Intelligence Unit)*

Angola economy: Quick View - Bond

Angola has indicated that it will use 20 year bonds to fund public infrastructure projects and bolster central bank funds. The procedures for bond issues of up to a total of US$600m have been outlined in a number of presidential decrees published during January. According to the decrees, bonds can be sold to raise money to increase the lending capacity of the Banco de Desenvolvimento de Angola, a state-owned institution set up to channel money into infrastructure and agricultural projects; allow the Banco Nacional de Angola (the central bank) to meet its capital needs; fund monetary policy operations; and support expenditure in the national budget.
Since the end of the country's 27 year civil war in 2002, billions of dollars have been spent on reconstructing-as well as building from scratch-infrastructure such as roads, railways, housing and bridges. However, more investment is still required, especially to bolster electricity supplies, the lack of which is a major hurdle and expense for industry, with the reliance on diesel generators adding to already high operational costs.
To date, public investment has been funded by a mixture of oil-backed loans from countries like China and Brazil and oil revenue flowing into the Treasury. However, although large sums of money have flowed into Angola, budget execution has been poor and this has created bottlenecks and significant public arrears. In turn this has led to a rise in non-performing loans, and additional pressure on commercial banks, which have pulled back from lending, thus affecting plans to boost the nascent private sector with credit schemes.
Generating public investment funds from bond issues should, in theory, keep government departments more liquid so that they can protect their day-to-day operational spends from debts to construction companies. However, the bond issues will need to be carefully regulated to safeguard against the build-up of larger debts down the line. *(Economist Intelligence Unit)*

China and Japan’s complementary rivalry in Africa

JAPANESE Prime Minister Shinzo Abe passed through Africa last month on a multi-country tour, an opportunity for Japan to propose its economic development package to the continent. Given the $200bn a year trade between China and Africa, comparisons were natural, but made even livelier by the competitive words of the Japanese delegation.
The prime minister’s spokesman pitched the delegation as offering a people-to-people approach with technical skills transfer, as against Chinese engagement producing venal leaders living in "beautiful houses" built by Chinese aid.
Chinese Foreign Minister Wang Yi had days before remarked during his own African tour that Japan had a self-serving interest in lobbying Africa for a UN Security Council permanent seat.
Coming during a low point in Sino-Japanese relations, these two state tours acrimoniously coincided and obscured how complementary China and Japan are in uniting economic development in Africa.
In aim and execution, Chinese and Japanese operating plans are similar. A main feature of Japanese aid is providing concessionary loans to build infrastructure such as bridges, a frequently chosen type of project. As emphasised by the Japanese delegation, people-to-people assistance in training programmes for doctors and teachers also exists.
This is similar to Chinese aid and government-sponsored investment. China too builds public infrastructure such as bridges, stadiums, opera houses, government office buildings, and also beautiful presidential residences, as gifts or funded by low-cost loans mainly from the Export-Import Bank of China or the China Development Bank.
Rounding this out are scholarships and training with an estimated 12,000 African students in China on government scholarships, a much greater number than offered by traditional donors.
The goals of Chinese and Japanese programmes run parallel in commercial and political motivations too. China wants to win support for political causes, just like Japan. Most importantly, there is a link in both strategies to building goodwill for mineral and energy investments.

With similar content and motives in aid programmes, a critical remark about the flawed quality of the other's plan is like self-disparagement.
But the more remarkable incongruity is how well two fractious parties are complementing each other at the project level.
This owes to the focus of China and Japan on physical infrastructure that fits well into the development plans of African governments.
In the last decade, there has been a road building spree across the continent supported by a tidal wave of Chinese construction contractors and financing by Chinese banks and Japanese foreign aid, among other sources. Piece by piece, the tarring of new roads and rehabilitation of ones in disrepair in Sudan, Ethiopia, Kenya, and Tanzania will finish a project envisioned 125 years ago.
The opening of two under-construction road projects in far north Kenya and central Tanzania will create a continuous paved road running from Cape Town to Cairo. It will be an achievement of historical resonance as Cecil Rhodes had advocated a road, and even more improbably then, a railway to integrate British Africa.
Since then the project has been a long work in progress.
An issue of Popular Mechanics dated 100 years ago reported "today the Cape-to-Cairo road is nearly half built, and its completion is merely a matter of time." But when British colonialism expired, the road was still unfinished and gaps remained that would not be paved until the recent era of implementation by African governments.
After so much new construction the unification of this African highway awaits the delivery of just those two remaining projects. Starting southward from the Ethiopian border, construction continues of the far north gap in Kenya, a project funded by the African Development Bank and the Export-Import Bank of China and undertaken by Fujian-based contractor China Wu Yi.
The other gap in Tanzania, running from Dodoma, the centrally placed capital, to the southern city of Iringa, is funded by the African Development Bank and JICA, the Japanese aid agency. In an added layer of co-operation, the road contractors of this Japanese project are Chinese construction firms.
It is an interesting twist to see the last pieces of this pan-African dream put into place by Chinese contractors, financed in part by China and, in unintended synergy, elsewhere in part by Japan, without any benefit of genial co-ordination.
As uneasy as geopolitical rivalry is, the result in this case is nothing like a Cold War proxy conflict. Instead, it has produced healthy competition and the result is a more robust marketplace.
China's engagement in Africa has spurred other countries besides Japan, such as the US and European ones to renew attention to Africa. That sense of needing to catch up with China by other nations has been accompanied by more funding for African development.
These individual programmes are launched by donors in diplomatic self-interest; however, the thrust of many efforts is a convergence of new economic links, and Africa, without favouring allegiance to any source, can make use of every opportunity to fit the purpose.
Showing that spirit, for African overlanders it will be time to visit the Land Cruiser dealership after Chinese contractors hand over projects.
• *Kai Xue is an attorney in Beijing in the cross-border transactions practice of a domestic law firm. He advises Chinese clients on projects in Africa and elsewhere.*

SOVEREIGN RATING

17-02-2013	North and South America - Asia					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
USA	Aaa	AA+u	AAA -	NR	A-1+u	F1+
CANADA	Aaa	AAA	AAA	NR	A-1+	F1+
MEXICO	A3	BBB+	BBB+	WR	A-2	F2
BRAZIL	Baa2	BBB	BBB	NR	A-2	F2
ARGENTINA	B3	CCC+u	CC	NR	Cu	C
URUGUAY	Baa3	BBB-	BBB-	NR	A-3	F3
COLOMBIA	Baa3	BBB	BBB	NR	A-2	F3
INDIA	Baa3	BBB-u	BBB-	NR	A-3u	F3
CHINA	Aa3	AA-	A+	NR	A-1+	F1+
MACAU	Aa3	NR	AA-	NR	NR	F1+
JAPAN	Aa3	AA-u	A+	NR	A-1+u	F1+
SINGAPORE	Aaa	AAAu	AAA	NR	A-1+u	F1+
AUSTRALIA	Aaa	AAAu	AAA	NR	A-1+u	F1+

Sources: Bloomberg, Eaglestone Advisory

17-02-2013	Eurozone					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
Austria	Aaa	AA+	AAA	P-1	A-1+	F1+
Belgium	Aa3	AAu	AA	NR	A-1+u	F1+
Cyprus	Caa3	B-	B-	NP	B	B
Estonia	A1	AA-	A+	NR	A-1+	F1
Finland	Aaa	AAA	AAA	NR	A-1+	F1+
France	Aa1	AAu	AA+	NR	A-1+u	F1+
Germany	Aaa	AAAu	AAA	NR	A-1+u	F1+
Greece	Caa3	B-	B-	NP	B	B
Ireland	Baa3	BBB+	BBB+	P-3	A-2	F2
Italy	Baa2	BBB u	BBB+	NP	A-2	F2
Latvia	Baa2	BBB+	BBB+	NR	A-2	F2
Luxembourg	Aaa	AAA	AAA	NR	A-1+	F1+
Malta	A3	BBB+	A	NR	A-2	F1
Neherlands	Aaa	AA+u	AAA	P-1	A-1+u	F1+
Portugal	Ba3	BB	BB+	NR	B	B
Slovakia	A2	A	A+	NR	A-1	F1
Slovenia	Ba1	A-	BBB+	NR	A-2	F2
Spain	Baa3	BBB-	BBB	P-3	A-3	F2

Sources: Bloomberg, Eaglestone Advisory

	Region - Africa/Middle East					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
17-02-2013	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
Angola	Ba3	BB-	BB-	NR	B	B
Bahrain	Baa2	BBB	BBB	NR	A-2	F3
Benin	NR	NR	WD	NR	NR	WD
Botswana	A2	A-	NR	NR	A-2	NR
Burkina Faso	NR	B	NR	NR	B	NR
Cameroon	NR	B	B	NR	B	NR
Cape Verde	NR	B	B+	NR	B	B
Egypt	Caa1	B-	B-	NR	B	B
Emirate of Abu Dhabi	Aa2	AA	AA	NR	A-1+	F1+
Gabon	NR	BB-	BB-	NR	B	B
Ghana	B1	B	B	NR	B	B
Iran	NR	NR	NR	WR	NR	NR
Israel	A1	A+	A	NR	A-1	F1
Jordan	B1	BB-	NR	NR	B	NR
Kenya	B1	B+	B+	NR	B	B
Kuwait	Aa2	AA	AA	NR	A-1+	F1+
Lebanon	B1	B-	B	NR	B	B
Lesotho	NR	NR	BB-	NR	NR	B
Libya	NR	NR	WD	NR	NR	WD
Mali	NR	NR	WD	NR	NR	NR
Mauritius	Baa1	NR	NR	NR	NR	NR
Morocco	Ba1	BBB-	BBB-	NR	A-3	F3
Mozambique	B1	B	B+	NR	B	B
Namibia	Baa3	NR	BBB-	NR	NR	F3
Nigeria	Ba3	BB-	BB-	NR	B	B
Oman	A1	A	NR	NR	A-1	NR
Qatar	Aa2	AA	NR	NR	A-1+	NR
Republic of Congo	Ba3	B+	B+	NR	B	B
Republic of Zambia	B1	B+	B	NR	B	B
Rwanda	NR	B	B	NR	B	B
Saudi Arabia	Aa3	AA-	AA-	NR	A-1+	F1+
Senegal	B1	B+	NR	NR	B	NR
Seychelles	NR	NR	B	NR	NR	B
South Africa	Baa1	BBB	BBB	P-2	A-2	F3
Tunisia	Ba3	NR	BB-	NR	NR	B
Uganda	B1	B	B	NR	B	B
United Arab Emirates	Aa2	NR	NR	NR	NR	NR

Sources: Bloomberg, Eaglestone Advisory

AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality, and are commonly referred to as "junk bonds".

INVESTMENTS

Angola's private investment agency approved investment projects worth US$4.7 billion in 2013

The value of investment contracts assessed and approved by Angolan private investment agency ANIP in 2013 totalled 461.1 billion kwanzas (US$4.7 billion), the agency's chairman said.

Maria Luísa Abrantes, who was speaking at a ceremony to sign the investment contracts, said that the agency had assessed and approved, by November of last year, 177 proposals worth 433.3 billion kwanzas.

A further 23 proposals evaluated in December were only approved at the end of last week and totalled around 28 billion kwanzas. They included real estate project Muxima Plaza, which accounts for over half of December's total approved investments.

In 2013 the agency approved investment of 20 % more than its target for the year as set out in the 2013-2017 government plan, which included a figure of 390 billion kwanzas for 2013.

The projects approved last week, five of which were industrial, Abrantes said, would create over 10,000 jobs in a variety of sector such as construction, services and industry.

"The first area of investment is services, with eight projects but I am happy that there are five industrial projects and five commercial projects," she said.
On 20 February ANIP is due to sign private investment contracts worth over 3 billion kwanzas (US$30 million). *(Macauhub)*

Investec Asset Management targets mid-sized African companies

Towards the end of last year Investec Asset Management, a business within the global financial group, announced it has made a private equity investment into Daraju Industries, a Nigerian-based manufacturer and distributor of toothpaste, soaps and detergents aimed at the emerging consumer

Mark Jennings, an investment principal in Investec Asset Management's private equity unit, told ***How we made it in Africa*** the Investec Africa Frontier Private Equity team is mainly looking to invest in established, mid-sized companies that are looking for a partner to grow the business. By focusing on growth capital and buyout investments, the objective is to support the creation of local or regional champions in their respective industries.
The Daraju deal follows Investec's other investments in mid-market companies in Africa, including OK Zimbabwe, a food retailer in Zimbabwe; IHS, a multi-country telecom infrastructure business; and Big Media, an outdoor advertising company in Angola.

