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In-depth:

Africa: World Bank Group Sets Historic New Development Financing Record for Region

The World Bank Group committed a record-breaking *$15.3 billion to Sub Saharan Africa's development in fiscal year 2014 (July 2013 to June 2014) supporting shared prosperity in the Region and focusing on increased efforts to reduce poverty.

"Africa is making significant progress and at the World Bank we are stepping up the momentum to innovate and think big in order to help our clients achieve their development goals. We applaud the improved policies and prudent fiscal decisions many governments have made and we will continue to provide financing through loans and grants, technical expertise and to mobilize our unique convening power to leverage the resources of other development partners," said Makhtar Diop, World Bank Vice President for the Africa Region.

The Bank Group continued its strong commitment to Africa delivering $10.6 billion in new lending for 160 projects this fiscal year (FY14). These commitments included a new record of $10.2 billion in zero-interest credits and grants from the International Development Association (IDA), the World Bank's fund for the poorest countries. This is the highest level of IDA delivery by any region in the World Bank's history.

Private Sector-Led Growth and Job Creation

IFC's work in the private sector in Africa during FY14 focused on bridging the infrastructure gap, promoting a productive real sector and leading inclusive business approaches to help drive growth and job creation. IFC investments on the continent amounted to over $4.2 billion, with over $3 billion committed in IDA countries and almost $800 million in fragile and conflict-affected states. IFC spent $55 million on Advisory Services programs in the region, 96% of which was distributed to IDA countries.

In FY 2014, MIGA issued guarantees of $515 million in support of projects in the oil and gas, power, services, and telecommunications sectors. The Agency also teamed up with the Overseas Private Investment Corporation to establish a $350-million political risk facility that will support planned investments in sustainable agribusiness in up to 13 countries throughout sub-Saharan Africa.

The Bank Group worked collaboratively to tackle development challenges and focused on regional projects in sustainable energy, irrigation, water management, and food security, and also on job training programs for youth, preventing malaria and other tropical diseases, and on social protection for poor families across the region.

Fragility and Emergency Action

In FY14, the Bank Group focused its efforts to act quickly and effectively in emergency situations across Africa. In response to the crisis in Central African Republic, the Bank delivered emergency development funds of over US$70 million to help restore key government services and to support food distribution and health services.

Major regional initiatives focused on the challenges of fragility and conflict. In November 2013, World Bank Group President Jim Yong Kim pledged $1.5 billion to boost economic growth and lift the people of Africa's Sahel Region out of devastating poverty. Kim's pledge came during an historic joint trip to the Sahel with UN Secretary-General Ban Ki-moon.

Boosting Energy

Sub-Saharan Africa is blessed with large hydropower resources that can create electricity, yet only 10% of its potential has been harnessed. Boosting access to affordable, reliable, and sustainable energy is a primary objective of the Bank's work in Africa. During the fiscal year (FY14) projects focused on developing hydropower potential and providing new forms of sustainable power to increase energy production and benefit millions of Africans.

In a major push, IBRD, IFC, and MIGA combined forces under a joint Energy Business Plan for Nigeria. The plan will support Nigeria's energy reform program and help increase installed generation capacity by about 1,000 MW while mobilizing nearly $1.7 billion of private sector financing for Africa's largest economy. Many projects benefit from IBRD, IFC, and MIGA working together across the World Bank Group to better leverage their development impact in the region. In FY14, the Bank also supported the 80-megawatt Regional Rusumo Falls Hydroelectric Project in Burundi, Rwanda, and Tanzania, and provided a $100-million grant to Burundi for the Jiji-Mulembwe hydropower project. Both initiatives will increase electricity generation capacity benefitting millions of Africans.

Improving Agricultural Productivity

The Bank supports country-led efforts to improve agricultural productivity by linking farmers to markets and reducing risk and vulnerability; increase rural employment; and make agriculture more environmentally sustainable. Projects during FY14 included support for improving pastoralism through community development and livelihoods in Ethiopia, boosting agribusiness in Senegal, and pushing the envelope on landscape management, notably in the Sahel.

Higher Education for Development

Higher education plays a key role in promoting economic growth and development especially for Africa's fastest growing youth population. As one of the largest financiers of higher education in the region, the World Bank is mobilizing its knowledge and leadership behind countries to champion education. The World Bank's new $150-million Africa Higher-Education Centers of Excellence project is funding 19 university-based centers for advanced education in West and Central Africa. It will support regional specialization among participating universities in mathematics, science, engineering and ICT to address regional challenges. *(World Bank)*

IMF Concludes Mission on the 2014 Article IV Consultation with the Republic of Angola

An International Monetary Fund (IMF) mission led by Ricardo Velloso, visited Luanda from July 1–14, 2014, to conduct discussions for the 2014 Article IV consultation.1

The mission met with Finance Minister Armando Manuel, Economy Minister Abrahão Gourgel, Commerce Minister Rosa Pacavira, Agriculture Minister Pedro Canga, Social Integration Minister João Baptista Kussumua, Construction Minister Waldemar Pires Alexandre, Petroleum Minister Botelho Vasconcelos, Central Bank Governor José Massano, as well as other senior officials of the executive branch. The mission also met with members of the Economic and Finance Commission of the National Assembly, and representatives from the financial sector, the non-financial private sector, and the state-owned oil company Sonangol, religious and non-governmental organizations, and the diplomatic community. At the conclusion of the mission, Mr. Velloso, the IMF Mission Chief for Angola, issued the following statement:

“The IMF staff mission held productive discussions with the Angolan authorities focusing on recent economic developments and the outlook for the economy in the near and medium term, as well as on the policies and structural reforms to maintain macroeconomic and financial stability, diversify the economy, promote inclusive growth, and alleviate poverty.

“Real Gross Domestic Product (GDP) growth in 2014 is projected to moderate to 3.9% as the expansion in agricultural output slows—from last year’s estimated high growth—and because of a temporary drop in oil production during the first half of the year. For 2015, real GDP growth is projected to accelerate to 5.9% as non-oil real GDP growth remains robust and oil production recovers. Annual inflation has continued to trend down faster than expected and fell below 7% in May-June 2014. Inflation by the end of 2014 is projected to rise to 7½% because of the one-off effect on prices of the new import tariff schedule, before continuing to trend down through 2015 and beyond. Central bank gross international reserves stood at the end of May 2014 at a comfortable US$ 31.2 billion.

“The fiscal expansion being implemented under the 2014 budget is taking place at a time of softening oil revenue that has led to a significant deterioration in the overall fiscal balance. A more cautious fiscal stance seems warranted to limit rising gross financing needs and save part of the oil wealth for future generations. Accommodating the authorities’ ambitious capital expenditure program will require a stronger domestic revenue effort, restraining the growth of current spending, and improving public investment efficiency.

“Maintaining fiscal and monetary policy buffers to protect against a downturn in oil revenue remains critical. In this context it will be important to develop an oil stabilization fund, with clear deposit and withdrawal rules, and improve coordination in the management of Angola’s public financial assets and liabilities. “The authorities’ emphasis on addressing the country’s infrastructure deficit is well placed, but this should be completed by accelerating structural reforms to strengthen the business environment and facilitate growth. While the recent increase in import tariffs is expected to boost domestic production, it will be important to review periodically and withdraw this increased protection before vested interests become entrenched. “Continued successful de-dollarization will depend on appropriate macroeconomic policies and market incentives. Key elements will be the expected further decline in inflation and increased use of the local market for government bonds to further develop kwanza denominated debt instruments.

“Angola has been strengthening financial sector governance, and it will be important to continue ongoing efforts to further strengthen bank supervision. “The collection and dissemination of economic data and information is essential to business development and needs to be given high priority. Providing Instituto Nacional de Estatística (INE) with adequate resources and autonomy to carry out its mandate will be important.

“The IMF staff team thanks the Angolan authorities for their cooperation and for the arrangements made to facilitate the mission’s work in Luanda.”

The IMF Executive Board is expected to discuss the 2014 Article IV consultation in September 2014.

1 Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with its member countries, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board. *(IMF)*

SOVEREIGN RATINGS

Rising debt at odds with Africa’s growth narrative, says S&P

Africa is often talked about as a region on the rise, but that narrative is complicated by a trend towards fast rising sovereign debt and deficits, according to ratings agency Standard & Poor’s (S&P).

Commercial borrowing has risen 51% in the past year among the 18 sovereigns in the sub-Saharan region S&P has rated. With the exception of oil producers such as Angola and Nigeria, governments are also running sizeable deficits, which have risen an average of 5% year on year. This represents a “fairly sizeable stress”, according to S&P sovereign ratings EMEA director Ravi Bhatia, that “has been exacerbated by the growth story, with countries sucking in imports in order to support growth”.

The growth outlook for the 18 S&P rated sub-Saharan countries remains positive through 2014, rising to 6 % from 5.5% in 2013. S&P issued its first sub-Saharan African rating in 1994, and now up to 18 sovereign credit ratings. The ratings outlook is currently stable for 15 out of the 18.

However, there are questions about sustainability due to rising fiscal and current account imbalances, as well as the rapid proliferation of sovereign debt offerings amongst these countries, “With the rapid rise in borrowing, what is the viability of such a move?” Konrad Reuss, S&P’s managing director and sub-Saharan Africa regional manager, asks.

In 2007, Ghana became the first country in the region, outside of South Africa, to issue dollar-denominated bond notes. Subsequently, others including Côte d'Ivoire, Gabon, Senegal, Rwanda, Kenya, Zambia and Nigeria have all issued eurobonds. Many offereings - including Ghana, Kenya and Nigeria’s - were substantially oversubscribed.

Clearly, market appetite for African debt is there. But S&P also notes that the quality of African debt has also been on a downward trend. Since mid-2009, the average sub-Saharan African sovereign rating has fallen from just above BB- - on the higher end of the speculative grade - to between B+ and BB - indicating considerable vulnerabilities to political and market forces. This will not, necessarily, affect investor interest in African opportunities. “We are seeing an increase in investor appetite for emerging ratings below AAA. Investor appetites have changed dramatically for what is an acceptable rating level is to include the full range,” Mr Reuss says.

Sub-Saharan investments offer the additional benefit of being “out of sync with other emerging markets”, Mr Bhatia argues, therefore offering investors portfolio diversity.

In part, the lower average grade is simply reflective of the growing pool of sub-Saharan African countries who have gone through the ratings process. Still, growing debts also loom large. Ghana is a case in point. S&P currently rates it as B with a negative outlook, while ratings competitor Fitch downgraded Ghana’s creditworthiness in October 2013. Despite its bright economic prospects due to booming oil, gold and cocoa industries and political stability, debt levels are set to rise to 61% of GDP by the end of 2014 - up from 26% in 2006.

“Ghana is currently under significant stress. For our Ghana rating, if you look at GDP per capita and economic diversification, it should be at a much higher rating level,” says Mr Bhatia. “The biggest concern is that foreign investors pull out due to fears about volatility. For now, foreign investors have stayed the course, but we will see how that pans out.”

In July 2013, Ghana sold its second eurobond worth $750m. However, it paid a premium to borrow on the markets due to investor wariness about ballooning debt levels. Ghana also rolled over maturing debts from their initial 2007 bond float to the new offering. “Essentially they pushed the can down the road,” says Mr Bhatia.

The challenge now for countries such as Ghana will be to find the balance between financing growth, and ensuring long term economic stability - a formula that, for many, has proven elusive so far.*(This is Africa)*

	Eurozone					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
21-07-2014	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	Baa1	A-	BBB+	P-2	A-2	F2
Italy	Baa2	BBB u	BBB+	P-2	A-2	F2
Latvia	Baa1	A-	A-	NR	A-2	F1
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	Ba2+	BBu	BB+	NR	Bu	B
Slovakia	A2	A	A+	NR	A-1	F1
Slovenia	Ba1	A-	BBB+	NR	A-2	F2
Spain	Baa2	BBB	BBB +	P-2	A-2	F2
United Kingdom	Aa1	AAAu	AA+	NR	A-1+u	F1+

Sources: Bloomberg, Eaglestone Advisory

21-07-2014	Region - Africa/Middle East					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	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	B2	B	B	NR	B	B
Iran	NR	NR	NR	WR	NR	NR
Israel	A1	A+	A	NR	A-1	F1
Ivory Coast	B1	NR	B	NP	NR	B
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-3	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

21-07-2014	North and South America - Asia					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
ARGENTINA	Ca	CCC-u -	CC	NR	Cu-	C
AUSTRALIA	Aaa	AAAu	AAA	NR	A-1+u	F1+
BRAZIL	Baa2	BBB-	BBB	NR	A-3	F2
CANADA	Aaa	AAA	AAA	NR	A-1+	F1+
CHINA	Aa3	AA-	A+	NR	A-1+	F1+
COLOMBIA	Baa3	BBB	BBB	NR	A-2	F2
INDIA	Baa3	BBB-u	BBB-	NR	A-3u	F3
JAPAN	Aa3	AA-u	A+	NR	A-1+u	F1+
MACAU	Aa2	NR	AA-	NR	NR	F1+
MEXICO	A3	BBB+	BBB+	WR	A-2	F2
SINGAPORE	Aaa	AAAu	AAA	NR	A-1+u	F1+
URUGUAY	Baa2	BBB-	BBB-	NR	A-3	F3
VENEZUELA	Caa1	B-	B	NR	B	B
USA	Aaa	AA+u	AAA	NR	A-1+u	F1+

Sources: Bloomberg, Eaglestone Advisory

AFRICAN DEVELOPMENT BANK

Infrastructure Plan Leads Cameroon's Drive for Growth

- Public investment and domestic demand keep the growth rate steady.
- Fuel subsidies crowd out more pro-poor spending in national budget.
- Closing the infrastructure gap and improving the business environment are essential to achieve development objectives.

