EAGLESTONE

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In-depth:

Africa Borrowing like it's the 1990s Worries the IMF

- Sub-Saharan African debt level has doubled in the past decade
- AfDB says debt crisis not imminent, but service costs surge

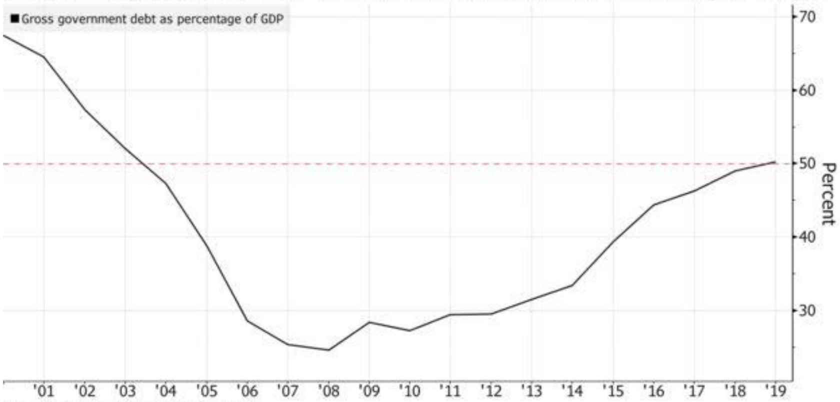
Record commodity prices and low global interest rates have encouraged African countries to borrow like they did in the 1990s, but now some are struggling to pay up as their revenue slows along with economic growth.

Government debt as a percentage of gross domestic product in sub-Saharan Africa has doubled in the past decade, heading back toward the level it reached at the turn of the century. International Monetary Fund Managing Director Kristalina Georgieva said in November this is a cause for concern. Of the 54 countries on the continent, 20 are near or at distressed levels, according to the IMF, which means they face difficulties honoring their obligations.

African governments have raised about $26 billion in international markets this year, from close to $30 billion in 2018, as they took advantage of investors' thirst for returns in a world awash with negative yields. Volatile currencies across the continent increase the risks of borrowing in hard currency and the rising cost of servicing debt could crowd out other expenditure in a region that's home to more than half of the world's poor people.

Surging Debt

The level of government debt in sub-Saharan Africa has doubled in the past decade



Source: International Monetary Fund

"The conditions are ripe for a much higher level of debt distress," Sonja Gibbs, head of sustainable finance at the Institute of International Finance, said by phone. "Whatever triggers the next crisis, when it happens, you are likely to see a high degree of contagion risk because investors have been moving into higher yielding assets."

Further fanning fears of a new crisis is the surge in direct credit from China. The China Africa Research Initiative at Johns Hopkins University estimates that the Asian country's government, banks and contractors handed $143 billion in loans to African states and state-owned companies between 2000 and 2017. Still, Africa is far from a debt crisis, its biggest multilateral lender says. "Some individual countries are getting to higher levels in terms of debt-to-GDP ratios, that's the concern," African Development Bank President Akinwumi Adesina said in an interview. The debt-to-GDP ratio of Africa is still "well within acceptable limits," he said.

Costly Debt

More reliance on commercial bonds has raised debt servicing costs, diverting funds that could be spent on new roads or schools. Nigeria, the continent's top oil producer, spends about the same amount every year on repaying debt as it does on infrastructure. Countries such as South Africa, the continent's most industrialized economy, are raising debt levels and this year had its biggest Eurobond issuance yet to help plug a widening budget deficit.

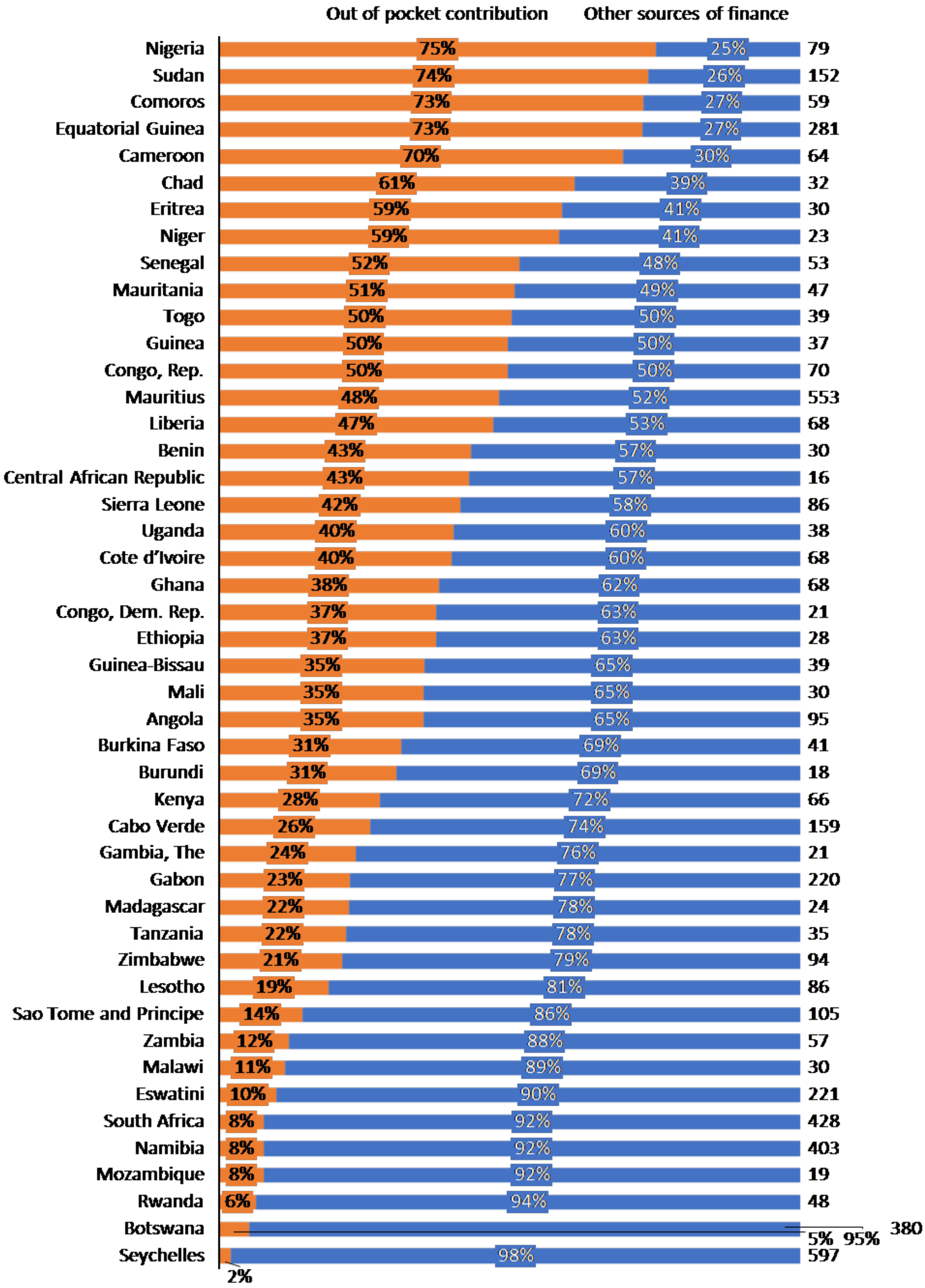
External debt payments now consume an average 13% of African governments' revenue compared with 4.7% in 2010, according to data compiled by the U.K.-based Jubilee Debt Campaign.