Competing with multinationals

But how can a relatively smaller player like Daraju compete with large multinationals such as Unilever and Procter & Gamble that sell similar products in Nigeria?
According to Jennings, Daraju is focused specifically on price sensitive consumers. "We see space for a player focused on consumers who, up to now, may not have had access or been able to afford these types of products. Although Daraju is small relative to some of the large players in the market, we do think there is space to grow," says Jennings.
"To be competitive in the market and to be able to provide products at affordable prices, it is essential for the company to have continual focus on managing its costs. It is also important to be innovative and nimble when it comes to how products are packaged and distributed," he adds.

Local manufacturing

Daraju was founded by Indian-born entrepreneur Peeyush Garg. When he was young, Garg's family relocated to East Africa and later to Nigeria. Daraju started life as a trading business importing products into Nigeria, but in 2005 the company started manufacturing locally in the West African country.
With its infrastructure gaps, especially when it comes to electricity, many companies are finding it challenging to manufacture competitively in Nigeria.
While Jennings admits that it can be tough for companies to manufacture in Nigeria, he notes that Daraju has been doing it for almost a decade and has experience in this area. He says that importing products also comes with its own unique challenges, and that this is not necessarily an easier way to operate.
"Yes, there are challenges to manufacturing in Nigeria but it is possible, as Daraju has demonstrated, and for those that can get it right, it can be a source of competitive advantage." *(How we made it in Africa)*

The burgeoning opportunity in Ethiopia's factories

A factory whirring with dozens of technicians producing high-quality sportswear is an atypical image of Africa. For a long time, Africa's potential has been defined by its abundant natural resources.
Yet this story may be changing as a handful of African economies try to follow the path paved by the Asian 'Tigers' before them – to become global manufacturing centers.
African countries lack the industrial capability that their Asian counterparts have refined over the last 50 years, but high and rising costs in current manufacturing zones have created an opportunity for them to make up for this lack of experience with cost savings. Wages in China rose 20 % from 2007-2011, and the appreciating renminbi, along with increasing land and water scarcity, is driving up cost of production. Wages in Vietnam are rising as fast, if not faster than those in China. These changes have already led to a jump in manufacturing investment in Indonesia, Thailand, Malaysia, the Philippines and Bangladesh – but all five countries recently approved significant increases in their minimum wage.
As a result, global retailers are looking further afield to diversify manufacturing and reduce dependency on China and southeast Asia. Countries like Kenya, Tanzania, Egypt, Morocco, and Mauritius have already become common manufacturing locations. But the latest rising star is Ethiopia.

The Addis appeal

A few converging factors have primed Ethiopia to evolve into an important manufacturing centre. First, treaties like the African Growth and Opportunity Act (Agoa) give it – and other sub-Saharan countries – a competitive advantage over Asian counterparts in light manufacturing. Agoa, passed by the US Congress in 2000, enables tariff and quota-free access for imports from sub-Saharan Africa to the US, while goods from Asia are subject to fees and restrictions. Analogous treaties offer duty and quota-free access to European and regional African markets. The 2013 Agoa Forum actually took place in Ethiopia. After this meeting, in mid-August, apparel retailer H&M, announced that it would begin sourcing clothing from Ethiopia for the first time.

H&M's decision reflects a second trend benefitting Ethiopia: relative political stability and increasingly credible regulatory oversight. H&M's largest sourcing market is Bangladesh, where the manufacturing sector has been hit by safety concerns and negative publicity after recent garment factory tragedies brought the hazards of poor safety precautions to light. In response, some retailers have begun to look for sourcing locations with more reliable enforcement of safety standards, increasingly paying attention to metrics such as accountability, corruption, violence, and political and economic stability when selecting sourcing countries.

In addition to its stable environment, Ethiopia's economic performance is fuelling interest in its manufacturing potential. While per capita GDP remains low in actual terms, the country has posted sustained economic growth at an average of 11.3 % for the last seven years.

This growth comes, in part, from a reform-minded government keen to unlock capital flows; a third factor priming Ethiopia for further FDI. Government officials are selectively opening sectors of the economy to investment, and are enacting policies to improve infrastructure, transport, and ease of doing business - typical barriers to manufacturing in Africa.

Though landlocked Ethiopia is closer to Western consumers than Asian competitors, transport costs have historically been prohibitively high. The cost to truck a standard container 340 miles from the port in Djibouti to Addis Ababa equals the cost to ship the same container 3,100 miles from Guangzhou, China to Djibouti. Recent and upcoming logistics reforms aim to streamline customs and transport processes. Those include an 'Authorized Operator Program' to expedite regular exporters, four more dry ports for faster clearance, and privatised management of the port in Djibouti – though how quickly progress can be made remains to be seen.

Public-private partnerships have also created several new industrial zones. The first, Bole Lemi, opened in March 2013 and is targeting Asian investment in leather and footwear. The Ethio-China Light Manufacturing Special Economic Zone in Lebu, on the outskirts of Addis Ababa, aims to eventually employ 100,000 workers and provide housing and schooling on site. Initial funding for Lebu came from Huajian Group, a Chinese leather shoe manufacturer, and interested investors include The China-Africa Development Fund and the International Finance Corporation. The zone is projected to require $2bn investment and yield $4bn return over 10 years.

Which brings us full circle to the final factor: wages and other costs. According to recent research by Dalberg, the management consultancy, Ethiopia's labour costs – even accounting for lower productivity – are less than 66 % of Chinese wages. Additionally, utility and land costs are low, bolstered by significant government investments in hydropower. Efforts to build the $5bn Grand Ethiopian Millennium Dam began in 2011. The project has hit funding hurdles and sparked controversy among environmentalists and neighboring countries – but if completed, it will be largest hydroelectric power plant in Africa, with capacity to export energy to neighboring countries including Djibouti, Sudan, and Kenya.

Payback

Profit forecast scenarios suggest the Ethiopian market is a viable one. A garment assembly factory with yearly output of 25-30m units would require approximately $5m in upfront investment, with payoff in five years and an estimated rate of return over 10 years of 25 %. A $4m investment in a leather shoe factory has an estimated simple payback of three years and an internal rate of return of approximately 30 % after 10 years. Similar opportunities exist in leather gloves, leather shoes, cotton textiles, and fresh fruit and vegetable production. While our analysis and other studies show that production cost of certain items are lower in Ethiopia, landed cost (factoring in transportation and other potential costs) may be higher.

For any of this manufacturing potential to be tapped companies will have to invest in training and technology transfer. Nonetheless, recent trends suggest that for forward-looking investors willing to bring industry expertise – winds are blowing in favour of manufacturing in the cradle of mankind. And companies from China – the 21st century's leader in manufacturing – have already taken steps to be among the first to respond to the winds of change.

Paul Callan is global operating partner and Sanchali Pal is a consultant at Dalberg Global Development Advisors.*(This is Africa)*

BANKING

Banks

Low regulatory standards hinder African banques

THE findings of the Nigerian Securities and Exchange Commission investigation into Ecobank Transnational this month highlight the supervision and corporate-governance risks of large pan-African groups, Fitch Ratings said on Friday. Insufficient cross-border supervision and lower regulatory standards in some frontier markets constrain the ratings of pan-African banking groups.

The ratings of many African banks incorporate operating risks from volatile political and economic environments, and significant credit risks from weak asset quality, high related-party lending and large asset concentrations. Pan-African banks are growing rapidly, but diversification is not always beneficial to their credit profiles, and their ratings are constrained by the lack of consolidated supervision and collaboration among national regulators.

For example, Ecobank has operations in 33 countries and is supervised by 21 regulators. The Nigerian regulator took the lead in scrutinising the group's corporate governance following well-publicised allegations of mismanagement last year.
Fitch believes the regulators of South Africa, Morocco, Kenya and Nigeria are the strongest in Africa.
Outside these countries, most banks report according to local accounting standards, and transparency is limited.
The overall lack of complexity in the banks' operations means that regulatory standards in many frontier markets are not in line with international ones.
There is often a significant variation from one national regulator to another, and Fitch believes that there is an element of regulatory forbearance for requirements on regulatory reporting in some markets.
Limited co-ordination between national and regional regulators in some regions, where bilateral memorandums of understanding are relatively few and new, can worsen the risks being taken by pan-African banks. Fitch believes that local and regional regulators face difficulties in adequately supervising these groups, despite technical support from multilateral agencies and foreign regulators such as France's.
Regulators face basic challenges, despite continuous efforts to work together — such as within the West African Economic and Monetary Union and the Central African Economic and Monetary Community. These can be as simple as finding experienced individuals with strong credit and risk skills to regulate pan-African operations across multiple and culturally diverse countries. *(BDLive)*

Group Calls For $1.2bn Recapitalisation Of Nigerian Mortgage Bank

Housing developers in Nigeria will have access to enough funds to address the problem of inadequate housing in the country if the Federal Mortgage Bank of Nigeria (FMBN) can amass ample resources to provide sufficient credit facilities.
This is the position of the President, Association of Professional Bodies of Nigeria (APBN), Mr Bala Ka'Oje, who Tuesday called for the recapitalisation of the FMBN to N200 billion ($1.2bn), noting that real estate growth in Nigeria has been due to FMBN's low interest rates."Commercial banks extension of credit facilities to housing developers at interest rate of between 20 and 22 per cent has been very cumbersome, especially in 2013."The FMBN Estate Development Loans has been the saving grace and it is always available at 10 per cent interest rate.
"However, the problem is that FMBN is not having enough funding to be able to provide loans to all housing developers who need it."And all calls for FMBN to be recapitalised to the tune of N200 billion to enable it do more has not yielded result," said Ka'Oje. According to him, commercial banks also give loans to developers, but the "interest rate of between 20 and 22 % has been very cumbersome, especially in 2013".
FMBN's capital stands at N5 billion ($30.5m), an amount the APBN president said could only cover overhead cost and pay salaries, hence the group's call for the N200 billion recapitalisation. Ka'Oje put Nigeria's housing deficit at 17 million; expressing belief that recapitalisation of the FMBN will reduce this to the barest minimum.
Nigeria which has favoured private-public partnership over the years might have found an alternative to FMBN with the recent inauguration of the Nigerian Mortgage Refinance Company (NMRC) which is private-driven.
"We can see foreign interest in the corporation, like the World Bank which has given concessionary loan of $300 million for its operation. "Apart from this, some local interests including the pension commission, some primary mortgage banks (PMBs), National Sovereign Wealth among others, have also shown interest in the corporation," said Omorinsola Ipaye, an investor in commercial real estate, who noted that foreign and local interests abound in the NMRC as against the FMBN because it is a private sector initiative.
Real estate developers may have to turn to NMRC, which will likely provide a better alternative to funds-strapped FMBN with indications that the interest rate on borrowing may match the rate that once made the mortgage bank the preferred choice to commercial banks. With sufficient funds from massive foreign and local investments, NMRC will hopefully provide answers to Nigeria's housing needs. *(Ventures Africa)*

Guaranty Trust Bank Launches Operations In Kenya

Nigeria's largest lender by market value, Guaranty Trust Bank Plc (GT Bank), has officially began operations in Kenya after securing necessary regulatory approvals in Nigeria, Kenya, Rwanda and Uganda for its 70 % stake purchase of East Africa's Fina Bank Group .
Following the acquisition, Fina Bank will surrender operations under its own brand with all its branches rebranding to Guaranty Trust Bank. The new entities in each of these countries will now be known as Guaranty Trust Bank Kenya, Guaranty Trust Bank Rwanda and Guaranty Trust Bank Uganda, respectively.
GT Bank which already operates in six West African countries purchased 70 % of Fina Bank for $100 million last year to gain access into East African countries like Kenya, Rwanda and Uganda.
GT Bank has already injected $30 million into its new Kenyan business and it plans to invest in several other areas including information technology systems while improving its other assets to meet that of biggest lenders like Equity Bank and Barclays Kenya.
It hopes to achieve its aim by focusing on existing businesses like personal lending and seizing new opportunities such as oil and gas.