Cameroon is set for steady economic growth this year, driven by an ambitious public investment program expected to expand electricity supply and transport infrastructure. But, the IMF said in its regular review of the Central African nation's economy, recurrent budget deficits left a fragile fiscal situation, and oil revenue could dip due to rising production costs.

An IMF staff report on Cameroon's economy projected 2014 growth at 5.5%, unchanged from 2013. Agriculture, which provides a livelihood to most of the poor, did not expand enough to reduce poverty and inequality, the report said. Poverty stood at close to 40% of the population, and social indicators such as life expectancy, infant mortality, and youth literacy, were weak.

Annual inflation, at 2.1% in 2013, was also steady at relatively low levels thanks to stable food prices supported by an ample supply of foodstuffs. But retail fuel prices stayed frozen at their 2009 levels, reflecting substantial fuel subsidies that crowded out more pro-poor spending in the budget, where public spending on health and education was low.

Among the main recommendations in the IMF report were policies to

- Promote higher and more inclusive growth through a shift toward social spending, a friendlier business climate, and deeper regional integration;
- Reprioritize public spending by gradually reducing fuel subsidies while providing targeted compensation to the most vulnerable; and
- Improve non-oil revenue by broadening the tax base and streamlining tax exemptions.

Reorganize the tax base

Cameroon's fiscal challenge, the report said, is to reorganize its tax base and develop alternative forms of taxation. Positive impacts expected from an economic partnership agreement signed with the European Union include a widening of the tax base, as incomes rise. The long-term effect will ultimately depend on the authorities' capacity to offset a reduction in customs revenue with receipts from other sources, such as the value-added tax, excise taxes, and reductions in tax exemptions.

Infrastructure projects

In an accompanying report on selected issues in Cameroon's economy, the IMF noted that the country's infrastructure indicators trail those of regional peers. In spite of a slight improvement in the overall quality of infrastructure in 2013, indicators are low by sub-Saharan African standards especially for roads, air transportation, and electricity. Closing the infrastructure gap is essential to achieve Cameroon's development objective of attaining emerging market status by 2035, the report said.

The report noted that Cameroon's government launched a ten-year development plan that gives priority to infrastructure development. A massive public investment program covers various large infrastructure projects, including roads, a deep-sea port, a bridge, and thermal and hydroelectric power plants.

Public-Private Partnerships

Cameroon's authorities could make judicious use of public-private partnerships (PPPs) to boost private sector participation in large infrastructure projects, but risks need to be properly addressed. Such partnerships would feature in transportation through roads, railways, tramways, and a deep-sea port; in energy through wind farms and hydroelectric plants; and also in urban development and the agro-food industry.

Public-private partnerships can offer efficiency gains from private sector management and innovation, while transferring some responsibilities and risks to the private sector, the report observed. While this option can be attractive when governments' borrowing constraints are tight, the report noted the associated risk of weak institutional capacity and contingent liabilities for the government.

However, for public-private partnerships to offer better value for money than traditional public procurement, efficiency gains need to offset public-private partnerships' typically higher borrowing and transaction costs. Moreover, public-private partnerships usually involve long-term contracts with the private sector, reducing flexibility for governments in case public policy priorities change. For public-private partnerships to be successful, governments need to put in place sound legal, institutional, budgeting, accounting, and reporting frameworks in order to limit rent-seeking and properly manage fiscal risks.

The Oil Regime

The selected issues report also reviewed the fiscal regime of Cameroon's oil sector. The regime could be made more attractive to investors and also help the Government capture a higher share of rents if it were made more transparent and progressive (i.e. if the government captured a higher portion of profits as projects become more profitable).

The report noted that Cameroon is sub-Saharan Africa's tenth-largest crude oil producer and that, although oil is a relatively small share of overall economic activity, it plays an important role in exports and government revenues. Cameroon is also a mature oil producer, where the oil sector is more than 65 years old and production peaked in 1987.

However, the authorities believe there are significant prospects for discovering new oil fields both off- and onshore. In addition, technological progress in drilling and extraction techniques has made it possible for previously unprofitable discoveries to become commercially viable.

INVESTMENTS

Simba Motors Secures Deal To Sell Renault Cars In 7 African Countries

Simba Corporation, a diversified business group with interests in motor vehicle distribution, hospitality and real estate, has sign a deal to sell French maker's Renault Vehicles in 7 African countries.

"In a joint venture with Grupo Salvador, Simba will be distributing Renault cars in 7 African Countries," said a Director at Simba Corporation, Dinesh Kotecha. The partners will trade under the name Simba Corp.

The company will start distribution in Kenya by September before extending reach to Malawi, Zimbabwe, Tanzania, Mozambique, Uganda and Tanzania. This provides Renault, France's largest automobile maker, a comprehensive access to East Africa's car market. Simba started selling Chinese car brand Geely in Kenya this year. This offered Simba the opportunity to penetrate the budget car market which is largely dominated by Toyota.

In 2012, Simba acquired dealership from Oriel limited to sell Mahindra SUV and Pick Up trucks and in 2008. It took over the franchise for BMW from Mashariki Motors.

Simba is seeking to further expand its portfolio of dealership by sealing a deal for Nissan SUV and Pick Up. Nissan is currently competing against companies such as RMA Kenya that also wants to bag the popular brand.

The deal between Simba and Renault comes up after Toyota in 2012 bought DT Dobie who was the distributor of Renault and Nissan brands in Kenya.

It is expected that this dealership will raise Simba's market share to more than 20%. The distributor's share as at the first quarter stood at 17%. *(Ventures Africa)*

Danone to Buy 40% Stake in Kenyan Dairy Company Brookside
Deal Would Allow Danone to Enter One of Africa's Biggest Milk Markets

Danone SA said it has reached a deal to buy a 40% stake in Kenyan dairy company Brookside Dairy Limited as the French yogurt maker seeks to expand its footprint in Africa.

The deal with Brookside—the largest milk collector in East Africa—will allow Danone to enter one of Africa's largest milk markets. "This is a very important step in our African development," said Emmanuel Marchant, who heads up Danone's development in its international markets, excluding Europe, Japan and the U.S.

The acquisition is the latest example of Danone's ambitions in Africa. The group has invested over one billion euros ($1.35 billion) on the continent over the past two years. Last year, the maker of Evian water and Activia yogurt bought a 49% stake in Fan Milk International, West Africa's largest maker of frozen dairy goods. It also acquired a controlling stake in Moroccan group Central Laitière.

Brookside sells mostly long-life milk in Kenya and neighboring countries such as Tanzania and Uganda. The company has a 40% market share in Kenya and over 140,000 milk farms in the region around Kenya, also referred to as Africa's "milk valley." Mr. Marchant said Danone will help Brookside expand the group's product range and possibly expand in other markets.

Danone currently sells mainly fresh dairy products across 40 African countries from Morocco to South Africa, generating annual revenue of around €1.5 billion, or 7% of the group's total sales.

The group continues to look for opportunities to expand on the continent, both through acquisitions and by developing existing brands in new markets, Mr. Marchant said. Danone didn't disclose any financial terms of the deal. The company said Brookside had an annual revenue of €130 million last year. *(Wall Street Journal)*

Delta Food's $11m Expansion To Boost Export To Africa

UAE-based Delta Food industries has revealed plans to invest $11 million in expanding its factories to boost its food exports to the African and Middle Eastern regions. Shiraz Osman, Director and founder of Delta Industries said the company is eyeing expansion into West Africa's lucrative markets, particularly the Democratic Republic of Congo, Angola and Nigeria.

Nigeria is one of the six fastest growing countries in the world and was recently deemed the largest economy in Africa after a GDP rebasing. The country also boasts an attractive consumer market, holding the continent's largest and arguably youngest population.

The new factory will be expanded over an area of 110,000 square feet at the Sharjah Airport International Free Zone (Saif Zone), within close proximity of the Sharjah International Airport. The factory is set to be completed before the end 2015. Once completed, the company hopes to diversify its product range to include consumables such as cream, milk and tea packaging. Delta Food currently manufactures and export tomato paste, tomato ketchup and milk powder.

Delta Industries is one of the most successful companies operating in UAE's canned food sector. It currently exports 150 twenty-foot-equivalent units containers monthly. It hopes to increase the number to two hundred and fifty. *(Ventures Africa)*

SA claims market-access improvements as deal with EU is finally 'initialled'

The long-running and highly contested Economic Partnership Agreement (EPA) negotiations between seven Southern African countries and the European Union (EU) have been concluded, with South Africa insisting that the new deal preserves coherence within the Southern African Customs Union (Sacu) and improves the country's access to the EU market.

The countries making up the so-called Southern African Development Community EPA group comprise Angola, Botswana, Lesotho, Mozambique, Namibia, Swaziland and South Africa.

South Africa's Department of Trade and Industry reported this week that, following ten years of talks, chief negotiators initialled the EPA at a meeting in Pretoria on July 15 – ahead of the October 1, 2014, deadline imposed by the EU for the conclusion of the reciprocal trade arrangement.

The EU has either concluded EPAs, or is in EPA talks, with seven African, Caribbean and Pacific regions, which previously enjoyed nonreciprocal preferential market access to the EU. The lack of reciprocity in the arrangement was said to be incompatible with World Trade Organisaiton rules.

A failure to conclude a deal by October 1 would have resulted in Botswana, Namibia and Swaziland losing their preferential access to the EU for exports of beef, fish and sugar. The EU reportedly gave an assurance that the act of initialing was sufficient to sustain current market access until the EPA entered into force. South Africa faced no such threat, as its relations with the EU are governed by the reciprocal Trade, Development and Cooperation Agreement (TDCA), which came into force in 2004.

The EPA would be subjected to a two-month vetting process and the agreement would be presented to South Africa's Cabinet for approval before being submitted to Parliament for ratification. "Once ratified, the agreement may be signed and it will enter into force once all parties have concluded their own respective national approval processes. The timeframe for this process is likely to be around eight months," the department said.

The EPA outcome, it added, preserved Sacu's functional coherence, particularly in regard to maintaining the common external tariff, "although the EU continues to provide the other members of the SADC EPA Group better access to its market than it offers South Africa".

However, the department stressed that the EPA terms represented an improvement on the TDCA, with South Africa securing superior market access for 32 agricultural products, with a significant improvement in its access for wine (110-million litre duty free), sugar (150 000 t duty free) and ethanol (80 000 t duty free). There was also some improved access for South African flower, dairy and fruit exports.

The EPA rules of origin also represented an improvement over the TDCA, while an agreement was also secured that the EU would eliminate export subsidies on agricultural goods destined to Sacu, as well as more effective safeguards to address damaging surges of imports.

In return, South Africa agreed to negotiate a protocol on geographic indications (GIs), which are place names used to identify products, such as Champagne, Tequila, or Roquefort. For its part, South African would seek to protect the names of specialised South African agricultural products, such as Rooibos and Honeybush.

Speaking ahead for the deal, Trade and Industry Minister Dr Rob Davies said the GIs concession was significant, "because they have many more GIs than we do".

But Davies also stressed that South Africa was keen to improve its trade performance with the EU, which remained the country's largest trading partner as a bloc.

South Africa's exports to the EU had not recovered from the economic crisis, with exports to the EU having been €22-billion in 2008 and only €20-billion in 2012. By contrast, EU imports to South Africa increased to €25-billion in 2012, from €22-billion in 2008. *(Engineering News)*

Investments in Cabo Delgado, Mozambique total US$130 million in 1st half

Investments in Mozambique's Cabo Delgado province totalled around US$130 million in the first half of this year, as a result of 23 approved projects in the tourism, services, construction, agriculture and industrial sectors, according to the province's Centre for Investment Promotion (CPI).

According to the Cabo Delgado CPI delegate, Vitória Paulo, investment in the first six months of this year was almost three times that of the same period of 2013 or US$46 million in 15 projects that created 526 jobs compared to 978 jobs created in the first half of this year.

Paulo said that the projects approved in the first half of the year were located in the districts of Palma, Ancuabe, Metuge, Mecufi and in the city of Pemba, the provincial capital, and that the tourism sector attracted the biggest number of projects, eight, followed by services (six), construction and industry (four each) and agriculture (one). *(Macauhub)*

BANKING

Banks

Africa's biggest banks endure a tough year

South Africa's lenders, for so long the shining light in Africa's representation in The Banker's Top 1000 rankings, retain the top spots in the regional list but mostly with falls in their Tier 1 capital. The good news,

however, comes from the direction of Morocco's financial institutions

South Africa's banking sector, Africa's largest in terms of Tier 1 capital and assets, has endured yet another tough year. With the exception of FirstRand, all six of its lenders in Africa's top 25 ranking experienced falls in their dollar-denominated Tier 1 capital, reflecting the country's weak economic growth and the heavy depreciation of the rand, which lost 17% of its value versus the US currency in 2013.