Overspending and crashing commodity prices in the 1990s led to a debt crisis that prompted multilateral lenders and rich nations to write off the obligations of dozens of African countries in

2005. This time around a debt pardon may not be that easy. The complex debt structure with opaque terms and mix of different creditors will make any potential restructuring agreement more difficult. "We're concerned that debt relief might now become more complicated," said Jan Friederich, a senior director at Fitch Ratings. "Nowadays there is a greater concern that governments, when they forgive any debts, might not actually help the African countries very much, but might primarily be bailing out the commercial creditors." (By Alonso Soto, Bloomberg)

Only the private sector can help deliver universal healthcare in Africa

No one doubts the impact of achieving universal health coverage (UHC) for both individuals and society at large. Many countries in sub-Saharan Africa (SSA) are currently striving for exactly the greater access to care, dignified standard of treatment and improved health outcomes that UHC could bring. But existing limited budgets from both governments and international donors paired with challenges in implementation capacity mean this cannot be achieved without the private sector.
Though there's no magic number, public budgets below $30 per capita per year in 11 SSA countries and $30-60 per capita per year in another 13 countries are far from sufficient. In most of these countries, private-sector activity already plays a substantial role in healthcare delivery, as the graph below shows (in which out-of-pocket (OOP) healthcare expenditure is used as an – admittedly imperfect – proxy for private sector activity).
The private sector is indispensable to achieving UHC of decent coverage and quality, but its potential is often not fully exploited. Most commonly, it is on the one hand targeted as (co-) funder, either for philanthropic cash contributions or in-kind with goods and services at a subsidized rate. On the other hand, recognizing the sector's ability to deliver efficiently and transparently, many governments' contract private-sector actors to build and operate health facilities on their behalf (e.g., in a PPP structure).
Reaching UHC2030 through conventional means remains, however, ambitious at best. The gap is too big to close through traditional private-sector contributions or efficiency gains. Fundamental rethinking of healthcare is required through private sector-led innovation.
A less commonly thought-of role is that of low-cost, for-profit provision of quality services. This offering focuses on optimizing healthcare value, achieving the lowest possible cost without compromising quality of care and patient experience. Unlike the more common high-end private care provision, low-cost, for-profit care does away with any bells and whistles and innovates service delivery to minimise costs. These initiatives help lessen the burden on the public system by providing an attractive alternative for people who choose to pay out of pocket (OOP).
Traditionally, private provision at the primary healthcare level has been a fragmented set of largely individual providers, varying hugely in quality and providing little connection into a structured healthcare system. Yet recently, business model innovations have given rise to larger and better providers that can be instrumental in achieving UHC across the African continent.
Key levers of innovation include the use of standardization, task-shifting and remote care provision – which are often combined to get a wide reach at high quality and affordable cost. Standardization ensures the best known course of action ("evidence-based care") is taken for every patient, without allowing for (much) deviation based on the opinion of the healthcare professional that treats the patient. Often, AI-enabled decision tools can provide standard knowledge to the professional, leaving him/ her certain discretion for deviations based on the individual case. Task-shifting optimizes the use of scarce human resources, by making sure no healthcare professional performs tasks that a less-qualified person could also do. For example: a doctor doesn't need to take a patient's vitals. Standardization enables providers to take task-shifting a step further.
This is by no means theoretical – many real-life examples exist:
Babyl offers a system of medical triage and clinical consultations in Rwanda using a USSD platform on feature phones, a call centre for remote consultations, and an SMS-based system for issuing digital prescriptions that can be filled at any of around 200 partner pharmacies in Rwanda.



Healthcare expenditure for countries in SSA, split into out-of-pocket and other finance sources (ranked by % of OOP)
Image: WHO Global Health Expenditure database, 2016 data

In close collaboration with the Rwandan government, Babyl is preparing for the next phase of innovation that will be strongly anchored in AI.

U-Care, a South African low-cost primary and occupational care provider, uses task-shifting along with standardization of care with a focus on efficient management, evidence-based care and an operational drive for high utilization. U-Care makes extensive use of clinical associates in first patient contact, with a medical doctor being available for referral and to ensure quality assurance.

Jacaranda Health combines business and clinical innovations to create a fully self-sustaining and scalable chain of maternity clinics in Kenya. Nurses provide all clinical care, while patient care assistants (nurse aides) provide non-clinical care, and community health workers (CHWs) manage home visits and client education. Nurses are also positioned to be healthcare systems leaders and managers. Jacaranda is also working on AI-enabled clinical decision support systems to improve efficiency. Mobile phone-based systems capture and track client data and health trends, and send patients customized health tips and scheduling reminders.

Healthforce is a nurse-centric model in South Africa, combining aspects of face-to-face care and remote care provision to support task-shifting. Healthforce's digital clinic management system empowers nurses to initiate telemedicine consultations between remote doctors and their local patients. Nurses, fulfilling the carer role, perform physical examinations and take vital signs and medical history. They can then connect to doctors immediately, without needing to book. Once connected, the three-way consultations between nurse, patient and doctor are led by the nurses – with the latter as the triage gatekeeper, patients only need pay a nominal fee if the nurse can provide the required care, and a vastly reduced doctor consult fee if one needs to be called into the consultation.

These efforts in innovation can be fostered by private sector or civil society, but need at least the buy-in of governments as enablers, partners, or even purchasers of the product or solution on offer. Getting these models to work, at scale and in a financially sustainable manner, is far from easy. Typical barriers to overcome include:

- Issues around the regulatory environment and protectionist industry associations – in most countries, the legal definition of a "medical consultation" is defined as a doctor physically engaging with a patient and anything different is not permissible. This requires regulatory innovation to enable task-shifting and remote care.
- A lack of appropriate capacity and government procedures for working with non-state actors – be it in procurement, management or joint drive towards innovation. This includes long lead times for development and high upfront investments needed to develop innovative solutions that are at odds with public procurement processes. The long waiting time for public procurement decisions can put emerging companies in jeopardy. Similarly, early-stage innovation whose business model depends on high volumes will need a significant period to reach break-even that might be at odds with shorter public contracts.
- Shortcomings in the education of clinical personnel with regards to innovation and business skills and limited availability of the right calibre of talent in the country of operation.
- Challenges to secure the right type of capital as the innovative business grows and its capital needs evolve. Many innovations struggle to sustain themselves in the transition period from start-up funding to risk capital or other funding sources.
- Lack of collaboration within the private health sector, as some incumbent solutions disrupt existing and profitable (but not inclusive) business models

Low-cost, for-profit private provision is a critical element to support governments and donors to achieve UHC in a sustainable way. However, support is needed to develop, test and scale these innovations. This prerogative is often given to philanthropic institutions. If UHC2030 is to become a reality, we have to go beyond product innovation and also need to innovate in terms of the way different actors in the health system collaborate. (By Pascal Fröhlicher Executive director, U-Care for World Economic Forum)

IMF – WORLD BANK- AFDB

IMF Executive Board Completes the Second Review Under Angola's Extended Arrangement and Approves US$247 Million Disbursement

- Angola's economic program remains on track, despite challenges.
- The Executive Board decision brings total IMF disbursements to Angola to about US$1.48 billion.
- Angola continues to face a deteriorated external environment, which is weighing on the economic outlook.

On December 5, 2019, the Executive Board of the International Monetary Fund (IMF) completed the Second Review of Angola's economic program supported by an extended arrangement under the Extended Fund Facility (EFF). Completion of this review unlocks access to SDR 179 million (about US$247 million), bringing total disbursements under the extended arrangement to SDR 1.073 billion (about US$1.48 billion).

In completing the review the Executive Board also approved the authorities' request for waivers of nonobservance and modification of the performance criteria (PC) on net international reserves and non-accumulation of external debt arrears, an introduction of a new PC on reserve money (ceiling), modifications to three indicative targets (increasing the ceilings on the accumulation of payments arrears and on public debt; and a new indicative ceiling on the issuance of debt guarantees by the Central Government), changes in the timetable of six structural benchmarks (SBs), and five new SBs to underpin fiscal consolidation and transparency, and support financial sector restructuring. Angola's three-year extended arrangement was approved by the IMF Executive Board on December 7, 2018, in the amount of SDR 2.673 billion (about US$3.7 billion at the time of approval), the equivalent of 361 % of Angola's quota (see Press Release No. 18/463). It aims to restore external and fiscal sustainability, improve governance, and diversify the economy to promote sustainable, private sector-led economic growth.