"There are about six banks which are considered Tier 1. We are going to move this bank from where it is to just under the Tier 1 banks over a five-year period," Guaranty Trust Bank Group Chief Executive Officer Segun Agbaje said at a Press Conference.
"When you come into any market you have to bring something different," the CEO added.
Agbaje also revealed that the bank plans to expand into Tanzania in the next three years.
Other Nigerian banks that have extended their operations to Kenya include UBA and Ecobank.
"The acquisition of Fina Bank operations in the region makes strategic sense for both customers and shareholders. Fina Bank has over the years built an enviable banking institution in East Africa; our combined strengths will help us build an attractive portfolio of leading products, services and marketing capabilities," Agbaje explained.
"Over the next few months we will be integrating Fina Bank Group into the Guaranty Trust Bank Group…this will not affect our operations or the level of service delivery for existing customers," he added.
Fina Bank Group Chairman, Dhanu Chandaria on his part said: "We look forward to working together in continuing to build the bank, as part of the Guaranty Trust Bank Group, leveraging on our respective strengths and creating a winning combination for all our stakeholders in East Africa."
Headquartered in Lagos, GT Bank is one of Nigeria's biggest banks with operations spanning Anglophone West Africa and the United Kingdom. It is listed on the Nigeria Stock Exchange (1996), London Stock Exchange (2007) and the Deutsche Börse (2007). *(Ventures Africa)*

Companies from Equatorial Guinea may take a stake in Portuguese bank Banif

Companies from Equatorial Guinea may take a stake in Madeira-based Portuguese bank Banco Internacional do Funchal (Banif) under the terms of a non-binding memorandum of understanding, the bank said in a statement.
In a statement filed with Portuguese stock market regulator, Banif said that the memorandum was focused on cooperation in the banking sector, under conditions that would later be agreed by both sides.
"Amongst the initiatives is the potential acquisition of a minority stake in Banif by a company from Equatorial Guinea, if possible, in the remaining amount to conclude the second phase of the recapitalisation process of Banif, aimed at international investors (of around 133.5 million euros)," the statement said.
According to Portuguese financial daily Diário Económico, one or both of two state energy companies – Enagas and GEPetrol – would take a stake in Banif. *(Macauhub)*

South African Banks Dominate Africa's Top 10 List

South Africa's banks dominated last year's top 10 list of Africa's largest private banks by assets under management (AuM), making a total of $70.2 billion in all.
This is according to the private banking survey which covers Africa, Asia and the Middle East conducted by the New World Wealth (NWW), a think tank which often collates information on the global wealth sector.
But Africa's largest private banks by asset under management played second fiddle when compared to the world's biggest private banks, with the global biggest private bank by asset under management being Swiss-based UBS with $1 trillion assets.
In Africa, Investec, a private bank which is dual-listed on the JSE and LSE, took the number one spot on the list with $23, 7 billion in assets under management.
It is followed on the list by the Rand Merchant Bank (RMB), a wholly-owned unit of South Africa's third biggest bank FirstRand, with $13, 3 billion assets under management.
In the third and fourth place is the Stellenbosch-based financial services firm, PSG Konsult, whose assets under management in 2013 was standing at $10, 7 billion while Nedbank, South Africa's fourth biggest bank, manages assets worth $8, 6 billion.
Sanlam, South Africa's second biggest life insurer occupies the fifth place with $6, 8 billion in assets under management.
Absa, South Africa's retail bank which is majority-owned by UK's Barclays Bank, dwells in the sixth place with assets under management valued at only $3 billion. Standard Bank, which is Africa's biggest bank by assets, is surprisingly in the eighth place with $2, 1 billion. In the ninth place it is the Johannesburg-based financial services firm, Citadel, at $2 billion assets under management.
The top 10 list of Africa's biggest private banks also has two banks that are not necessarily based in Africa.
On the seventh place is the Luxemburg-based Maitland at $2.1 billion while the 10th place is occupied by Stonehage at $1, 9 billion. *(Ventures Africa)*

Markets

Mega African Capital Edges Closer To Ghana IPO

Ghana's Securities and Exchange Commission has announced that it will soon approve the Initial Public offering (IPO) of Mega African Capital, a private investment company owned by Accra-based Oak Partners Ltd.
The investment firm's proposed IPO is aimed at attracting high net-worth investors looking for African opportunities to generate high real returns.
If the company is listed, it will be Ghana's first listing on the exchange in more than six years.

Although there was no time-frame given for the listing of the company, Director General of the Securities Exchange Commission, Adu Anane Antwi said the commission had alerted the firm on some technical issues, which are currently being resolved. "The commission is working and pretty soon we will be done." Antwi added. Mega has been listed among the three companies that are set to be listed on the Ghana's Stock Exchange this year, with Vanguard Assurance Co. and State-owned lender, Agricultural Development Bank Ltd the other two.*(Ventures Africa)*

Nairobi Exchange Slows As Foreign Investors Embark On Huge Sell-Offs

Nairobi Securities Exchange (NSE) bullish start to the new year has been reversed, with sell-offs by international investors in at least nine sessions, casting a black shadow over the bourse's fortune, after just two weeks into the year.

The NSE had in recent months recorded massive foreign buying activity, which has been one of the key drivers of the stock exchange's rally, with its biggest company by capitalisation, Safaricom, seeing its price rise to an all-time high of Sh12.45 ($0.14), and its market valuation reaching Sh498 billion ($5.7bn).

The Kenyan telecoms giant has however witnessed a drop in its share price and value in the past one week, closing the week at Sh11.50 ($0.13) per share and a Sh460 billion ($5.3bn) valuation.

East African Breweries Limited (EABL), Equity Bank and Kenya Commercial Bank (KCB) are other companies with big market capitalisation to be bearing the brunt of the contagion, having also experienced increased foreign selling in the past two weeks.

KCB and Equity saw their shares go down five % to Sh43.50 and Sh31 respectively on Friday, and EABL dropped nine per cent to Sh260, compared to the previous week.

The foreign investor sell-offs, which has been regarded as the worst in emerging market currencies in five years is not unconnected with the US Federal Reserve's announcement of a second month of stimulus cutback.

The US had been pumping $85 billion into its economy every month, but has gradually cut back its stimulus programme by about $10 billion per month after recording consistent economic recovery.

The 2008 financial crisis called for an urgent solutions which the US Federal Reserve took following the crisis, pumping loads of money into the financial system. The idea was that if there was enough money in the financial system, interest rates would remain low and borrowing encouraged, as well as spending; hence stimulating growth and promoting consumption.

The development encouraged banks and other financial institutions to borrow and invest in different financial markets across the world. Money raised in dollars at low interest rates was invested in stock, bond and commodity markets all over the world; Kenya was no exception at the time.

In November 2013, foreign ownership of shares at the Nairobi Stock Exchange NSE was reported to have shot to a seven-year high, totalling nearly a quarter of market value. This at the time was said to reflect renewed international investors' confidence in Kenya's economic prospects. The confidence seems to have waned in just months as trading data for the second half of January shows foreign investors sold off shares worth nearly a billion shillings ($11.5m), as against purchases of Sh470 million ($5.4m), translating into net outflows of Sh470 million.

The expected ripple effect of the cutback is already being felt by emerging markets like South Africa, India and Turkey, with other economies like Kenya also feeling the contagion effect.

"We expect some pressure on long-term frontier market positions as investors reprise their risk. We see foreign investors re-assessing their risk and should culminate in a slower incline than has been the case since the year began," said Kenyan stockbroking firm, Genghis Capital research. *(Ventures Africa)*

African Bank Issues $190.5m Bond

African Bank, a wholly-owned subsidiary of South Africa's biggest provider of unsecured loans, African Bank Investments Limited (ABIL), on Wednesday said it had "successfully" issued a four-and-a-half-year senior unsecured Swiss bond worth R2.1 billion ($190.5m).

African Bank said the bond is the lender's usual activity of raising money on the market and like all other previous issues the money is meant for business reasons.

The bond, the fourth to be issued by the lender since its first Swiss bond issuance two years ago, is set to mature in the next five years and will pay an "annual fixed coupon of 5.0%."

The bond will be listed on the Swiss Exchange, which is the Zurich-based principal exchange in Switzerland.

The bond will be listed under African Bank's current $6 billion Euro medium term note programme, the lender said.

Gavin Jones, African Bank's executive of funding and liability, said he is extremely elated at the backing they got from the Swiss investors, adding this is a single biggest bond they have placed in the Swiss market. *(Ventures Africa)*

Deals

Deal between Standard Bank and ICBC expected to have positive results in Angola

The deal due to be signed between Standard Bank and the Industrial and Commercial Bank of China (ICBC) is expected to make it possible for the South African bank to increases its distribution capacity and free up more capital for investments in Africa, said the chief executive of Standard Bank Angola.

Through the deal Standard Bank, Africa's largest bank, is selling 60 % of its UK subsidiary – Standard Bank Plc – to ICBC for US$765 million. The UK subsidiary is the arm of the Standard Bank for capital markets transactions and the group's other international operations.
The ICBC signed an option to buy a further 20 % of Standard Bank Plc, which it can exercise two years after the initial deal is concluded.
Pedro Pinto Coelho, the chief executive of Standard Bank de Angola, believes that his bank now has "a stronger distribution capacity for Angolan risk on international markets." Which he believes "is very important as Angola has plans to issue Euro-bonds in the third quarter of the year and because other Angolan are also expected to access the international market." *(Macauhub)*

StanChart Invests $13.5m In South Africa Juice Maker

Standard Chartered Private Equity, the investment division of Standard Chartered Bank, has invested 150 million Rand ($13.5 million) in Afrifresh Group – one of Southern Africa's largest integrated fruit producers and exporters.
This capital injection follows an initial $20 million equity investment made in February 2011 to fund the Company's expansion program, giving StanChart a 30 % stake in the process.
"Afrifresh is an inspiring South African growth story, which now supports more than 4,000 staff and generates significant export revenues," said Peter Baird, head of StanChart's private equity for Africa.
"We are pleased to play a role in Afrifresh's continued growth across Southern Africa's agribusiness sector."
Afrifresh is a leading Southern African agricultural company which focuses on citrus and grape farming and has operations spread across South Africa and Zimbabwe with a global reach spanning 54 export markets.
According to a statement, Afrifresh has achieved "significant growth since its incorporation 15 years ago, expanding its business portfolio to include a wine producing and exporting company, African Pride Wines, food export firm, Berfin, and a raisin company, Fruits du Sud."
In 1999, the Company made its first farm acquisition, becoming one of the first South African fruit exporters to diversify its earnings stream by implementing a backward integration into farming. *(Ventures Africa)*

Funds

Private equity investors face unique challenges in sub-Saharan Africa

Sub-Saharan Africa excluding the region's biggest and most advanced economy, South Africa, poses unique challenges for private equity investors as acquisition targets on the continent tend to be cash hungry and often require additional capital injections to boost growth, according to Standard Bank.
"The strategy of the private equity investor in sub-Saharan Africa tends to be more focused on deploying expansion capital as the companies on the continent tend to be in a growth phase, which means their cash flow is often constrained. This poses challenges for traditional cash flow based lending structures," says Brian Marshall, co-head of debt products at Standard Bank's corporate investment banking unit.
"In contrast, South African private equity investing tends to be more similar to developed markets, in which private equity investors focus their energies on driving efficiencies within acquisition targets that are fairly mature and well-established in their line of business."
Marshall says lenders such as Standard Bank need to apply a completely different mindset when financing private equity transactions in sub-Saharan Africa, as deals are often financed in completely bespoke structures.
The tendency for less-mature, fast-growing companies in sub-Saharan Africa to absorb large portions of cash generated by the entity in question, means that the entire purchase price of such businesses must usually be funded completely by equity. Leveraged financing provided by banks is then either used against the value of the equity stake or, once the business matures, refinanced against stable, bankable cash flows.
Marshall says the challenges of structuring leveraged finance deals in sub-Saharan Africa are further complicated by the fact that each country in the region has different regulatory, tax and foreign exchange regimes. This can be particularly tricky when the target entity has operations in several African nations making debt push down difficult to achieve, he adds.
"You can't simply use a one-size-fits-all approach in Africa," says Marshall. "Every country is different, as are their regulatory and financial landscapes. We have spent a great deal of time understanding these environments for our own banking group and are happy sharing what we have learnt with our own customers, private equity or otherwise, looking to raise financing in multi-jurisdictional structures."
On the strategy for servicing local markets Marshall says: "Any top tier private equity investor will tell you the importance of understanding the local nuance when investing regionally. This can only be obtained by having local people on the ground tapped into the local environment. Banking and lending are no different. As a result, we have regional product teams in Nairobi serving East Africa; Lagos for western Africa; Johannesburg for South and Central Africa; and London for investment into Africa. These teams consist of returnees from the African diaspora, many of whom have experience working for large banking institutions in Europe and North America, which then allows them to apply international best practice to local situations."
Marshall says banks tend to look at three main criteria when considering whether or not to finance a private equity deal. Firstly, the strength of the management team; secondly, the strength and reputation of the equity sponsor; and

thirdly, the strength of the target entity, with countercyclical businesses in the top quartile of their market being favoured.*(How we made it in Africa)*

Sub Saharan Africa Attracts $1.6bn From Private Equity

Sub-Saharan Africa (SSA) last year attracted $1.6 billion in private equity investment in what has been described as the highest investment of its kind in five years.