Philip Alexander reports on the full results of The Banker's Top 1000 World Banks ranking 2014, in the story Top 1000 World Banks 2014: Back on track?

Standard Bank retains its position as Africa's largest and most profitable lender, with Tier 1 capital of \$10.57bn and pre-tax earnings of \$2.9bn, but has fallen in the global ranking from 109th to 116th place. Its nearest rival, FirstRand, has \$7.83bn of capital in this year's Top 1000, while Nedbank, also from South Africa, takes third with \$5.11bn (Barclays Africa Group, previously called Absa Group, would have come third with \$5.9bn of capital, but is excluded from the main ranking because it is a subsidiary of the UK's Barclays). Together, these three South African lenders have \$23.5bn of Tier 1 capital, which is a drop of 3.5% from the 2013 ranking.

African Bank, a South African bank specialising in unsecured lending, has experienced a particularly big fall, with its capital decreasing from \$1.08bn in the 2013 ranking to \$732m this year. As a result, it has fallen in the African ranking from 17th to 22nd.

Other big institutions that have struggled are National Bank of Egypt, the country's largest lender, and First Bank, Nigeria's biggest by assets. The former's capital base has shrunk from \$2.1bn to \$1.99bn this year, while First Bank has dropped from ninth place in Africa to 13th after its capital decreased from \$2.1bn to \$1.87bn

Morocco's lenders have fared strongly, however. The Tier 1 capital of its three biggest institutions – Groupe Banques Populaire, Attijariwafa and BMCE – has risen 13% to \$9.3bn. Each of them is now among Africa's 10 biggest banks.

Togo-based pan-African lender Ecobank, despite enduring a corporate governance crisis in 2013, has continued its rise. Its Tier 1 capital has increased by 2.7% to \$2.05bn, enough to move it from 10th position in Africa to eighth.

Africa has 31 banks in this year's Top 1000 from nine countries – Angola, Egypt, Gabon, Kenya, Mauritius, Morocco, Nigeria, Togo and South Africa. The continent's share of global profits has slumped from 2.3% in 2013's ranking to 1.6% in 2014's. It is, however, still the region with the highest return on assets (ROA). Its banks made an aggregate ROA of 1.93%, beating second placed Central and South America, whose banks generated a 1.74% ROA. *(The Banker)*

TOP 25: AFRICA (\$M)

Regional rank	World rank	Bank	Country	Tier1 capital
1	116	Standard Bank Group (Stanbank)	South Africa	10,566
2	152	FirstRand	South Africa	7,825
3	195	Nedbank Group	South Africa	5,110
4	240	Groupe Banques Populaire	Morocco	3,804
5	259	Attijariwafa Bank	Morocco	3,509
6	293	Zenith Bank	Nigeria	3,114
7	320	Investec South Africa	South Africa	2,642
8	396	Ecobank Transnational	Togo	2,051
9	404	National Bank of Egypt	Egypt	1,994
10	407	BMCE Bank Group	Morocco	1,981
11	412	Banque Misr	Egypt	1,968
12	415	Guaranty Trust Bank	Nigeria	1,955
13	424	First Bank of Nigeria	Nigeria	1,865
14	532	Access Bank	Nigeria	1,267
15	535	CIB Egypt	Egypt	1,258
16	539	United Bank for Africa	Nigeria	1,249
17	622	Fidelity Bank	Nigeria	1,004
18	678	Capitec Bank Holdings	South Africa	882
19	679	Bancode Poupanca e Credito	Angola	881
20	691	Mauritius Commercial Bank	Mauritius	856
21	747	Skye Bank	Nigeria	740
22	754	African Bank	South Africa	732
23	762	Banco Angolano de Investimentos	Angola	720
24	769	First City Monument Bank	Nigeria	708
25	785	Banco BIC	Angola	681

Source: www.thebankerdatabase.com

HIGHEST MOVERS: AFRICA

Regional rank	World rank	Bank	Country	Tier 1 capital % ch.	Tier 1 capital \$m
1	846	Kenya Commercial Bank	Kenya	20.41	590
2	793	Diamond Bank	Nigeria	20.35	667
3	240	Groupe Banques Populaire	Morocco	17.65	3,804
4	990	Equity Bank	Kenya	17.31	403
5	785	Banco BIC	Angola	14.9	681
6	895	BGFIBank	Gabon	14.66	518
7	259	Attijariwafa Bank	Morocco	13.08	3,509
8	539	United Bank for Africa	Nigeria	11.51	1,249
9	691	Mauritius Commercial Bank	Mauritius	10.02	856
10	622	Fidelity Bank	Nigeria	8.83	1,004

Source: www.thebankerdatabase.com

TOP FIVE ROC: AFRICA

Regional rank	World rank	Bank	Country	Return on capital (%)
1	990	Equity Bank	Kenya	54.68
2	404	National Bank of Egypt	Egypt	52.77
3	535	CIB Egypt	Egypt	47.84
4	929	State Bank of Mauritius	Mauritius	40.49
5	846	Kenya Commercial Bank	Kenya	39.53

Source: www.thebankerdatabase.com

South Africa's Standard Bank Ranked Africa's Best

The Standard Bank of South Africa Limited has been ranked Africa's top bank by banking industry publication, The Banker. "South Africa's lenders, for so long the shining light in Africa's representation in The Banker's Top 1000 rankings, retain the top spots in the regional list but mostly with falls in their Tier 1 capital," the UK-based international financial affairs publication noted in its report. South African banks, FirstRand and Nedbank Group ranked second and third respectively in the list, which underscores the growth of investment in the Southern African country.

According to the UN Conference on Trade and Development (UNCTAD) in its 'World Investment Report 2014′, there was increase in Foreign Direct Investment (FDI) inflow into Africa in 2013, driven by the Eastern and Southern African sub-regions.

Southern Africa's FDI nearly doubled in 2013, closing at \$13bn, driven mainly by record-breaking inflow into Mozambique and South Africa.

The report noted that infrastructure was the major attraction for investments in these countries.
“The good news, however, comes from the direction of Morocco’s financial institutions,” said The Banker, as two Moroccan banks, Groupe Banques Populaire and Attijariwafa Bank ranked 4th and 5th respectively despite FDI flows to the region falling by 7% to $15 billion. A bank from Nigeria, Africa’s largest economy made it to the 6th position in the ranking, with 3,114 tier 1 capital, a far cry from the StandardBank’s $10.6 billion.
Other Nigerian banks that made it to the top 25 in Africa include Guaranty Trust Bank, which came in at 12th; First Bank of Nigeria ranked 13th with tier 1 capital of $1.9 billion. Access Bank came 14th to maintain it’s 4th spot in Nigeria with tier 1 capital of $1.3 billion. United Bank for Africa (UBA), Fidelity Bank and Skye Bank also made the list.
The ranking of Nigerian banks may not be unconnected with the drop in FDI flow into the country in 2013 to $5.6 billion from $7.1 billion in 2012, according to UNCTAD, citing divestments by the International oil companies.
Although East Africa enjoyed increase in FDI in 2013, no East African Bank made the Top 25 list.
Introduction of innovative products have also enhanced the growth of banks across Africa, with policies ensuring banks stay healthy. Effective use of information technology and expansion to other markets with growth potentials have also helped African banks grow. *(Ventures Africa)*

Portuguese state bank Caixa Geral de Depósitos wants to increase presence in Angola

Portuguese state bank Caixa Geral de Depósitos (CGD) plans to increase its presence in Angola by exercising its option to buy part of the stake owned by Banco Santander Totta in Angola’s Banco Caixa Totta, Portuguese financial daily Diário Económico reported. The newspaper added that the deal had yet to go through because CGD is required to comply with a restructuring plan agreed with the European Commission, which would have to approve the deal.
The shareholders of Banco Caixa Geral Totta de Angola, known simply as Banco Caixa Totta, are PartAng, a partnership between CGD (51%) and Santander Totta (49%), Sonangol (25%), Jaime Freitas and António Mesquita, with 12% each. The shareholders agreement signed when CGD took its stake in the bank in 2009 stipulates that CGD can increase its stake in PartAng from 51% to 80%. “Whether the deal goes ahead is apparently in Brussels’s hands,” the newspaper said. *(Macauhub)*

ECIC inks deal with Brics export credit insurance agencies

The Export Credit Insurance Corporation of South Africa (ECIC) has entered into a memorandum of understanding (MoU) on cooperation with the export credit insurance agencies (ECAs) of the other Brics member countries – Brazil, Russia, India and China.
The MoU, which was signed on the last day of the Brics Summit , in Fortaleza, Brazil, on July 15 aimed to strengthen collaboration among member countries’ ECAs by establishing a framework of cooperation to support and encourage international trade as well as facilitate the supply of goods and services from their respective countries.
According to the memorandum, the agencies would also cooperate on joint projects targeted at developing the accumulated potential of trade and manufacturing ties in third-world countries. The information exchange envisaged under this enhanced collaboration would allow ECAs to reduce their risks and improve Brics members’ insurance export support. “The cooperation will also help foster trade-support networks, business linkages and improve the business environment between South Africa and [the] other Brics countries,” commented ECIC CEO Kutoane Kutoane, who signed the agreement on behalf of the agency. “There is tremendous value in engaging exporters and supporting South African trade and investments in [the other] Brics countries. The agreement will also enable Brics ECAs to seek assistance and advice from each other in all matters relating to export insurance for projects undertaken in any of the Brics countries.” He added that there was also good scope for leveraging the linkage among ECAs to enhance exports.
“This agreement and collaboration will increase the presence of South Africa’s companies in [the other] Brics countries. The ECIC, in collaboration with South Africa’s banks and development finance institutions, looks forward to a sustainable relationship for the support of export trade development through increased cooperation,” Kutoane explained.
The five export credit agencies of the Brics countries are the Brazilian Fund and Guarantee Management Agency, the Export Insurance Agency of Russia, the Export Credit Guarantee Corporation of India, China Export & Credit Insurance Corporation and the ECIC. They are all State-owned agencies and members of the Association of International Union of Credit & Investment Insurers. *(Engineering News)*

Markets

SA concludes $1bn and €500m international capital bonds

South Africa successfully priced and concluded a $1-billion 30-year, as well as a €500-million 12-year, bond issuance in the international capital markets, as part of its 2014/15 financing programme, National Treasury announced.
The 2014 Budget Review made provision for $1.5-billion to be raised from international capital markets to partially finance government’s foreign currency commitments, National Treasury noted.
Both transactions were more than three times oversubscribed, with government stating that the transaction was an expression of investor confidence in the country’s stable political environment, sound macro-economic policy framework and prudent fiscal management.

"[However], while we are pleased with the confidence that the investors have shown in the sovereign, we are cognisant of our immediate challenges and can, therefore, not afford to be complacent as a country," Finance Minister Nhlanhla Nene commented. The dollar bond was priced at a coupon, or interest rate, of 5.375%, which represented a spread of 220 basis points above the 30-year US Treasury's benchmark bond, while the euro bond was priced at a coupon of 3.75%, representing a spread of 225 basis points above the 12-year euro swap rate. The global investor base was primarily located in Europe and the US *(BDLive)*

Nampower plans bond issue

Namibia Power Corporation (Nampower) is seeking to sell a bond in the country and South Africa early next year to raise cash for transmission projects and its share of capital in the planned 800MW Kudu gas-fired plant.

The southwest African nation's power utility plans to raise N$5.5bn (R5.5bn) through borrowings, and a bond would be a "significant" part of that, Nampower chief financial officer Hanri Jacobs said. "It all depends on market appetite and the offering."

FirstRand's Rand Merchant Bank will arrange the sale. Nampower estimates its funding requirements for the next five at N$16bn. Nampower needs to raise money to finance its share of investments in the planned $1.2bn plant, which will use natural gas from the Kudu fields off Namibia's southern coast.

The utility, which last year suffered a 21% decline in output from its Ruacana hydropower plant because of dry weather, is a net electricity importer and says supplies will remain critical until Kudu comes onto the national grid in 2008.

Nampower owns 51% of Kudu while Zambia's Copperbelt Energy Corporation has a 30% equity stake. The remaining shareholding was up for sale, MD Paulinus Shilamba said in May. Ms Jacobs said the power utility also planned to obtain finance from lenders it had used in the past. These included the European Investment Bank, Germany's state-owned KfW Group and France's Agence Francaise de Developpement. "Funding from development-finance institutions will depend on the cost of borrowing that these institutions will offer," Ms Jacobs said. *(BDLive)*

Stanlib to Invest in Mota-Engil Africa as Builder Prepares IPO

Stanlib Asset Management Ltd. plans to buy shares in Mota-Engil Africa, a construction company that will begin trading in London, to tap into demand for building spurred by the energy and mining industries.