Following the Executive Board discussion of Angola's economic program, Mr. Tao Zhang, Deputy Managing Director and Acting Chair, issued the following statement:

"The Angolan authorities have maintained their commitment to the Fund-supported program despite a challenging external and domestic environment. The authorities' commitment to fiscal consolidation has been illustrated by the outperformance of the end-June 2019 non-oil primary fiscal deficit target by a wide margin. "Sustained fiscal discipline is needed to address debt vulnerabilities. The conservative fiscal stance is expected to continue in 2020. To ensure that gains from fiscal consolidation will be preserved in the medium term and to mitigate the elevated risks to debt sustainability, the authorities need to persevere with measures to mobilize non-oil revenue, strengthen public financial management, improve debt management, and bolster transparency and accountability of state-owned enterprises. "The National Bank of Angola (BNA) took steps to eliminate remaining imbalances in the foreign exchange market and reduced constraints to market-price formation in foreign exchange auctions. The monetary stance has been recalibrated to address excessive depreciation pressures on the kwanza. The BNA should maintain its tight monetary policy stance, and stand ready to tighten further if warranted, in order to support the disinflation process. "Full and timely implementation of banking sector recapitalization and restructuring is essential to address financial sector risks. Asset quality reviews of 13 banks will inform possible recapitalization needs of private banks and of public banks, consistent with available fiscal space. Further amendments are warranted to the BNA and Financial Institutions Laws to enable the authorities to strengthen bank supervision and resolution. "Continued implementation of structural reforms is critical to diversifying the economy and laying the foundations for sustainable, private sector-led economic growth. The Government remains committed to improving the investment environment, strengthening governance, and fighting corruption, including by enhancing AML/CFT legislation."

DEALS & INVESTMENTS

Mozambique: Total shares more business opportunities

The major contractor charged with the construction of the Total-led Mozambique LNG Project's initial two train development, along with five of its major subcontractors, have this week presented themselves to business communities in Maputo and Matola.

The organisations presenting at the seminar were:

– CCSJV – contracted for the overall engineering, procurement and construction of the LNG facility

– IFS – Camp Management
– Garda World – Security Services
– Gabriel Couto – Roads Construction
– I-SOS – Medical Services Provider
– Renco Dorce WBHO Consortium – Camp Construction

Each was asked to present its forward plan for the procurement of goods and services and the required standards. Total's Mozambique Country Chair, and Managing Director of the Mozambique LNG Project, Ronan Bescond says the dissemination of information relating to contracting opportunities with the Project is a core pillar of its local content plan. "We want to make sure that local business have the information they need to bid and succeed". "The Project expects to award contracts of up to $2.5 billion to Mozambican owned or registered companies over the five year construction period. This represents more than one third of our total onshore contract, with the bulk of the rest being spent on highly specialised, technical goods and services that cannot currently be sourced in Mozambique. "We already have a very clear idea of how we will allocate about half of that 2.5 billion commitment, including how we will spend the first $750 million with locally owned companies". "This is great progress as FID was only taken in June which means the vast majority of contracts have not yet been awarded."

About Total in Mozambique

Present in Mozambique for nearly 30 years, Total Moçambique is a major player in the downstream petroleum products market – gas stations network, industrial and mining customers, lubricants and logistics. Total has an estimated market share of 14%.

About Mozambique LNG

The Mozambique LNG project is on track to be the country's first onshore LNG development, initially consisting of two trains with a total nameplate capacity of 12.88 million tonnes per annum (MTPA). (Club of Mozambique)

EU grants 5 million to support transparency

The European Union has granted five million euros for the implementation of Angola's Economic Governance Support Program, with a view to improving budget transparency and the effectiveness of public spending. The project, whose contracting agreement was signed in Luanda between the Angolan Government, the European Union (EU) and the International Monetary Fund (IMF), also provides for a broader and more stable base for the General Budget and create an effective system to combat illicit financial flows. For Angolan Government side the Project contract was signed by Finance Minister Vera Daves, and EU side by Ambassador to Angola, Tomas Ulicny, and the IMF side by the Assistant Consultant to the Department of Tax Affairs, Rui Monteiro. With this program, to be implemented by the IMF - the partner most qualified to provide the necessary assistance and support - the European Union augurs the strengthening of the Angolan Government's performance and commitment to the effectiveness, sustainability and transparency of public finances. To be implemented over a period of three years, the project aims to improve the credibility and effectiveness of public expenditure and investment and budgetary transparency. For the EU ambassador, the objectives fit the measures covered by the reform of public finances in Angola, so it has a "high degree" of ownership by the Ministry of Finance, as well as its ability to prepare projections for public investments and capital expenditures. An identification system, accompanied by fiscal risk management, will also be developed within the project, according to Tomas Ulicny. According to the diplomat, the government's macro-stabilization program (2017-2018) illustrates the commitment to implement ambitious and "extremely" necessary reforms. (Angop)

Poorly drafted projects delay granting of production credit in Angola

Poor preparation of projects presented by some companies that contribute to the Credit Support Programme in Angola is slowing down the process of granting bank credit to develop national production and decrease the import of goods and services, the chief executive of Banco Angolano

de Investment (BAI) said in Luanda. José Castilho, who was speaking during a meeting with businesspeople linked to the agri-livestock sector, also said that compliance requirements, organised accounts and well-drafted projects are the main reasons for the delays in granting bank credit to companies. The CEO said that the bank's instruments for credit analysis, the quality of the information provided in terms of financial statements, the experience of the management team, guarantees, business plan and banking and legal history, are also requirements for access to a loan.
Without mentioning the amounts involved, Castilho said the bank had received more than 30 projects under the Credit Support Programme that are being analysed for possible approval. Castilho stressed that although the programme is focused on small and medium-sized enterprises, many of them still do not have the required level of organisation, though some are already preparing themselves better. He added that the board of the bank wants to avoid repeating the mistakes made in the implementation of the Angola Investe Programme, which had some projects that failed and led to defaults on loans. As part of the Credit Support Programme and the commitments taken on, the BAI has an available fund of 30 billion kwanzas (US$55 million) to finance investors who want to produce the products set out in the Programme to Support Production, Diversification of Exports and Import Substitution (Prodesi). (Macauhub)

Cape Verdean Government revises Tax Benefit Code

The Cape Verdean government will revise the Tax Benefits Code and a bill is due to be considered in parliament this month, Deputy Prime Minister and Finance Minister Olavo Correia said in Praia. The minister, who was speaking at the end of a parliamentary hearing of the Specialised Finance and Budget Committee, for the consideration of the proposed State Budget for 2020, said that there is a part of the bill that is in the Budget law, but that the most structural is part of a package related to amending the Tax Benefits Code. "The state budget is valid for one year, but the tax benefits are valid for five to 10 years, so it makes no sense to be putting the two things together," said Correia, quoted by Inforpress. The minister said that the government's central idea is to ensure the implementation of a moderate and single tax framework and a simplified scheme within a decade. (Macauhub)

Cape Verde identifies seven projects to compete for the 1st National Blue Economy Investment Plan

A group of seven projects have already been identified to take part in or compete for the First National Blue Economy Investment Plan (PNIEA I) in Cabo Verde, including projects for coastal renewal and aquaculture, announced the national coordinator of the Blue Economy Programme. Iolanda Brites said that these seven projects, presented by city councils and the public and private sectors, are in line with the concept and principles of the blue economy to be implemented in Cabo Verde, according to the Inforpress news agency. At the end of a meeting held in Praia, the national coordinator said that the projects must respect three components – social, economic and environmental – since, with a budget, they will be ready to be submitted for funding. The transition process to the blue economy in Cabo Verde is funded by the African Development Bank and is receiving technical assistance from the United Nations Food and Agriculture Organization (FAO).
The Cape Verdean government intends to transition to the blue economy by identifying projects and investments in line with the blue economy principles in which conservation of aquatic and marine ecosystems is paramount, along with sustainable use and management of ocean resources and social inclusion. Brites recalled that the government had approved the unified strategic framework for the blue economy, which sets out the PNIEA development guidelines and the Multiyear Transition Process Support Programme as instruments to facilitate the country's transition to a principles-based sustainable growth model. (Macauhub)

BANKING

Banks

Standard Bank Mozambique launches Africa-China Agent service

The Africa-China Agent is a new service intended to help entrepreneurs from Mozambique to establish contacts and communicate with Chinese suppliers and vendors, as well as manage the process of importing goods and services, said in Maputo, the manager of the Africa-China Banking clients of Standard Bank Moçambique.