According to the Emerging Markets Private Equity Association (EMPEA), sub-Saharan Africa – as the fastest growing region in the world – has attracted private equity investors that are targeting the consumer spending patterns that are set to be triggered by the growing middle class.

"Some of these investors also are attracted to natural resource discoveries in countries like Kenya, Uganda and Mozambique and the transformational effect they will have on their economies," according to AMPEA.

East Africa, including Mozambique, represented more than a third of the 74 transactions struck last year.

The region's inflows doubled to $769 million on the back of gas discoveries in Tanzania and Mozambique and other hydrocarbon discoveries in Uganda and Kenya.

"In SSA, 2013 was the beginning of a big deployment phase for private equity capital," Robert van Zwieten, the CEO at EMPEA, said.

"Such deployment resulted in a drop in fundraising for the region but a five-year high for investment," Zweiten continued.

Zweiten said projections for this year showed a bright future because six funds were currently in the market, with SSA mandates targeting investments above $500 million. *(Ventures Africa)*

Equatorial Guinea Launches $1bn Economic Diversification Fund

Equatorial Guinea has launched a $1 billion Co-Investment Fund to support foreign investments inflows and enhance economic diversification in the country.

"This Co-Investment Fund allocation testifies of the country's commitment to lay the bases for economic diversification to ensure sustainable growth and to create more jobs in our country," said Marcelino Owono Edu, Equatorial Guinea's Minister of Finance and Budgets.

The central African country's economic mainstay is oil, with daily production exceeding 360,000 barrels, making it the third largest oil producer in sub-Saharan Africa. It also exports agricultural products such as cocoa, coffee and timber, though the sector's contribution to economic growth has slowly diminished over the years since oil was discovered.

Equatorial Guinea is however keen to diversify its economy in a bid to avoid the risks of unstable oil prices, as experts have predicted a global volatile market in the next few years due to Shale discoveries in the US, the world's second largest oil importer, as well as marginal oil field discoveries across other African nations.

"We have been blessed by an incredible oil wealth, which we aim to use to build the foundations of an emerging country, via a strong plan for economic diversification and industrialization plan," added Owono Edu.

During the next 3 years, the fund will support the country's development around key economic sectors identified for industrial development including agriculture and animal ranching, fisheries, petrochemicals and mining, tourism and financial markets. *(Ventures Africa)*

Tech

Symantec, Pamoja Africa partner to roll out cloud services to Africa

Seacom subsidiary Pamoja Africa and security technology solutions development group Symantec have teamed up to distribute Symantec's suite of cloud services in sub-Saharan Africa to meet growing security, compliance and archiving needs.

The partnership would allow the cloud services unit, which was incorporated into Seacom in 2011 and officially launched last year, greater access to cloud services, while providing Symantec an "exciting new route" to market the services. "Through a new data-peering arrangement between Seacom and Symantec, these services are delivered [using] the shortest and fastest route to the Pamoja cloud data centres in South Africa and Kenya," the parties said in a statement.

The alliance was a "win-win for all stakeholders", said Pamoja GM **Albie Bester**, adding that it was a "progressive step in demonstrating the value of cloud to emerging markets – particularly to help businesses effectively safeguard their information and enhance their operations".

Pamoja was established to develop affordable cloud and enterprise services for Eastern- and Southern Africa-based small and medium-sized enterprises, leveraging Seacom's infrastructure and exposure to partnerships and Africa's growing mobile and Internet market to entrench its services model.

"These enterprise-class cloud services have typically only been accessible by larger organisations . . . this changes with the Pamoja partnership in that small business and corporate customers can enjoy the same level of protection and service," said Symantec cloud services manager Mark Smissen.

"It's an opportunity for Symantec to address underserved and unmet needs of customers and partners in Africa, and to do this quickly," he noted.*(Engineering News)*

ENERGY

Angolan Bioenergy company expected to produce 256,000 tons of sugar in 2018/2019

Angolan bio-energy company Companhia de Bioenergia de Angola (Biocom) is expected to produce 256,000 tons of sugar and 30 million litres of ethanol per year as well as 28 megawatt hours of electricity in 2018/2019, a company director said in Malanje, Angola Wednesday.
Director Fernando Coxi told Angolan news agency Angop that the electricity would boost the capacity of the high voltage line between Capanda and Cacuso.
He added that from the second half of the year the company, which is located in the Cacuso municipality, 72 kilometres west of Malanje, would produce 70,000 tons of sugar.
Biocom, which is part of the Capanda Agro-Industrial Hub, is a partnership of the Angolan state, via the National Private Investment Agency (ANIP) and Sonangol Holding, with a 20 % stake and Angolan group Damer and Brazilian group Odebrecht, each with 40 %. *(Macauhub)*

GE Partners Stanbic To Provide $350m Mini-Power Project Finance

US-based energy firm, General Electric has partnered with Stanbic IBTC Bank to invest $350 million in Nigeria's ailing power sector, with a focus on financing small-scale projects with generation capacity ranging from 1 to 20 megawatts.
"They are making available the sum of $350 million for the generation of mini-power projects because that is going to be quicker to do and will help the economic activities in the country," explained Olusegun Aganga, Nigeria's Trade and Investment Minister.
GE, which had signed a memorandum of understanding in 2012 to invest $1 billion in Nigeria's power sector, also plans to bring 10 of its suppliers to help local companies develop power capacity and facilitate technology transfer.
"The whole idea is for them to become part of their supply chain in (the) assemblage of turbines," Aganga added.
Last week, GE also signed a similar agreement with the power subsidiary of Transnational Corporation of Nigeria Plc (Transcorp), Transcorp Ughelli Power Limited (TUPL), to increase the capacity of TUPL's Ughelli power plant by 1000MW over the next 3 to 5 years.
The Ughelli power plant is Nigeria's largest gas-fired electricity generation asset which was purchased by Transcorp in partnership with Heirs holdings during the 2013 power privatization programme.
Investments in the Nigerian power sector has become crucial as most businesses frequently grapple with energy challenges such as incessant blackouts and power epilepsy in what is considered Africa's second largest economy. *(Ventures Africa)*

SA banks maintain appetite for renewable energy projects

South Africa has enough liquidity to finance the next round of renewable-energy projects, with local banks maintaining their appetite in the emerging industry, a panel said at the Solarplaza conference, held in Sandton.
The panel, which comprised Standard Bank investment banking senior manager for power and infrastructure **Bhavtik Vallabhjee**, Vantage GreenX Fund MD Alastair Campbell and Fieldstone Private Capital Group MD Jonathan Berman, noted that, in terms of the nation's energy needs, the four big banks were well positioned to finance long-term, large-scale projects.South Africa's portfolio of the Department of Energy-led Renewable Energy Independent Power Producer Procurement Programme- (REIPPPP-) approved projects had increased to 64, representing a combined investment value of between R120-billion and R150-billion, as well as a collective capacity of 3 933 MW.
Forty-seven projects had already moved through the financial-close threshold and were at various stages of development, with some even producing electricity.
Currently, about 60% of the financing for the REIPPPP projects were funded by South African banks, Solarplaza CEO **Edwin Koot** pointed out.
The foreign portion of the third-window funding (both equity and debt) had earlier been estimated at about R15.6-billion.
Campbell, who commented that "everybody in banking" had become "very comfortable" with the renewable-energy sector "very quickly", added that projects valued at around R20-billion were expected to emerge from the fourth window of the REIPPPP.
The programme had made South Africa the twelfth most attractive investment destination for renewable-energy investors globally, attracting a collective R150-billion in foreign direct investment since inception, Energy Minister Ben Martins said.
Standard Bank Corporate & Investment Banking previously indicated its eagerness to back projects worth R10-billion as part of South Africa's third renewable-energy bidding round, with a combined capacity of more than 1 000 MW.
During the first bidding round, Standard Bank underwrote R9.4-billion for wind and solar projects and followed that up with a further R6.4-billion during the second round.
Nedbank group investment banking division Nedbank Capital last year had underwritten debt funding for seven of the 11 debt-funded third-round projects, totalling R6.8-billion of projects valued at R26.2-billion.

The projects funded by Nedbank Capital included two solar photovoltaic (PV), two wind and two concentrated solar power (CSP) projects, as well as one landfill gas project.
To date, Nedbank Capital had funded projects comprising 875 MW, or 36%, of the total allocated capacity awarded in windows one and two of the REIPPPP. Should all window-three projects achieve financial close, Nedbank Capital would have funded projects totalling 1 486 MW, or 38%, of the total allocated capacity in all the bidding windows.
Absa Corporate & Investment Banking said it would provide R10.8-billion in debt funding to six projects, comprising wind, solar PV and CSP, under the third round.
The bank had committed about one-third of the total debt committed overall by South Africa's commercial banks for the REIPPPP's third bidding window, with the projects supported by Absa totaling a combined yearly power output of 635 MW. *(Engineering News)*

Cape Verde: New EU Support for Renewable Energy and Governance in Cape Verde

Brussels — During his first ever visit to the country EU Development Commissioner, Andris Piebalgs, announced €55 million of new support for Cape Verde during the period 2014 - 2020. The funding will focus specifically on the areas of the fight against poverty, sustainable and inclusive growth and good governance.
The Commissioner will take part in a seminar on renewable energy, during which he will announce the first deployment of the EU's Technical Assistance Facility for Sustainable Energy for All in Cape Verde; a new instrument on energy cooperation which will cover the whole of Africa.
The new facility will support the Cape Verdean authorities in identifying new and innovative project proposals in the energy sector. The European Union will provide the expertise (sharing best practice and providing training, for example) required to achieve Cape Verde's ambitious energy target of providing 50% renewable energy in the electricity mix by 2020.
Commissioner Piebalgs said: "Renewable energy is something that I am strongly committed to. Energy in Cape Verde is crucial, for education and healthcare, for growth, tourism and even for the supply of water. In short, renewable energy is the country's main route towards growth and development.
"Electricity prices in Cape Verde are sky high and the country has no fossil fuel resources. That's why our new Technical Facility is so important - by providing expertise and innovative solutions it will help to utilise abundant renewable resources such as wind and sun to give people on all of Cape Verde's islands reliable and cost-effective access to electricity and modern energy services through renewable energy."
The Commissioner will visit the Cabeolica Wind farm project, which was the first large-scale wind project in Africa and has already achieved impressive results; increasing the country's share of renewable energy to 25 per cent in one go.
The project is the first renewable energy public/private partnership in sub-Saharan Africa, and it shows how partnerships with development banks working together with the private sector, present a business model that could be successfully replicated in many other countries.
Commissioner Piebalgs will meet with President Jorge Carlos Fonseca and Prime Minister José Maria Neves during his visit, as well as other high level ministers and representatives from civil society groups.