"Infrastructure in Africa is desperately needed so we believe the opportunities for future projects remain quite solid for Mota-Engil Africa," Thabo Ncalo, a portfolio manager at Johannesburg-based Stanlib, said in an e-mailed response to questions. "Mota will be a good long-term investment."

Mota-Engil Africa, a unit of Portugal's biggest builder Mota-Engil SGPS SA, will start trading on the London Stock Exchange (LSE) July 16. The company is expanding in Portugal's former colonies in Africa including Angola, where a boom in the oil, gas and mining industries has triggered demand to rebuild roads and transport links after decades of civil war

Stanlib, which manages more than 542 billion rand ($51 billion) of assets in Africa, declined to comment on how much it plans to invest in Mota-Engil Africa.

The asset management firm is part of Liberty Holdings Ltd., which has Standard Bank Group Ltd. as its main shareholder. While Standard Bank (SBK) is the sole global coordinator of Mota-Engil Africa's initial public offering, Stanlib's investment decisions are independent, according to Ncalo. "We do not make investment decisions based on what the group does or has banking relationships with," said Ncalo. "We make our investment decisions to ensure our clients' funds are adequately positioned to make above-benchmark returns."

Mota-Engil and Mota-Engil Africa are offering 35 million shares for 920 pence to 1,160 pence each in the IPO, according to the prospectus published last month. At the upper end of the range, that would translate into a market value of 1.33 billion pounds ($2.3 billion), based on 115 million shares outstanding.

The offering includes 15 million new shares for investors who were shareholders of the parent company before June 20 and as many as 20 million shares for institutional investors sold by Mota-Engil. *(Bloomberg Businessweek)*

Britam Raises $84m From Bonds

British American Investments Company (Britam), says the Sh3 billion ($34.2 million) corporate bonds it issued last month in a bid to fund expansion of the company has been oversubscribed by 147%.

"The massive participation in the corporate bond is a validation of the confidence the market has in the group," said Benson Wairegi, Britam's managing director in a statement by the diversified financial services firm.

Sh7.4 billion ($84.2 million) was raised, beating the expected Sh3 billion by more than 100%, funds Wairegi noted would propel the firm to the next growth level, which is in tandem with Britam's strategic plan. The firm can now take up Sh6 billion ($68.3 million) based on an over-allotment provision of Sh3 billion as approved by the Capital Markets Authority.

Leading fund managers contributed 50.9% to the transaction, the highest participation recorded. Insurance companies and banks together contributed 41% of the total raised. Retail investors contributed 8.1%, according to Paul Orem, chief executive of Dyer and Blair, the lead adviser of the transaction.

The funds will be used by Britam to enhance its local and regional expansion plans. It will also be used to accelerate "property development and increase investment in private equity." Britam last month announced its intention to acquire a 24.6% held by Kenya's Equity Bank in Housing Finance, a mortgage firm in a deal said to be worth Sh2 billion ($22.8 million). *(Ventures Africa)*

Senegal follows Ivory Coast on bond sales trail

Senegal is meeting with investors in the US and Europe this week to pitch a new $500m government bond, days after the Ivory Coast began a sales trail for its own $500m bond.

Dakar has asked Citigroup, Société Générale and Standard Chartered to set up meetings with fixed income investors for what is expected to be a new benchmark bond. High quality global journalism requires investment. Bankers said low interest rates around the world have led to a honeymoon period for African governments seeking to raise debt on international markets. Kenya's debut on international capital markets last month attracted orders more than four times higher than the $2bn raised, putting Africa on track to exceed the record $11bn raised on global capital markets last year. Bankers said investor interest in the new Ivory Coast bond appeared to be positive, as demand for the country's existing debt had increased, pushing down yields. Yields on Senegal's outstanding 10-year dollar-denominated bond have also fallen, from 6.86% at the start of the year to 5.99%.

A further Islamic debt sale in also in the pipeline in Senegal, where Muslims make up more than 90% of the population. The four-year, 100bn CFA franc ($208m) bond will be the largest government sukuk issued in sub-Saharan Africa.

Following an investor roadshow targeted at institutional investors the bond is expected to be priced at the end of this week.

The sukuk will not pay interest, which is forbidden under Islamic law, but will provide an annual profit of 6.25 % based on the returns from an underlying asset.

Africa remains a growth story, according to Nicholas Samara of debt capital markets at Citigroup, although he noted that investors differentiated between countries more assiduously than they once did. "There have been multiple debt issues from Africa in the past few years and credit investors take a less general view of the region now," he said. "One of the key themes of investor roadshows is the specific use of proceeds – investors want to know how money will be used." Senegal has said it plans to use its new debt sale to repay an existing loan as well as to finance public infrastructure projects. Ivory Coast has publicised its plans to expand roads, bridges and electricity infrastructure. Credit rating agencies warn that sub-Saharan African growth has not translated into an improvement in credit quality. "Africa rising has been a headline theme this year," said Ravi Bhatia, director of sovereign ratings at S&P, one of the world's largest credit rating agencies. "S&P has concerns about the fiscal and current account deficits in the region." *(Financial Times).*

Funds

ARM to launch $250m Nigerian infrastructure fund

Nigerian financial services firm the ARM Infrastructure Fund is close to raising $250-million in the country's first infrastructure fund, to invest in transport, energy and utility sectors across West Africa, with much of the money coming from pension funds.

The fund was expected to close by mid-August and was at the documentation stage, with various investors including some Nigerian pension funds and other institutional investors, such as the African Development Bank, MD Opuiyo Oforiokuma said.

Nigeria, Africa's most populous nation and home to 170-million people, requires around $50-billion a year for the next decade to develop badly needed infrastructure, especially for power, roads and water, to help boost economic growth.

Nigeria's pension assets have grown to $25-billion in 2014, from under $4-billion seven years ago, as the government targets schemes to try to encourage domestic savings. But the funds have traditionally invested in debt and equity portfolios. "We are setting up a new infrastructure fund ... [The] target fund size is $250-million. This will be the first time pension funds are actually going to invest in infrastructure," Oforiokuma said on the sidelines of a pension funds conference, in Abuja.

ARM has interests in real estate, insurance and capital markets. It developed Nigeria's first toll road under a private-public partnership in the commercial hub of Lagos.

The fund will target equity stakes in airport and sea port projects across West Africa, and invest for a period of 12 years, targeting investment returns of between 18% and 20% over the period. "We don't have basic roads, power supply and water. All of these have significant consequences for the economy, the social well-being [of Nigeria]," Oforiokuma said, adding that Nigeria generates around 4 000 MW of electricity, compared with Brazil, which generates 100 000 MW. *(Engineering News)*

Tech

Smoother payments will boost trade in Africa

AFRICA's economic rise since the beginning of the century has been impressive. The continent is one of the most buoyant regions in the world and the African Development Bank (AfDB) expects it to grow almost 5% this year.

The story of Africa's intracontinental trade is less rosy, however. Institutions such as the World Bank and the AfDB reckon that African countries carry out only about 15% of their trade with one another. However, data from the Society for Worldwide Interbank Financial Telecommunication (Swift) on cross-border payments show that the figure is slightly higher, at 23%.

Whatever the case, intra-African trade is low and ranks among the smallest levels of intraregional trade globally. By contrast, almost 70% of the European Union's trade takes place within the bloc. Changing this is crucial to Africa's development. Boosting trade in Africa can create jobs and help to encourage more investment.

There are plenty of reasons Africa trades so little with itself. One of the main ones is that African countries have long focused on producing raw materials, the customers for which tend to be found in places such as Asia, Europe and the US. Africa produces little of the manufactured and processed goods that are in high demand on the continent. As such, these often have to be imported.

One of the less talked-about factors is the poor quality or absence of regional payments systems. Without these, cross-border payments are expensive and sometimes slow, which is hardly conducive to fostering regional trade.

One way to understand how this affects businesses is to imagine what would happen if a company in Johannesburg imported goods from Gaborone. The goods would travel only about the 350km between the two cities. But the money used to pay for the imports would probably take a much longer route.

Typically, the transaction would be settled in dollars, with the payment being routed from SA to Botswana via a clearing bank in New York. The cost borne by the banks during this process would ultimately be passed on to the importer or exporter, or both.

To address this problem, the Southern African Development Community (Sadc) last year launched an electronic payments platform for the bloc. Called the Sadc Integrated Regional Electronic Settlement System (Siress), it is designed to allow transactions among banks in member countries to be settled in real time and without the need for the funds to flow through third-party clearing banks.

Siress has so far been highly successful. Seven of Sadc's 15 members, including SA, have joined it and another three are scheduled to do so in the next few months. There are about 40 commercial banks participating in the system and it is expected to increase quickly.

A large volume of trade-related transactions is already being settled through the system, for which the rand is the main currency, given the size of the South African economy relative to those of the other countries in the Sadc bloc.

The next phase for Siress is to allow it to accommodate low-value, or retail, transactions such as remittances. As long as commercial banks have the necessary systems in place, this should happen by the end of September. If so, it is believed individuals and businesses will regularly use Siress to transfer small sums of money within Sadc.

Siress will not just eliminate unnecessary banking costs. It will also give governments and economists a more accurate picture of the levels of intraregional trade. With half of cross-border African payments being made in dollars — and the flows thus going to the US, at least initially — it is difficult to assess African trading patterns, which makes it tough for policy makers to forge strategies to boost regional commerce.

Moreover, it is thought that Siress will lead to greater financial inclusion. By eventually being able to handle remittances and small transactions, it will help bring a lot of flows that are cash-based at present into the formal financial system.

The big question is whether Siress can bring about greater trade within Sadc. There is no guarantee that it will.

Trade is ultimately determined by economic fundamentals — supply and demand. But it has already begun to make the cross-border payments process easier and cheaper.That can only be good in the long term for encouraging greater trading between Southern African countries.

•Smit is head of Africa South at Swift. *(BDLive)*

Visa pushes cheaper remittance service in Africa

Global payments technology company Visa is working closely with South Africa's banks and retailers to open more corridors for consumers to send remittances more cheaply.

The World Bank, Group of Eight (G-8) and Group of Twenty want the price charged by banks and money transfer operators to send remittances to and from Africa, as well as within the continent, reduced to 5% from the average 12.4%. Africa's diaspora pays 12% to send $200 — almost double the global average, according to research by UK think-tank Overseas Development Institute (ODI).

Remittance prices are even higher between African countries, according to the World Bank. The ODI said Africans, in effect, are paying a remittance "super tax" due to weak competition, the concentration of the market and flawed financial regulation. Two money transfer operators — Western Union and MoneyGram — account for two-thirds of remittance transfers, the ODI said. Visa has launched a programme at a "tenth of the price of the traditional players" using its network connecting banks across 200 countries, to send money from one Visa card to another, Visa sub-Saharan Africa head Mandy Lamb said in Johannesburg . Consumers can send money via cellphones, a bank branch, an ATM, internet banking or a point of sale machine at a retailer, in real time. Equity Bank in Kenya was the first sub-Saharan bank to launch the programme last year.

Visa is in the process of certifying a number of banks and retailers in South Africa to allow them to offer remittances. Some are expected to start offering the service between now and the end of year, said Ms Lamb.
"In South Africa we have seen a great interest in banks wanting to offer remittance as they have seen the business case … it is lucrative for them and meets the World Bank requirements in terms of bringing down the costs of remittance," she said. Retailers are also interested in sending and receiving remittances as they have realised it is "commercially viable for the lower end of the economy", said Ms Lamb. Visa research estimates that around $73bn was sent via money transfers in sub-Saharan Africa in 2012 and this would grow at double-digit rates to $101bn by 2017.
This is a substantial opportunity for Visa which benefits from remittance flows, disbursement flows and prepaid cards in the market. By 2017, Nigeria would account for $55.8bn in remittances, Kenya $27.5bn and SA $17.6bn, according to Visa.
Remittances sent from outside Africa would be the fastest-growing market, expected to amount to $38bn by 2017 — or 27% of the total remittance market. This would be an increase from $19bn in 2012 when this category made up 20% of the total remittance market. According to the ODI, reducing remittance charges for Africans to the G-8 target of 5% would increase transfers by $1.8bn annually. *(BDLive)*

UBA Launches Salary Advance Payment Solution For Customers

United Bank for Africa Plc (UBA) has launched an international payment card for salary account holders, enabling them to get a credit advance ahead of their pay-day. The payment solution dubbed “U-Advance Card” is designed for staff of reputable organisations and High Net-worth individuals (HNIs) who receive regular monthly salary. UBA’s innovation is coming at a time when the number of high-net-worth individuals is set to increase in Nigeria and Africa in general.
According to a recent report by the New World Wealth, Nigeria is home to at least 15,700 high-net-worth individuals (HNWIs) as at 2013, and the number will increase by 47 % to 23,000 in 2017. South Africa and Egypt are also home to most of the continent’s high-net-worth individuals.
Meanwhile, customers with a valid UBA salary account which has been in use for at least three months can use the “U-Advance Card” to make withdrawals across ATMs and PoS. They can also use the card to make web purchases.
For new customers, they have to operate their salary account for six months before they are eligible to benefit from the product.
UBA Divisional Head, e-Banking, Adeyinka Adedeji described the payment solution as an “easy and quick access to extra funds during their monthly salary cycles, in form of a revolving, secured credit facility.” “The U-Advance Credit card” is designed to help strengthen the bank’s growing retail business across Africa. To guarantee card security, the “U-Advance Card” comes with the EMV certified chip & PIN technology and a 3D Secure feature for enhanced protection during web transactions. With over seven million retail customers in Nigeria, UBA’s U-Advance Credit Card is accepted in Nigeria and across other 17 African nations where the bank operates. *(Ventures Africa)*