Tanuja Viriato said that for the introduction of this new service the bank had a partnership with the Industrial and Commercial Bank of China, which will guarantee the transactions through a letter of credit issued by Standard Bank, which is intended to give importers enough time to receive and sell the goods prior to making the payment. "With this service, we want to eliminate all barriers that our customers and entrepreneurs face today," said Viriato, on the sidelines of the launch ceremony of the new platform, according to the Mozambican press.

The Economic and Commercial Counsellor of the Embassy of the People's Republic of China, Liu Xiaoguang, said that trade relations between the United States and China were very good and beneficial for both countries, and added that with this new service Standard Bank will support Mozambican and Chinese companies to open their businesses and thus open up a world of possibilities for those entities that import goods and services from China.

The diplomat said that the new platform is an opportunity for companies to import, with greater safety and quality, goods produced in China, a country whose trade relationship with Mozambique this year has already exceeded more than US$2 billion. (Macauhub)

Proposal for Mozambique Sovereign Fund due to be completed in 2020

The preparation of a proposal for the creation of a Mozambican sovereign fund financed with revenues from the exploration of natural gas will be completed in 2020, said in Maputo the governor of the Bank of Mozambique. Rogério Zandamela, speaking at the closing session of the central bank's financial year said that the "technical papers for the adoption of a transparent model for the management of revenues from mineral resources," will result in a proposal that will serve as the basis for discussions at a political level and with all stakeholders, including civil society. This step comes after a long period of public debate about the mechanisms for management and saving of funds that have been deposited in the public accounts as part of the exploration of natural resources, particularly minerals and oil and gas. Mozambique has natural gas reserves estimated at around 270 trillion cubic feet, and although the exploration of resources discovered in the Rovuma basin is expected to start in 2022/2023, South African group Sasol has been extracting natural gas in Temane, Pande, and Inhassoro, in Inhambane province, for many years. (macauhub)

Portuguese government sets price of shares to be sold in Cabo Verde bank

The price of the shares and the selection of those interested in the sale of Caixa Geral de Depósitos' stakes in Cabo Verde's Banco Comercial do Atlântico will be set by the Portuguese Secretary of State for Finance, on behalf of the Minister of Finance, according to a statement released in Lisbon.

The Minister of Finance, Mário Centeno, delegated powers to the Deputy Secretary of State and Finance, Ricardo Mourinho Félix, to "set the unit price for the sale of the shares, to select the interested parties that are part of each phase of the process, as well as approve the minutes of the legal instruments," set out in the law, according to the official order. The sale of CGD's stake in Cape Verdean bank BCA was published in Portugal's state bulletin, Diário da República on 27 September by a decree stating that "the disposal of Banco Comercial do Atlântico does not affect the strategy of the international presence of CGD in Cabo Verde, which will continue to be provided through Banco Interatlântico, which was founded following the transformation of the branch of CGD in Cabo Verde into a bank governed by local law."

The decree added that Banco Interatlântico, in which the Portuguese group holds a 71% stake, will remain "unchanged, especially with regard to its function of supporting the internationalisation," of

Portuguese companies. The sale of CGD's operations in Cabo Verde, Spain, South Africa and Brazil was agreed with the European Commission in 2017 as part of the recapitalisation of the public bank. (Macauhub)

Hong Kong group concludes the purchase of 80.1% of Banco de Negócios Internacional (Europa)

Hong Kong's King Wai (KWG) group has acquired an 80.1% stake in Portuguese bank Banco Internacional de Negócios (Europa), a digital banking platform, the South China Morning Post reported recently. The newspaper wrote that the deal had a dual purpose, which was to follow mainland China's interest in deepening the economic and trade relationship with Portuguese-speaking countries and to help Hong Kong residents wishing to move to Europe due to ongoing security concerns in the city.

The group, which did not disclose the cost of this purchase, last October received authorisation from the European Central Bank to acquire an 80% stake in BNI (Europe), which has assets of €500 million and operates in 13 European countries, including Germany and the United Kingdom.

Portuguese weekly newspaper Expresso reported last May that BNI (Europe), of the Angolan group Banco de Negócios Internacional, had recorded "historical" losses, thus requiring more capital, which would be guaranteed by the Hong Kong group. "The authorisation process for the acquisition of a qualified shareholding of Banco BNI Europa's capital stock is in the final stages of consideration by the Bank of Portugal and the European Central Bank, and is expected to be completed by the end of June 2019," said the 2018 report and accounts of BNI Europa, in which the Angolan BNI has a share of 92.988%. The process of disposal of most of the Angolan bank's stake in the Portuguese bank (80.1% was for sale, according to BNI's report and accounts) began in 2017. (Macauhub)

Markets

Angola's Sodiam secures revenue of US$27.85 million with second international diamond auction

Angolan diamond trading company Sodiam secured revenue of US$27.85 million with the sale of five lots of diamonds in an international public auction on 20 November 2004, the company said in a statement. The auction included four lots from Sociedade Mineira do Catoca consisting of two with 127.69 carats each, one made up of seven special stones with a total weight of 210.66 carats and four by two stones with 110.12 carats. Sodiam said in the statement that international companies Venus Jewell and Da Trading bought all the lots at auction, which had attracted 29 companies from five countries, close to the 31 companies that took part in the first auction in January. The first auction, held in January 2019 with 31 companies from eight countries, resulted in an income of approximately US$16.7 million with the sale of a batch of seven rough diamonds. In December 2018 the Angolan government adopted the Technical Regulation on the Marketing of Rough Diamonds, which put an end to the monopoly on the sale of rough diamonds in the country. (Macauhub)

ENERGY

World Bank supports the Cape Verdean government to privatise electricity and eater company

The World Bank will provide technical assistance from this month onward to the Cape Verdean government with a view to the privatisation of state power and water company Electra, announced the Minister of Industry, Trade and Energy in statements made in Praia. Alexandre Monteiro, who was speaking on the sidelines of the hearing at the Parliament's Specialised Committee on Economy, Environment and Land Planning, suggested that the government would privatise Electra during the current term of office, according to Cape Verdean news agency Inforpress. "We are working towards this [privatisation of Electra]," said the minister, adding that the technical assistance provided by the World Bank would indicate not only the strategy but also the schedule of the process. Adding that there is already a baseline study on the privatisation of Electra, Monteiro said that this was a "complex process," and there was concern about electricity production to guarantee the energy transition programme that the country is following. (Macauhub)

Neoen closes finance for 41 MWp project in Metoro, Mozambique
French renewable energy company Neoen today announced financial closure for a 41 MWp photovoiltaic (PV) project in Mozambique. In partnership with Electricidade de Moçambique (EDM), Neoen has started construction on the Central Solar Metoro in the north of Mozambique. Works will continue for around 11 months, employing 370 in the process. Commissioning is planned for end-2020. The investment is estimated at USD 56 million (EUR m), of which USD 40 million were provided by French development agency AFD and its financial arm Proparco. (Renewables Now)

Mozambique: Country wants private operators for rural electricity mini-grids
The Energy Fund in Mozambique (FUNAE) expressed its intention to involve the private sector in the supply of energy, a strategy to make the plans to expand the electricity network in the country more flexible. "What we would like is for Mozambique's Electricity to reach all parts of the country, but Mozambique is vast and sparsely populated. There is a need to find other solutions and, in this context, with small mini-grids, we may have private companies operating," said António Saíde, chairman of FUNAE, at a conference in Maputo.
The government plans to give concessions for the creation, management and commercialisation of energy through mini-grids, mainly in remote areas, as part of legislative reforms that have been carried out in the energy sector since November in Mozambique.
The private sector will be the strategic partner that could accelerate the contribution of the electrification process in the country. Under this plan, the Mozambican government is committed to creating financing conditions to attract energy entrepreneurs to more remote areas of the country. The Mozambican grid has been managed by the Mozambique Electricity Company (EDM) since the country's independence in 1975. It is estimated that 32% of people have access to the electricity grid in Mozambique, a country with about 28 million inhabitants, according to the latest population census (2017). (Lusa)