EU's ongoing support to the country

The EU provided €51m to Cape Verde between 2008 -2013 through the European Development Fund (EDF). As a result of the mid-term review, additional funds (€10.2 million) were also made available.
As a continuation of the EU's general budget support to the Cape Verde and the on-going budget support programme (entitled Good Governance and Development Contract or GGDC), new contracts will also be put in place between the EU and Cape Verde. It will continue to support Cape Verde's development strategy and the EU-Cape Verde Special Partnership. This shows the importance that the EU attaches to its relations with Cape Verde
New support to the EU Cape Verde Special Partnership (which enhances EU cooperation with the country in areas of mutual interest, such as security and stability, as well as the harmonisation of technology and standards, to bring them in line with the EU) is also foreseen.

Background

Cape Verde is on track to achieving nearly all of its Millennium Development Goals (MDGs) by 2015. The country's main challenge is eradicating poverty (26.6% of population currently live in poverty and promoting economic growth, as well as reducing public deficit and debt.
The EU Cape Verde Special Partnership agreed by the two partners, aims to boost cooperation on areas such as good governance, security and stability, as well as regional integration, and the fight against poverty. The EU is Cape Verde's main trading partner.
The European Commission has been supporting the goal of Sustainable Energy for All (and the UN's SE4ALL initiative) from day one and in 2012 committed to help developing countries provide 500 million people with access to sustainable energy services by 2030. (*European Union External Action)*

Nigeria: Power Sector Needs Fresh U.S.$50 Billion Investment – Aganga

A further $50 billion investment is expected to go into the Nigeria's power sector in the next few years following successful completion of privatisation of the sector, says Dr. Olusegun Aganga, Minister of Industry, Trade and Investment.

Speaking at the 2014 Standard Bank West Africa Investors' Conference in Lagos, Aganga said that for the first time in Nigeria's 53 year history, the country successfully privatised the power industry and is bringing in capital, technology and operational excellence into the sector.

He noted that the theme of the conference, "Nigeria: Time to Deliver', is a call to action, a statement of great expectations, an acknowledgement of the great potential across the length and breadth of our country, even as he said that power has been the bane of businesses in Nigeria, and was left unaddressed for many years.

He however, said, "This administration has tackled power supply head on. For the first time in Nigeria's 53 year history, Nigeria successfully privatised the electric power industry, and is bringing in capital, technology and operational excellence into the sector."

He added, "As a result, 11 distribution companies and four generation companies have been privatised, for over US$3 billion; other generating plants in the National Integrated Power Projects Programme will also be privatised soon. These electricity assets were physically handed over to private owners on November 1, 2013.

"But privatisation is just the beginning in Nigeria's power sector, as we now have a pipeline of approximately $50 billion of investments lined up to go into the Nigerian power industry in the next few years."

Aganga noted that, given the abundant investment opportunities in Nigeria, the country would remain one of the leading high growth and high returns countries globally.

He said in order to achieve sustainable inclusive economic growth and diversification; the Federal Government has already embarked on far-reaching sector-specific reforms to address the challenges inhibiting competitiveness of local businesses across all sectors of the Nigerian economy.

Speaking earlier while delivering his welcome remarks, Mr. Atedo Peterside, Chairman, Stanbic IBTC Bank, said with the theme of the conference, Stanbic IBTC has demonstrated its believe that various efforts to reform both the public and private sectors in recent years have ushered Nigeria to a point where execution has become critical for economic transformation the country desires.

He stated that conclusion of the GDP rebasing exercise would likely increase the possibility of Nigeria becoming the largest economy on the continent in the short to medium term.

He further stated that despite the frustrating pace of some of the reform programmes, sufficient enabling environment has been created over time for private sector investment to thrive, citing revolution in the telecommunication sector as an example.

"Nigeria, which we know has terrestrial infrastructure deficit, also became self- sufficient in cement production in 2013, thanks to measures that were undertaken to encourage domestic production.

"All these have occurred against the backdrop of various policy measures that have sought to position Nigeria for diversification of its economy and unlocking of Nigeria's vast economic potential," he affirmed. *(Vanguard)*

MINING

Diamond production in Angola totalled 742,000 carats in December 2013

The Angolan diamond sector in December 2013 produced over 742,000 carats of diamonds, the Angolan Geology and Mining Minister said in Cape Town, South Africa, according to Angolan news agency Angop.

Francisco Queiroz, who travelled to Cape Town to take part in the 2014 edition of Mining Indaba, from 3 to 6 February, added that Angola planned to increase production by 2017, at an annual average rate of 5 %.

The Angolan minister said that a total of 10 mines were in operation in Angola – three to explore primary deposits (kimberlites) (Catoca, in Lunda Sul province, Camutué and Luô, in Lunda Norte) and seven mines exploring secondary deposits (alluvial deposits) (Cuango, Chitotolo, Canvuri, Luminas, Chimbongo, Somiluana and Calonda, in Lunda Norte).

Six artisanal operators buy uncut diamonds in the mining regions and in December of last year transactions involved 83,300 carats of diamonds.

According to Queiroz the government also plans to increase production of ornamental stone, particularly marble and granite and announced that by 2018 Angola would conduct aerial, geophysical, geological and geochemical surveys across the country.

“Until then geological and hydro-geological maps as well as for construction and metallic minerals,” Queiroz said.

Angola is one of the world’s top five diamond producers by value and in the top ten by quantity. In 2012 diamond production totalled 8 million carats and provided revenues of US$1.17 billion.

Minister Francisco Queiroz took part in Mining Indaba 2014 to raise awareness amongst potential investors of Angola’s mining potential and to promote the National Geological Plan and new Mining Code. *(Macauhub)*

Mozambique c.bank governor says GDP growth could top 8.1%

Mozambique's mineral-rich economy, one of the Africa's fastest growing, will expand by 8.1% in 2014 and about the same in 2015, but could achieve higher growth rates if aging railways to export coal are improved, the central bank governor said.

Mozambique, a former Portuguese colony that emerged from civil war two decades ago, boasts some of the world's largest untapped coal reserves and is expected to become a key source of premium, hard coking coal used in steel making.

However, infrastructure bottlenecks have become a major headache for mining companies, with some mining projects delayed or put on hold due to the problems of getting coal to port.

Ernesto Gove said Mozambique's economy would achieve growth of 8.1% in 2014 even without improving railways and 8% in 2015. "If we improve (the railways), we can be by far beyond this figure," Gove told Reuters on the sidelines of a conference in Kenya.

Mozambique in December increased the estimated cost of a railway and port project to boost coal exports to $5-billion, almost twice as much as its initial projection. Gove said annual inflation, which was 4.2% in 2013, was likely to increase in 2014 but would still be in line with the central bank's target of 5.6%.

"All the fundamentals are there and we believe that the private sector movement can create an enabling environment so that this goal can be achieved," he said.

Mozambique has in recent years become a key country for exploration companies seeking to get a foothold in east Africa's new hydrocarbon frontier markets, with giant gas finds off its coast fuelling an exploration boom.

This has seen foreign direct investment (FDI) rise to 5.4-billion in 2013 and Gove forecast 2014 FDI inflows would be between $5-billion and $5.5-billion.

LOCAL CURRENCY DEBT

One downside of the vast investment pouring into the country, better known till now for its pristine white beaches as well as a long civil war, has been the ballooning of the current account deficit. Gove expected it to reach 36% of GDP in 2014.

But he said the deficit was "not so high" if costs of building infrastructure for a nascent gas industry were excluded.

"We think by 2018/2019 we can balance the current account because our expectation for (gas) exports is very high."

Mozambique issued a $850-million bond in 2013 but Gove said it is unlikely to issue another dollar-denominated bond in the near future despite foreign interest in high-yielding African debt.

Mozambique will instead focus on developing the local debt markets, Gove said, and is in discussions with the African Development Bank. "We are not sure we will implement in 2014 but it's something that is in our strategy," Gove said. *(Engineering News)*

A look at the role resources have played in Africa’s growth story

The Investing in African Mining Indaba, held this week in Cape Town, saw many from the government and private sectors debate the notion of a resource curse in Africa. According to economist and Rhodes University professor, Gavin Keeton, it is easier to find articles about how the discovery of coal is a risk to Mozambique’s economic future than it is to find articles highlighting its benefits

“Why is there such a negative view of the industry in terms of its contribution to growth? One of them of course is environmental, where the industry is viewed very negatively. But there is also a negative view of mining which is deeply embedded in economic thinking, and this comes from two articles that were written by Sachs and Warner… in which they popularised the resource curse,” highlighted Keeton. “And I think there [are] few economic articles that have had such an impact on popular discourse as the Sachs and Warner article.”

He explained that the article made a comparison of per capita economic growth and natural resource endowment and found a negative relationship between these.

“And this was very quickly taken up in popular discourse and I think still feeds thinking today,” said Keeton, adding that mining has undoubtedly played an important role in Africa’s growth.

Roger Baxter, chief operating officer at the Chamber of Mines of South Africa, agrees. “Minerals are not a curse provided countries pursue the right governance structures both in the private sector and in the public sector. They can certainly be the best boon for development and so I am certainly of the view that the resource curse is only for those countries that don’t pursue those right sorts of policies,” Baxter said during a panel discussion at the Mining Indaba.

Africa’s growth story based on its growing extractive industries

According to David Hale, global economist and founding chairman of David Hale Global Economics, only four countries in Africa will have growth rates below 3% this year. While sub-Saharan Africa is seeing continued positive growth, expected at around 6% this year, a large portion of Africa’s population remains poor and a lot of Africa’s growth and investment is reliant on its wealth of natural resources.

The great commodities super cycle seen over the last decade, alongside Chinese economic take over, has most notably played a significant role in Africa’s growth.

“Africa is well placed in this commodities super cycle because it is a major producer of a wide range of raw materials… Africa produces 74% of the world’s platinum, 62% of cobalt, 54% of diamonds, 42% of chromite, 30% of manganese, 26% of phosphates, 19% of gold, 19% of uranium, 8% of copper and 11% of oil,” stated Hale.

An obvious result of this commodities super cycle is an increase in trade, which Hale said has gone from US$200bn per annum in the 1990s to now just under $1tr.

The resources grab encourages FDI inflows

Africa's wealth of resources has also seen an increase in foreign direct investment (FDI), generally from Asia and more specifically from China.

"China has invested $75bn dollars in Africa since 2005 – $25bn in mining, $25bn in energy, and $6bn in financial services, with much of that occurring here in South Africa when ICBC (Industrial and Commercial Bank of China) bought 20% of Standard Bank in South Africa four years ago," said Hale.

He added that China has 38 mining bureaus throughout the world, with 21 of them being in Africa. This is compared to only six mining bureaus in Latin America and eight in Asia.

"And the fact that they have got all these mining bureaus here tells you that they are very, very much focused on Africa," Hale continued. "And they are not just financing mining, with the help of the Chinese Development Bank and the Export-Import Bank, they are also financing a huge amount of infrastructure development."

Other Asian countries are also investing in Africa. For example, Hale said Malaysia has invested $19bn in Africa over the last decade and India $14bn.

South Africa has also become a major investor in other countries in Africa. "South African companies now have invested $18bn elsewhere on the continent, but not just in mining, they are also a major player in retailing, telecom and financial services," continued Hale.

"Africa's problem although is, despite this FDI from Asia, its overall rate of capita spend as a share of GDP is only 22%. That's a very modest number. It compares to 48% in China, 36% in India and around 30% in many other Asian countries."

Democracy and privatisation fuel investment

Alongside the grab for Africa's resources there has also been a movement towards democracy over the last decade.

"We now classify 16 countries as being effectively democratic and about nine more as trying, but not yet being fully there… Back 25 years ago we classified only three Africa countries as democratic… So on the political front Africa is making progress."

Hale added that African governments are also starting to realise that the real solution to many of Africa's problems will come from private investment, not government investment. For example, Africa's inadequate power shortages remain a significant concern across the continent. Hale highlighted that the entire sub-Saharan region produces less power than Spain, a country that has only 40m people, compared to the 900m people in sub-Saharan Africa.

"Nigeria announced last year a very radical report; they privatised their electricity system. This has been a chronic problem for many years. They have very severe power shortages; all businesses must operate with diesel generators. Now that they have privatised it, there will be a massive investment boom," explained Hale.

"And I think they will probably increase power output threefold over three years, and tenfold over 10 years. And this could boost Nigeria's growth rate of the recent trend of 6%-7% to possibly as high as 10%. So by the year 2020, the GDP of Nigeria will be 50% larger than South Africa."