M&A

Acquisition Of 60% Stake In Abuja Power Firm Saves Zambian Company From Collapse

Lusaka Stock Exchange listed power distribution giant, Copperbelt Energy Corporation (CEC) says the 60% stake it acquired recently from Abuja Electricity Distribution Company (AEDC) saved it from collapse. CEC company secretary Julia Chaila said operating loss of 116 million Zambian Kwacha ($18 million) was mitigated by the one-off gain on CEC Africa’s purchase of AEDC assets. “Total assets also grew during this one year period under review by over K1 million ($163,000) to K4.4 million ($718,000) Kwacha mainly on the acquisition of the transmission and distribution assets of AEDC worth over K2.4 million ($391,884),” said Chaila.
CEC, a member of SAPP and listed on the Lusaka Stock Exchange, is an independent power transmission and quality electricity distribution company with interests in Zambia and sub-Saharan Africa, including optic fibre based telecommunications. As a developer of energy
Infrastructure in Africa, CEC is respected in the region for its skills in designing and operating transmission systems and its status as an emerging independent power generating company. *(Ventures Africa)*

ENERGY

KenGen expects to conclude rights issue by year-end

NAIROBI – Kenyan power producer KenGen said it aims to complete a 15-billion shilling ($171-million) rights issue by end-2014 and hopes to have a commitment from the government by August on the amount of financial support it will provide.
In February, KenGen said it planned to raise a total of 30-billion shillings this year, with 15-billion coming from shareholders via a rights issue on the stock exchange. The rest would be raised by the government using means it has yet to determine.
KenGen MD and chief executive Albert Mugo said there was a possibility the government could chip in more than its earlier planned 15-billion shillings but that the figure would not exceed 20-billion.

He said the power producer was waiting for the state, which holds a 70% stake, to decide how it will raise funds and hoped a decision would be made by August. "Between now and August, it's likely that we will have got government approval of what it will contribute to the rights issue, which will then enable us to start finalising our information memorandum for approval," Mugo told Reuters in an interview. He expected the rights issue to be completed by the end of the year. Mugo said the proceeds would enable KenGen to restructure its balance sheet and take on more debt as it seeks to add 844 MW to its installed capacity of 1 252 MW by end-2017.
Its expansion plan is part of a broad national programme to add 5 000 MW by 2017 to Kenya's current capacity of 1 664 MW. A growing economy is expected to Kenya's need for power generation capacity to 15 000 MW by 2030.
Mugo said in February that KenGen had proposed that the government raise the additional funds by converting some of the loans it had made to KenGen into equity and, in future, seek other business partners.
By the end of this year, the utility will add a total of 327 MW from geothermal and wind power, Mugo said.
The Kenyan government succeeded in issuing a debut Eurobond of $2-billion in June, but KenGen is not ready to follow it, although it already borrows in foreign currencies, he said.
The government has said the Eurobond will act as a bellwether for Kenyan firms seeking to access funds on international markets. "I don't think we are ready for an international bond as yet. It might be one of the options we will be looking after we restructure our balance sheet," Mugo said.
Kenya is pushing to slash its heavy reliance on rain-fed dams and to use more geothermal and other sources to halve the cost of power production from the current $0.17/kWh to $0.18/kWh over the coming three to four years. That will largely involve replacing diesel generation, which costs about $0.35/kWh. Geothermal is the cheapest alternative, costing about $0.08/kWh to $0.09/kWh, the government has said.($1 = 87.7500 Kenyan Shillings). *(Engineering News)*

U.S. Firm Secures Africa Power Deal

The country is poised to benefit from Tetra Tech's announcement it had been awarded a $64 million contract to provide technical assistance for the Power Africa Transactions and Reform Programme that the United States Agency for International Development (USAID) is funding to improve power supply in the African continent.
Tetra Tech, the United States-headquartered firm, has been awarded the five-year contract to support the Power Africa Initiative. This contract has a base period of three years with two option years. Kenya is set to benefit from United States President Barak Obama's Power Africa initiative which US Energy Secretary, Ernest Moniz, launched in June this year in Addis Ababa, Ethiopia.
Over five years, the United Nations Foundations' Energy Access Practitioner Network along with other founding partners will help ‘Beyond the Grid' leverage partnerships and direct investments of at least $1 billion into off-grid and small scale solutions in sub-Saharan Africa, helping to take innovative business models to scale and bringing electricity to an anticipated 20 million households and businesses.
Formally launched by President Obama in June 2013, the initiative has already helped complete almost 2 800 MW worth of transactions and has secured commitments for another 5,000 MW, representing almost 75% of the initial goal of bringing an additional 10 000 MW of cleaner, more reliable energy to Power Africa's six focus countries - Ethiopia, Ghana, Kenya, Liberia, Nigeria and Tanzania.
According to Tetra Tech, under Power Africa, Tetra Tech will support the U.S. Government to accelerate the generation and transmission of sustainable electric power in regions throughout Africa, including the Power Africa focus countries.
“Tetra Tech will identify and design innovative approaches to develop small-scale clean energy projects to increase access in rural areas, develop a robust pipeline of power generation projects using a transaction-based approach, support the strengthening of regulatory and institutional policies, and provide direct programmatic support to the Power Africa Coordinator's Office,” said Tetra Tech in a statement. *(This Is Africa)*

MINING

Haiyu Mining Resumes Production In Mozambique

Chinese mining giant, Haiyu Mozambique Mining Limitada resumed heavy sands processing operations in Mozambique’s Nampula province after production were halted two months ago after expiring of the mining contract.
Haiyu Mozambique Mining Limitada got approval from Mozambican government to mine of the heavy sands two years ago in efforts to extract zarcon, ilmenite and rutile minerals. The mining unit, located 200 kilometres from the city of Nampula, invested US$30 million and has capacity to process 20 tonnes of heavy sands per day.
Haiyu Mozambique Mining Limitada directrpr Fen Guang said “the schedule for setting up the project was being met and that the company would start extracting zarcon, ilmenite and rutile” This comes as London Stock Exchange listed Irish mining giant, Kenmare Resources says it has also increased ilmenite mining production in Moma in Northern Mozambique by 47% in the first half of this year. Mozambique has the potential to become the world’s foremost producer of ilmenite, based on its extensive heavy mineral sands deposits located along most of its 2700 km coastline. *(Ventures Africa)*

Australia's Metals of Africa discovers metal deposits in Mozambique

Australian company Metals of Africa said it had identified three priority areas for metal surveying on the Mazoe River, in Mozambique's Tete province, which may contain large deposits of copper, zinc and lead.
According to a statement from the company the samples collected in the areas of "Cassidy Shea", "Monte Rodonita" and "Downeaster" showed large concentrations of those metals.
Prospecting by Metals Of Africa in the region began after the company raised US$494,000 for the project by issuing 7.604 million shares at a unit price of 6.5 cents on the Sydney Stock exchange, where the company is listed.
In a similar operation at the beginning of this week the company raised over US$950,000, which will be used for another project the company is carrying out in Mozambique in the Montepuez region of Cabo Delgado province.
At the Mazoe River project, which was identified in 2001 by BHP Billiton after a survey involving five countries, Metals of Africa, whose partner is British company Baobab Resources PLC, identified 39 areas with potential to explore a variety of metals, including silver. *(Macauhub)*

OIL & GAS

Angola Economy Back on Track, Non-Oil Sector Expands

Despite a slight deceleration in 2013 due to lower oil revenues, Angola's economy appears to be back on track with real GDP growing by 4.4%, according to the World Bank's latest Angola Economic Update. This is well above the 2009-2011 average of 3.5%, although still below the 5.2% growth in 2012. The country's non-oil sector also expanded rapidly last year, with non-oil GDP growth reaching 6.3% in 2013 as a result of a recovering agricultural sector, as well as investments in the electricity sector.
The expanded agricultural output and lower food import prices have also helped curb inflation rate to a single digit. "Angola's inflation is projected to remain on a downward trend as we expect global agriculture price indexes to decrease, and domestic agriculture production to continue its recovery from the 2012 drought," said Gregor Binkert, World Bank Country Director for Angola.
The drop in oil revenue, coupled with an increase in expenditures, is estimated to have led to a fiscal deficit for the first time since 2009. The 2014 budget (adopted in December 2013) is expansionary relative to 2013, with capital expenditures expected to increase by about 3 percentage points of GDP to about 13% of GDP. If fully implemented, the 2014 budget would imply a fiscal deficit of 4.9%.
At the same time, lower oil related export earnings and higher imports have narrowed the resource-rich country's current account surplus. While Angola continues to run a significant surplus, the current account remains vulnerable to external shocks. Oil export revenues, which dominate foreign-exchange earnings, declined as global oil prices fell 2013. The correlation between the current account and fiscal balance magnifies the effect of fluctuations in global oil prices on economic activity in Angola, further highlighting the need to diversify the economy and decouple public finances from the oil sector.
"Although the outlook for 2014 is favorable in light of an expected increase in oil production, absent new discoveries, oil production is unlikely to further accelerate GDP growth," said Elisa Gamberoni, World Bank Economist and lead author of the report. "Non-oil GDP would thus need to expand rapidly to bring Angola back to the strong performance observed before the 2009 crisis. Refocusing public expenditures on capital investment could positively affect Angola's economic outlook, but only if execution capacity can be increased and the quality of public investment can be ensured."
One way to do this is to strengthen the export competitiveness of the non-oil sector (including non-oil extractive industries) to help maintain a stable current account surplus, and reduce Angola's exposure to terms-of-trade volatility. On the fiscal side, there is a need to reform the tax system in order to reduce the exposure to fluctuations in oil related revenues, since non-oil tax revenue as a percentage of non-oil GDP has consistently decreased in recent years. While the non-oil economy expands, maintaining the observed level of international reserves will also help shield the country from potential oil price fluctuations. *(World Bank)*

INFRASTRUCTURE

Government calls for public-private partnerships for port and railroad in Beira, Mozambique

Mozambique's Minister for Transport and Communications, Gabriel Muthisse called for public-private partnerships (PPPs) or private companies to maintain rail and port facilities as a way of improving them over the next 10 years.
"Traffic is projected to increase over the next 10 years to 23 million tons, including 18 million tons of coal," said Muthisse.
The Transport and Communications Minister also said there was a need to start studying the needs and growth of the "Zimbabwe Corridor," which includes Zambia and Congo. Muthisse also noted that work was underway on the Sena Railroad to increase its capacity but added that the solution needed to take both port and rail capacity into account.
The minister said that in order to improve access to the port and Marine Services in Beira Mozambican state rail company Caminhos de Ferro de Moçambique and dredging company EMODRAGA, E.P. would urgently need to dredge the port's access channel. *(Macauhub)*

Africa Railways Secures Final Instalment Of $164m Capital

Africa Railways, a subsidiary of Qalaa Holdings (formerly Citadel Capital), has completed the drawdown of the final $69.6 million of a $164 million senior debt facility, which it raised through global and East African financiers in 2011 to fund the five-year turnaround of its Railway Operator Rift Valley Railways.
The final drawdown, the company revealed, will be used to revamp the operator's entire system with new technology and better freight capacity.
Institutions participating in the $164 million senior debt package include the African Development Bank (AfDB); International Finance Corporation (IFC); KfW Entwicklungsbank (The German Development Bank, KfW); FMO (the Netherlands development bank); Kenya's Equity Bank; ICF Debt Pool; Belgian Investment Company for Developing Countries (BIO).
According to the Managing Director of Qalaa Holdings Karim Sadek, "Alongside a strong management team, the financing provided by these financial institutions has been key to turning around the fortunes of Rift Valley Railways".
He added that "A portion of the proceeds from the drawdown will be used to finance ongoing capex projects including the rehabilitation of the 366 kms of the Nairobi-Kampala section of the line, as well as refurbish a further 1,400 wagons in the existing fleet. Total capex spending this year will exceed $100 million".
Qalla owned Africa Railways, February, acquired an additional 34% stake in RVR from Transcentury Limited, a Nairobi-listed infrastructure company, raising its total ownership stake to 85% with the remaining 15% being held by Bomi Holdings. The Kenya-Uganda railway operator continues to attract new clients on the back of sustained investment in critical infrastructure, technology and cargo carrying capacity. Transportation and logistics are core industries of RVRs parent company Qalaa Holdings.
Sadek stated that freight clients in particular are benefiting and taking advantage of the investment in revitalizing the Kenya-Uganda railway system, which he says has been more "in the last 26 months than in the previous 26 years".
Among those investing in the revitalised railway system is Vivo Energy Kenya, which markets Shell-branded fuels and lubricants. Vivo announced earlier this month that it plans to double, in the near term, the 4 million litres of diesel per month it ships to Nairobi and Uganda from the port of Mombasa thanks to a program that will see 255 disused fuel-ferrying tanks brought into service at RVR workshops in Nairobi, Mombasa and Kampala.
Additional tank wagon acquisitions by RVR will triple its fuel-ferrying capacity over the next year. Purpose built saddles designed by RVR engineers also enabled Roofings Rolling Mills, a major Uganda based steel manufacturer, to shift most of the transportation of heavy steel coil imports from road to rail.
In the 2013 capex program, the rehabilitation of 73 km of track linking Nairobi and Mombasa at a cost of $20 million and rebuilding of nine culverts between Busembatia and Jinja resulted in the lifting of speed restrictions in critical sections of the line thereby slashing transit times between the port and Nairobi by six hours and Tororo to Jinja by 10 hours.
In addition, RVR launched a multi-million-dollar technology upgrade that saw global positioning system (GPS)-based software introduced on the trains allowing RVR track operators to centrally control the movement of trains and cargo along the railway track.
The automated train warrant (ATW) software allows online visualization from an operations control center in Nairobi, which pinpoints the precise location of trains along the railway replacing manual management of crossovers at railway stations with satellite-enabled self-switching movement of trains. *(Ventures Africa)*