INFRASTRUCTURE

Mozambique will have coastal freight services from the first quarter of 2020
Cabotage, or coastal freight, services in Mozambique will start in the first quarter of 2020 and will be provided by a company established under a public-private partnership, Transport and Communications Minister Carlos Mesquita said in Maputo.
A memorandum of understanding was signed in March 2018 between the state-owned Mozambican Maritime and River Transport Company (Transmarítima) and Peschaud Mozambique, a subsidiary of the French land, river, lake and maritime logistics group Peschaud et Cie International.
The minister said that the relaunch of coastal freight services in the country aims to diversify modes transport, and should have the immediate impact of reducing the cost of transporting products and, consequently, prices to the end consumer, according to Mozambican daily newspaper Notícias.
In the early 1980s, the government created the Mozambican shipping company Navique, which had a monopoly on cabotage cargo and had a fleet of 21 ships, for a coastline of approximately 2,700 kilometres.
With the end of the civil war in 1992 and the resumption of road traffic, there was a decrease in cargo in Mozambican ports along with a drop in the fleet due to ships being crapped but not replaced. The minister was speaking at the first graduation ceremony of the College of Nautical

Sciences, a higher education institution supervised by the Ministry of Transport and Communications, which trained 115 students in courses such as maritime navigation, maritime law, marine machine engineering, and port economics and management. (Macauhub)

Introduction of tolls on National Road 6 in Mozambique, postponed until 1 January 2020

Toll charges on National Road Number 6, which connects the Mozambican central port city of Beira to Machipanda, on the Zimbabwe border, will be reduced and their entry into force postponed to 1 January 2020, said the Mozambican Roads Fund. From Beira to Machipanda, a 287-kilometre road, three tolls have been set up, ranging from 720 meticais (US$11.10) to 5,410 meticais (US$83.6), depending on the size and class of vehicles. In the case of passenger transport, a car that has travelled along the entire Beira – Machipanda route would have to pay 1,500 meticais (US$23.20), an amount that, according to the daily newspaper O País, would put pressure on the accounts of the hauliers in the central provinces of Sofala and Manica. Representatives of hauliers from the two provinces travelled to Maputo to work with the Road Fund to find a solution to the problem. The president of the Sofala Hauliers Association, Ernâni Silva, who also represented those from Manica, revealed that the meeting was positive and "will benefit both sides." If the postponement was immediately implemented, the new tolls on EN6 will have to be approved by the Council of Ministers, which also approved the initially contested ones. National Road Number 6 acts as a corridor from the port of Beira to neighbouring landlocked countries, which explains the great movement of a variety of cargo trucks, including those loaded with fuel.

Costing US$410 million, financed by the China Export and Import Bank and the Government of Mozambique, the repair and enlargement works began on 1 April 2015, and the contract was awarded to Chinese company Anhui Foreign Economic Construction (Group) Co., Ltd. (Macauhub)

Mozambican government hands over bridge and roads to private management

Management of the Maputo – Catembe Bridge and the Maputo Ring Road and National Road Number Six, between Beira and Machipanda, as well as the respective access roads and other infrastructure, was handed over in a concession to Mozambican road network company Revimo, the Council of Ministers decided. Revimo, a private company founded in September 2018, will manage the three facilities for 20 years starting from the date of the contract is signed, which has yet to be set, said Ana Comoana, spokesperson for the Council of Ministers meeting, quoted by Mozambican state news agency AIM. The Maputo – Catembe Bridge was inaugurated in 2018 and connects the capital of the country to the municipal district of Catembe and the Maputo ring road, inaugurated in mid 2015, is made up of six interlinked roads, and the aim is to improve the flow of traffic in Maputo. National Road Number Six (EN6) connects the port city of Beira in the border town of Machipanda, in the provinces of Sofala and Manica, respectively, as well as to the countries in the southern Africa region, such as Zimbabwe. Comoana said that the concession is covered by the public-private partnerships law approved over seven years ago, aiming essentially, "to ensure efficient management of the roads, with a view to their expansion, operation and regular maintenance." She added that after the end of the concession period the infrastructures will revert to the Mozambican state. The Council of Ministers also approved the return of the management and control of the port of Nacala to state ports and railway company CFM when the current concession contract to the Northern Development Corridor (CDN) ends on 10 January 2020.

The shareholder structure of CDN is made up of Sociedade de Desenvolvimento do Corredor de Nacala, with 51% and CFM, with the remaining 49%. (Macauhub)

United Arab Emirates show interest in participating in public works in Angola

The modernisation of the International 4 de Fevereiro Airport in Luanda, is one of the points included in a memorandum of understanding in the transport sector signed recently in Dubai between Angola and the United Arab Emirates, according to a statement from the Ministry of Transport.

The document also provides for investments in infrastructure that would allow the acceleration of economic activity in the areas of potential growth in private or public businesses. Minister Ricardo d'Abreu took advantage of his trip to visit the Dubai National Air Transport Association (DNATA), where he was received by Adnan Kazim, and vice-president of the airport services company, which offers assistance (ground), handling of loads, travel and catering services for flights on five continents.
The Minister of Transport was also received by the vice president for mergers and acquisitions of the Investment Corporation of Dubai, which acts as a sovereign fund, with whom he discussed the fund's interest in possible funding of airport and port facilities in Angola. This meeting ended with a pledge that the Sovereign Fund would wait to receive the infrastructure projects, intending to participate in the upcoming international tenders, to be launched as part of planned port and airport concessions in the country. Ricardo d'Abreu revealed in June that the refurbishment and expansion of Luanda international airport would begin in 2020 at an estimated cost of US$300 million.
The work, which will take 18 to 24 months, include expanding the terminal, notably the check-in area, accommodation of passengers, waiting rooms, offices for the various airlines, car parking and improving the security perimeter. With this remodelling, according to the Minister of Transport, cited at the time by Angolan news agency Angop, the Airport will have six tunnels passengers to embark and disembark and a capacity of 4 million passengers, comapred with the current 1.5 million. (Macauhub)

Angolan government puts exploration of the multipurpose terminal in the Port of Luanda out to tender

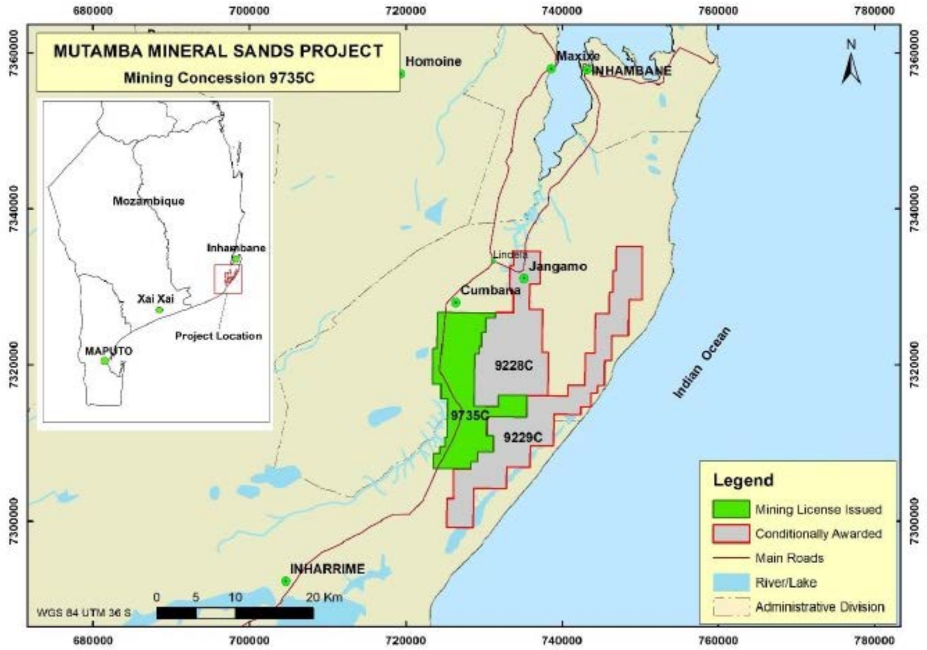
Companies interested in exploring the multipurpose terminal in the Port of Luanda have until 30 March 2020 to submit a proposal to the international public tender launched by the Angolan government on 16 December, according to an official statement. The public tender, the statement said, aims to promote the development and improve the efficiency of port activity in the Angolan capital, through the involvement of private operators with proven experience in the sector. The public tender is targeted at domestic and foreign companies or associations that have proven experience in the port sector or that meet the requirements stipulated in the programme, the specifications and the legislation in force. Companies interested in participating in the tender will be required to have paid-up capital of no less than US$25 million and an average annual turnover in the last 3 years of no less than the equivalent of US$100 million. The Multipurpose Terminal of the Port of Luanda is a port facility for both general cargo and containers, has a 610-metre quay, a depth of 12.5 metres and an area of 181,000 square metres with capacity to handle 2.6 million tonnes of cargo per year. (Macauhub)