He added that the next step in Africa's growth story would be to ensure that African governments put into effect adequate mining governance structures, and encourage investment through clear policies on ownership and reduced mining taxes. *(How we made it in Africa)*

Areva Reopens Uranium Mine In Niger Amid Tax Negotiation

Areva's two uranium mines located in Niger, West Africa has resumed operations after it was officially shut down for maintenance weeks ago amid negotiations with the Nigerien government.

The French-owned nuclear company whose operational contract at the mines expired last year operates two uranium mines – Cominak and Somair- in the Northern part of the country. The mines are the group's second-largest producer, after Kazakhstan. Areva has been operating on the mines since the early 1970s and it pays just 5.5 % royalties on extracted ore as stipulated under deals Niger signed with France, its former colonial ruler, in 1961 and 1968.

Now, Niger's government wants to apply a 2006 mining law that ends tax breaks for foreign companies like Areva, which has thus far been exempt, but the firm is seeking to keep costs down, AFP reported.

Niger is seeking greater control of its natural resources and uranium accounts for more than 70 %. The Sub-Saharan African nation wants more money from foreign explorers to help develop its country.

Although Niger is recognised as the world's fourth-largest uranium producer, the West African nation ranks low on the United Nations' Human Development Index.

In January, Niger's Minister of Mines Oumarou Hamidou Tchiana said the two sides had already met four or five times, alternately in Niamey-Niger and Paris – France with allowances for future negotiations.

Mines Minister Tchiana said both parties are going to "pursue the discussions until the end of February in order to find common ground."

The outcome of the discussion will determine the fate of future Uranium mining in the country.

If the 2006 law were applied, the tax rate would be increased to 12 %.

While confirming the opening of the Uranium mine to news agency, AFP,over the weekend, Secretary General of Mining Union (SYNAMIN), Salifou Chipkaou accused Areva of exaggerating the need for maintenance and negotiating in “bad faith”, using the shutdown to pressure the government.
According to him, the actual maintenance work at Cominak lasted only from December 25 to 31, and at Somair from January 1 to 25.
Chipkaou’s comment reflects that of Sanoussi Jackou, an advisor to President Mahamadou Issoufou, who recently said that “Areva’s people take advantage of negligence by successive regimes in Niger to practise their greed.”
In spite of this, the Niger government declared that the mines should be worked while negotiations continue. *(Ventures Africa)*

Foreign investors still wary of challenges facing mining projects in Africa

There appears to be a significant lack of foreign investment capital to develop mining projects in Africa. The continent still poses too many challenges to investors – and these obstacles are growing as African governments mature

“While foreign investors are reticent to invest in Africa, there is massive opportunity for mining throughout the continent, and as infrastructure grows, so mining will grow,” says Lauren Patlansky, managing director of Grant Thornton’s Asia Business Services.
The Grant Thornton Global Mining Survey for 2014, which captures industry sentiments about mining trends affecting the industry and individual mining businesses, identified 52 different countries where mining assets are located around the world. The majority of assets reported in the survey were in Australia (33% of the respondents surveyed), US (28%) and Canada (27%). Approximately 19% of miners who participated in the 2014 survey indicated that they have assets located in South Africa.
The major challenges associated with foreign mining investment into Africa remain political, economic and regulatory uncertainty. In addition, black economic empowerment (BEE) regulations in many African countries and aggressive unionisation in South Africa make foreign direct investment increasingly unattractive to global investors who are turning their attention elsewhere.
The survey reveals that the factors which are constraining miners’ abilities to expand/grow their organisations are increased government involvement/regulations (39% of all respondents stated this as a constraint), volatile commodity pricing (26%), access to funding (10%) and permitting or processing procedures (9%).
Mining companies that should have been in production throughout Africa by now have had timelines stretched by years because of a variety of challenges. These delays are prohibitively costly.

Protective governments

“The challenges are not new, but they are becoming more onerous,” says Patlansky. “African governments have matured and as a consequence, they are making it more challenging for foreign investors to access their resources, compared to in the past. They are far more cautious about foreign investment, having learnt the hard way.”
Today, South Africa has strict BEE regulations, while Zimbabwe has an indigenisation policy and requires compliance certification for all business operating in the country.
“Africa is protecting its own people and governments are no longer giving away Africa’s resources and wealth,” says Patlansky.
The Global Mining Survey highlighted that the factors which are most constraining South African miners are increased government involvement and regulations (45%) – a constraint which is clearly affecting mining on a global scale – volatile commodity pricing (37%) and a shortage of skilled/experienced workers (31%).
Uncertainty surrounding the mineral regulatory regime also keeps investors at bay. Governments are clamping down and introducing strict foreign direct investment regulations which make investing trickier. Often, the exact nature of legislation in the pipeline is too vague for a clear understanding of its implications.
There is also a significant move in many African countries to enforce local beneficiation. Zimbabwe now has strict beneficiation laws and investors can no longer export manganese and iron ore in its raw form.
In South Africa, the proposed Mineral and Petroleum Resources Development Amendment Bill of 2013 authorises the minister of Mineral Resources to decide which, and how many, minerals must be locally beneficiated.
These regulations, imposed to ensure job creation, do nothing to attract foreign investors as beneficiation is significantly cheaper in other countries, such as China.

Threat of violence

The threat of religious, tribal and political wars plays a key role in keeping foreign investment away. Whereas manufacturers can erect a plant, manufacture for a few years and then pull out in the case of unrest, mining is a major long-term investment difficult to walk away from should war erupt.
The recent violent resurgence by Renamo in Mozambique, after more than 20 years of peace, is just one of many examples of the volatility of the continent.
Lack of good infrastructure remains a critical challenge throughout Africa. While South Africa generally offers excellent infrastructure, there are still major challenges. One of the biggest is the inability for foreign companies to move coal out of the country. Cartels own the rail infrastructure to Richard’s Bay and there is little allocation for foreign companies.

A challenge unique to South Africa is the unionisation of the mining industry.
"There is no doubt that our unions scare off foreign investors," says Patlansky. "Companies need to take the unions into account when doing financial long-term calculations. For example, they need to take into account what possible strikes could occur and at what cost, over the next 10 years.
"The rest of Africa is not unionised and many investors choose to face the many pitfalls in other African countries, including political instability, rather than risk industrial unrest with its financial and reputational costs."

Chinese investment

While there has been a slowdown in foreign investment by the US and the European Union recently, China increased its global outbound foreign direct investment spend to a record US$87.8bn for the year to September 2013.
"China has a strong appetite to invest in mining in Africa," says Patlansky. "Chinese state-owned enterprises have the funds available to withstand the risks of investment into Africa."
Patlansky adds that the weak South African rand may further stimulate foreign investment interest and it will probably make the country a more lucrative destination for Chinese investors to consider.

Miners to exit the industry

In South Africa right now there are many smaller companies, some of which were never involved in mining formerly and looked to diversify, are now battling to secure funding for their exploration projects. Minerals are worth nothing under the ground, no matter how promising, and these junior miners who are nowhere near production are facing huge challenges.
"Five years ago, when mining was booming, many jumped into the industry with exploration projects," says Patlansky. "They listed on the Stock Exchange and invested their own funds but are now struggling to raise the appropriate funding."
The Global Mining Survey also reviewed miners internationally who are considering exiting the industry. The global research indicated that 12% of respondents expect their companies will be sold or taken over in the next 12 months, 17% state they will complete a partial sale or recapitalisation in the next year, 19% will sell a unit or division and a startling 27% will sell material claims or projects in the coming 12 months.
Approximately 12% of the South African mining executives surveyed indicate that a sale or takeover is likely, with 10% of miners expecting to go under administration while 16% are sadly likely to temporarily halt operations.
"In today's economy, African mining companies would do well to remember that companies with capital seek more advanced projects that have less lead time and less risk," she concludes. *(How we made it in Africa)*

Zambia: Sentinel Mine Project to Boost Economy

COMMERCE Trade and Industry Minister Emmanuel Chenda has said the US$2 million Sentinel Mine project which is being constructed by the First Quantum Minerals (FQM) is a catalyst for industrialisation.
The minister, who toured the construction site located 150 Kilometres West of Solwezi on Tuesday, said Government would endeavour to remove any hurdles to the commissioning of the project scheduled for July 2014.
"This will add greater impetus to the industrialisation drive by the Patriotic Front (PF) especially that the planed Multi-Facility Economic Zone (MFEZ) will attract sustainable satellite industries," Mr Chenda said.
The minister, who was accompanied by officials from the ministry of Finance and Zambia Development Agency (ZDA), said it was vital to speedily address any impediments such as land title and power for the commissioning to happen on schedule.
"The direct and indirect benefits are enormous, with the mine operating, it will put more money in people's pockets," the minister said in statement by FQM yesterday.
Kalumbila Minerals assistance general manager Tristan Pascall said the mining project would be a key driver for industrialisation of Zambia and that the mining technology at the mine took the country on par with the leading copper producing nations such as Chile.
He said the mining company had already attracted investment to a tune of US$45 million across all the sectors of the economy on the MFEZ. *(Times of Zambia)*

OIL & GAS

Banking syndicate provides loan of US$1 billion to Angola's Sonangol

A banking syndicate, led by the Standard Chartered Bank, has provided a US$1 billion loan to Angolan state oil company Sociedade Nacional de Combustíveis de Angola (Sonangol), Trade Finance Magazine reported on its website.
The loan, which will be paid back over two year with a spread f 250 basis points over the Luanda Interbank Offer Rate (Libor), was authorised in November 2013.
The banking syndicate also includes Crédit Agricole, Deutsche Bank, ING Bank, Natixis, Standard Bank, Sumitomo Mitsui Banking Corporation and Society Générale CIB.

The loan follows an earlier loan to Sonangol, for US$2.5 billion with a five-year maturity and a spread of 350 basis points over the Luanda Interbank Offer Rate (Libor), provided in September 2013.
The banking syndicate that provided the loan in September was also led by Standard Chartered and included BNP Paribas, Bank of Tokyo-Mitsubishi UFJ, Natixis and Deutsche Bank.
Sonangol is preparing to auction off 10 onshore oil blocks, seven of which in the Kwanza river basin and three in the Congo basin, on 10 February in Houston, Texas. *(Macauhub)*

French Oil Giant Downsizes in Angola

French oil giant Total SA announced it had sold its 15% stake in an oil block offshore Angola for $750 million as the company seeks to boost financing for core exploration and production.
Angola's state-owned Sonangol purchased the 15% stake in block 15/06 from Total, which also owns interests in other offshore blocks in the country and has been the leading producer in Angola, with 2013 total output reaching 600,000 barrels of oil equivalent per day.
"The sale of our interest in block 15/06 is in line with Total's global strategy to actively manage its portfolio and focus its investment capability on core assets in which it has more material interests," said Jacques Marraud des Grottes, Total's senior vice president for its African exploration and production division.
Under a new law enacted in Angola on 22 November, oil explorers will have to pay a 0.1% duty on the value of imported materials for oil and gas exploration and production, removing an exemption of duties that was previously in place. The list of imported materials subject to the new duty has not yet been published.
This follows a new law that took effect in October levying a consumption tax of up to 10% of spending by oil companies for services and supplies, including the rental of drilling rigs. The consumption tax increases will give the government more cash to finance infrastructure.
State-owned Sonangol EP is preparing to explore five onshore blocks, which if discoveries are made will be tendered for development. Four of these blocks are in the Kwanza basin, while the fifth is in the Lower Congo basin.
Angola is also gearing up to auction off 10 new onshore blocks this year, but Sonangol will retain a 50% share in four of them in the Kwanza basin and will hold exploration rights in five other blocks on the list, as we reported earlier in Oil & Energy Insider *(OIL PRICE.COM)*

Four companies shortlisted for oil exploration in Sao Tome and Principe

Sao Tome and Principe's National Oil Agency (ANP) has approved the applications of four foreign companies interested in oil exploration in two offshore blocks in the archipelago's sea, the ANP said in a statement issued Monday.
According to the statement sent to Macauhub in Sao tome, Portuguese oil company Petróleos de Portugal (Petrogal) and New World Oil and Gas are competing for both blocks – 1 and 6 – and Blue Skies World Group is competing for just block 1 and London Global Energy for block 6.
"The result of analysing manifestations of interest will be announced soon," said the ANP statement, which came five days after the application deadline for the two blocks put up for auction in January.
The decision to auction off the blocks was made just over a month ago by the Council of Ministers of Sao Tome and Principe after interest was initially shown by London Global Energy and the Blue Skies World group.
As well as its EEZ Sao Tome and Principe also has a joint oil exploration area with Nigeria, based on a political treaty signed in 2001. *(Macauhub)*

Uganda Agrees Oil Production Deal With Foreign Companies

Years after the discovery of oil in Uganda, the country has signed an agreement with three major oil companies: Tullow in Britain, Chinese National Oil Offshore Company (CNOOC) and France's Total as it prepares for commercial production.
Uganda discovered oil in the Albertine Graben basin in 2009, but production and commercialization was delayed because of its insistence to refine oil before exportation.
The eventual signing of the deal represents an important milestone for the country and it initiates the genesis of a transformation that hopefully will create a ripple effect on other sectors of the economy.
"The conclusion of the MOU is a significant step for Uganda as it gives a road map for achieving a harmonized commercialisation plan for the development of the discovered oil and gas resources in the country," Irene Muloni, the minister for Energy and Mineral Development said.
The terms of agreement states the outline for the commercial production of oil which includes using the hydrocarbon deposits for gas resources, provision of oil to the refinery the country will build and the exportation of oil through a pipeline that will be built by the partnering oil companies.
Although the government expects to use crude oil to generate domestic gas and electricity by next year, the refinery is not expected to start operations until 2017 and is estimated to produce an initial 30, 000 barrels per day which is expected to double to 60, 000 barrels per day after a few years of operations.