Zambia railway telecoms, signalling upgrade to be completed in 2016

The upgrade of the telecoms and signalling system along Zambia's Livingstone–Chingola railway line was expected to be completed in 2016, improving safety, efficiency and throughput, information and communications technology company Huawei Railway Solutions business development global director Norman Frisch told Engineering News Online.
Huawei, and rail industry company Bombardier Transportation, were undertaking the upgrade of the system along this 980 km railway line, which comprised 42 stations.
The technology and equipment being supplied by Huawei and Bombardier complied with the globally recognised European Rail Train Management System (ERTMS) standard, the Global System for Mobile Communication – Railway (GSM-R) and European Train Control System standards. Frisch noted that implementing an ERTMS increased the safety and efficiency of the railway line, while also improving throughput by allowing rail operators to reduce the amount of space between trains and, therefore, run more trains on the same track. Implementing this standard also gave railway operators peace of mind, as they knew that the equipment being installed had delivered reliable communications for railway operators across the world.
"[As ERTMS] is a global standard developed to enable interoperability, if neighbouring countries to Zambia implemented the same standards, trains would be able to move more easily between the different countries, which would help regional integration," Bombardier Rail Control Solutions head of sales and business development, Lucien Peters added. The Zambian system would be deployed in three phases, or lots, Peters told Engineering News Online.
The first lot stretched from Livingstone to Kasawasa, the second from Kabwe to Kaniki and the third from Kitwe to Chingola.

He noted that, aside from Zambia, South Africa had also already committed to implementing GSM-R. “We think that the market is reaching the point where an integrated railway system is required in sub-Shaharan Africa to facilitate more efficient trade [such as is used in Europe],” he said, stating that it was important that African countries communicated with each other and employed a set standard across the continent.
In March last year Huawei was awarded a contract by the Passenger Rail Agency of South Africa (PRASA) to deploy GSM-R for the country’s commuter railways.
In terms of this agreement, Huawei’s GSM-R system would be installed along PRASA’s metro commuter railway lines in Johannesburg, Durban and Cape Town. *(Engineering News)*

Tanzania, Zambia to invest $80m in cash-strapped rail firm

Tanzania and Zambia plan to inject $80-million to bail out a jointly owned railway firm suffering from decades of under-investment, the company said.
The 1 860 km (1 155 mile) railway is a key route for copper exports from Zambia and neighbouring Democratic Republic of Congo to Tanzania's main port of Dar es Salaam.
The capital infusion from the two state shareholders is expected to provide a lifeline to the loss-making company, Tanzania-Zambia Railway Authority (Tazara).
"The governments of Tanzania and Zambia ... have agreed to inject $80-million into the operations of Tazara in the next 12 months, of which $9.2-million is to be disbursed immediately to cater for two months of outstanding employees' salary arrears and some working capital," company spokesperson Conrad Simuchile said in a statement.
The railway firm has been hit by frequent work stoppages due to on-off strikes by workers over unpaid salaries.
Simuchile said the capital injections were also needed to buy fuels and lubricants for the trains.
The Chinese-built railway has suffered from falling cargo traffic as well as years of inadequate investment by the two shareholders.
The company said in September that revenue had averaged $1.53-million per month over the past eight months against an estimated average expenditure exceeding $2.5-million, of which salaries alone constituted an average of $1.3-million. *(Engineering News)*

Port of Maputo management company buys majority stake in shipping company Navique

Portus Indico, the company that manages the Port of Maputo Development Company (MPDC) has bought 70% of Mozambican shipping company Navique – Empresa Moçambicana de Navegação, previously owned by Portugal’s Empresa de Tráfego e Estiva (E.T.E), a source from the E.T.E told Macauhub.
Through Portus Indico, MPDC will now manage the Maputo coastal shipping terminal company Terminal de Cabotagem de Maputo (TCM), a company in which Navique has a 51% stake and state port and rail company Portos e Caminhos de Ferro de Moçambique (CFM) owns 49%.
Before the deal Navique was owned by a subsidiary of E.T.E (70%), by Mozambican state stake-holding company IGPE (20%) and by Focus 21 (10%), a holding company of the family of Mozambican president, Armando Guebuza.
Speaking to Macauhub by telephone, a source from the ET.E. board confirmed the sale of the stake the group had owned in Navique since 2000, but declined to give a figure for the deal.
In a press release published on the MPDC website Portus Indico said that TCM us “one of the oldest terminals at the port of Maputo” and has a paved area of 27,000 square metres, a 300-metre dock and several warehouses covering an area of 5,000 square metres.
The group, which is owned by South Africa’s Grindrod (48.5%), DP World (48.5%) of the United Arab Emirates and Mozambique Gestores (3%), also said that TCM would start offering services such as vehicle storage and passenger ship handling. Portus Indico has a private concession on MPDC until 2025, in which CFM has a stake of 49 %. *(Macauhub)*

Angola to be linked by road to neighbouring countries in 2017

Road links between Angola and neighbouring countries will be in place by 2017, the director-general of the Angolan National Roads Institute (INEA) said. António Resende, speaking to Angolan news agency Angop at the re-opening of the metal bridge over the Luvo River, said that work to rebuild the cross-border roads in the south, north and east of the country was at an advanced stage. According to Angolan state newspaper Jornal de Angola the previous bridge was destroyed by excess cargo on a truck loaded with a large crane.
Resende also said that plans were underway to build a concrete bridge across the river, which separates the municipality of Mbanza Congo (Angola) and the Lower Congo region of the Democratic Republic of Congo (DRC). The bridge will be 37.6 metres long and have one 3.5-metre lane running in each direction.
The director-general of INEA said that a road is in its final stages of construction in the Cunene area linking this region to neighbouring Namibia, whilst in Zaire province work was underway to rebuild the road to the Lower Congo (DRC).
Resende also said that the road corridors in the provinces of Uíge, Malange, Lunda Norte, Lunda Sul, and in Lobito (Benguela) to Luau (Moxico), on the border with Zambia, are due to be rebuilt as part of the National Development Plan. Angola has borders to the south with Namibia, to the east with Zambia and the Democratic Republic of Congo and to the north with the Republic of Congo. *(Macauhub)*

TELECOM

Meet the BRCK – rugged internet for Africa

Uninterrupted internet access is but a dream in many parts of Africa. One of the reasons for this is the constant power outages that also cuts off internet connectivity

Last week a Kenyan technology company launched a mobile Wi-Fi device aimed at overcoming internet and electricity challenges in emerging markets. The product is called the BRCK, and while it can function anywhere, it is specifically designed to work in harsh environments. The rugged design allows for drops, dust and weather resistance.

Erik Hersman, CEO of BRCK, describes the device as "a router, a battery and a modem all in one".

The BRCK sends Wi-Fi signals to up to 20 devices, including computers and mobile phones. It can connect to the internet through an ethernet cable, a SIM card or Wi-Fi bridging. In areas where the mobile network is poor, users can attach an aerial to reach a signal further away.

The device, which fits into the palm of your hand, has an eight hour battery life in full power mode and can be charged from a solar panel, car battery, and computer or plugged into the wall.

When the power cuts out, the BRCK automatically switches over to its battery; when the internet goes down, it shifts to mobile data through the SIM card. "In case of a power surge it wouldn't blow. It will just switch over to battery at that point," says Hersman.

Designed for Africa

Hersman tells How we made it in Africa that the BRCK solves connectivity problems that could not be addressed by routers and modems made for the US and Europe where there is consistent power and connectivity.

"Our power doesn't stay up all the time and our internet doesn't stay up all the time. We thought, what if we were to redesign the router to be useful for our context? We can design a product that actually fits our needs and the needs of the three billion people around the world in Asia and South America that have the same problems that we do," says Hersman.

The BRCK retails at US$200 and the company has started shipping 800 devices to 45 countries across the world.

Surprisingly, the BRCK has already received orders from customers in developed markets such as the US and Europe. Demand has come from people living on boats or travelling a lot, as well as from companies that have "things they want to connect to the internet which are sort of off the grid a little bit".

There has also been a push for the use of the BRCK in African schools to connect tablets and computers for educational purposes.

"The funny thing is that is equally true in Europe. Schools in places where internet connectivity is less redundant and less reliable are also looking at BRCK as an option for them," says Hersman. "Turns out that you can build a device that is actually made for our context here in Nairobi and it has huge value not just in Africa but also in Europe and America. It is a fun place to be having a product that is designed and engineered in Nairobi and shipped globally."

A tough journey

It has taken Hersman and his team over three and a half years to prototype, fundraise and finally manufacture the BRCK.

"I did not truly appreciate how difficult it is. It is a really complicated affair when you are building hardware. It is a very complex and very difficult to build a system especially if you are trying to make it simple, because simplicity is actually more complex to build."

Manufacturing technology hardware is also capital intensive. Non-profit software company Ushahidi was the first angel investor in BRCK and covered the company's bills to the tune of $100,000. Last year BRCK raised an additional $172,000 via crowdfunding platform Kickstarter.

The device is made out of components from Asia, designed and engineered in Nairobi and assembled in the US. Hersman says it is cheaper to assemble in the US than in Kenya.

Manufacturing in China would be even more cost-competitive, but Hersman says it is not currently the right option because the company is still making tweaks to the product. "Once you go to China you don't want anything to change. China is cheaper to assemble but it is a place that until you get to the 10,000 unit level, you want to be a little careful with going there."

Although Hersman would like to manufacture the BRCK in Kenya, local regulations and import duties on components make it unfeasible. "It is too expensive. There is no manufacturing of consumer electronics and telecoms done here." Hersman says the important thing is that the design and engineering is happening in Nairobi. Claims of "Made in Africa", he says, are just "marketing for the most part". "There is another thing that is actually more important, which is 'designed for Africa'. If you design for Africa it is more compelling because you are doing it for one of the harshest consumer environments in the world where [consumers have to worry about] dust, water [and] shock." *(How we made it in Africa)*

Airtel's 'Roam And Home' Service To Shrink Roaming Cost By 90%

Airtel Nigeria, one of Nigeria's largest mobile network operator, has announced the introduction of a unique roaming package, titled 'Airtel Roam and Home', that it says will provide affordable services to travellers who roam, offering free incoming calls and up to 90% discount on the roaming tariff.