MINING

Sociedade Mineira de Catoca reduces contribution to tax revenues in Angola in 2019

Angolan mining company Sociedade Mineira de Catoca is expected this year to contribute US$90 million to tax revenues in Angola, a drop of 58% compared to US$217 million recorded in 2018, according to a statement issued by the company, which is the largest operating in the country's diamond sector. The document issued at the end of the 2nd Extended Board Meeting said that the company's turnover is expected to end the year at nearly US$700 million, which is less than the figure for 2018, but has not been provided in detail. The drop in turnover this year was explained by the company directors as being due to fall in diamond prices on international markets, in the order of 26%, since October 2018. The statement added that the figures achieved are higher than initial forecasts, as the drop in prices was offset by an increase in production. "In addition to the increase of production, there was a considerable reduction of production costs achieved, contrary to natural law, according to which the greater the depth of mine the higher the production costs," said the statement. Sociedade Mineira de Catoca's shareholders are Empresa Nacional de Prospecção, Exploração, Lapidação & Comercialização de Diamantes de Angola (Endiama) and Russian group Alrosa, with equal shares of 41%, with the remaining 18% held by Lev Leviev International Holding B.V. With headquarters in the municipality of Saurimo, province of Lunda Sul, the company is the world's fourth largest diamond producer and the Angolan leader with a market share of 86.3% in volume and 60.3% in value. (Macauhub)

Mining concession issued for the Mutamba heavy mineral sands project, Mozambique



Map of the Mutamba Project Area. [Image: Savannah Resources]

Savannah Resources plc (AIM: SAV, FWB: SAV and SWB: SAV), is pleased to announce that the Minister of Mineral Resources and Energy in Mozambique has issued Mining Licence 9735C ('Licence 9735C' or the 'Concession') to its subsidiary, Matilda Minerals Lda. This new Concession forms a key part of the world-class Mutamba Heavy Mineral Sands Project in Mozambique ('Mutamba' or the 'Project'), over which the Company operates a joint venture with mining major Rio Tinto.

Highlights:

- ***Licence 9735C issued, covering 11,948 hectares ('ha') and valid to April 2044, with the possibility of an additional 25-year extension***
- ***Licence 9735C is part of Mutamba, which contains an Indicated and Inferred Mineral Resource of 4.4Bt, grading 3.9% total heavy minerals***
- ***Licence 9735C is the first of three contiguous concessions to be issued that will result in the full tenement permitting of Mutamba***
- ***The Concession is close to the Port of Inhambane and has a daily air service, a reliable power supply and excellent road connections***

David Archer, Savannah's Chief Executive Officer said: "We are delighted with the issue of the first Concession by the Government of Mozambique, and now look forward to the issue of the remaining two mining licences, 9229CC and 9228C. When combined, these three concessions contain an Indicated and Inferred Mineral Resource of 4.4Bt at 3.9% total heavy minerals; this makes Mutamba one of the most attractive undeveloped mineral sands deposits in the world. Notably, given that global demand for titanium feedstocks is strong, the award of these licences will facilitate the development of a globally relevant project.

"Our focus is now on progressing the Pre-Feasibility Study ('PFS') at Mutamba towards completion, which, upon delivery, will trigger the increase in our interest in the Project from 20% to 35%. I look forward to updating our shareholders with further developments in due course."

Further Information

Savannah is the operator of Mutamba, which is held in joint venture with Rio Tinto. Savannah currently holds a 20% interest in the Project but can increase this to 35% upon delivery of the PFS, which is currently underway, and ultimately to 51% upon delivery of a Feasibility Study (‘FS’).

The Project contains an Indicated and Inferred Mineral Resource of 4.4Bt, grading 3.9% total heavy minerals. It consists of four concessions, including Licence 9735C, which has now been issued with a mining licence valid to April 2044 with the possibility of an additional 25-year extension. See Table 1 for a full status on the Mining Licence/Application Details of all four concessions.

The mining concessions are well served by road and air transport and are situated near the Port of Inhambane. A 30MVA electricity substation was inaugurated in January 2019 and sits at the edge of the Project area. In addition, there is a 32MVA electricity substation less than 100km away in the town of Massinga.

Table 1. Mining Licence / Application Details

Mining Concession Number	Mining Concession Name	Area in Hectares	Area in Sq. Kilometres – km2	Expiry Date	Status
9735C	Jangamo Matilda	11,948	119.48	09/04/2044	Licence Issued
9228C	Jangamo Rio	11,807	118.07	03/09/2044	Conditionally Awarded
9229C	Dongane	16,126	161.26	06/05/2044	Conditionally Awarded
9230C	Chilubane	13,797	137.97	-	Under Consideration

Competent Person and Regulatory Information

The information in this announcement that relates to exploration results is based upon information compiled by Mr. Dale Ferguson, Technical Director of Savannah Resources Limited. Mr. Ferguson is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr. Ferguson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014. (Club of Mozambique)

New Mozambican ruby auction raises US$71.5 million

The 13th auction of rubies extracted in Mozambique that Montepuez Ruby Mining has conducted since 2014 provided revenues of US$71.5 million, said the company in a statement issued in Maputo. “Of the 104 available lots, 91 were sold,” (87.5%), said the statement from MRM, a company that is 75% owned by Gemfields, with headquarters in Guernsey and the remaining 25% by Mozambican company Mwiriti Limitada. The auction took place between 10 and 14 December in Singapore, and was attended by some 53 companies. MRM is the main company involved in mining rubies in Mozambique, with a concession covering around 33,000 in Montepuez in Cabo Delgado province. The 13 auctions held so far have provided accumulated revenues of US$584.1 million. (Macauhub)

OIL & GAS

Angola aims to produce 1.436 million barrels of oil per day in 2020

Angola expects to produce 1.436 million barrels of oil per day in 2020, against the current 1.39 million barrels per day, said in Luanda the Minister of Oil and Mineral Resources, Diamantino Azevedo.

The minister, speaking to the Angop news agency about the 177th OPEC ministers meeting, which was held, also said that keeping prices at levels that satisfy both producers and consumers is possible through the efforts made by OPEC member countries and non-OPEC countries.

At its 175th meeting, held in December 2018, OPEC decided on a cut of 1.2 million barrels per day, with cuts of 800,000 barrels for OPEC countries and 400,000 barrels for non-OPEC countries.

On that occasion, Angola's quota was set at 1.481 million barrels per day, but the country is currently producing approximately 1.390 million barrels per day.

The OPEC monthly oil market report for November said that in October Angola produced between 1.356 and 1.391 million barrels per day, according to secondary sources and direct communication, respectively.

Minister Diamantino Azevedo said that Angola advocates for the cuts decided by OPEC in 2018 to remain in place, claiming that their continuity will benefit the Angolan economy and others as it raises prices and provides more foreign exchange earnings. (Macauhub)

Angola's Sonangol revokes contract with United Shine consortium to build Cabinda Refinery

Angolan state oil and fuel company Sonangol has cancelled its contract with the United Shine consortium for the construction of the Cabinda Refinery due to non-compliance with the agreed actions, the state company said in a statement issued in Luanda.

On 4 June Sonangol and United Shine signed a partnership agreement for the construction of a high conversion oil refinery in Cabinda province, during the opening of the Africa Oil and Gas Conference, which took place in the Talatona Convention Centre.

The choice of United Shine was based on a tender launched by Sonangol in 2017 to build a refinery that is expected to have a processing capacity of 60,000 barrels of oil per day for the production of derivatives such as diesel, gasoline, fuel oil and Jet A1.

The statement now issued said that Sonangol was forced last October to terminate the contract following a failure to comply with the agreed actions and the fact that the financing or guarantees had not been effectively, unconditionally and concretely secured to build the refinery.

Sonangol also noted a deficiency in the corporate capitalisation of the consortium that would demonstrate financial robustness at an equity level to ensure project implementation and that it also showed no ability to prepare or carry out core activities within the agreed period (24 months).