According to Muloni, the cost of developing the country's oil fields and building infrastructure is valued between $15 billion and $22 billion but there were plans to work on reducing the cost.
Six companies have been shortlisted to build the refinery and the government is expected to announce who takes the lead later in the year while for the construction of the $4 billion pipeline that will be used for exportation, an agreement has been reached with Kenya and South Sudan since the pipeline will link to the Kenyan port of Lamu and connect with another carrying oil from South Sudan.
Jimmy Mugerwa, General Manager of Tullow Uganda described the event as a "key milestone in the transition of Uganda's oil industry from the exploration phase to the development phase."
With the memorandum underway, hopefully both parties will commence with their responsibilities and the people of Uganda can begin to benefit from the rewards of oil production and exportation. *(Ventures Africa)*

INFRASTRUCTURE

Portuguese group Efacec awarded dam project in Angola

Portuguese electromechanical group Efacec has been hired to modernise and boost the power production capacity of the Luachimo dam in Angola, at a cost of US$83 million, the group said in a statement.
The project, which involves refurbishing the equipment already installed at the dam and construction of a new hydroelectric plant, is expected to take 37 months to complete.
The contract was signed with Niara Power, a company sub-contracted by the China Gezhouba Group Company (CGGC), which is one of the most important construction sector companies in the world and particularly for building dams.
The Efacec group will also be responsible for drawing up studies, the project, carrying out tests and putting hydro-mechanical equipment, generator groups, electrical and automation systems in operation.
The Portuguese group, which is owned 50/50 by the José de Mello group and Têxtil Manuel Gonçalves, is highly experienced in construction and expansion of thermo-electric power plants. *(Macauhub)*

Hydroelectric dam due to be built in Angola's Lunda Sul province

Angola's Minister for Energy and Water said in Saurimo, the capital of Lunda Sul province, that a hydroelectric dam would be built in the region to improve the electricity supply to the population.
Cited by Angolan news agency Angop, João Baptista Borges said that economic viability and environmental impact studies were already underway for the project.
Without giving specific dates for work to begin, Borges said that the dam would have capacity to produce more electricity than other facilities in the region, the capacity of which totals around 16 megawatts.
Construction of the dam, according to Borges, will be carried out by public-private partnership between the central government and mining company Sociedade Mineira de Catoca.
He added that the region would have 42 megawatts of power at its disposal after the project started operating. *(Macauhub)*

Mozambican government plans to extend dry docks at sea ports

The Mozambican government plans to extend the dry docks at sea ports across the country, the Minister for Transport and Communications, Gabriel Muthisse said recently in Nampula.
Muthisse also said that dry docks were important for competitiveness and efficiency of the sea ports in order for "Mozambique to become a benchmark in the regional and continental context."
Mozambique currently has just two dry docks in the ports of Beira and Nacala, in Sofala and Nampula provinces, respectively, which operate within a legal framework that lacks regulation.
Mathisse noted that the value of business at the dry docks in both Nacala and was far from meeting the expectations that had led to their construction.
The users of Mozambique's ports complain of long waiting periods for goods to be unloaded because of a lack of space at the ports.
A lack of dry docks has led to congestion at some ports and shipping operators wait for long periods to load and unload their ships. *(Macauhub)*

Zimbabwe: U.S $27 Billion Required to Fund Zim-Asset

Kudakwashe Pembere — ZIMBABWE requires at least US$27 billion to fund the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim-Asset), with the bulk of the money earmarked for infrastructure projects, a senior Government official said yesterday.Speaking at the Confederation of Zimbabwe Industry Zim-Asset workshop in Harare, acting director for Fiscal Policy and Advisory Services in the Finance and Economic Development Ministry Mr Jonah Mushayi said the Government was looking at mobilising the money from the Diaspora, mortgaging of minerals and long term credit. The Government would also pursue joint ventures and public private partnerships.

"The quantum of the resources needed for the implementation of the Zim-Asset are estimated at US$27 billion," said Mr Mushayi.
"This is quite a huge figure but over the planned period, by 2018 we hope to raise the money. The bulk of it has been earmarked for water and sanitation, transport, energy, ICT housing and social services.
"We have identified sources of funding which are harnessing Diaspora resources, domestic resource mobilisation, accessing external financing and the issue of debt relief.
"In terms of resource mobilisation we are aware that on December 19, last year the Ministry of Finance unveiled a US$4,1 billion budget broken down as follows, 73 % on employment costs, non employment costs with and recurrent expenditures at 15 % . . . while 12 % on capital (projects). From this we have limitations."
"We have provided financing for some of the projects in the 2014 Budget and with the 12 %, we cannot do much so we will continue to pursue the issue of joint ventures as our second option of financing, which can achieve greater mileage."
Zim-Asset is the Government's policy framework covering period between 2014 and 2018.
The policy, which targets annual average growth of 7 %, seeks to spearhead the turnaround and development of the economy in the next five years.
This will be largely driven by strong performance in mining, agriculture and the manufacturing sectors. Mr Mushayi added that the Government would explore the possibility of financial assistance through bilateral agreements with countries in the region.
He said there would also be consideration of tapping into the US$29,1 billion fund set aside for the Caribbean and Pacific countries under the 11th European Development Fund as well as the US$110 billion Islamic Bonds.
"We need to come up with bankable projects and to prioritise servicing loans to unlock more financing," he added.
Under the Zim-Asset, the Government will prioritise four main clusters namely food security and nutrition, poverty reduction, infrastructure and utilities and value addition and beneficiation to empower the majority.
The blueprint borrows from the ruling Zanu-PF's election manifesto and previous national development programmes.
However, economists have warned that while the Zim-Asset was a good policy, it may fail due to funding challenges. *(The Herald)*

New handling company in Cabo Verde to start operating by March

The handling company that is being set up by Cabo Verde airline Transportes Aéreos de Cabo Verde (TACV), to be transferred to airport manager Aeroportos e Segurança Aérea (ASA), is due to start operating in the first quarter of this year, weekly Cape Verdean newspaper A Semana said.
The new company, whose only shareholder will be ASA, will start operating with start-up capital of around 200 million escudos and 310 employees that will be transferred from TACV.
The company is a spin-off of TACV following a restructuring process that has separated the flagship airline’s business areas, and the company will be based in the country’s airports.
However, ASA will need to invest in the new company to buy new loading and unloading equipment, trailers and aircraft cleaning equipment, as well as to serve customers when boarding and leaving the aircraft.
The handling company, whose revenues will come from contracts with airlines, will also deal with operational flight dispatch, supplying aircraft with water and removing waste, as well as transporting and providing support to flight crews. Transportes Aéreos de Cabo Verde (TACV) is on the list of companies due to be privatised by the archipelago’s government and there are interested parties from Angola and China. *(Macauhub)*

AGRIBUSINESS

Nigeria’s Sovereign Wealth Fund Offers $10m To Boost Agribusiness

The Nigeria Sovereign Investment Authority (NSIA), managers of the country’s $1 billion sovereign wealth fund, has announced a $10 million agricultural financing to boost investment within the sector and enhance economic diversification.
“Agriculture is a sector of strategic importance to the NSIA and an area we see opportunities for significant growth and profit through the facilitation of the enhancement of Nigeria’s critical agriculture infrastructure,” said Uche Orji, CEO of NSIA.
NSIA is collaborating with the Nigeria’s Ministry of Agriculture and Rural Development and German state-owned development bank KfW as sponsors and has selected Sahel Capital, an indigenous agriculture-focused investment and advisory firm to manage the fund.
It is designed to transform the agriculture finance landscape in Nigeria by providing equity and debt capital to sound Agric-focused SMEs, and is expected to grow from $10 million to $100 million through further collaborations with private sector investors.
Nigeria’s economic output is dominated by oil, a commodity that contributes over 80 % of its national income. Given recent global oil discoveries including large reserves of shale oil in the US – the second largest importer of crude – as

well as unstable local production due to oil theft, revenue accruing from the oil is expected to decline in the coming years, hence the need for alternative sources of generating income.
In contrast, Africa's second largest economy has an abundance of agricultural reserves, with commodities such as groundnut, rice, cassava and palm oil available in exportable volumes if properly commercialized, making the sector a viable alternative for revenue generation. *(Ventures Africa)*

Mozambican agricultural company exports paprika to Spain

Over 300 tons of paprika produced in Mozambique may be exported to Spain this year, said the production director of agricultural company Onça Moçambique told Mozambican daily newspaper Notícias.
José Domingos also said that the company, which is located in the Mopeia district of Zambézia province, was investing over 2 million euros with a view to expanding its production area from 90 to 120 hectares.
The first exports, two years ago, brought in over US$1 million, and the company plans to attract more producers to the crop as the domestic and export markets are guaranteed, including European Union countries and South Africa.
Domingos also said that, as well as producing paprika, the company also produced potatoes, watermelon, cucumber and tomatoes, which are sold in the cities of Beira, Quelimane and the districts of Morrumbala and Mopeia. *(Macauhub)*

Sahel Capital Raises $33m To Boost Agribusiness In Nigeria

West African-focused fund manager, Sahel Capital has unbundled a $33 million investment fund for agribusiness in Nigeria, with particular focus on the sector's SMEs.
"We raised $33 million to invest in agribusiness SMEs across Nigeria, and will be seeking to raise additional capital during the course of the year to reach our $100 million target," an insider at Sahel told Business Day.
According to Business Day, the investment is a mix of debt and equity with a 10-year lifespan, designed to provide financing for Agric-focused SMEs as well as partner intermediaries to with lending facilities for small scale farmers.
Nigeria's GDP composition is largely dominated by oil exports, which accounts for nearly 80 % of its yearly income despite enormous agricultural resources. Such streamlined revenue sourcing is unhealthy for an economy primed to become Africa's largest within the next decade.
As the global oil price looks increasingly unpredictable owing to recent oil discoveries including large Shale reserves in US, a need for economic diversification is highly needed.
In contrast, Nigeria holds huge reserves of untapped agric resources, with exportable products such as groundnut, oil palm, cassava and rice in rich abundance as well as large arches of uncultivated fertile lands with over 80 million hectares of arable land, 23 % of West Africa's entire agric land.
Agriculture is therefore a profitable venture for both private and public investors and the best alternative for economic diversification.
Despite the immense opportunities afforded, the sector still lacks necessary funding, though efforts by the government to develop the entire value chain, through intervention funds and raw material subsidy, have yielded significant results with statistics now showing the sector contributes 40 % of GDP.
A complete development of the sector is only achievable with the right mix of public and private investment. Sahel's investment is therefore seen as the healthy addition to agri-business, which is seen as the way to drive employment and spur SME growth in the country. *(Ventures Africa)*

TRADE

Angola and Brazil plan to sign industrial cooperation agreement

The governments of Angola and Brazil may soon sign a protocol of cooperation for the industrial sector as a way of covering the lack of regulation of joint initiatives in manufacturing, Angola's Minister for Industry said Monday.
At a working meeting of the Minister for Industry, Bernarda Gonçalves Martins and a delegation of representatives of the Brazilian government and businesspeople, the two sides were unanimous about the need for a protocol in this area.
Cited by Angolan news agency Angop, the Angolan minister said that it was "opportune and urgent" to establish a protocol for the industrial sector as, she said, "the instrument will make investment easier, both for Angolans in Brazil and Brazilians in Angola."
The idea was backed up by the director of Brazil's Department for Trade and Investment Promotion, Henrique Azevedo de Ávila, who noted "good trade relations" as well as technical cooperation between the countries, but said it was important to start afresh in two-way cooperation.
The Brazilian director noted the interest of Brazilian investors in the Angolan market and the importance of cooperation between businesspeople from both countries to the economic diversification process.
Technical cooperation between Angola and Brazil began in 1980 when the two countries signed an Agreement for Economic, Scientific and Technical Cooperation. *(Macauhub)*

New customs tariff in Angola postponed until March

The new customs tariff in Angola, which had been due to come into force on January 1, is now expected to be implemented only in March, said the Customs director-general Valentim Manuel cited by Angolan newspaper Jornal de Angola.