Airtel NG say the new package is consistent with its vision to be the most loved brand in the daily lives of Nigerians, empowering telecoms consumers to roam at a discounted rate on 28 selected networks in 26 countries.
According to the Chief Commercial Officer of Airtel Nigeria, Maurice Newa, the network through the package, seek to create unique and exciting experience for its customers who travel for business, trade, holiday, leisure, pilgrimage, festivities or other important activities.
Newa added that the package responds to the often expensive and complex nature of Roaming, offering customers convenience and ease. “Airtel Nigeria clearly understands the lifestyles of its highly valuable customers in Nigeria and we are positioned and able to deliver according to their needs. We are keen on contributing to the success of our customers and remain committed to providing unmatched, quality products and services to them”.
The Airtel Roam and Home bundle is a renewable monthly plan available in 28 countries including top international destinations such as United Kingdom, United States, Canada, India, China, Dubai, South Africa and Israel, among many others. *(Ventures Africa)*

MTN unveils first concentrated solar plant

Telecommunications giant MTN this week unveiled Africa’s first concentrating solar cooling plant, paving the way for South African companies to adopt similar strategies to reduce their carbon footprint.
The more than R5-million concentrating solar power (CSP) plant, which would power MTN’s energy-intensive data centres, had a peak cooling capacity of 330 kW and comprised 242 solar mirrors tracking the sun from an area of 484 m2.
The system tracked the sun to generate pressurised hot water, which powered absorption chillers producing chilled water circulated into the data centre, based in Roodepoort, for the cooling of the information technology equipment.
MTN capital projects group GM Brandon Gombert explained that the CSP plant shaved more than R1-million a month off the JSE-listed group’s energy bill and eliminated the consumption of enough electricity to power 70 houses from the strained national grid.
The rooftop plant, which would also prevent about 280 t/y of carbon dioxide emissions, facilitated the entry of German technology into South Africa, opening a gap for job creation through local manufacturing of the components.
The CSP plant was the third successful project in the framework of the South Africa-German Energy Partnership since its inception in February 2013. The plant served as a sort of “pilot” to prove the technology worked in South Africa’s sunny climate.
All the connectors guiding the plant were assembled in South Africa, proving that with increased uptake of projects such as the 3 MW CSP, a new market could emerge, providing a platform for a manufacturing or assembly plant, explained Voltas Technology MD Cristian Cernat. “The opportunity to model and design the installation using a high-temperature heat source, architectonically integrated creates a real opportunity for local manufacturing and future job creation in the field of renewable-energy equipment production in our country,” he said.
Reach Renewable MD Frank Major agreed, pointing out that two-thirds of the energy consumed by industry was used for heat and a local application could enable up to 90% local value creation through the use of CSP and absorption technologies while relieving the strain on the national grid.
MTN’s CSP system was designed by Reach Renewable and AOS Consulting Engineers and implemented in partnership with Industrial Solar, Voltas Technologies and Luft Technik. *(Engineering News)*

Cellphone is virtual bank as mobile money gains

Mobile operators and banks should provide incentives to customers to drive the uptake of mobile- money services, wireless communications network provider Ericsson said this week.
The rapid convergence of mobile and banking technology, which started with simple functions such as money transfer, is increasingly making the cellphone a virtual bank in itself.
Mobile money is gaining traction in many markets in Africa as millions of people without banking accounts sign up for the service. According to global mobile network industry body GSMA, 52% of mobile-money services are in sub-Saharan Africa.
Ericsson estimates that by 2016, the mobile commerce market is expected to reach $800bn worldwide. Kenya, Uganda and Tanzania are some of the few countries in Africa that are leading the pack with mobile money.
In Uganda, an estimated 9-million people use mobile banking to exchange, save and spend money, instead of handling cash — reducing both the risk of theft and the need to travel. In South Africa, mobile-money take-up has been slow compared to other countries in Africa mainly because of the expansive ATM and bank infrastructure available.
Ericsson’s head of mobile commerce sales in Europe, the Middle East and Africa, Rajiv Bhatia, said there was an untapped opportunity to drive activity and loyalty in mobile money using mobile prepaid airtime.
Airtime can be used to promote usage in several ways such as encouraging people to have a minimum amount of money in their wallets and rewarding them with better data and airtime bundles for use of their mobile-money wallets.
"Operators and financial institutions are battling to trigger activity in dormant wallets," Mr Bhatia said.
Operators and financial institutions could replicate the loyalty programme of credit card providers through the use of airtime, to encourage consumers to use mobile money, he said.

"There are opportunities to grow this business, especially among the migrant population, which still uses informal means to remit cash. Banks should forge closer ties with operators, who have an expansive distribution network to encourage adoption and drive usage," said Mr Bhatia.
Last month, MTN and Pick n Pay launched a new mobile-money product that aims to bring free monthly transfers to millions of people without bank cards.
To register for mobile money, customers will have to purchase a Pick n Pay and MTN co-branded SIM card. The SIM card will reward customers with an extra 10% airtime when they top up at Pick n Pay and Boxer stores.
Users will also earn double Smart Shopper points at Pick n Pay when using Mobile Money to purchase goods. MTN and Pick n Pay also launched a Mobile Money-branded Visa debit card, allowing mobile-money customers to draw money at ATMs.
MTN CEO Zunaid Bubulia said the Mobile Money innovations were part of MTN's "continued commitment to revolutionise banking and drive economic inclusion, and we look forward to its take- up by South Africans".
Vodacom is revamping its M-Pesa mobile-money offering, which it launched two years ago. *(BDLive)*

RETAIL

Shoprite's Annual Turnover Surges 10.5%

Africa's biggest food retailer, Shoprite, said the group's turnover for the 12 months to June had surged 10.5% to R102.2 billion ($9.5 billion).
However, the continued pressure on consumers' disposable income reflected in the slow-down in sales in its South African supermarket division, the largest division in the group, which grew sales by only 8.7%.
The turnover of the 169 supermarkets the group operates outside the borders of South Africa surged 26.8% compared to the 2013 reporting period. "Taken at constant currencies these operations grew by 16.2%," CEO Whitey Basson said when the company released a trading update. "The furniture division grew turnover by 12.2% even though the highly competitive market conditions remained unchanged," Basson said.
Earlier this year, Shoprite said that 13 shops will start operating in Sub-Saharan Africa (outside South Africa) by the end of the current financial year.
This will increase the number of stores in Africa but outside South Africa to 163 shops, it said. In the past financial year Shoprite opened 10 new supermarkets outside South Africa.
Shoprite's non South African stores continued their robust growth in the six months to December through the 15 countries where it has operations, according to Shoprite.
In the six months ended December 2013, Shoprite said African sales outside of South Africa surged 28,1 % in rand terms and "14,9% in constant currencies." Whitey Basson, the CEO of Shoprite, said this growth was boosted by the weak rand against the US dollar than did paper money of some African states in which Shoprite has operations.
But Shoprite posted an overall 8% surge in headline earnings a share in the period under review, described as the lowest interim profit increase in eight years.
The blame for this poor performance during the period has been lay squarely on the door of major job losses, high consumers' indebtedness and high petrol prices in South Africa.
Basson admitted in Johannesburg that this particular interim period had been a very tough one. *(Ventures Africa)*

Signage, Branding Boosting Growth Of Independent African Petrol Retailers

Immense gains are being made by independent petrol retailers across Africa, presenting an enormous challenge to franchise operators for oil giants which have monopolised the continent's markets for decades.
As Africa continues its economic revival, so emerging wealthy individuals have turned their attention to independent businesses that are able compete with established brands on the national level – the retail petrol industry being no exception.
However, these executives have acknowledged that their burgeoning companies and franchises require a successful business plan, with branding and signage an integral aspect of future operations.
In the highly competitive petrol retail sector, brand is arguably as important as the quality of product.
Soala Ariweriokuma is the author of the acclaimed Political Economy of Oil and Gas in Africa and a member of the Nigerian National Petroleum Corporation, and believes that the emergence of independent petrol retailers in Nigeria has "made the story very different". "The Nigerian downstream sector was dominated by majors like Texaco, Agip and Mobil some years ago," Ariweriokuma says. "Now, a large number of independents have sprung up and displaced the majors through acquisition. Currently only Mobil and Total are still in the downstream. The Nigerian market is very dynamic and competitive. The independents are very creative and take the opportunities for various forms of branding, signage in particular, to gain a competitive edge."
Giving credence to his belief is that according to the latest statistics from think tank NOI Polls, an astonishing 28% of Nigerians bought petrol from independent retailers in the first quarter of 2014, where this group was a virtual non-entity a few years ago.

And in the South-East zone of the country, a remarkable 44% of Nigerians bought petrol from independent filling stations.
Further monthly trend analysis reveals a downward trend in the proportion of Nigerians who purchased petrol from major marketer filling stations; there was a nine-point decline from January (78%) to February (69%)and a further 23% decline in March (46%).
Although the South African market is still largely dominated by the oil giants, the situation is beginning to reflect that of Nigeria, particularly in the rural areas and towns where a host of new independent stations are to be found, and their names becoming more familiar through branding.
With the coming-of-age of the African independent retailer, so South African-based signage company First African Holdings has increasingly found itself playing a major role in the development of these businesses.
Thanks to its signage and branding with Nigeria's Oando, the oil retailer has grown to more than 500 outlets around the country in only two years. Such has been the success that it is anticipated that the branding solutions will be rolled out to Oando's other West African countries in which it has presence, including Ghana, Togo and the Republic of Benin.
First African has also assisted in the untold growth of Zimbabwe's Sakunda Energy.
"The first two sites were going to be Sakunda's flagship sites and needed to be built from the ground up. This meant a completely new design of pylon, canopy cladding, spreaders, trash valets, column cladding and shop front signage.
"We worked alongside Sakunda to come up with a design plan they were satisfied with, which was practical and effective, while remaining within their budget," says First African spokeswoman Mariette Beukes.
"We used 3D modelling software to conceptualise the design, which helped us give Sakunda a good idea of what the final product would look like. They are exceptionally happy with the result." *(Ventures Africa)*

Moir sees no change in DNA as businesses are spliced

One of Moir's, Woolworths CEO, main responsibilities is to ensure the three parts — David Jones, Woolworths and Country Road — come together seamlessly and efficiencies are maximised.
He does not believe the integration will affect Woolworths's DNA. "We have carefully chosen our acquisitions in entities that have similar cultures."
Moir says this makes it a lot easier to bring the businesses together as they have similar relationships with suppliers and place customers at the helm.
One of the targets is to increase private label revenue from 4% to 20% of sales over five years at David Jones, so Woolworths will send in-house apparel brands such as Country Road, Trenery, Mimco, Witchery, Studio W and Re into the Australian department store chain.
David Jones has upmarket food halls at three of its 38 stores, which contribute only about 0.1% of that business. South Africans won't be seeing its food, which Moir says is remarkably similar to Woolworths lines "but our food is better". The food offering "is way down on our agenda, and it's not an issue".
A priority is to derive benefits from economies of scale -as a much bigger business, the cost of goods will come down, selling prices will be reduced and market share will increase.
The deal will be earnings dilutive for the first year, neutral in year two and earnings accretive thereafter.
"Our aim would be to improve on that," says Moir, who had to delay a back operation while he met top shareholders in Cape Town, Johannesburg, London, Boston and New York to explain the rationale for the deal.
He had to have the operation done just over three weeks ago, and will split his time equally between Australia and South Africa over the next 18 months. He's not concerned, and says the team around him is very capable.
The share price has risen more than 10% since the day before the deal was announced, giving it a market cap of R62-billion. With David Jones, it should go to R80-billion plus in time.
• *Bloomberg reports the share price had its biggest fall in three months after a trading update this week as annual sales growth slowed and bad-debt charges rose. However, profit margins and market share rose.*
• *This article was first published in Sunday Times: Business Times*

AGRIBUSINESS

Japan pays for new fish market in Maputo, Mozambique

Construction of a new fish market in Maputo, the capital of Mozambique, was paid for by aid from Japan and the new facility is expected to start operating by August 2015, Mozambique's Fishing Minister said recently at the laying of the first project's stone.
The market, which is expected to cost around US$11.3 million, will have 40 kiosks, 100 stalls with equipment such as cold storage units, ice machines, areas for gutting fish and a solid waste treatment system, along with other services.
The Japanese International Cooperation Agency (JICA) has provided US$8.6 million for the project, the Maputo city council has provided US$1.4 million and the remainder will be secured from the State Budget. "This new facility will drive artisanal fishing production and other related activities and will therefore be of value to fishermen, fish sellers, municipal residents and market goers," said Borges. The Minister also said that artisanal fishing in Mozambique

accounts for around 85% of catches in the country and in 2014 was responsible for 196,000 tons of a total 220,000 tons overall. *(Macauhub)*

Cassava production in Mozambique expected to reach 14.7 million tons in 2014

Cassava production in Mozambique is expected this year to reach 14.7 million tons, which will be an increase of 5 million tons on the average for the last five years, said the Mozambican Ministry for Agriculture.

In a statement cited by Mozambican daily newspaper Correio da Manhã the ministry said that, regardless of the rise in production, “Mozambique has yet to achieve satisfactory levels in terms of the quality of the tuber and a greater surplus of flour.”

Cassava is the second most important crop in Mozambique and is one of the main sources of food for the country’s population, particularly in rural areas, which are home to over 80% of Mozambique’s more than 23 million inhabitants.

Cassava production is mainly focused on the provinces of Cabo Delgado, Nampula, Zambézia and Inhambane, and carried out in the family-base agricultural sector, according to the Ministry for Agriculture. *(Macauhub)*

Mozambique and European Union meet to renew fishing agreement

Delegations from the European Union (EU) and from Mozambique met in Maputo to discuss renewing their fishing agreement, which is due to end in January 2015. The current agreement, which was signed in February 2012, allows ships from the EU, specifically from France, Spain, Portugal, the United Kingdom and Italy to fish in Mozambican waters. As part of the agreement the EU paid Mozambique a total of 980,000 euros, of which 460,000 euros were to support fishing policy in Mozambique to promote sustainability. The current agreement allows 75 fishing vessels to work in the area. *(Macauhub)*

SABMiller earns R7.6bn from Tsogo Sun stake sale

South African brewer SABMiller would reinvest the proceeds from the sale of its shareholding in JSE-listed gaming, hotel and entertainment group Tsogo Sun Holdings, in its core growth beverage businesses, including its African operations, CEO Alan Clark said. The company announced that it had sold 293.9-million of the ordinary shares it held in Tsogo Sun for R25.75 each, for a total gross consideration of R7.6-billion. This followed an announcement earlier this month that it would dispose of its 39.6% shareholding in the entertainment company, as it was not core to SABMiller’s operations. “We are very pleased with the outcome of this offering of Tsogo Sun shares, which generated strong interest from the investment community. “This is testament to the high-quality business and management of Tsogo Sun and we wish the management team, directors, employees and shareholders of Tsogo Sun the very best for the future,” Clark said in a statement.