The failure to submit additional technical, commercial and financial studies to support the project's completion within the deadline and documentation for the approval of the private investment project under Angolan law were other shortcomings detected, according to a statement from Sonangol.

In view of the above, Sonangol contacted other potential investors. On 30 October 2019, it signed a memorandum of understanding with Gemcorp Capital LLP for the financing and execution of the project, guaranteeing its execution within the established deadlines, with secured funding.

The statement added that Sonangol holds a 10% stake in the new company's share capital. (Macauhub)

Government restricts new gas stations in provincial capitals and four main roads in Mozambique

Faced with failure in its goal of building 91 new gas stations in Mozambique, the government has instead decided to restrict the construction of new "service stations" in the provincial capitals and on the country's four main roads.

One of the priority actions of Filipe Nyusi's first term five-year plan was to "expand the construction of liquid fuel filling stations under the geographic incentive". The goal was to build at least 91 new service stations in the districts in five years, a goal carried over from the previous five-year period, in which Armando Guebuza failed to ensure that 128 districts had at least one gas station.

To fulfil its electoral promise, the government in 2012 established, among the various licensing requirements, the payment of a "geographic incentive" fee of 1.5 million meticais for each new gas station in the cities of Maputo, Matola, Beira, Nampula and on National Road No. 4.

Those who invested in other cities or districts without gas stations, or in places more than 50 kilometres from an existing gas station or in other rural areas of Mozambique would be exempt from paying the fee. But still investors were not attracted to investing in "the real" Mozambique.

@Verdade learned from the Balance Sheets of the Economic and Social Plans that, from 2015 until the end of the first half of 2019, only 23 new service stations were built in the districts, in stark contrast with their proliferation in the provincial capitals, and particularly in the cities of Maputo and Matola.

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b) 30% para entidade licenciadora;

c) 30% para a distribuição equitativa pelos peritos que integrarem a equipa de vistoria às instalações.

ARTIGO 29

(Incentivo geográfico)

1. A taxa de incentivo geográfico é devida no acto da vistoria, para efeitos do registo das instalações e equipamentos petrolíferos em qualquer posto de abastecimento de combustíveis localizada na zona A, excepto quando se tratar da renovação do respectivo registo.

2. O valor da taxa de incentivo geográfico é estabelecido no anexo II do presente decreto.

3. Para além dos valores obtidos em conformidade com o número anterior, constituem ainda receitas para o incentivo geográfico o montante correspondente a 5% da Taxa Sobre os Combustíveis (TSC) incidente sobre o gasóleo e a gasolina.

4. A taxa de incentivo geográfico não é devida nas seguintes situações:

a) Quando o titular da instalação tenha um número de registos de postos de abastecimento localizados nas zonas B e C igual ou superior ao número de registos de postos de abastecimento localizados na zona A; e

b) Quando o titular instale, em simultâneo, um posto de abastecimento nas zonas A e C.

5. Para efeitos de aplicação do número anterior entende-se por:

a) Zona A:

i. As circunscrições territoriais das Cidades de Maputo, Matola, Beira, Nampula, Tete, Pemba, Nacala, Chimoio, Inhambane, Xai-Xai, Lichinga e Quelimane;

ii. As faixas ao longo das estradas nacionais número 1, número 4, número 6 e Estrada Circular de Maputo, até 500 metros do eixo das mesmas.

b) Zona B:

i. Todas as circunscrições territoriais das cidades não incluídas no ponto *i*), da alínea *a*) do presente artigo;

ii. Todas as sedes distritais com postos de abastecimento de combustíveis em funcionamento.

c) Zona C:

i. As áreas localizadas em distritos sem postos de abastecimentos de combustíveis ou em locais que distem a mais de 25 km de um posto de abastecimento de combustíveis operacional;

ii. Locais com postos de abastecimentos de combustíveis que distem a menos de 25 km com dificuldades de acesso ou transitabilidade para os mesmos.

d) Outras áreas a serem estabelecidas por Diploma Ministerial do Ministro que superintende a área de Energia, o qual pode ser alterado uma vez por ano, entrando em vigor 90 dias após a sua publicação.

ARTIGO 30

(Incentivo à expansão das infra-estruturas logísticas nacionais)

1. As receitas destinadas ao incentivo à expansão das infra-estruturas logísticas nacionais, provém da rúbrica de custo de infra-estruturas estabelecida pela estrutura de preços.

2. O custo de infra-estruturas destina-se a apoiar à expansão das infra-estruturas logísticas de média e grande dimensão pelo país, com vista a aumentar a segurança energética, reduzir custos logísticas de distribuição, aumentar a disponibilidade e apoiar a criação dos preços unificados de produtos petrolíferos, assegurando a competitividade do país como corredor logístico para o *iterland*.

3. Os projectos de investimento elegíveis para este apoio são os que envolvem:

a) Construção de infra-estruturas petrolíferas nos terminais de distribuição, desde que pelo menos 60% da capacidade da infra-estrutura a ser construída, seja usada para distribuição em território nacional;

b) Construção de instalações de armazenagem GPL ou de terminais de recepção de GPL, localizadas ou ligadas aos terminais de distribuição de Maputo, Beira, Nacala e Pemba ou em outras áreas que sejam definidas por Diploma Ministerial do Ministro que superintende na área de Energia;

c) Construção de postos de abastecimento de GNV.

4. Os apoios financeiros a conceder ao tipo de projectos indicados no número anterior do presente artigo, revestem a forma de incentivos monetários não reembolsáveis.

5. Será dada preferência aos projectos com a participação da empresa nacional de distribuição de combustíveis, desde que esta detenha 50% ou mais no projecto.

6. O Mecanismo de incentivo à expansão de infra-estruturas deve ser definido por Diploma Ministerial conjunto dos Ministros que superintendem as áreas de Energia e Finanças.

7. O valor destinado à expansão de infra-estruturas deve ser colectado pelas empresas titulares de licença de distribuição e canalizado mensalmente ao Estado.

ARTIGO 31

(Expansão do acesso a combustíveis líquidos e gás natural veicular)

1. O incentivo geográfico destina-se a apoiar a expansão geográfica do acesso a combustíveis líquidos e gás natural veicular.

2. Os projectos de investimento elegíveis para este apoio financeiro são os que envolvem:

a) A construção de postos de abastecimento de combustíveis na zona C, desde que não exista nenhum posto de abastecimento operacional num raio de 25 km do local previsto, sem prejuízo do disposto na alínea *d*) do número 5 do artigo 29 do presente regulamento;

b) A reabilitação das infra-estruturas referidas na alínea *a*), que estejam inoperacionais no momento da recepção da candidatura do requerente para financiamento respectivo;

c) A construção de postos de abastecimento de combustíveis na zona "C" desde que não exista nenhum posto de abastecimento de combustível operacional;

d) A construção de postos de abastecimento de gás natural comprimido (GNC), em regiões do país onde se verifique a sua viabilidade ou a implantação de unidades de abastecimento de GNC em postos de abastecimento de combustíveis existentes.

3. Os apoios financeiros a conceder ao tipo de projectos indicados nas alíneas *a*), *b*), *c*) e *d*) revestem a forma de incentivos monetários não reembolsáveis.