Manuel added that the process had been delayed because the document needed some corrections "which have been practically finished so that by March it can be applied."

The vice president of the Angolan Industrial Association (AIA), Eliseu Gaspar, who was also cited by Jornal de Angola, said that the new customs tariff list "is the result of a broad-ranging consensus amongst the main economic agents."

Gaspar said he agreed with the hike on import taxes on vegetables as "you can't justify imports of onions, tomatoes and leafy greens when Angola has potential to supply the domestic market."

The new customs tariff list was approved by Angola's parliament in March 2013 and published in the country's official bulletin on 22 November of the same year.

A recent analysis by economists from Portuguese bank BPI said that the new customs tariff would increase the price not only of imported products, but also of those produced locally. *(Macauhub)*

Portugal's balance of trade surplus with Angola falls 60 pct in 2013

Portugal's balance of trade surplus with Angola fell by 60 % in 2013 to 480 million euros, a year after posting a surplus of 1.209 billion euros, according to official figures.

According figures from Portugal's foreign trade and investment agency, AICEP, based on figures from the National Statistics Institute and cited by Portuguese news agency Lusa, in 2013 Portugal exported goods worth 3.1 billion euros to Angola, which was a rise of 4.1 % against 2012, or 122 million euros.

Imports from Angola in 2013 rose by 47.8 % to 1.632 billion euros, which was a rise of 851 million euros in Angola's favor, which reduced Portugal's surplus to an all-time low of 480 million euros.

Angola is the fourth biggest destination for Portuguese exports after Spain, Germany and France and is the sixth largest supplier of goods to Portugal after Spain, Germany, France, Italy and the Netherlands.

Brazil is the second-biggest Portuguese-speaking trading partner for Portugal. In this partnership Portugal posted a trade deficit of 59 million euros, which was a significant improvement on the 690 million deficit posted in 2012.

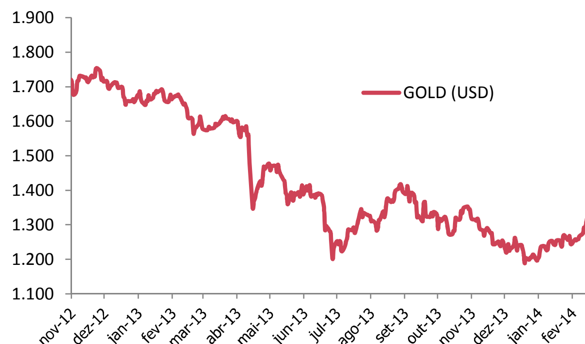
In 2013 Portugal exported products an additional 94 million Euros' worth of goods to Brazil to a total of 772 million compared to 678 million in 2012. The country imported goods from Brazil worth 831 million euros in the same year, which was a drop of almost 40 % on the previous year.

Portugal's balance of trade surplus with Mozambique rose by around 6.1 % in 2013 with exports rising by around 14 % to 326 million euros and imports totaling 62 million euros. *(Macauhub)*

MARKET INDICATORS
17-02-2014

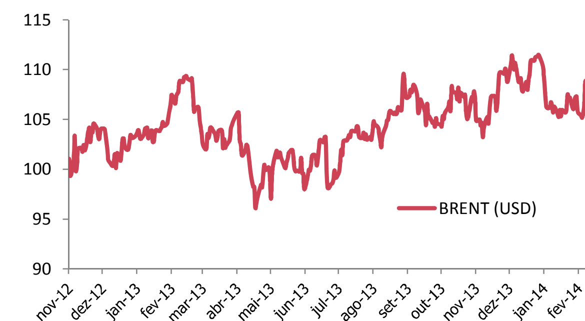
STOCK EXCHANGES		
Index Name (Country)	**17-02-2014**	**YTD % Change**
Botswana Gaborone Domestic Index (Botswana)	9.347,63	24,47%
Bourse Régionale des Valeurs Mobilières (Ivory Coast)	244,54	46,80%
Case 30 Index (Egypt)	7.561,28	38,42%
FTSE NSE Kenya 15 Index (Kenya)	168,82	34,25%
Morocco Casablanca Stock Exchange CFG 25 (Morocco)	19.112,99	-0,16%
Nigerian Stock Exchange All Share Index (Nigeria)	38.886,00	38,49%
FTSE/JSE Africa All Shares Index (South Africa)	47.124,12	20,06%
Tunindex (Tunisia)	4.644,95	1,42%

Source: Bloomberg and Eaglestone Securities



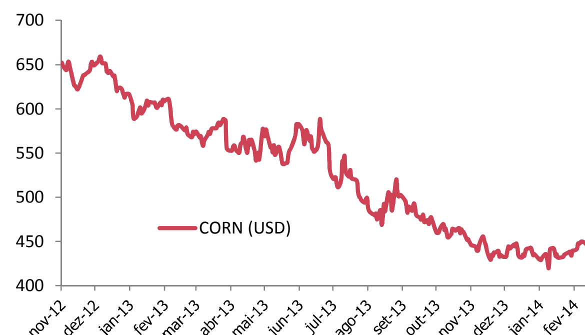
METALS	Spot	YTD % Change
Gold	1.327	-20,80%
Silver	22	-28,59%
Platinum	1.429	-7,24%
Copper $/mt	7.150	-9,85%

Source: Bloomberg and Eaglestone Securities



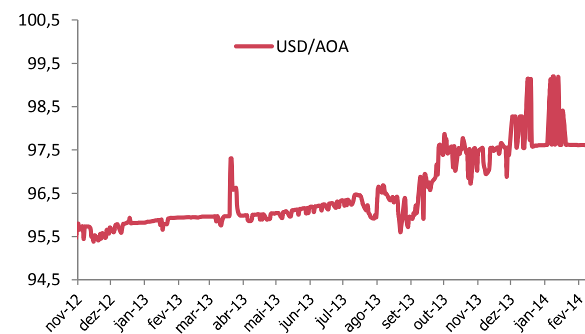
ENERGY	Spot	YTD % Change
NYMEX WTI Crude (USD/barril)	100,7	8,08%
ICE Brent (USD/barril)	108,9	0,36%
ICE Gasoil (USD/cents per tonne)	925,8	1,09%

Source: Bloomberg and Eaglestone Securities



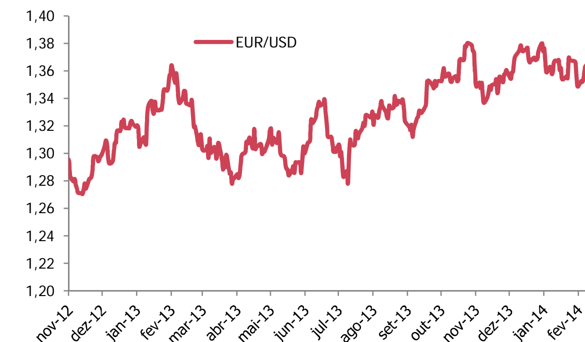
AGRICULTURE	Spot	YTD % Change
Corn cents/bu.	450,8	-35,63%
Wheat cents/bu.	596,3	-24,31%
Coffee (KC) c/lb	142,3	-3,00%
Sugar#11 c/lb	16,0	-19,00%
Cocoa $/mt	2967,0	31,63%
Cotton cents/lb	89,0	17,37%
Soybeans c/bsh	1325,0	-5,31%

Source: Bloomberg and Eaglestone Securities



CURRENCIES	Spot
KWANZAS	
USD	97,607
EUR	133,718
GBP	163,271
ZAR	9,007
BRL	40,929
NEW MOZAMBIQUE METICAL	
USD	31,110
EUR	44,634
GBP	54,633
ZAR	2,871
SOUTH AFRICAN RAND SPOT	
USD	10,838
EUR	14,846
GBP	18,130
BRL	4,544
EUROZONE	
USD	1,37
GBP	0,82
CHF	1,22
JPY	139,63
GBP / USD	1,67

Source: Bloomberg and Eaglestone Securities



UPCOMING EVENTS

AFRICA ENERGY INDABA, Africa's Emerging Markets are growing their renewable energy sectors, 18 – 20 February 2014, Sandton Convention Centre • Johannesburg • South Africa, http://www.mbendi.com/siyenza/Africa-Energy-Indaba/Africa-Energy-Indaba-2014.htm

18th Meeting of the Intergovernmental Committee of Experts (ICE)- National Champions, Foreign Development Investment (FDI) and Structural Transformation in Eastern Africa, 17 February 2014 to 20 February 2014 Kinshasa, Democratic Republic of Congo. United Nations Economic Commission for Africa is organising. *(http://www.uneca.org/ea-ice18)*

Africa Renewable Energy Investment Forum 5th - 7th March 2014 Centro de Congressos de Lisboa-Lisbon, Portugal
This Forum will bring together all the major actors involved in the renewable energy sector in Africa, including African Ministers of Energy, energy companies, representatives of the European Union, African regional economic communities, development financial institutions, investors and financiers. The aim of the Forum is to discuss current projects, learn about case-studies, and explore new opportunities. The forum will offer a platform to significantly develop the African Renewable Energy sector by creating win-win solutions for governments, investors and businesses in Africa as well as internationally.*(http://www.ic-events.net/2013/renewableenergy/)*

POWER-GEN Africa 17 Mar 2014 - 19 Mar 2014 Cape Town, South Africa
POWER-GEN Africa will consist of a conference and exhibition dedicated to the needs, resources and issues facing the power generation sector across sub-Saharan Africa. It will, for the 2nd year, bring together a range of experts involved in every aspect of the business of power generation from policy makers, project developers, financiers,...

ARA WEEK 2014 Indaba 24th - 28th March 2014 Marrakech
Meet with all of the key players of the North and Sub-Saharan African and International downstream oil industry to discuss the theme of the conference "Investing in Infrastructure". Join representatives from refineries, government ministries, banks, regulators, importers, distributors, traders, storage companies, marketing companies and refinery equipment and technology suppliers.

Mozambique Mining, Oil & Gas and Energy Conference 27-28 March 201, *www.mozmec.com*

Wind Energy Summit South Africa, 9-10 April 2014 | Cape Town, South Africa http://www.fc-bi.com/

Africa Agribusiness Forum 2014, 28-29 April, Vienna International Centre, Austria in partnership with UNIDO
(www.africaagribusinessforum.eventbrite.co.uk)

5th Eastern Africa Oil, Gas-LNG & Energy Conference 28 - 30 April 2014 Nairobi, Kenya
"Exploration, Development, Production: Oil/Gas-LNG, New Ventures, Bid Rounds, Investment, Service/Supply"

10th West African Mining & Power Conference, In Association with WAMPOC, 28 - 30 May 2014
Accra International Conference Centre, Accra, Ghana. http://ems.mbendi.com/West-African-International-Mining-and-Power-Exhibition/wampex2014.htm

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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 manage-ment and brokerage – and currently has offices in Amsterdam, New York, 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.

Eaglestone operates with a clear vision and mission to act on behalf of and in the best interests of all its stakeholders, whether they are investors, employees or users of its services.

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