In addition to the share placing, members of Tsogo Sun’s executive management team would also, subject to shareholder approval of a loan facility, buy back a further 7.77-million ordinary shares from SABMiller at the placing price.

Tsogo Sun would also then buy back the balance of SABMiller’s shareholding in the entertainment company – 133.59-million ordinary shares – for an aggregate consideration of R2.8-billion. SABMiller expected the share repurchase to be effective on or about September 5. *(Engineering News)*

Kenyan Juice Maker Invests $23m In Tomato, Coffee Products

Juice maker, Kevian Kenya has invested Sh2 billion ($22.8 million) to introduce new products in its Thika-based plant with the capacity to produce 250 tonnes per day as it seeks to expand its local and regional reach. “We are seeking growth through new brands to strengthen our market presence in the region,” said Kimani Rugendo, founder of Kevian Kenya. The company added its own brands of tomato juice and ready-to-drink coffee to the already robust portfolio of products, which include Pick N Peel juice brands and Afia. Kevian also has eight non-alcoholic malt drinks, which are available in Ethiopia, Uganda, Zambia, Tanzania, Zambia and Sudan.

The new investment deviates from Kevian’s usual external financing gotten from development financial institutions, including a $7.6 million funding from German Investment bank, German Investment Corporation (Deutsche Investitions-und Entwicklungsgesellschaft mbH — DEG). The Kenyan company raised the Sh2 billion for the new range of products from its internal cash flow as it continues its growth in the East African country’s $1 billion soft drinks market.

The Alcohol Control Act enacted in 2010 has also helped the beverage drink industry grow in Kenya, as alcohol consumption and sale in public bars is banned between 5 pm and 11 pm on weekdays and before 2pm on public holidays and weekends. With opportunities for growth increasing locally and across the region, Kevian Kenya is growing with the trend and also focusing on other untapped markets. *(Ventures Africa)*

Japan’s Nitura postpones construction of textile complex in Mozambique

Japanese company Nitura announced the postponement of construction of a textile complex, with units for spinning, weaving and clothes manufacturing in the city of Nacala-Porto, in Mozambique’s Nampula province, according to Mozambican daily newspaper Notícias.

The newspaper said that "the postponement is, apparently, related to a lack of security in some areas of Sofala province." The project also included opening a cotton-based raw materials production centre, in Malema district, on a 4,000-hectare plot, a seed-cotton processing factory and a textile complex in Nacala-Porto.
Nitura planned to produce an average of 16,000 tons of cotton per harvest for manufacturing a variety of clothes that would then be sold on the European and American markets. *(Macauhub)*

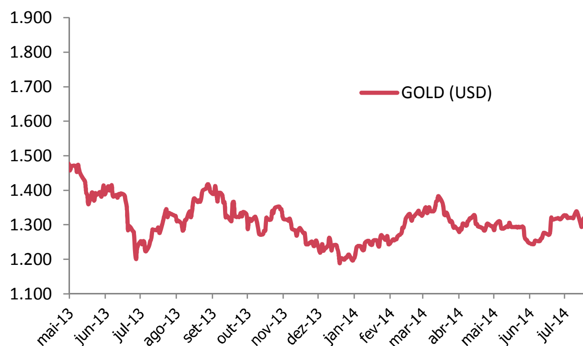
Olam Sets Up Africa's Largest Rice Mill In Nigeria

Leading Agri-business firm, Olam Nigeria Limited has set up a multi-million dollar integrated rice mill in Nasarawa State, North-central Nigeria, fitted with the capacity to produce 36,000 metric tonnes of milled rice per annum. Olam's Managing Director for Africa and Middle East, Venkataramani Srivathsan, who welcomed Nigeria's President Goodluck Jonathan for the commissioning of the facility, said 3,000 hectares of land is already under cultivation on the 6,000 hectares of mechanised paddy farm where the rice mill is located.
Srivathsan said Olam plans to increase acreage in Nasarawa to 10,000 hectares. "This will bring Olam's total investment in the integrated farm and milling facility to over N18 billion ($111 million)," he said.
Jonathan in his address said rice production was scaling up in the country as evident in the increase in the number of integrated rice mills from one to 18 in the past three years. "I look forward to the day when Nigeria rice will go beyond our shores and traded internationally," the president said, adding that with the growth achieved thus far, it is a possible feat for the country to achieve. The president noted therefore that the country's dream of becoming a net exporter of rice will be fast-tracked by encouraging large commercial farms as a way of complementing small-scale farmers. Jonathan promised to always support public-private partnership aimed at developing the country's agricultural sector as part of effort to help the country achieve its developmental goals.
Olam Nigeria Country Head, Mukul Mathur expressed the company's pride to have been part of Nigeria's development of its export chains, noting that the Singapore-headquartered firm was the first to export sesame from Nigeria.
"…we hope that the success of our rice model will kick-start domestic production in a similar manner, unlocking the opportunity for businesses and smallholders alike, and reducing Nigeria's need to import 1.9 million tonnes of rice each year," said Mathur.
A statement by Olam described the company as being the largest non-oil exporter in the country for the last 10 years, a feat that has won it several awards both locally and internationally. Srivathsan also noted that the mill demonstrates how large-scale commercial farms can work hand in hand with smallholders to help advance Nigeria's Agricultural Transformation Agenda, generating rural prosperity through local processing. The company which started in Nigeria 25 years ago employs more than 2,500 direct workers and over 6,000 workers on contract. *(Ventures Africa)*

MARKET INDICATORS
21-07-2014

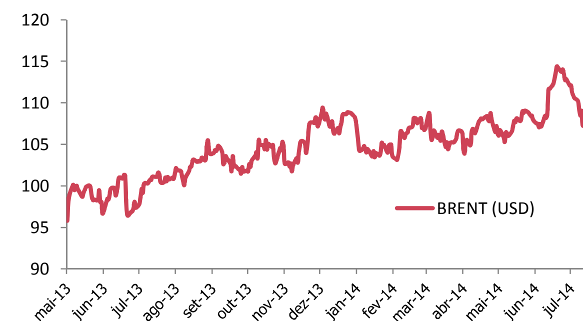
STOCK EXCHANGES		
Index Name (Country)	**21-07-2014**	**YTD % Change**
Botswana Gaborone Domestic Index (Botswana)	9.200,56	22,51%
Bourse Régionale des Valeurs Mobilières (Ivory Coast)	237,77	42,74%
Case 30 Index (Egypt)	8.482,12	55,28%
FTSE NSE Kenya 15 Index (Kenya)	198,19	57,61%
Morocco Casablanca Stock Exchange CFG 25 (Morocco)	19.091,64	-0,27%
Nigerian Stock Exchange All Share Index (Nigeria)	42.917,79	52,85%
FTSE/JSE Africa All Shares Index (South Africa)	51.445,42	31,07%
Tunindex (Tunisia)	4.675,05	2,08%

Source: Bloomberg and Eaglestone Securities



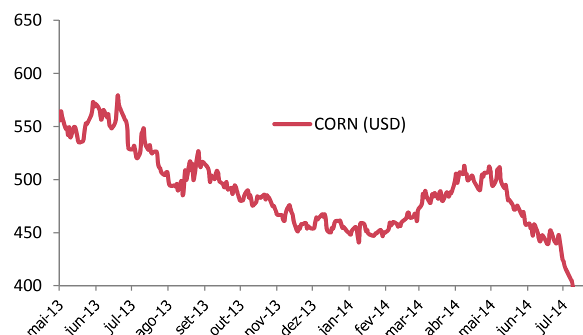
METALS		
	Spot	**YTD % Change**
Gold	1.313	-21,61%
Silver	21	-30,99%
Platinum	1.490	-3,26%
Copper $/mt	6.985	-11,93%

Source: Bloomberg and Eaglestone Securities



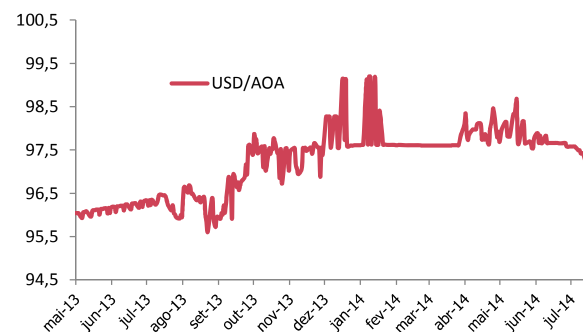
ENERGY		
	Spot	**YTD % Change**
NYMEX WTI Crude (USD/barril)	103,0	10,51%
ICE Brent (USD/barril)	106,9	-1,43%
ICE Gasoil (USD/cents per tonne)	879,0	-4,01%

Source: Bloomberg and Eaglestone Securities



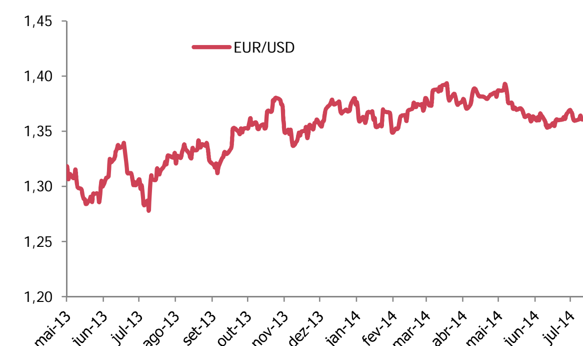
AGRICULTURE		
	Spot	**YTD % Change**
Corn cents/bu.	372,0	-46,88%
Wheat cents/bu.	526,5	-33,16%
Coffee (KC) c/lb	170,6	16,29%
Sugar#11 c/lb	17,2	-13,12%
Cocoa $/mt	3086,0	36,91%
Cotton cents/lb	68,0	-10,43%
Soybeans c/bsh	1070,8	-23,48%

Source: Bloomberg and Eaglestone Securities



CURRENCIES	
	Spot
KWANZAS	
USD	96,960
EUR	131,114
GBP	165,546
ZAR	9,127
BRL	43,567
NEW MOZAMBIQUE METICAL	
USD	31,250
EUR	42,258
GBP	53,355
ZAR	2,941
SOUTH AFRICAN RAND SPOT	
USD	10,624
EUR	14,367
GBP	18,140
BRL	4,774
EUROZONE	
USD	1,35
GBP	0,79
CHF	1,21
JPY	137,06
GBP / USD	1,71

Source: Bloomberg and Eaglestone Securities



UPCOMING EVENTS

AFRICA SINGAPORE Forum 27-28 August
Third edition, this forum is the premier business platform for exchanging business insights and promoting collaboration between Africa and Asia. *www.iesingapore.com/asbf*

2nd Brazil Africa Forum, Infrastructure, partnerships and development 28-29 August 2014 Fortaleza- Ceará
Business opportunities in the following opportunities: Power, agribusiness, construction, transport, water management, funding health ICT, capacity development, PPPartnerships. *www.forumbrasilafrica.com*

Angola International Mining Fair 5ª Edition- 2 to 5 October, Luanda Angola, Organized by the Mining Minister
feiras@fil-angola.co.ao

Private Equity in Emerging Markets | EM PE Week in London
14 October 2014 | Intercontinental Park Lane, London. Organised by The Financial Times and EMPEA
This one-day conference engages industry thought leaders in discussions about the latest developments in the asset class and emerging economies, leveraging the expertise of the Financial Times's global markets coverage and EMPEA's insight into long-term, growth capital investments. Join your industry peers and a host of expert speakers to gain practical insight into some of private equity's most dynamic markets
http://empea.org/events-education/conferences/private-equity-in-emerging-markets-em-pe-week-in-london/

Private Equity in Africa | EM PE Week in London
15 October 2014 | Intercontinental Park Lane, London. Organised by The Financial Times and EMPEA
This leadership summit considers the role that the private equity industry – which has been amongst the most active in responding to Africa's commercial opportunity – can play in harnessing Africa's growth for economic transformation.
http://empea.org/events-education/conferences/private-equity-in-africa-em-pe-week-in-london/

EMPEA Fundraising Masterclass | EM PE Week in London - 16 October 2014
The EMPEA Fundraising Masterclass will return to London on 16 October 2014, bringing our expert faculty of senior DFI representatives and industry experts to arm fund managers with tools and best practices for raising funds for private equity investment in emerging economies.
http://empea.org/events-education/conferences/empea-fundraising-masterclass-em-pe-week-in-london-1/

Angola International Sea, Aquaculture and Fishing Fair - 27 to 30 November at Luanda International Fair (FIL)
Organised in partnership with FIL, companies from more than 16 countries, including the United States, Germany, Brazil and Norway, with "confirmed experience in the fishing and aquaculture sectors," have confirmed their presence.
Over four days the fair will exhibit fishing equipment and materials such as motors, probes and safety devices, as well as sea resources with a view to ensuring access to biological resources and to introduce new techniques and technologies that can be adapted to the fishing process. Angola's coastline is 1,650 kilometres long and until 1972 the country was one of the world's main producers of fish meal. The sector's current activity is based on industrial, semi-industrial and artisanal fishing.

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Disclosures

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

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

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

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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