4. Os apoios financeiros a conceder ao tipo de projectos indicados na alínea *e*) provém de dotação orçamental e revertem a forma de incentivos financeiros não reembolsáveis, devendo contribuir para o apoio até ao máximo de 80% do custo total

In order to halt the proliferation of gas stations in cities, the government in late October revised the Petroleum Products Regulation, raising the geographic incentive to 6 million meticais and extending the circumstances under which it must be paid.
In addition to Maputo, Matola, Beira, Nampula and National Road No. 4, the geographic incentive fee must also now be paid for new service stations in Tete, Pemba, Nacala, Chimoio, Inhambane, Xai-Xai, Lichinga and Quelimane, and also those built within 500 metres of National Roads No.1, No.6 and the Maputo Ring Road.
The 50 kilometre exclusion radius from an operational filling station has also been reduced to 25 kilometres, while @Verdade also found that the cost of a retail license to operate a filling station has been increased from 30,000 to 100,000 meticais. (Club of Mozambique)

Subsidiary of Indonesian group starts oil exploration in Mozambique

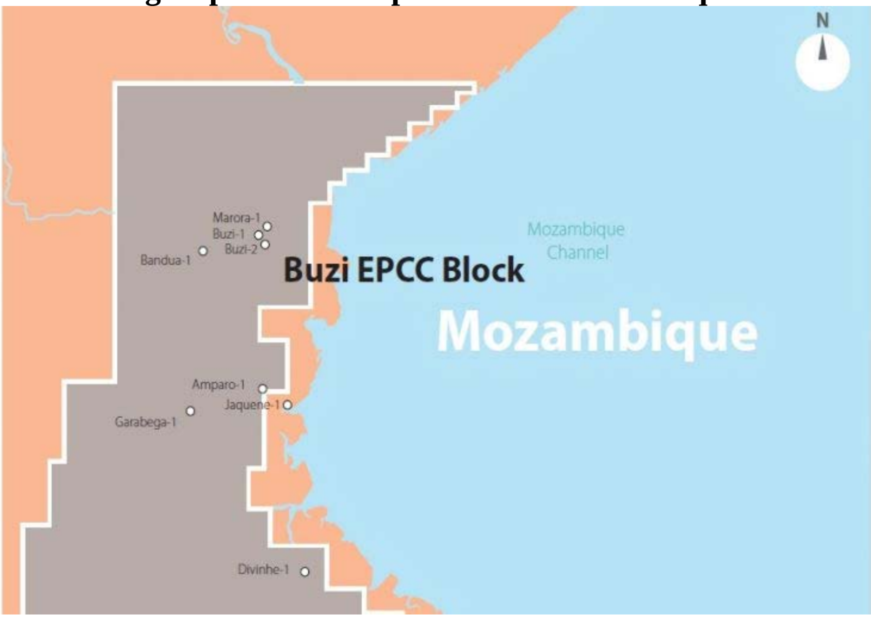

Image: www.emp.id

Buzi Hydrocarbons Pte Ltd. in the next few days is scheduled to start onshore drilling for oil and gas in the Búzi block, in central Mozambique, in partnership with state oil and gas company Empresa Nacional de HIdrocarbonetos (ENH), said the president of the National Oil Institute (INP). Carlos Zacarias told daily newspaper Notícias, that the Búzi block is located in the Mozambique sedimentary basin, which is so far one of the least explored regions of the country in terms of oil and gas potential.The only commercial exploration of natural gas in the Mozambique sedimentary basin is carried out by South Africa's Sasol, in Pande and Temane, Inhambane province, which exports most of the gas it produces to South Africa.The president of the INP also said that the first stage involves onshore test drilling, with the possibility of drilling a second test well, and added that all the necessary equipment was already in place. The Búzi block has already been the target of surveys in the past that culminated with the discovery of natural gas reserves in the 1960s but the amount found was considered insufficient for viable commercial exploration. Buzi Hydrocarbons Pte Ltd. is a subsidiary of the Energi Mega Persada Tbk PT of Indonesia [EMP] and has a 75% stake in the Búzi block's rights. The remaining 25% of the stake in BUZI EPCC is owned by Empressa Nacional de Hidrocarbonetos [ENH]. (Club of Mozambique)

TELECOM – TECHNOLOGY

Public Tender for fourth telecoms operator of Angola has a new deadline

The deadline for submission of applications to the fourth global telecommunications license in Angola has been further extended to 22 January, according to a statement published in Luanda in state newspaper Jornal de Angola.

The first postponement was on 2 November, when the Angolan Communications Institute (Inacom), the entity responsible for the tender, stated the need to "provide greater flexibility" to the initial deadline, on 8 December.

In the latest statement, Inacom once again mentioned the need to "provide greater flexibility for the presentation of applications," to ensure that the interested entities can prepare the procedures properly.

The result of the previous tender was cancelled by a decision of João Lourenço, the President of the Republic, in April, arguing that the successful company, Angola's Telstar, had not submitted its balance sheet and financial statements for the last three years, "as required by the tender document."

The new tender to award the fourth Unified Global License for public service communications was launched by the Angolan government in October 2019.

Angola currently has three companies that provide telecommunications services, Unitel, with a market share of 80%, Movicel, with the remaining 20% and Angola Telecom, whose position is practically zero, and a portion of 45% of the latter is earmarked for privatisation. (Macauhub)

Angola has 14 million mobile telephony users

Angola currently has over 14 million users of mobile telephony and approximately 7 million subscribers of the Internet access service, said in Luanda, the president of the Angolan Communications Institute (Inacom). The figures were provided by Leonel Augusto during a meeting between the Angolan communications regulator and operators of electronic communications and postal services in the country, which took place in Luanda. "We already have a high rate of coverage, which is not the one we want yet, and we have to continue to improve it with new investments," said the president of Inacom, noting that the population of Angola is currently estimated at 28 million people. Augusto recalled that the applications submitted for the international public tender for the fourth telecommunications operator in Angola will be disclosed on 22 January 2020 by the Ministry of Telecommunications and Information Technologies. The president of Inacom also said that from the first quarter of 2020 interested parties may request the respective licenses for multi-services, through SEPE, the Angolan government's portal for electronic public services. This document allows the operator to provide a variety of services including fixed and mobile telephony, Internet service, pay-TV and cable channels. Angola currently has three companies that provide telecommunications services, Unitel, with a market share of 80%, Movicel, with the remaining 20% and Angola Telecom, whose position is practically zero, and a portion of 45% of the latter is earmarked for privatisation. (Macauhub)

MTN South Africa's mobile money service to go live in Jan 2020

MTN's mobile money service will go live in January in South Africa, allowing customers to send, receive, save money and pay for goods using their mobile phones, the mobile operator said on Wednesday 18th December.

Last year group Chief Executive Officer Rob Shuter told a telecoms conference in Cape Town that the company would relaunch mobile money services in South Africa, three years after canning the service. Shuter, who has experience in banking, is in the middle of a strategic revamp of Africa's biggest telecoms group to hunt for returns in everything from financial services, music and video games. "The introduction of this mobile money service is a pivotal step in MTN's strategy and represents MTN's participation in the next phase of increasing convergence we are seeing between financial services and mobile technology," MTN South Africa CEO Godfrey Motsa said in a statement. The service, called MoMo, will run on the Ericsson Converged Wallet. During the initial phase it will be available to MTN customers and offer basic services such as sending money to any mobile phone number in the country, buying prepaid services like electricity and paying for purchases at selected till points, the firm said.

MTN will kick off the service in a country where about 11 million South Africans remain unbanked, while 50% of the adult population remains thinly served, according to MTN South

Africa Chief Officer of Mobile Financial Services, Felix Kamenga. “MoMo aims to bridge this gap with this innovative mobile money offering, providing a payments solution that encourages financial inclusion,” he added. The announcement comes months after a subsidiary of MTN Nigeria was granted a “full super agent” licence by the Central Bank of Nigeria that would allow it to provide financial services. (By Nqobile Dludla, Reuters)

AGRIBUSINESS

Mozambique: Decline in exports of fisheries produce

Mozambique’s exports of fisheries produce suffered a significant decline in the first nine months of this year, according to statistics from the Ministry of the Sea, Inland Waters and Fisheries, published by the Maputo daily ”Noticias”.

Between January and September 10,100 tonnes of fisheries produce was exported, which was a decline of 16 per cent in comparison with the same period in 2018, and only 68 per cent of the target set for the first nine months. These exports earned the country 46.2 million US dollars – which is only 54 per cent of the target figure of 85.5 million dollars, and a decline of 23 per cent on the sum earned in the January-September 2018 period.

The main declines were in the prawn fisheries. There were significantly reduced catches of both surface water and deep water prawns – a sure sign that these resources have been overfished. The catch of cephalopods (such as squid and octopus) also declined.

Exports of kapenta (Lake Tanganyika sardine) also fell, but the Ministry said this was due to reduced demand in the traditional markets. Kapenta is fished on Cahora Bassa lake, in Tete province, and is normally exported to neighbouring countries such as Zimbabwe and Zambia.

There were increases in the catches of salt water fish, and of crayfish, but this did not compensate for the decline in the other fisheries. (Club of Mozambique)

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